of subscription television before the Commission urged that test demonstrations are not necessary or useful, because no trial on a limited basis can disclose the ultimate effects of pay television. I believe that the true character of the proposed trials stands thus revealed. In the guise of a search for the true public interest, the tests will merely provide a demonstration of the profitability of subscription television. Once that has been established, the fat will be in the fire. By indirection, without a hearing, and without Congressional approval, the Commission will have taken the very step it now says it is too early to evaluate. Later hearings will merely reflect the new set of conditions which the tests have ushered in. They will disclose that a highly profitable technique has been inaugurated under FCC approval, and a new concept of the public interest will have been fashioned, as the result of the Commission's ostensible inquiry.

In the light of these developments, Congress should act promptly to clarify its intention. I repeat that authority of the FCC to institute pay television broadcasting on channels used by free television is extremely dubious, but I am confident that the Commission will refrain from taking any final action, in authorizing the proposed tests, long enough to enable Congress to act.

The question has been raised, and I want to make it clear once more, that the objective of my bill is to prohibit the use of the spectrum for restricted broadcasting. It is true that some, but by no means all, of the problems that I have raised apply also to so-called closed circuit or wire toll television, such as has been tested in Oklahoma, with results that are none too sanguine. The principal difference, of course, is that closed circuit transmission does not involve the radio frequency channels, but utilizes point-to-point communication by wire. Hence it does not involve the withdrawal of any part of the airwaves, or of broadcast stations from the free broadcasting service.

The need for Federal regulation of closed circuit TV has not yet been demonstrated, but it is entirely possible that such need will arise. The time may come when it will be neither feasible nor fair to subject on-the-air television to express Federal regulation, while exempting the closed circuit. Should that time come, the reach of the Commerce clause amply empowers Congress to provide needed regulation.

Meanwhile, I urge that Congress promptly clarify its purpose that the precious television spectrum shall not be withdrawn from service of all the people. I trust that Congressional power will always be used to the full extent necessary to assure the public of the fullest enjoyment of its natural resources.

SENATE

THURSDAY, JANUARY 9, 1958

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

Our Father, God, by whose good providence we are the sharers of the rich and costly privileges which are our heritage in this dear land where shines freedom's holy light: Climbing the world's great altar stairs which slope through darkness up to Thee, out of the depths of our need of a wisdom greater than our own, we beseech, lead Kindly Light, lead Thou us on.

Endue with the spirit of understanding all to whom in these baffling days is entrusted the responsibility of government, as the watchmen upon the ramparts survey with faith and hope the state of the Nation and of the world. As with moral wrath we see vile treacheries which today foul the earth, give us that personal integrity, a pure heart and clean hands, which will make us fit to be the defenders of the high things which dignify and glorify the lives of all Thy children. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 7, 1958, was dispensed with.

ATTENDANCE OF SENATORS

CLIFFORD P. CASE, a Senator from the State of New Jersey; ROBERT S. KERR, a Senator from the State of Oklahoma; and THRUSTON B. MORTON, a Senator from the State of Kentucky, appeared in their seats today.

NOTIFICATION TO THE PRESIDENT

Mr. JOHNSON of Texas and Mr. KNOWLAND advanced in the center aisle; and Mr. JOHNSON of Texas said: Mr. President, the committee appointed on the part of the Senate, to join with a similar committee on the part of the House, to notify the President that a quorum was present and that we were prepared to receive any messages from him, has communicated with the President; and the President has informed us that he will appear before a joint session today. Therefore, I should like to inform Senators that it is expected that the Senate will proceed to the Hall of the House of Representatives for such joint session at 12:10 p. m. The President will address the joint session at 12:30.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, informed the Senate that a quorum of the House of Representatives had assembled.

The message also informed the Senate that a committee of three members had been appointed by the Speaker on the part of the House of Representatives to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House had assembled and that Congress was ready to receive any communication he might be pleased to make.

The message communicated to the Senate the intelligence of the death of Hon. Jere Cooper, late a Representative from the State of Tennessee, and transmitted the resolutions of the House thereon.

The message also communicated to the Senate the intelligence of the death of Hon. Henderson L. Lanham, late a Representative from the State of Georgia, and transmitted the resolutions of the House thereon.

The message further communicated to the Senate the intelligence of the death of Hon. Augustine B. Kelley, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

The message announced that the House had agreed to a concurrent resolution (H. Con. Res. 231) providing for a joint session of Congress on Thursday, January 9, 1958, in which it requested the concurrence of the Senate.

JOINT SESSION OF THE TWO HOUSES

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate House Concurrent Resolution 231, providing for a joint session; and when that is done, I request immediate action upon it.

The VICE PRESIDENT laid before the Senate the concurrent resolution (H. Con. Res. 231), which was read, as follows

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Thursday, January 9, 1958, at 12:30 o'clock postmeridian, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

MEETING OF THE PREPAREDNESS INVESTIGATING SUBCOMMITTEE DURING THE SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Preparedness Investigating Subcommittee of the Committee on Armed Services was authorized to meet today, during the session of the Senate.

NOTICE OF MEETING OF COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. ELLENDER. Mr. President, I wish to announce that on Friday, January 17, and probably Saturday, January 18, if necessary, the Committee on Agriculture and Forestry will meet in special session in order to hear the Secretary of Agriculture, Mr. Ezra Taft Benson. I make this announcement after consulting with members of the committee.

SENATE SESSION FOLLOWING THE JOINT SESSION—CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that at the conclusion of the joint session, the Senate will return to its Chamber and will resume business; and there will be a

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

morning hour, for the introduction of bills, the presentation of petitions and memorials, and the transaction of other business, including any statements which Senators may desire to make.

Mr. PRESIDENT, I now suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Fulbright	McNamara
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barrett	Green	Morton
Beall	Hayden	Mundt
Bennett	Hennings	Murray
Bible	Hickenlooper	Pastore
Bricker	Hill	Payne
Bush	Holland	Potter
Butler	Hruska	Proxmire
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.	Scott
Church	Kefauver	Smathers
Clark	Kennedy	Smith, Maine
Cooper	Kerr	Smith, N. J.
Cotton	Knowland	Sparkman
Curtis	Kuchel	Stennis
Dirksen	Langer	Symington
Douglas	Lausche	Talmadge
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Wiley
Ervin	Mansfield	Williams
Flanders	Martin, Iowa	Yarborough
Frear	McClellan	Young

Mr. MANSFIELD. I announce that the Senator from West Virginia [Mr. NEELY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Pennsylvania [Mr. MARTIN] are absent because of illness.

The Senator from Utah [Mr. WATKINS] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

PROCEDURE DURING THE MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, for the information of Senators, I should like to observe that normally it is customary for the Presiding Officer to recognize the majority leader and then the minority leader. When the Senate returns to its Chamber, for the introduction of bills and the making of statements, I believe that the Members of the Senate realize that it would be fair to all Members if the Presiding Officer would recognize one Member from the majority, and then one from the minority, and alternate between them, for the purpose of recognizing Senators who wish to introduce bills. I do not wish to be presumptuous, but I do wish to suggest a procedure that would be agreeable to the majority and the minority leaders. If it is agreeable to the Vice President, Senators should be on notice—so they will understand—that that is the procedure to be followed.

The VICE PRESIDENT. That is the procedure which will be followed by the Chair.

JOINT SESSION OF THE TWO HOUSES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate now proceed to the Hall of the House of Representatives, to assemble in joint session to hear the message of the President of the United States.

The motion was agreed to; and (at 12 o'clock and 10 minutes p. m.) the Senate, preceded by the Secretary (Felton M. Johnston), the Sergeant at Arms (Joseph C. Duke), the Vice President, and the President pro tempore, proceeded to the Hall of the House of Representatives for the purpose of attending the joint session to hear the address to be delivered by the President of the United States of America.

(For the address delivered by the President, see House proceedings in today's CONGRESSIONAL RECORD.)

LEGISLATIVE SESSION

The joint session of the two Houses having been dissolved, the Senate returned to its Chamber at 1 o'clock and 31 minutes, p. m., and was called to order by the Vice President.

APPOINTMENTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Under authority of the order of the Senate of August 30, 1957,

The VICE PRESIDENT, subsequent to the sine die adjournment, made appointments to the following commissions, conference, and association, authorized by law or resolution of the Senate:

To the Civil War Centennial Commission, created by the act of September 7, 1957: Mr. ANDERSON; Mr. O'MAHONEY; Mr. BRICKER; and Mr. MARTIN of Pennsylvania.

To the United States group of the Third North Atlantic Treaty Organization Parliamentary Conference in Paris, created by the act of July 11, 1956: Mr. GREEN, chairman; Mr. SALTONSTALL, Mr. KEFAUVER, Mr. KUCHEL, Mr. JACKSON, Mr. HRUSKA, and Mr. JAVITS.

To attend the general meeting of the Commonwealth Parliamentary Association in New Delhi, India, in December 1957, pursuant to Senate Resolution 177, agreed to August 26, 1957: Mr. MORSE, chairman; Mr. CARLSON, and Mr. MORTON.

To the Lincoln Sesquicentennial Commission, established by the act of September 2, 1957: Mr. JENNER, Mr. DOUGLAS, Mr. DIRKSEN, Mr. COOPER, Mr. CHURCH, and Mr. YARBOROUGH.

Pursuant to the authority for appointment granted in House Concurrent Resolution 172, Mr. NEELY, as chairman of the Committee on the District of Columbia, notified the Secretary of the Senate that he had appointed Mr. BIBLE, Mr. MORSE, and Mr. BEALL as members on the part of the Senate of the joint Congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area.

ADDITIONAL REPORT OF A COMMITTEE SUBMITTED SUBSEQUENT TO SINE DIE ADJOURNMENT

Under authority of the order of the Senate of August 20, 1957,

Mr. SMATHERS, from the Select Committee on Small Business, submitted a report (No. 1170) on small-business participation in Government procurement, 1957, entitled "Government Procurement Policies," on December 30, 1957, which was printed.

REPORT OF HOUSING AND HOME FINANCE AGENCY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of section 802 (a) of the Housing Act of 1954, I transmit herewith for the information of the Congress the 10th Annual Report of the Housing and Home Finance Agency covering housing activities for the calendar year 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *October 25, 1957.*

REPORT ON OPERATIONS OF MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am transmitting herewith the 12th Semiannual Report on the Operations of the Mutual Security Program for the period January 1 through June 30, 1957.

During this time we have seen repeated evidence of the need for, and the results attained from, each of the major elements of our Free World partnership for mutual security. Through our contribution toward strong defense, we help make military attack less likely. Through programs of economic development and technical cooperation, we help the people in less developed areas of the free world to improve their living standards. Through emergency programs, undertaken to relieve human misery resulting from disaster, we live up to the best in our heritage of concern for our fellowman.

The mutual security program carried out in concert with other free nations, remains a vital and proven instrument for advancing the security and economic progress both of our own Nation and of our partners in the Free World.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *October 23, 1957.*

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon on Monday next.

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

LEGISLATIVE PROGRAM FOR THE REMAINDER OF THE DAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the business of the Senate for the remainder of today be confined to the transaction of routine business.

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

Mr. JOHNSON of Texas. I may say by way of explanation that this means that the unfinished business will not be laid before the Senate at 2 o'clock. Therefore Senators may proceed with the transaction of routine business, such as the introduction of bills and the making of statements.

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

BIRTHDAY CONGRATULATIONS TO THE VICE PRESIDENT AND REPRESENTATIVE HOMER THORNBERRY OF TEXAS

Mr. JOHNSON of Texas. Mr. President, if my colleagues will indulge me briefly, I should like to make a statement.

There is one occasion in any man's life—even in the life of an officeholder—when any hint of partisanship should go by the board. It is an occasion which belongs peculiarly and uniquely to the individual involved. I refer to a man's birthday.

Today, January 9, happens to be the birthday of two men with whom I have relationships which, although each is different from the other, are in both cases pleasant.

One of these men is a former Member of the House and a former Member of the Senate, our distinguished Vice President, RICHARD NIXON.

[Applause, Senators rising.]

To him—and I mean it most sincerely—I say, "Happy birthday, Mr. President; many, many happy returns of the day. May there be many more happy birthdays." [Applause.]

The other man to whose birthday I wish to invite attention is an able and popular Member of the House, one of the best friends I have in the world, and my own Representative in Congress. I refer to Representative HOMER THORNBERRY, of Texas. I send my warm wishes to HOMER for the happiest birthday he has ever known, and with them the hope that he will know many, many more birthdays, each better than the preceding one. [Applause.]

As I am sure Senators know, that great Texan and great American, our beloved Speaker of the House, the honorable SAM RAYBURN, observed his birthday on Monday. It was my privilege on that day to extend to him in person my felicitations.

I thank my colleagues for their indulgence.

Mr. KNOWLAND. Mr. President, this is one occasion which crosses party lines. On behalf of myself as minority leader—and I am sure that all other Members of the Senate, without regard to partisanship, wish to join—I am happy to join my colleague across the aisle, the majority leader, in wishing a very happy birthday to the Vice President.

I have had a long and pleasant association with him over a great number of years, since he first came to the House, and subsequently was my colleague in the Senate. He took the oath once as Senator and twice as Vice President of the United States, after assuming the obligations of that high office.

I know that all Senators on this side of the aisle and on the other side will wish for the Vice President many future happy returns of the day. [Applause.]

Mr. CHAVEZ. Mr. President, all I wish to say is amen to what has been said by the majority leader and the minority leader. [Applause.]

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORTS ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

Two letters from the Acting Secretary of Agriculture, reporting, pursuant to law, that there had been no significant developments to report for the months of July and September 1957, relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

Two letters from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there had been no significant developments to report for the months of August and October 1957, relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

A letter from the Under Secretary of Agriculture, reporting, pursuant to law, that there had been no significant developments to report for the month of November 1957, relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

AMENDMENT OF ACT RELATING TO FOOT-AND-MOUTH DISEASE AND OTHER ANIMAL DISEASES

A letter from the Assistant Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON AGREEMENT BETWEEN THE UNITED STATES AND THE POLISH PEOPLE'S REPUBLIC

A letter from the Administrator, Department of Agriculture, transmitting, pursuant to law, a report relating to an agreement amending the Surplus Agricultural Commodities Agreement of June 7, 1957, between the United States and the Polish People's Republic (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON AGREEMENT BETWEEN THE UNITED STATES AND UNITED MEXICAN STATES

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report relating to an agreement entered into with the Government of Mexico, providing for the sale of yellow corn (with accompanying papers); to the Committee on Agriculture and Forestry.

RIGHTS-OF-WAY OVER NATIONAL FOREST LANDS AND OTHER LANDS UNDER JURISDICTION OF FOREST SERVICE

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to grant easements for rights-of-way over national forest lands and other lands under the jurisdiction of the Forest Service, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT OF FARM CREDIT ADMINISTRATION

A letter from the Governor, Farm Credit Administration, Washington, D. C., transmitting, pursuant to law, a report covering operations of that Administration for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON PUERTO RICAN HURRICANE RELIEF LOANS

A letter from the Acting Secretary of Agriculture, reporting, pursuant to law, on the Puerto Rican hurricane relief loans as of January 3, 1958; to the Committee on Agriculture and Forestry.

REPORT ON AGREEMENTS UNDER TITLE I, AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on agreements concluded under title I of the Agricultural Trade Development and Assistance Act of 1954, under date of January 8, 1958 (with acompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. Doc. No. 74)

A letter from the Secretary of the Army, president of the National Forest Reservation Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Agriculture and Forestry, and ordered to be printed, with an illustration.

LUMP-SUM APPROPRIATION FOR CREDITING POSTAL REVENUES

A letter from the Assistant Postmaster General, requesting a lump-sum appropriation in the amount of $2,259,000 be made to the Post Office Department for crediting postal revenues, for the fiscal year 1958, relating to franked mail by Members of Congress and others, and penalty mail of the Government Printing Office; to the Committee on Appropriations.

REPORT ON BALANCES OF APPROPRIATIONS UNDER CONTROL OF VETERANS' ADMINISTRATION

A letter from the Administrator, Veterans' Administration, Washington, D. C., transmitting, pursuant to law, a report on the balances of appropriations under the control of that Administration, as of June 30, 1957 (with an accompanying report); to the Committee on Appropriations.

REPORTS ON OVEROBLIGATION OF APPROPRIATIONS

A letter from the Secretary of Defense, reporting, pursuant to law, on the overobligation of appropriations in that Department (with accompanying papers); to the Committee on Appropriations.

A letter from the Secretary of Commerce, reporting, pursuant to law, the overobligation of an appropriation in that Department; to the Committee on Appropriations.

A letter from the Secretary of Labor, reporting, pursuant to law, the overobligation of an appropriation in that Department; to the Committee on Appropriations.

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

A letter from the Chairman, Atomic Energy Commission, Washington, D. C., reporting, pursuant to law, the overobligation of an appropriation in that Commission; to the Committee on Appropriations.

A letter from the Director, International Cooperation Administration, Washington, D. C., reporting, pursuant to law, the overobligation of an appropriation in that Administration; to the Committee on Appropriations.

Reports on Reapportionment of Appropriations

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Veterans' Administration entitled "Servicemen's Indemnities" for the fiscal year 1958 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of State for "International contingencies" for the fiscal year 1958 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, dated September 27, 1957, reporting, pursuant to law, that the appropriation to the Veterans' Administration for "Inpatient care" for the fiscal year 1958 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, dated December 19, 1957, referring to his letter of September 27, 1957, in which he reported that the appropriation to the Veterans' Administration for "Inpatient care" for the fiscal year 1958 has been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, referring to his letter of July 30, 1957, in which he reported that the appropriation for the Veterans' Administration for "compensation and pensions" for the fiscal year 1958 had been apportioned on that date on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Canal Zone Government for operating expenses, for the fiscal year 1958, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Labor for unemployment compensation for Federal employees, for the fiscal year 1958, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Labor for grants to States for unemployment compensation and employment service administration, for the fiscal year 1958, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the National Advisory Committee for Aeronautics for "Salaries and expenses," for the fiscal year 1958, has been reapportioned on a basis which indicates the necessity for a supplemental or deficiency appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Labor for "Unemployment compensation for veterans," for the fiscal year 1958, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for "Forest protection and utilization, Forest Service," for the fiscal year 1958, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

Report on Judgments Rendered by United States Court of Claims

A letter from the clerk, United States Court of Claims, Washington, D. C., transmitting, pursuant to law, a report of all judgments rendered by that Court, for the year ended October 5, 1957 (with accompanying report); to the Committee on Appropriations.

Reports on Individual Military Procurement Actions

A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, confidential reports submitted by the Departments of the Army, Navy, and Air Force, listing individual procurement actions for the period January 1 to June 30, 1957 (with accompanying papers); to the Committee on Armed Services.

Statistical Supplement to Stockpile Report

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a confidential statistical supplement to the stockpile report, for the period January to June 1957 (with an accompanying report); to the Committee on Armed Services.

Report on Research and Development Procurement Experimental Action

A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a confidential report entitled "Research and Development Procurement Experimental Action Report," covering the period from January 1, 1957, to June 30, 1957 (with an accompanying report); to the Committee on Armed Services.

Report on Working Capital Funds of Department of Defense

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on working capital funds of that Department, dated June 30, 1956 (with an accompanying report); to the Committee on Armed Services.

Permanent Professor of Physical Education, United States Military Academy

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for a permanent professor of physical education at the United States Military Academy (with an accompanying paper); to the Committee on Armed Services.

Reports on Number of Officers on Duty With Department of the Army and Army General Staff

Two letters from the Secretary of the Army, transmitting, pursuant to law, reports on the number of commissioned officers and warrant officers assigned to headquarters agencies of the Department of the Army, as of June 30, 1957, and September 30, 1957 (with accompanying reports); to the Committee on Armed Services.

Report on Research and Development Contracts

A letter from the Director of Research and Development, Department of the Army, Washington, D. C., transmitting, pursuant to law, a report of that Department listing research and development contracts awarded during the period January 1, 1957, to June 30, 1957 (with an accompanying report); to the Committee on Armed Services.

Procedure for Ordering Certain Members of Reserve Components to Active Duty

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, with respect to the procedure for ordering certain members of the Reserve components to active duty and the requirements for physical examination of members of the Reserve components (with an accompanying paper); to the Committee on Armed Services.

Temporary Promotion of Ensigns of the Navy and Second Lieutenants of the Marine Corps

A letter from the Assistant Secretary of the Navy, transmitting a draft of proposed legislation to provide for the temporary promotion of ensigns of the Navy and second lieutenants of the Marine Corps, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

Report on Flight Pay, Department of the Navy and Marine Corps

A letter from the Assistant Secretary of the Navy, reporting, pursuant to law, the monthly flight pay of officers of the Department of the Navy and Marine Corps, paid during the 6-month period preceding the date of the report, December 13, 1957; to the Committee on Armed Services.

Report on Research and Development Procurement Actions, Department of the Navy

A letter from the Assistant Chief of Naval Material (Procurement), Washington, D. C., transmitting, pursuant to law, a report of that Department covering research and development procurement actions of $50,000 and over, during the period January 1 through June 30, 1957 (with an accompanying report); to the Committee on Armed Services.

Boards of Visitors to United States Military, Naval, and Air Force Academies

A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation to amend sections 4355 (h), 6968 (h), and 9355 (h) of title 10, United States Code, relating to the Boards of Visitors to the United States Military, Naval, and Air Force Academies (with an accompanying paper); to the Committee on Armed Services.

Employment of Naval Officers on Shore Duty

A letter from the Assistant Secretary of the Navy (Personnel and Reserve Forces),

transmitting a draft of proposed legislation to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest (with an accompanying paper); to the Committee on Armed Services.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF RADIO TRANSMITTERS TO NEW HAMPSHIRE AERONAUTICS COMMISSION

A letter from the Assistant Secretary of the Navy, reporting, pursuant to law, that the Department of the Navy proposes to transfer five radio transmitters to the New Hampshire Aeronautics Commission at Concord, N. H.; to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO UNIFORM CODE OF MILITARY JUSTICE

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to amend title 10, United States Code, as relates to the Uniform Code of Military Justice (with accompanying papers); to the Committee on Armed Services.

REPORT ON NUMBER OF OFFICIALS ASSIGNED TO PERMANENT DUTY AT THE SEAT OF GOVERNMENT

A letter from the Director, Legislative Liaison, Department of the Air Force, Washington, D. C., reporting, pursuant to law, that, as of September 30, 1957, there was an aggregate of 2,678 officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of Government; to the Committee on Armed Services.

REPORT ON AIR FORCE FLYING PAY

A letter from the Director, Legislative Liaison, Department of the Air Force, Washington, D. C., transmitting, pursuant to law, a report on the number of officers, lieutenant colonel and above, by grade and age, receiving flying pay on August 31, 1957, together with the monthly amount of such pay, during the period March 1, 1957 through August 31, 1957 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO PAYMENT OF BASIC ALLOWANCE FOR QUARTERS TO CERTAIN MEMBERS OF RESERVE COMPONENTS

A letter from the Secretary, Department of the Air Force, informing the Senate that the Department of Defense had decided to withdraw its support of H. R. 3041, to further amend section 302 of the Career Compensation Act of 1949 and section 7 of the Dependents Assistance Act of 1950 to authorize the payment of a basic allowance for quarters to an enlisted member of a Reserve component on active duty for training as if he were a member of a Regular component of a uniformed service; to the Committee on Armed Services.

REPORT ON PERSHING HALL MEMORIAL FUND

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report covering transactions during the fiscal year 1957, for account of the Pershing Hall Memorial Fund (with an accompanying report); to the Committee on Armed Services.

REPORT ON HELIUM PRODUCTION FUND

A letter from the Administrative Assistant Secretary, Department of the Interior, Washington, D. C., reporting, pursuant to law, the amount of money credited to and disbursements made from the helium production fund, and the unexpended and unobligated balance on hand in such fund, as of June 30, 1957; to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS, FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions, for the quarter ending June 30, 1957; to the Committee on Armed Services.

REPORT OF FEDERAL CONTRIBUTIONS, FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Washington, D. C., reporting, pursuant to law, on the Federal contributions program, relating to that Administration, for the quarter ended September 30, 1957 (with an accompanying paper); to the Committee on Armed Services.

REPORT ON PROFESSIONAL AND SCIENTIFIC POSITIONS ESTABLISHED IN DEPARTMENT OF DEFENSE

A letter from the Deputy Secretary of Defense, Washington, D. C., transmitting, pursuant to law, a report of that Department covering the professional and scientific positions established in the Department of Defense under the authority of Public Law 1028, 84th Congress, as amended, for the calendar year ended December 31, 1957 (with an accompanying report); to the Committee on Armed Services.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on the payment of claims arising from the correction of military or naval records, for the period January 1, 1957, through June 30, 1957 (with an accompanying report); to the Committee on the Judiciary.

SPECIAL REPORT ON CORRECTION OF MILITARY RECORD OF THE LATE CAPT. DONALD FOSTER WHITE, UNITED STATES NAVY

A letter from the Comptroller General of the United States, reporting, pursuant to law, on the correction of the military record of the late Capt. Donald Foster White, United States Navy; to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS, CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions by that Administration, for the quarter ended September 30, 1957; to the Committee on Armed Services.

REPORT ON EXPORT CONTROL

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on export control for the third quarter, fiscal year 1957 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON SURVEY OF OPERATIONS UNDER DEFENSE PRODUCTION ACT

A letter from the Attorney General, transmitting, pursuant to law, his report on operations under the Defense Production Act of 1950, dated November 8, 1957, relating to the tungsten industry and voluntary agreements and programs (with an accompanying report); to the Committee on Banking and Currency.

REPORTS ON MILITARY PRIME CONTRACTS WITH SMALL AND LARGE BUSINESS FIRMS FOR WORK IN THE UNITED STATES

Two letters from the Deputy Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with small and large concerns for work in the United States for the months of July 1957, July 1956, and fiscal year 1957 (with accompanying papers); to the Committee on Banking and Currency.

Two letters from the Assistant Secretary of Defense (Supply and Logistics), transmitting two reports on military prime contracts with small and large concerns for work in the United States for the first 2 months of fiscal year 1958, and for the first quarter of fiscal year 1958 (with accompanying papers); to the Committee on Banking and Currency.

REPORT OF COMPTROLLER OF THE CURRENCY

A letter from the Comptroller of the Currency, Washington, D. C., transmitting, pursuant to law, his annual report for the year 1956 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON BORROWING AUTHORITY

A letter from the Acting Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority for the quarter ended June 30, 1957 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the president, Export-Import Bank of Washington, Washington, D. C., transmitting, pursuant to law, a report of that bank as of the close of business June 30, 1957 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Chairman, Federal Deposit Insurance Corporation, Washington, D. C., transmitting, pursuant to law, a report of that Corporation for the calendar year 1956 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF SMALL BUSINESS ADMINISTRATION

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report of that Administration, for the period January 1 to June 30, 1957 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

A letter from the Administrator, Housing and Home Finance Agency, and Chairman, National Voluntary Mortgage Credit Extension Committee, transmitting, pursuant to law, a report on the Voluntary Home Mortgage Credit Program, dated April 1, 1957 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON ESTIMATED OBLIGATIONS OF PRINCIPAL ACTIVITIES OF SMALL BUSINESS ADMINISTRATION

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report on estimated obligations of principal activities of the Small Business Administration, for the period January 1 through June 30, 1957, adjusted as of July 31 (with accompanying papers); to the Committee on Banking and Currency.

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

A letter from the president, Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Teachers' Salary Act of 1955 (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON LAND ACQUISITIONS BY NATIONAL CAPITAL PLANNING COMMISSION

A letter from the Director, National Capital Planning Commission, Washington, D. C., transmitting, pursuant to law, a report on land acquisitions by that Commission for the fiscal year 1957, for the development of the park, parkway and playground system of the National Capital (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

A letter from the Chairman, District of Columbia Redevelopment Land Agency, Washington, D. C., transmitting, pursuant to law, a report of that Agency for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on the District of Columbia.

AUDIT REPORT OF CONFERENCE OF STATE SOCIETIES, INC.

A letter from the past president of the Conference of State Societies, Washington, D. C., transmitting, pursuant to law, an audit report of that conference for the period June 1, 1956, to August 24, 1957 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D. C., transmitting, pursuant to law, the annual report of that company, for the year 1957 (with an accompanying report); to the Committee on the District of Columbia.

FREE IMPORTATION OF CERTAIN PERSONAL AND HOUSEHOLD EFFECTS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to make permanent the existing privilege of free importation of personal and household effects brought into the United States under Government orders, and for other purposes (with an accompanying paper); to the Committee on Finance.

REPORT OF RENEGOTIATION BOARD

A letter from the Chairman, the Renegotiation Board, Washington, D. C., transmitting, pursuant to law, a report of that Board for the year 1957 (with an accompanying report); to the Committee on Finance.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director, legislative commission, the American Legion, Washington, D. C., transmitting, pursuant to law, the financial statement of that Legion, for the period ended October 31, 1957 (with an accompanying paper); to the Committee on Finance.

REPORT ON INTERNATIONAL EDUCATIONAL EXCHANGE PROGRAM

A letter from the Secretary of State, transmitting, pursuant to law, a report on the International Educational Exchange Program for the first 6 months of fiscal year 1957 (with an accompanying report); to the Committee on Foreign Relations.

REPUBLIC OF ICELAND

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of the Government of the Republic of Iceland (with an accompanying paper); to the Committee on Foreign Relations.

REPORT OF UNITED STATES INFORMATION AGENCY

A letter from the Director, United States Information Agency, Washington, D. C., transmitting, pursuant to law, a report of that Agency, for the period January 1, to June 30, 1957 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C., transmitting, pursuant to law, a report of that Commission for the period ended June 30, 1957 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON DISPOSITION OF SURPLUS PROPERTY BY MARITIME ADMINISTRATION

A letter from the Secretary of Commerce, reporting, pursuant to law, on the disposition of surplus property during the past year by the Maritime Administration, Department of Commerce; to the Committee on Government Operations.

REPORT ON DISPOSITION OF FOREIGN EXCESS PROPERTY

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the disposition of certain foreign excess property; to the Committee on Government Operations.

REPORT ON PERSONAL PROPERTY MADE AVAILABLE FOR DISTRIBUTION

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal property made available for distribution to public health and educational institutions and civil defense organizations, for the period July 1 through September 30, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORTS FOR RESTORATION OF BALANCES WITHDRAWN FROM APPROPRIATIONS

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report for the restoration of the balance withdrawn from the appropriation "Export control," Bureau of Foreign Commerce (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report relating to the restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department (with an accompanying report); to the Committee on Government Operations.

A letter from the Secretary of State, transmitting, pursuant to law, a report relating to the restoration of unobligated balances to two appropriation accounts of the Department of State (with an accompanying report); to the Committee on Government Operations.

Two letters from the Acting Secretary, Department of Agriculture, transmitting, pursuant to law, reports on the restoration of balances withdrawn from appropriation and fund accounts entitled "12M1105-State and Private Forestry Cooperation, Forest Service, Prior Years", and "12-2162700(29)-Government and Relief in Occupied Areas, Army (Transfer to Agriculture, Foreign Agricultural Service), 1956" (with accompanying reports); to the Committee on Government Operations.

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report on the restoration of balances withdrawn from the appropriation entitled "Salaries and Expenses" (with an accompanying report); to the Committee on Government Operations.

A letter from the Administrative Assistant Secretary, Department of the Interior, transmitting, pursuant to law, a report for the restoration of balances withdrawn from the account entitled "War Agency Liquidation, Interior" (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department (with an accompanying report); to the Committee on Government Operations.

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report for the restoration of balances withdrawn from an allocation to the National Bureau of Standards out of the appropriation "Ordnance and Facilities, Navy, 1953" (with an accompanying report); to the Committee on Government Operations.

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the restoration of balances withdrawn from the appropriation "Operation and Regulation", Civil Aeronautics Administration, and "Consolidated Working Fund", Civil Aeronautics Administration (with accompanying reports); to the Committee on Government Operations.

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report for partial restoration of the balance withdrawn from the appropriation "Salaries and Expenses", Business and Defense Services Administration (with an accompanying report); to the Committee on Government Operations.

A letter from the Office of the Chief of Engineers, Department of the Army, transmitting, pursuant to law, a report on the restoration of certain funds to the Chief of Engineers (with an accompanying report); to the Committee on Government Operations.

REPORT ON ABACA-FIBER OPERATIONS

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law a report on abaca-fiber operations, for the fiscal year 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON CONTRACTS NEGOTIATED FOR RESEARCH AND DEVELOPMENT PURPOSES

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a report on contracts negotiated for research and development purposes, for the 6-month period ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO LEASING OF FEDERAL BUILDING SITES

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 to extend the authority to lease out Federal building sites until needed for construction purposes and the act of June 24, 1948 (62 Stat. 644), and for other purposes (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Washington, D. C., Central Office, Public Housing Administration, Housing and Home Finance Agency, dated June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Military Sea Transportation Service, Department of the Navy, dated September 5, 1957 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Public Housing Administration, Housing and Home Finance Agency, for the fiscal years ended June 30, 1956, 1955, and 1954 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Lower Colorado River Basin, Bureau of Reclamation, Department of the Interior, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Facilities Corporation, Office of Production and Defense Lending, Treasury Department, for the period July 1, 1955, through January 31, 1957 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting pursuant to law, an audit report on the Columbia River Basin water resources development program, Corps of Engineers (Civil Functions), Department of the Army, and Bureau of Reclamation and Bonneville Power Administration, Department of the Interior, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Bureau of Narcotics, Treasury Department, for the fiscal years ended June 30, 1955 and 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the national school lunch program and special school milk program, Agricultural Marketing Service, Department of Agriculture, for the fiscal years ended June 30, 1955 and 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Navy industrial fund, Marine Corps clothing and equipment factory, Philadelphia Marine Corps supply activity, Department of the Navy, for the fiscal years ended June 30, 1955 and 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the general supply fund, General Services Administration, for the period July 1, 1953, through June 30, 1955 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Army industrial fund, Rocky Mountain Arsenal, Chemical Corps, Department of the Army, for the period July 1, 1953, to December 31, 1955 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Department of the Air Force, Facilities Contract AF 33 (038)–16864, with Curtiss-Wright Corporation, Wright Aeronautical Division, Wood-Ridge, New Jersey (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Commodity Credit Corporation for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Central Valley Basin, Calif., water resources development program, Bureau of Reclamation, Department of the Interior, and Corps of Engineers (civil functions), Department of the Army, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the audit of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Savings and Loan Insurance Corporation, supervised by the Federal Home Loan Bank Board, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Crop Insurance Corporation, Department of Agriculture, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Virgin Islands Corporation, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Veterans Canteen Service, Veterans' Administration, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

Report on Review of the Oak Ridge, Tenn., Appraisal Office

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a review of the Oak Ridge, Tenn., Appraisal Office, Federal Housing Administration, Housing and Home Finance Agency, dated December 1956 (with an accompanying report); to the Committee on Government Operations.

Report on Review of the Nashville Housing Authority, Nashville, Tenn.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a review of the Nashville Housing Authority, Nashville, Tenn., 1956, Public Housing Administration, Housing and Home Finance Agency (with an accompanying report); to the Committee on Government Operations.

Report on Review of the Housing Authority of the City of Atlanta, Ga.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a review of the Housing Authority of the City of Atlanta, Ga., 1956, Public Housing Administration, Housing and Home Finance Agency (with an accompanying report); to the Committee on Government Operations.

Report on Procurement of Energa Grenades

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the procurement of energa grenades by the Ordnance Procurement Center, United States Army, Europe (with an accompanying report); to the Committee on Government Operations.

Report on Examination of Military Assistance Program

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the military assistance program, Department of Defense, dated March 31, 1957 (with an accompanying report); to the Committee on Government Operations.

Report on Review of Duplication of Government Activities and Related Facilities, Canal Zone

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a review of the duplication of Government activities and related facilities in the Canal Zone, dated December 1956 (with an accompanying report); to the Committee on Government Operations.

Report on Review of Administration of Government-Owned Property in Certain Cases

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a review of the administration of Government-owned property in possession of defense contractors, dated December 3, 1957 (with an accompanying report); to the Committee on Government Operations.

Report on Use of Progress Payments in Offshore Procurement Contracts

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the use of progress payments in offshore procurement contracts awarded by the Ordnance Procurement Center, United States Army, Europe, dated September 12, 1957 (with an accompanying report); to the Committee on Government Operations.

Report of Attorney General on Renewal of Interstate Compact To Conserve Oil and Gas

A letter from the Attorney General, Washington, D. C., transmitting, pursuant to law, his report consenting to the renewal of the Interstate Compact To Conserve Oil and Gas, as of September 1, 1957 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report on Plan of Rehabilitation for Harlingen Division, Lower Rio Grande Rehabilitation Project, Texas

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on Plan of Rehabilitation for Harlingen Division, Lower Rio Grande Rehabilitation Project, Texas, dated February 1956, together with an application for loan to the Cameron County Water Control and Improvement District No. 1 of Harlingen, Tex. (with accompanying documents); to the Committee on Interior and Insular Affairs.

Report of New York City National Shrines Advisory Board—Rehabilitation and Preservation of Historic Properties

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report of New York City National Shrines Advisory Board, dated January 31, 1957, and a draft of proposed legislation to amend the act of August 11, 1955 (69 Stat. 632), relating to the rehabilitation and preservation of historic properties in the New York City area, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Outer Continental Shelf Lands

A letter from the Administrative Assistant Secretary of the Interior, Washington, D. C., reporting, pursuant to law, on the receipts and expenditures by that Department in connection with the administration of the Outer Continental Shelf Lands Act (43 U. S. C., sec. 1343); to the Committee on Interior and Insular Affairs.

Report on Klamath River Basin Compact

A letter from the Federal representative, Bureau of Reclamation, Department of the Interior, Coulee Dam, Wash., transmitting, pursuant to law, a report, dated August 28, 1957, on the negotiations leading up to the signing of the Klamath River Basin compact (with an accompanying report); to the Committee on Interior and Insular Affairs.

Cancellation of Certain Charges Existing as Debts Due the United States by Individual Indians and Tribes of Indians

A letter from the Acting Secretary of the Interior, Washington, D. C., transmitting, pursuant to law, an order canceling certain charges existing as debts due the United States by individual Indians and tribes of

Indians (with accompanying papers); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, TERRA BELLA IRRIGATION DISTRICT, CALIFORNIA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Terra Bella Irrigation District, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, CHOWCHILLA WATER DISTRICT, CALIFORNIA

A letter from the Acting Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Chowchilla Water District, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPEAL OF FEDERAL EXPLOSIVES ACT

A letter from the Acting Secretary of the Interior, Washington, D. C., transmitting a draft of proposed legislation to repeal the Federal Explosives Act (55 Stat. 863) (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORTS ON SETTLEMENT OF CERTAIN CLAIMS

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings in the claim of the *Red Lake Band, et al., plaintiffs,* v. *United States, defendant,* had been finally concluded (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings in the claim of *Hannahville Indian Community, Wilson, Michigan, Forest County Potawatomi Community, Crandon, Wisconsin, et al., plaintiffs,* v. *United States of America, defendant,* had been finally concluded (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Acting Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings in the claim of *The Chickasaw Nation, petitioner,* v. *The United States, defendant,* had been finally concluded (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON STATUS OF COLORADO RIVER STORAGE PROJECT AND PARTICIPATING PROJECTS

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Colorado River storage project and participating projects, for the fiscal year ended June 30, 1957 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT AND RECOMMENDATIONS REGARDING ADEQUACY OF AUTHORITY TO PROTECT THE INTERESTS OF MINORS AND INCOMPETENT INDIANS OF WIND RIVER RESERVATION

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the adequacy of his authority to protect the interests of minors and incompetent Indians of the Wind River Reservation, and the adequacy of the contribution of the Shoshone and Arapahoe Tribes (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON ACTIVITIES UNDER MERCHANT SHIP SALES ACT

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, for the period July 1, 1957, through September 30, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PROVISION OF WAR-RISK INSURANCE AND MARINE AND LIABILITY INSURANCE FOR THE AMERICAN PUBLIC

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the activities of that Department in providing war-risk insurance and certain marine and liability insurance for the American public, as of September 30, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON COMMISSARY ACTIVITIES, CIVIL AERONAUTICS ADMINISTRATION

A letter from the Secretary of Commerce, transmitting, pursuant to law, the financial report on the commissary activities of the Civil Aeronautics Administration outside the continental United States, for the fiscal year 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

A letter from the Secretary of the Interior, Chairman, Migratory Bird Conservation Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

Four letters from the Chairman, Federal Communications Commission, transmitting, pursuant to law, reports on backlog of pending applications and hearing cases in that Commission, for the period June 1, 1957, to October 31, 1957 (with accompanying reports); to the Committee on Interstate and Foreign Commerce.

REPORT ON LICENSED HYDROELECTRIC PROJECTS AND PERSONNEL

A letter from the Chairman, Federal Power Commission, Washington, D. C., transmitting, pursuant to law, a report on licensed hydroelectric projects and on personnel of that Commission, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

RECENT PUBLICATIONS, FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D. C., transmitting, for the information of the Senate, a set of the newly issued maps entitled "Principal Electric Utility Generating Stations and Transmission Lines, 1957" (with accompanying maps); to the Committee on Interstate and Foreign Commerce.

A letter from the Chairman, Federal Power Commission, Washington, D. C., transmitting, for the information of the Senate, a copy of the publications entitled "Statistics of Natural Gas Companies, 1956" and "Steam-Electric Plant Construction Cost and Annual Production Expenses, 1956 Supplement" (with accompanying documents); to the Committee on Interstate and Foreign Commerce.

A letter from the Acting Chairman, Federal Power Commission, Washington, D. C., transmitting, for the information of the Senate, a copy of the publications entitled "Major Natural Gas Pipe Lines Map, dated June 30, 1957," and "Typical Residential Electric Bills, 1957" (with accompanying documents); to the Committee on Interstate and Foreign Commerce.

REPORT OF INTERSTATE COMMERCE COMMISSION

A letter from the Chairman, Interstate Commerce Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, the annual report of that Commission for the fiscal year 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORTS ON TORT CLAIMS PAID

A letter from the Under Secretary, Department of the Air Force, Washington, D. C., transmitting, pursuant to law, a report of tort claims paid by that Department, for the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report of tort claims paid by the Treasury Department, for the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

A letter from the Deputy Postmaster General, Washington, D. C., transmitting, pursuant to law, a report of tort claims paid by that Department, during the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

A letter from the Deputy General Manager, Atomic Energy Commission, Washington, D. C., transmitting, pursuant to law, a report of tort claims paid by that Commission, during the period July 1, 1956, through June 30, 1957 (with an accompanying report); to the Committee on the Judiciary.

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, a report of tort claims paid by that Administration, during the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF PROCEEDINGS OF ANNUAL MEETING OF JUDICIAL CONFERENCE

A letter from the Chief Justice of the United States, transmitting, pursuant to law, a report of the proceedings of the annual meeting of the Judicial Conference of the United States, held at Washington, D. C., September 18–20, 1957 (with an accompanying report); to the Committee on the Judiciary.

PAYMENT OF CLAIMS OF PERSONS OF JAPANESE ANCESTRY EVACUATED UNDER MILITARY ORDERS

A letter from the Attorney General, transmitting, pursuant to law, a statement of the adjudications rendered during the year 1957, of claims of persons of Japanese ancestry evacuated under military orders, showing the name and address of each claimant, the amount claimed, the amount awarded, if any, the amount paid, if any, and a brief synopsis of the facts in the case and the reason for the adjudication (with the accompanying papers); to the Committee on the Judiciary.

REPORT ON ADMIRALTY CLAIMS PAID BY DEPARTMENT OF THE AIR FORCE

A letter from the Under Secretary, Department of the Air Force, Washington, D. C., transmitting, pursuant to law, a report on claims paid by that Department under the Admiralty Claims Act, during the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF SETTLEMENT OF CLAIM FOR DAMAGE TO STEAMSHIP "HERMAN MELVILLE"

A letter from the Acting Secretary of the Treasury, reporting, pursuant to law, the payment of $3,411 to the American Export Lines, Inc., Hoboken, N. J., in full settlement of a claim for damage to the steamship *Herman Melville;* to the Committee on the Judiciary.

JAMES R. MARTIN AND OTHERS

A letter from the Assistant Secretary of the Navy (Financial Management), Washington, D. C., transmitting a draft of proposed legislation for the relief of James R. Martin and others (with an accompanying paper); to the Committee on the Judiciary.

FELIX GARCIA

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Felix Garcia (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF SUBVERSIVE ACTIVITIES CONTROL BOARD

A letter from the Chairman, Subversive Activities Control Board, Washington, D. C., transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON PERSONNEL CLAIMS PAID BY DEPARTMENT OF THE AIR FORCE

A letter from the Under Secretary, Department of the Air Force, transmitting, pursuant to law, a report of claims paid by that Department under the Military Personnel Claims Act, for the fiscal year 1957 (with an accompanying report); to the Committee on the Judiciary.

CLAIM OF WESTERN UNION TELEGRAPH CO. AGAINST THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of the Western Union Telegraph Co. against the United States (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF ARMY AND NAVY LEGION OF VALOR

A letter from the corporation agent, Army and Navy Legion of Valor of the United States of America, Inc., Washington, D. C., transmitting, pursuant to law, a report of that corporation, for the period July 26, 1957, to September 30, 1957 (with an accompanying report); to the Committee on the Judiciary.

CLAIM OF S. A. HEALY CO. *v.* THE UNITED STATES

A letter from the clerk, United States Court of Claims, Washington, D. C., transmitting, pursuant to law, the opinion of that court in the claim of *S. A. Healy Co.* v. *The United States,* rendered on December 4, 1957 (with an accompanying document); to the Committee on the Judiciary.

FINANCIAL STATEMENT AND REPORT OF SONS OF UNION VETERANS OF THE CIVIL WAR

A letter from the national secretary-treasurer, Sons of Union Veterans of the Civil War, Trenton, N. J., transmitting, pursuant to law, an audit of the books of and a report of the activities of that organization, for the fiscal year ended June 30, 1957 (with accompanying papers); to the Committee on the Judiciary.

REPORT ON AUDIT OF RESERVE OFFICERS ASSOCIATION

A letter from the executive director, Reserve Officers Association of the United States, Washington, D. C., transmitting, pursuant to law, an audit report of that association, dated March 31, 1957 (with an accompanying report); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

Four letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

Four letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders issued granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

AUDIT REPORT OF FEDERAL BAR ASSOCIATION

A letter from the Federal Bar Association, Washington, D. C., signed by the president, secretary, and treasurer, transmitting, pursuant to law, an audit report of that association, as of September 30, 1957 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF THE PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

A letter from the Chairman, the President's Committee on Education Beyond the High School, Washington, D. C., transmitting, for the information of the Senate, the final report of that Committee (with an accompanying report); to the Committee on Labor and Public Welfare.

DR. RAYMOND A. VONDERLEHR

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation for the relief of Dr. Raymond A. Vonderlehr (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT ON BONDING OF GOVERNMENT OFFICERS AND EMPLOYEES

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the bonding of Government officers and employees, for the fiscal year ended June 30, 1957 (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT OF BOARD OF ACTUARIES OF CIVIL SERVICE RETIREMENT FUND

A letter from the Chairman, United States Civil Service Commission, transmitting, pursuant to law, a report of the Board of Actuaries of the Civil Service Retirement Fund, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Post Office and Civil Service.

EXTENSION OF PROVISIONS OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

A letter from the Assistant Secretary of the Navy, transmitting a draft of proposed legislation to make the provisions of the Longshoremen's and Harbor Workers' Compensation Act applicable to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT ON ESTIMATED COST OF COMPLETING THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the estimated cost of completing the national system of interstate and defense highways in each State and the District of Columbia prepared for the purpose of apportioning Interstate System funds authorized for the fiscal years ending June 30, 1960, 1961, and 1962 (with an accompanying report); to the Committee on Public Works.

REPORT RELATING TO REIMBURSEMENT FOR CERTAIN HIGHWAYS IN NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report relating to reimbursement for certain highways on the National System of Interstate and Defense Highways, for the period between August 2, 1947, and June 30, 1957 (with an accompanying report); to the Committee on Public Works.

REPORT OF TENNESSEE VALLEY AUTHORITY

A letter, signed by the Chairman and members of the Board of Directors, Tennessee Valley Authority, Wilson Dam, Ala., transmitting, pursuant to law, a report of that Authority, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Public Works.

OPERATION AND MAINTENANCE OF FLOOD CONTROL PROJECTS BY LOCAL INTERESTS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to provide for the operation and maintenance of certain flood control projects by local interests (with an accompanying paper); to the Committee on Public Works.

ALTERATION OF CERTAIN BRIDGES OVER NAVIGABLE WATERS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend the act of June 21, 1940, as amended, relating to the alteration of certain bridges over navigable water so as to change the method by which the apportionment of total cost is made (with an accompanying paper); to the Committee on Public Works.

ADDITIONAL APPROPRIATIONS FOR PROSECUTION OF PROJECTS IN CERTAIN RIVER BASIN PLANS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans, for flood control, irrigation, and other purposes (with an accompanying paper); to the Committee on Public Works.

REPORT ON FEDERAL VOTING ASSISTANCE PROGRAM

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on the Federal voting assistance program, for the period August 9, 1955, to July 1, 1957 (with an accompanying report); to the Committee on Rules and Administration.

REPORT OF PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

A letter from the Librarian of Congress and Chairman of the Permanent Committee for the Oliver Wendell Holmes Devise, transmitting, pursuant to law, a report of that committee, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Rules and Administration.

REPORT OF SECRETARY OF THE SENATE

A letter from the Secretary of the Senate, transmitting, pursuant to law, his report of receipts and expenditures for the period July 1, 1956, to June 30, 1957 (with an accompanying report); ordered to lie on the table and to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Armed Services:

"House Concurrent Resolution 23

"Whereas the Military Establishment of the United States is desperately in need of a means for attracting and retaining persons with scientific, professional, combat leadership, and management skills necessary to maintain a deterrent power for peace during these times of advancing technology and threat of aggression; and

"Whereas the Armed Forces do not presently have the means to compete for trained personnel urgently needed for the defense of this country, and a significant factor in their inability to do so is the inadequacy of the present compensation practices now in use; and

"Whereas the proposed changes in the military pay structure are based on merit rather than longevity, will bring military pay more in line with the pay standards of industry and will offer greater reenlistment incentive for highly trained personnel; and

"Whereas the program of the Cordiner Committee, while making possible at least a 15-percent improvement in the combat capability of the United States Armed Forces, would result in savings and gains up to $5 billion a year by 1962 or sooner in the cost of national defense; and

"Whereas the Senate Committee on Armed Services has held one hearing on the Cordiner proposals, and it is of the utmost necessity that immediate hearings be held in order to report out this legislation as quickly as possible: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Texas (the Senate concurring)*, That the Legislature of the State of Texas urges the immediate adoption of Senate bill No. 2014 and House of Representatives bill No. 7574 to alleviate the present problems of the Armed Forces in retaining adequate personnel for the defense of our Nation; and, be it further

"*Resolved*, That the secretary of state transmit certified copies of this resolution to each of the Houses of Congress and to Texas Representatives and Senators in Congress.

"BEN RAMSEY,
"*President of the Senate.*
"WAGGONER CARR,
"*Speaker of the House.*"

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

"Senate Memorial 19–X

"Memorial to the Congress of the United States to enact measures tending to cause the withdrawal of Federal military forces from the occupation of Little Rock, Ark., and prevent the further intrusion by Federal military troops on the constitutional rights of the sovereign States of the Union, by withholding of appropriations and public funds from such troops while so engaged, thereby guaranteeing the sovereign States freedom from military rule as contemplated by the first four articles to the Constitution

"Whereas the Legislature of Florida, during the 1957 legislative session, through Senate Concurrent Resolution No. 72, unequivocally expressed a firm and determined resolution to maintain and defend the Constitution of the United States against every attempt, whether foreign or domestic, to undermine and destroy the fundamental principles, embodied in our basic law, by which the liberty of the people and the sovereignty of the States, in their proper spheres, have long been protected and assured; and

"Whereas the Legislature of Florida doth hereby express a firm belief that the recent action of the President of the United States, in inflicting military rule upon the sovereign State of Arkansas, is a far more serious threat to the security of the Nation and our constitutional form of government than any possible threat from abroad; and

"Whereas the Legislature of Florida lately did explicitly and peremptorily assert that it viewed the powers of the Federal Government as resulting solely from the compact to which the States are parties, as limited by the plain sense and intention of the instrument creating that compact, which compact carefully expressed the limited powers of the President of the United States; and

"Whereas the Legislature of Florida did assert most clearly that the powers of the Federal Government, including those of the President, are valid only to the extent that such powers have been enumerated in the compact to which the various States assented originally and to which the States have assented in subsequent amendments validly adopted and ratified; and

"Whereas the Legislature of Florida did consider that the very nature of this basic compact, apparent upon its face, is tha' the ratifying States, parties thereto, have agreed voluntarily to surrender certain of their sovereign rights, but only certain of these sovereign rights, to a Federal Government thus constituted; and that all powers not delegated to the United States, including the President thereof, by the Constitution, or prohibited by it to the States, have been reserved to the States, respectively, or to the people; and

"Whereas the several sovereign States have at no time surrendered to the Federal Government their right under the 10th amendment to the Constitution to exercise their discretion in the regulation of matters of strictly local concern; and

"Whereas the sovereign States, in ratifying the 14th amendment to the Constitution, did not agree that the power to regulate matters of local concern be prohibited to them thereby; and

"Whereas the Legislature of Florida emphatically denies that the President of the United States had the right which he asserted recently to peremptorily use Federal troops in the sovereign State of Arkansas to compel the enforcement of a questionable judicial edict requiring the enforced integration of the public schools therein; and

"Whereas the threats and coercive measures of the Federal military troops occupying the sovereign State of Arkansas constitute a deliberate, palpable, and dangerous attempt by the President and the Federal Government to prohibit to the States certain rights and powers never surrendered by them; and

"Whereas the President of the United States, without the request, consent, and in the absence of the Governor, ordered Federal troops to occupy a portion of the sovereign State of Arkansas, and such troops through the exercise of brute force and with the high-handed tactics reminiscent of Hitler's storm troopers declared their intention to rule the citizenry therein, and thereby proceeded to maliciously and unnecessarily enjoin the inherent and inalienable rights and powers of the citizens thereof; and

"Whereas the immediate military leader of such troops, arrogantly and with impunity and with the implied acquiescence of the President of the United States, entered the public schools of Arkansas and thrust his views upon the minds of the children therein, thereby indelibly impressing upon the minds and hearts of such children the imprint of fascism and military arrogance; and

"Whereas the President of the United States, in ordering Federal military troops to occupy Little Rock, Ark., cited as authority for such act a clearly unconstitutional law which was created by a vengeful Reconstruction Congress to give dictatorial powers to the President of the United States; and

"Whereas even if such law were constitutional its provisions were improperly invoked by the President in that no Federal law was being breached; and

"Whereas the Federal military forces occupying Little Rock, Ark., under the express order of the President of the United States are not in nature or fact a posse comitatus authorized by Federal law to assist a Federal marshal in enforcement of a Federal law; and

"Whereas the President was without authority and jurisdiction to invoke Federal military rule in the sovereign State of Arkansas because (1) the Governor of Arkansas did not provide the requisite request for military assistance, (2) a state of insurrection, rebellion, or need to repel an invasion, did not exist, (3) no Federal law existed upon which a violation was predicated; and

"Whereas if the President of the United States had had jurisdiction and authority to invoke Federal military rule in the sovereign State of Arkansas, he was powerless to interfere with the operation of the public schools therein because the Constitution of the United States does not confer upon the President, or the Federal Government, any power or authority over such schools or over the subject of education, jurisdiction over these matters being reserved to the States, nor did the States by the 14th amendment authorize any interference on the part of the President or any other department of the Federal Government with the operation by the States of such public schools as they might in their discretion see fit to establish and operate; and

"Whereas the President of the United States, by his recent action invoking military rule in the sovereign State of Arkansas, announced his power to adjudge State laws ineffectual and inoperative on the basis of his opinion of such laws as tested by the existing climate of political expediency; and

"Whereas the President of the United States, by federalizing the State militia of Arkansas, rendered the Governor thereof powerless to employ such agency of State government for the protection of the inhabitants thereof should an emergency arise within the State requiring their use; and

"Whereas if the President of the United States is permitted to exercise the power to determine the method of enforcing a Federal decree, and thereby to invoke military rule because of the inconvenience attendant in the proper use of constitutional processes, the States will have been destroyed; and the indestructible union of indestructible States established by the Constitution of the United States will have ceased to exist, and in its stead the President will have created, without jurisdiction or authority from the people, a dictator form of government, possessing total, unrestricted power; and

"Whereas it is clear that the President of the United States has deliberately resolved to disobey the Constitution of the United States and to flout and defy the supreme law of the land. The duty and responsibility of protecting life, property, and the priceless possession of freedom rests with each government of each individual State of the Union, as to all those within their respective territorial limits. The State alone has this responsibility; and

"Whereas it is clearly evident to the Legislature of Florida that the President of the

United States, by his action, in the sovereign State of Arkansas, and his general intent as inadvertently disclosed by the Pentagon to occupy Southern States with military forces, is deserving of the censure of the Congress; and

"Whereas the Legislature of Florida asserts that whenever the President of the United States engages in the deliberate, palpable, and dangerous exercise of powers not granted to him, the States who are parties to the compact have the right to expect and require that the Congress of the United States exercise the powers granted by the compact to arrest the progress of the evil, and maintain the constitutional guaranties of the several sovereign States under the 10th amendment to the United States Constitution; and

"Whereas a failure on the part of the Congress thus to assert its authority in this regard would be construed as acquiescence in the surrender thereof; and that such submissive acquiescence to the seizure of one right by the President would in the end lead to the surrender of all rights, and inevitably to the consolidation of all functions of government under one separate dictatorial head, contrary to the sacred compact by which this Union of States was created: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States be and it is hereby requested to:

"(1) withhold all funds and appropriations from any Federal military forces directed to occupy any sovereign State without the express approval of the governor therein, and

"(2) enact legislation designed to assure the several sovereign States freedom from Federal military control, and

"(3) enact an appropriate measure censuring the President of the United States for his deliberate interference with the constitutional guarantees of the citizens of Little Rock, Ark., and admonishing the President to recognize the Congress of the United States as the legally proper branch of the Government charged with the responsibility of furnishing direction in matters relating to civil rights as contemplated by the language of section 2 of the 14th amendment that 'The Congress shall have power to enforce this article by appropriate legislation'; be it further

"Resolved, That copies of this Memorial be dispatched to the President of the United States, to the President of the United States Senate; to the Speaker of the United States House of Representatives; and to each of the Congressional delegations in the United States Congress."

A concurrent resolution of the Legislature of the State of Arizona; to the Committee on Finance:

"A memorial requesting the maintenance of adequate tariff rates on copper

"To the President, Congress, and the Departments of State and Interior of the United States:

"Your memorialist respectfully represents:

"The mining of copper is one of Arizona's chief industries, an industry so great that in point of copper production Arizona leads all of the States of the United States, and, in fact, is responsible for approximately 50 percent of all copper mined in the Nation.

"The copper-mining industry gives employment to many thousands of miners, artisans, mechanics, and craftsmen, whose welfare and prosperity is in very large measure dependent upon this major activity; indeed, the economic welfare of the State is vitally affected by the status of the mining industry.

"There are, in addition to the properties now being worked, great areas and bodies of copper ore in the State which are susceptible of development, to the enrichment of the State and the Nation.

"Should the price of copper be allowed to be determined by foreign countries with low wage standards and high-grade deposits, the result would be a general shutdown of our mines, and a consequent deterioration of the industry both by the heavy damage to the mines and disbandonment of working organizations.

"Should the Nation suddenly be caught without the foreign supply, and should atomic warfare break out overnight, as indeed may well be the case, the copper shortage and the disbandonment of the skilled labor and management so necessary to produce copper might well mean the ultimate defeat of our Armed Forces.

"The possibility of the collapse of the copper-mining industry is not a remote circumstance since, with the high cost of labor, increased taxes, higher freight rates and other cost handicaps, domestic producers cannot stay in business competition with the low-wage production from foreign countries.

"It is therefore of major importance, not only from the standpoint of simple economics, but from the standpoint of survival, that the price of copper be maintained on a basis which will insure an active industry with normal production, fair profits, steady employment and a good standard of living for workers in the industry, and from which would result a continuation of the benefits which accrue to the national security and the State's economy by reason of the industry.

"This can only be insured through the medium of an adequate import tax on raw copper to equalize the difference between the cost of producing the metal in this country and in the copper-producing countries of South America, Africa, and elsewhere.

"Wherefore your memorialist, the members of the Senate of the State of Arizona, the members of the House of Representatives concurring, urgently request:

"1. That a 4-cent-per-pound tariff be reinstated on all foreign copper.

"2. That the peril point per pound of copper produced be set at 32 cents and the 4-cent-per-pound tariff be maintained until such time as the price of copper reaches or exceeds 32 cents."

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Finance:

"House Concurrent Resolution 15

"Whereas tax relief at the Federal, State, and local level is a major objective of all economy-minded members of all legislative bodies dealing with taxation; and

"Whereas the cost of living has risen during the last 10 years to place an added burden on all Texas families; and

"Whereas section VII of the Democratic platform declaring the financial policy of the Democratic Party is as follows:

" 'Section VII. Financial policy:

" 'Tax adjustment: A fully expanding economy can yield enough tax revenues to meet the inescapable obligations of Government, balance the Federal budget, and lighten the tax burden. The immediate need is to correct the inequities in the tax structure which reflect the Republican determination to favor the few at the expense of the many. We favor realistic tax adjustments, giving first consideration to small independent business and the small individual taxpayer. Lower income families need tax relief; only a Democratic victory will assure this. We favor an increase in the present personal-tax exemption of $600 to a minimum of $800': Now, therefore, be it

"Resolved, That the House of Representatives and the Senate of the 55th Legislature does urge the Texas delegation to the United States Congress to support the increase in the personal exemption from Federal income tax from $600 to $800; and be it further

"Resolved, That copies of this resolution be forwarded to all the members of the Texas delegation to the Congress of the United States, to the Clerk of the House of Representatives, to the Secretary of the Senate of the United States, and to the President and Vice President of the United States.

"BEN RAMSEY,
"President of the Senate.
"WAGGONER CARR,
"Speaker of the House."

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

"House Joint Resolution 56

"Whereas the gulf coast is the only coastal area of the United States without an offshore weather station, and there is a proven need for more adequate weather information in this area, as evidenced by the awesome property damage and loss of life caused recently by hurricane Audrey; and

"Whereas a floating ocean weather station could provide adequate warning of the formation of the severe storms which are characteristic of the area, and thereby contribute toward a minimization of loss of life and property damage in connection with future storms: Now, therefore, be it

"Resolved by the Legislature of Alabama (both Houses thereof concurring), That the Congress of the United States is hereby memorialized and petitioned to provide for the establishment of a floating weather station in the Gulf of Mexico, in order to give adequate protection to life and property in an area subject at any time to devastation by the severe storms which generally form in the central and western portions of the said gulf; be it further

"Resolved, That the clerk of the House transmit a duly authenticated copy of this resolution to the governor of each State bordering on the Gulf of Mexico, to the Speaker of the United States House of Representatives, to the President of the United States Senate, and to each member of the Alabama delegation in the United States Congress.

"Adopted by the House of Representatives of Alabama, July 9, 1957.

"Concurred in and adopted by the Senate, September 3, 1957.

"Approved by the Governor, September 5, 1957."

A joint resolution of the Legislature of the State of Florida; to the Committee on the Judiciary:

"House Memorial 64–X

"Memorial to the Congress of the United States of America urging them to submit a constitutional amendment permitting school integration optional on a State basis

"Whereas there exists a divergence of opinion among a wide segment of United States citizens as to the constitutionality of the May 17, 1954, decree of the United States Supreme Court, holding the doctrine of separate but equal schools unconstitutional; and

"Whereas the area of human relationship between the races is of such vital importance to all the citizens of the United States; and

"Whereas it is imperative that this issue be resolved in a peaceful manner within our constitutional framework so that threatened resistance, riots and bloodshed be prevented; and

"Whereas the continued use of military forces can only heighten the possibility of conflict between these forces and the citizenry and also between the races, and

"Whereas the people of these United States can resolve this issue through their representation in the United States Congress and

the respective State legislatures: Therefore be it

"Resolved, That the Florida Legislature herewith petitions the Congress of these United States to draft and submit a suitable constitutional amendment allowing the resolving of the school integration issue on a State option basis; be it further

"Resolved, That copies of this memorial be transmitted forthwith by the Chief Clerk of the House and the Secretary of the Senate of the State of Florida to the President of the United States, members of the United States Supreme Court, and the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to each of the Congressional delegation in the United States Congress, and to each of the governors, secretaries of state, and attorneys general of the several States; be it further

"Resolved, That a copy of this memorial be spread upon the journal of both the Senate and House of Representatives of the State of Florida, and sufficient copies thereof be furnished to the press."

A joint resolution of the Legislature of the State of New Jersey; to the Committee on the Judiciary:

"Senate Concurrent Resolution 40

"Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Federal Constitution relative to the imposition and collection of taxes on income by the States

"Whereas until in recent years, the imposition by the States of taxes upon intangibles was historically and traditionally limited to residents because the situs of intangibles was deemed to be that of the place of residence of the taxpayer; and

"Whereas following the adoption of the 16th article of the amendments to the Federal Constitution in 1913, it was generally assumed that income taxes would be imposed by the Government of the United States and that this field of taxation would be tacitly allocated to the Federal Government; and

"Whereas at later dates, income taxes were imposed by a number of the States and in most of these the income tax was imposed upon nonresidents as well as upon residents and, in the case of the nonresidents, the tax was imposed in respect to both earned and unearned income derived from sources within the State imposing the tax; and

"Whereas the right to impose such taxes upon nonresidents was sustained by the United States Supreme Court provided there was no discrimination against the nonresidents; and

"Whereas although generally the exemptions granted to a resident applied also to nonresidents, there are many instances where exemptions favoring residents and not allowed to nonresidents have been sustained by the courts; and

"Whereas the reciprocal provisions contained in certain State income tax laws are of some benefit to the nonresidents, nevertheless, there remain many inequities due to the taxation of nonresidents under State income-tax laws; and

"Whereas it appears that the only way to prevent these inequities and to avoid the undue hardship resulting from the imposition State income taxes upon nonresidents is by an amendment to the Federal Constitution; and

"Whereas although bills have been introduced in the Legislature of the State of New Jersey proposing a State income tax, no such tax has been imposed in the State of New Jersey and the general view has been against the imposition of an income tax in this State, and there also has been an ever-increasing demand for action to alleviate the burden imposed upon residents of the State of New Jersey by income taxes levied by other States and, particularly, by neighboring States because the residents of this State pay the income taxes imposed by the Federal Government and the taxes imposed by the State of New Jersey and by its political subdivisions, and they should not also be required to pay income taxes to States in respect to which they are nonresidents: Now, therefore, be it

"Resolved by the Senate of the State of New Jersey (General Assembly concurring)—

"1. The Congress of the United States is hereby memorialized to propose an amendment to the Federal Constitution by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax.

"2. The proposed amendment would be substantially in the following language:

"'ARTICLE XXIII. POWER TO IMPOSE TAXES ON INCOMES BY THE STATES

"'The several States shall have no power to impose and collect taxes on incomes from whatever source derived except in respect to residents of the State imposing the tax.'

"3. The secretary of the senate is directed to transmit properly authenticated copies of this concurrent resolution to the respective presiding officers of the United States Senate and the House of Representatives and to each of the Senators and to all of the Representatives of the State of New Jersey in the Congress.

"ALBERT MCCAY,
"President of the Senate.
"HENRY H. PATTERSON,
"Secretary of the Senate.
"ELDEN MILLS,
"Speaker of the General Assembly.

Attest:

"WILLIAM J. KOHM,
"Clerk of the General Assembly."

Three resolutions adopted by the League of Alaskan Cities, Anchorage, Alaska, favoring the enactment of legislation to provide sufficient funds for authorized mental-health facilities, for the construction of all authorized small-boat basin and rivers and harbors projects in Alaska, and the construction of useful public works in Alaskan communities; to the Committee on Appropriations.

A resolution adopted at the general assembly of the Universalist Church, Atlantic City, N. J., relating to conscientious objectors and the selective-service law; to the Committee on Armed Services.

A resolution adopted by the triregional meeting for regions 4, 5, and 6, Texas Junior Chamber of Commerce, Colorado City, Tex., favoring the enactment of legislation to revise the existing pay structure in the Armed Forces; to the Committee on Armed Services.

A resolution adopted by the Greenbush Junior Chamber of Commerce, East Greenbush, N. Y., relating to the development of intercontinental ballistics missiles; to the Committee on Armed Services.

A resolution adopted by the Joint Legislative Committee, State of Louisiana, Baton Rouge, La., relating to the use of Federal troops at Little Rock, Ark.; to the Committee on Armed Services.

A letter from the Deputy Director, Civil Defense Corps, Adjutant General's Department, State of Ohio, Columbus, Ohio, transmitting an amendment to the interstate compact existing between the States of Ohio and Indiana (with an accompanying paper); to the Committee on Armed Services.

A resolution adopted by the Republican Women's Club of Sacramento, Calif., favoring a reduction of Government expenditures; to the Committee on Appropriations.

A resolution adopted by the Milford Chamber of Commerce, Milford, Ohio, relating to governmental expenditures; to the Committee on Appropriations.

A resolution adopted by the County Supervisors' Association of California, Sacramento, Calif., favoring the enactment of legislation providing for additional appropriations for the planting of national-forest lands, etc.; to the Committee on Appropriations.

The petition of Philip M. Haley, of Lancaster, Pa., relating to the cutback in flying time of pilots; to the Committee on Appropriations.

The petition of Elizabeth McCarthy, of Miami, Fla., relating to her residence in a Government housing project in Miami, Fla.; to the Committee on Banking and Currency.

A resolution adopted by the Texas Society, Sons of the American Revolution, Inc., Baytown, Tex., favoring the enactment of Senate bill 2798 and House bills 9271 and 9359, providing for the occupancy of certain property in the District of Columbia as national headquarters by the National Society, Sons of the American Revolution; to the Committee on the District of Columbia.

A letter, in the nature of a petition, from General Pearsall Post, No. 2028, Veterans of Foreign Wars, Wood, Wis., signed by John J. Carey, Quartermaster, relating to the increase in service-connected disability cases; to the Committee on Finance.

A resolution adopted by Local Union No. 1269, United Mine Workers of America, Bakerton, Pa., relating to a revision of the social-security law; to the Committee on Finance.

A resolution adopted by the board of directors of the Douglas, Ariz., Chamber of Commerce, favoring the maintenance of an adequate tariff rate on copper; to the Committee on Finance.

Two resolutions adopted by the 16th Annual Conference of the Italian-American Labor Council, at New York City, N. Y., relating to the Atlantic Alliance, and the protection of Hungarian people; to the Committee on Foreign Relations.

The memorial of Jack A. Keesan, of Dorchester, Mass., remonstrating against the so-called Middle-East doctrine; to the Committee on Foreign Relations.

A letter from the Assistant Secretary of State, transmitting, by request, a resolution adopted by the Guatemalan Congress, expressing its thanks for the resolution of the Senate relating to the death of the late President Carlos Castillo Armas of Guatemala; to the Committee on Foreign Relations.

Two resolutions adopted at the General Assembly of The Universalist Church of America, Atlantic City, N. J., relating to the United Nations, and the cessation of the testing of hydrogen bombs; to the Committee on Foreign Relations.

A resolution adopted by the Davao Junior Chamber of Commerce, Davao City, Philippine Islands, favoring the retention of the United States Information Service in Davao; to the Committee on Foreign Relations.

A resolution adopted by the Supreme Council of the Knights of Columbus, at Chicago, Ill., favoring the withdrawal of recognition to certain foreign governments; to the Committee on Foreign Relations.

A resolution adopted at a "Freedom Rally" of United States citizens of Finnish, Estonian, Latvian, Lithuanian, Polish, Ukrainian, Czechoslovakian, Rumanian, and Hungarian descent, of southern California, relating to the condemnation of Soviet Russia as an aggressor; to the Committee on Foreign Relations.

A resolution adopted by the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Brooklyn, N. Y., favoring the withdrawal of United States recognition now granted Communist governments; to the Committee on Foreign Relations.

Two resolutions adopted by the League of Alaskan Cities, Anchorage, Alaska, favoring payment in lieu of taxes and assessments on federally owned property, and favoring an extension of the Alaska Public Works Act

to June 30, 1964; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Alaska Moose Association, Sitka, Alaska, favoring the enactment of legislation to provide for the construction of an airport at Sitka, Alaska; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the American Association of Airport Executives, Houston, Tex., favoring the enactment of legislation to provide for the advancement of civil aviation; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Dillingham, Alaska, Chamber of Commerce, relating to the protection of salmon resources; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by District No. 4, Department of Ohio, the American Legion, Hamilton, Ohio, protesting any attempt to weaken, destroy or repeal the Immigration and Nationality Act; to the Committee on the Judiciary.

Resolutions adopted by the General Assembly of the Universalist Church of America, at Atlantic City, N. J., favoring the repeal of the Alien Registration Act of 1940, and so forth; to the Committee on the Judiciary.

Two resolutions adopted by the 58th National Encampment, Veterans of Foreign Wars, Kansas City, Mo., endorsing the report of the Commission on Government Security, and the position of the Veterans of Foreign Wars on communism and courts; to the Committee on the Judiciary.

A letter, in the nature of a petition, from Tulio A. Vazquez, Rio Piedras, P. R., relating to segregation, and so forth; to the Committee on the Judiciary.

A resolution adopted by the Board of Directors of the Northern Division, California Federation of Republican Women, at Ross, California, relating to recent decisions of the Supreme Court, and the restoration of the balance of power in the Government; to the Committee on the Judiciary.

A resolution adopted by a convention of District Grand Lodge, No. 3, B'nai B'rith, Philadelphia, Pa., relating to immigration; to the Committee on the Judiciary.

A resolution adopted by a convention of District Grand Lodge, No. 3, B'nai B'rith, Philadelphia, Pa., relating to expellees of Egypt; to the Committee on the Judiciary.

A resolution adopted by the Alaska Moose Association, Sitka, Alaska, favoring the enactment of legislation to repeal that part of the so-called Walter-McCarran Act relating to United States citizens residing in Alaska; to the Committee on the Judiciary.

A resolution adopted by the fourth district, Department of Louisiana, the American Legion, at Shreveport, La., relating to the use of Federal troops in Little Rock, Ark.; to the Committee on the Judiciary.

A resolution adopted by the 16th annual conference of the Italian-American Labor Council, at New York City, N. Y., relating to national quotas under the Immigration and Nationality Act, and so forth; to the Committee on the Judiciary.

A telegram, in the nature of a petition, from L. Brennan, of New York City, favoring the enactment of legislation to provide national segregation of races; to the Committee on the Judiciary.

The petition of Ohio Bell, of Chicago, Ill., praying for a redress of grievances; to the Committee on the Judiciary.

The petition of Ophelia Beard, of Chicago, Ill., praying for a redress of grievances; to the Committee on the Judiciary.

The petition of Cornelia Dabney Tucker, of Charleston, S. C., relating to the filling of vacancies in the United States Supreme Court and certain State courts; to the Committee on the Judiciary.

The petition of William Ricklin, of Denver, Colo., relating to the welfare of the Nation; to the Committee on the Judiciary.

The petition of Edward Leo Douglas and Mrs. Charlotte B. Douglas, of Galveston, Tex., praying for a redress of grievances; to the Committee on the Judiciary.

A resolution adopted by the Alaska Moose Association, Sitka, Alaska, favoring the construction and operation of a mental institution in Alaska; to the Committee on Labor and Public Welfare.

A resolution adopted by the General Assembly of the Universalist Church of America, Atlantic City, N. J., relating to Federal aid to education; to the Committee on Labor and Public Welfare.

A resolution adopted by the California State Board of Agriculture, Sacramento, Calif., favoring the enactment of legislation to amend the wages and hours law; to the Committee on Labor and Public Welfare.

The petition of J. Martin Bailey, of New York, N. Y., praying for the repeal of restricted provisions relating to the form of publishers' bills, receipts, and orders for subscriptions enclosed in publications mailed at second-class rates of postage; to the Committee on Post Office and Civil Service.

A resolution adopted by the Board of Supervisors of Orange County, Sacramento, Calif., favoring the designation of Orange County, Calif., as one of the "standard metropolitan areas" of the Nation; to the Committee on Post Office and Civil Service.

A resolution adopted by the Costa Mesa, Calif., Junior Chamber of Commerce, relating to the designation of Orange County, Calif., as one of the "standard metropolitan areas" of the Nation; to the Committee on Post Office and Civil Service.

A resolution adopted by the League of Alaskan Cities, Anchorage, Alaska, favoring the enactment of legislation to include Alaska in the national system of State and defense highways; to the Committee on Public Works.

A resolution adopted by the Alaska Moose Association, Sitka, Alaska, favoring the enactment of legislation to provide for the development of a marine highway from Prince Rupert to southeastern Alaska; to the Committee on Public Works.

A resolution adopted by the Common Council of the City of Racine, Wis., favoring the designation of the Grass River lock in the International Rapids section of the St. Lawrence Seaway as the Wiley-Dondero lock; to the Committee on Public Works.

A resolution adopted by the city of Covina, Calif., favoring the enactment of legislation to improve the San Dimas Wash, in the county of Los Angeles, to control flood hazards; to the Committee on Public Works.

A resolution adopted by the Small Craft Harbors Commission, San Diego, Calif., relating to engineering planning for the Santa Cruz Harbor, Calif.; to the Committee on Public Works.

A resolution adopted by the executive committee of the Montana Municipal League, favoring the enactment of legislation to continue in force the provisions of the Water Pollution Control Act until 1961; to the Committee on Public Works.

A resolution adopted by the American Institute of Architects, Washington, D. C., relating to the development of the National Capital; to the Committee on Public Works.

A letter in the nature of a petition, from Rhawnhurst-Castor Memorial Post, No. 754, the American Legion, Philadelphia, Pa., relating to the late Senator Joseph R. McCarthy, of Wisconsin; ordered to lie on the table.

A resolution adopted by the Supreme Council, Sons and Daughters of Hawaii, Hilo, T. H., relating to statehood for Hawaii; ordered to lie on the table.

A resolution adopted by the Alaska Moose Association, Sitka, Alaska, favoring the enactment of legislation granting statehood to Alaska; ordered to lie on the table.

By Mr. JAVITS:

A resolution adopted by the American Sociological Society, Washington, D. C., relating to the broadening and expansion of the National Science Foundation's Fellowship Programs; to the Committee on Labor and Public Welfare.

A resolution adopted by the Oswego County, N. Y., Bar Association, favoring the enactment of Senate bill 1165, providing additional pay and promotion for members of the legal profession serving with the armed services in a legal capacity; to the Committee on Armed Services.

A resolution adopted by the New York State Convention of Universalists, New York City, requesting the Congress to investigate thoroughly all demands of school building programs, offering assistance only to the most needy; and that Federal funds be allotted only to schools which are conducted in conformity with the Supreme Court decision on integration; to the Committee on Labor and Public Welfare.

A resolution adopted by Oneonta Aerie 1260 Fraternal Order of Eagles, Oneonta, N. Y., favoring the elimination of discrimination in employment against workers over 40 years of age; to the Committee on Labor and Public Welfare.

A petition, signed by Catherine Grace Gallaway, and sundry other citizens of the State of New York, praying for the return of America's fighting men captured and unaccounted for by the enemy in the war in Korea; to the Committee on Armed Services.

BRIG. GEN. CASIMIR PULASKI—RESOLUTION

Mr. FREAR. Mr. President, I have received a resolution adopted by the Council of the Polish Societies and Clubs in the State of Delaware, and the Delaware division of the Polish American Congress, commemorating the memory of Brig. Gen. Casimir Pulaski.

Mr. President, I ask unanimous consent to have the resolution printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, as follows:

We, Americans of Polish descent, are assembled at the Pulaski Place, this 13th day of October A. D. 1957, under the auspices of the Council of the Polish Societies and Clubs in the State of Delaware, and of the Delaware division of the Polish American Congress. On this 178th anniversary to commemorate the memory of Brig. Gen. Casimir Pulaski, who gave his valor, courage, and his life to the American cause for liberty and independence.

Gen. Casimir Pulaski did not sacrifice his life in vain, as our founders have given a new order to the world based upon the principle that all rights came from God and were vested in the individual, that governments among men derived their just powers from the consent of the governed, and that the importance of each person is over and above the importance of the state.

Further, the apathy, indifference, and neglect of the individual responsibility has opened the way to well financed selfish minoirties, pressure groups, and unscrupulous political machines dominating our governmental systems, which are responsible for the present situation of confusion, tension, discontent, and discord throughout our country. This in turn endangers our unity, creating differences among the American people, who are being exploited by the Communists and their followers to lose faith in

our Constitution, Bill of Rights, in our institutions, and in the essential wisdom of freemen.

Whereas we who are assembled this day are greatly concerned with the American Bar Committee's report, that the 15 pro-Communist Supreme Court decisions have advanced 5 of the 9 Communist objectives in the advancement of communism in America; and

Whereas the House Committee on Un-American Activities reported that more than 200 organizations of independent citizens have been dealing in political subversion clandestinely directed by a nationwide apparatus of Communist agents, menacing the entire security system of the United States, and demanding to destroy all immigration laws; and

Whereas when ambitious, wild, and lawless political leaders and governmental officials are interested only in vote of existing pressure groups to keep or to get power, that nation is doomed to destruction; and

Whereas the authority for the decision of the Supreme Court was a complete contradiction of the Constitution. As its authority for this decision it cited among others, a Swedish Socialist who has nothing but contempt for our Constitution; and

Whereas the deadliest enemies of nations are not foreign foes: they always dwell within their borders. Any person, or organization, no matter under what excuse, what guise, what temporary expedient is used, takes power, responsibility, and authority from the people and places it in the hands of a centralized government, that person or organization is an enemy of our American way of life.

Therefore, we, Americans of Polish descent assembled this day to honor and to pay respect to the memory of Brig. Gen. Casimir Pulaski on this 178th anniversary of his death pledge to become more vigilant in guarding our priceless heritage, the Government under the Constitution of the United States, and the Bill of Rights for which Gen. Casimir Pulaski fought and died: Therefore be it further

Resolved, That we understand our Nation's freedom as they understood it when the Declaration of Independence was signed, with freedom of speech, freedom to worship as one chooses, freedom to work, freedom to make a choice, freedom to succeed or fail, and freedom to enjoy the fruits of one's labor: Therefore be it further

Resolved, That to remain silent in the face of present dangers is to enhance communism. If we are to survive as a free people we must rekindle the national spirit and reject the ideology of collectivism, the welfare state, and all forms of world government. We must determine to stop all encroachment on our right to govern ourselves, serving notice on our Federal Government that the privilege they have received to serve was delegated to be used for the welfare and the best interest of the American people and not of the pressure groups: Therefore be it further

Resolved, That copies of this resolution be sent to the President of the United States, Delaware's representatives in the United States Congress, Chief Justice of the United States Supreme Court, Governor of the State of Delaware, and the mayor of the city of Wilmington.

FLOOD-CONTROL AND WATER-CONSERVATION PROJECT, RUM RIVER, MINN.—RESOLUTION

Mr. HUMPHREY. Mr. President, on the date of November 27, 1957, I received a letter from the Milaca Chamber of Commerce of Minnesota joining in a resolution adopted by that chamber of commerce relating to the Rum River flood-control and water-conservation project.

I ask unanimous consent to have this resolution made a part of the RECORD and referred to the appropriate committee.

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

MILACA CHAMBER OF COMMERCE,
Milaca, Minn., November 25, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senator, Minneapolis, Minn.

DEAR SENATOR HUMPHREY: At the regular meeting of the Milaca Chamber of Commerce, held November 18, 1957, at 6:30 p. m., the following resolution was duly passed.

"RESOLUTION

"Whereas the County Board of Mille Lacs County, Minn., and the Village Council of the Village of Milaca, Mille Lacs County, Minn., have at their last regular meetings passed resolutions urging further study and survey of the Rum River flood-control and water-conservation project to include the so-called upper-dam area: Therefore be it

"*Resolved,* That the Milaca Chamber of Commerce concur and support said resolutions; and be it further

"*Resolved,* Whereas the main industries of the village of Milaca is food processing, and it is very essential that the village have adequate water supply, so we urge your support of said project."

Yours truly,

GRANT MAGNUSON, *Secretary.*

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. THYE (for himself, Mr. CASE of South Dakota, Mr. HUMPHREY, Mr. IVES, Mr. MUNDT, Mr. WILEY, Mr. YOUNG, and Mrs. SMITH of Maine):

S. 2912. A bill to amend section 201 (c) of the Agricultural Act of 1949, as amended, relating to price support on dairy products; to the Committee on Agriculture and Forestry.

By Mr. THYE (for himself, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. LANGER, Mr. MUNDT, and Mr. YOUNG):

S. 2913. A bill to provide for a minimum acreage allotment for corn and other purposes; to the Committee on Agriculture and Forestry.

By Mr. THYE:

S. 2914. A bill to extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended; to the Committee on Agriculture and Forestry.

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

S. 2915. A bill to preserve the family farm; to the Committee on Agriculture and Forestry.

By Mr. THYE:

S. 2916. A bill to provide for grants to the States to assist them to increase the salaries of teachers of science in secondary schools and in providing necessary equipment to be used in connection with the instruction of scientific subjects in such schools; and

S. 2917. A bill to promote the general welfare of the United States by providing for a program of scholarships for college undergraduate and graduate level education, to be administered by the Commissioner of Education; to the Committee on Labor and Public Welfare.

S. 2918. A bill to amend the Small Business Act of 1953 to authorize disaster loans to small business concerns suffering substantial economic injury as a result of excessive rainfall; to the Committee on Banking and Currency.

S. 2919. A bill to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. EASTLAND (for himself, Mr. FULBRIGHT, Mr. KEFAUVER, Mr. SYMINGTON, and Mr. THYE):

S. 2920. A bill to provide for small business disaster loans in areas affected by excessive rainfall; to the Committee on Banking and Currency.

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

By Mr. EASTLAND (for himself, Mr. FULBRIGHT, Mr. KEFAUVER, Mr. SYMINGTON, and Mr. ALLOTT):

S. 2921. A bill to enable the Federal intermediate credit banks to limit endorsers' liability on loans in disaster areas; to the Committee on Banking and Currency.

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

By Mr. HUMPHREY:

S. 2922. A bill to authorize a $100 per capita payment to members of the Red Lake Bank of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Interior and Insular Affairs.

S. 2923. A bill making an appropriation for United States participation in the Universal and International Exhibition of Brussels, 1958; to the Committee on Appropriations.

By Mr. HUMPHREY (for himself, Mr. CHURCH, Mr. HENNINGS, Mr. KEFAUVER, Mr. KERR, Mr. LANGER, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MORSE, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIRE, Mr. THYE, Mr. SCOTT, Mr. SYMINGTON, Mr. JACKSON, Mr. MUNDT, Mr. POTTER, Mr. WILEY, and Mr. YOUNG):

S. 2924. A bill to amend section 201 (c) of the Agricultural Act of 1949, as amended, relating to price support on dairy products; to the Committee on Agriculture and Forestry.

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

By Mr. IVES:

S. 2925. A bill to amend the National Labor Relations Act so as to require labor organizations to give their members an opportunity to vote on certain matters by secret ballot;

S. 2926. A bill to amend section 302 of the Labor Management Relations Act, 1947, so as to prohibit certain payments to labor organizations by agents of employers or by labor relations experts, advisers, or consultants retained or engaged by employers;

S. 2927. A bill to amend the National Labor Relations Act so as to make it an unfair labor practice for a labor organization to carry on picketing under certain conditions for organizational purposes or for the purpose of forcing an employer to recognize such labor organization as the representative of his employees; and

S. 2928. A bill to amend sections 9 (f) and (g) of the National Labor Relations Act so as to impose criminal penalties for failure by labor organizations to file information required by such sections, and to authorize the Secretary of Labor to make public the information filed under such sections; to the Committee on Labor and Public Welfare.

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

S. 2929. A bill for the relief of Leslie Tse-Chiu Kuo and Shu-Hua King Kuo; to the Committee on the Judiciary.

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

S. 2930. A bill to establish a Commission on Immigration and Naturalization; to the Committee on the Judiciary.

By Mr. TALMADGE:

S. 2931. A bill to amend the Poultry Products Inspection Act in order to clarify the authority of the Secretary of Agriculture to pay for certain inspections made under such act, and to authorize the processing of inspected and noninspected poultry and poultry products in the same establishments prior to January 1, 1959; to the Committee on Agriculture and Forestry.

By Mr. MALONE:

S. 2932. A bill for the relief of Louie Kit Chun (Mrs. Lee Kai); to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2933. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization; to the Committee on Foreign Relations.

By Mr. LANGER:

S. 2934. A bill to prohibit the charging of a fee to view telecasts in private homes; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMINGTON:

S. 2935. A bill for the relief of Mary Louise Shields Wilkinson; and

S. 2936. A bill for the relief of Feofania Bankevitz; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 2937. A bill to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government; to the Committee on Agriculture and Forestry.

By Mr. FREAR:

S. 2938. A bill to amend the Internal Revenue Code of 1954 so as to allow an additional income exemption for an individual who is a student at an educational institution above the secondary level; to the Committee on Finance.

By Mr. DWORSHAK:

S. 2939. A bill amending section 105 of the Federal Aid Highway Act of 1956 to authorize additional appropriations for construction of roads on public lands; to the Committee on Public Works.

By Mr. BIBLE:

S. 2940. A bill for the relief of Joseph H. Choy; and

S. 2941. A bill for the relief of John Favia (John J. Curry); to the Committee on the Judiciary.

By Mr. WILEY:

S. 2942. A bill for the relief of Constance Dayton;

S. 2943. A bill for the relief of Letitia Olteanu; and

S. 2944. A bill for the relief of Yoshiko Matsuhara and her minor child, Kerry; to the Committee on the Judiciary.

By Mr. WILEY (by request):

S. 2945. A bill to exempt the Manager-Custodian of the Japan Locker Fund from certain dual-compensation restrictions; to the Committee on Armed Services.

By Mr. ROBERTSON:

S. 2946. A bill for the relief of Jamshed Burjorji Fracis; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 2947. A bill for the relief of Inge Gobel; to the Committee on the Judiciary.

S. 2948. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

By Mr. DIRKSEN (by request):

S. 2949. A bill for the relief of Miss Suzanne Sennott; and

S. 2950. A bill for the relief of Peter Liszczynski; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2951. A bill to authorize private transactions involving the sale, acquisition, or holding of gold within the United States, its Territories and possessions, including Alaska, and for other purposes; to the Committee on Banking and Currency.

By Mr. PROXMIRE:

S. 2952. A bill to preserve and to establish a comprehensive full parity farm income improvement and protection program, to expand domestic consumption and exports of American farm commodities, to enable farmers to keep market supplies of farm commodities in reasonable balance with augmented demand therefor, to establish a yardstick family farm credit program, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. JAVITS:

S. 2953. A bill for the relief of Charles Bernstein;

S. 2954. A bill for the relief of Virginia de Bellisen-Durban; and

S. 2955. A bill for the relief of Kazuko Young; to the Committee on the Judiciary.

By Mr. MONRONEY (for himself, Mr. KERR, and Mr. MCNAMARA):

S. 2956. A bill to amend the Vocational Education Act of 1946 in order to promote scientific education; to the Committee on Labor and Public Welfare.

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

By Mr THURMOND:

S. 2957. A bill to advance the national security and welfare and to promote the progress of science by the establishment of a United States Science Academy; to the Committee on Labor and Public Welfare.

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

By Mr. JOHNSTON of South Carolina:

S. 2958. A bill to impose certain residence requirements for appointment to the position of rural mail carrier; to the Committee on Post Office and Civil Service.

By Mr. STENNIS:

S. 2959. A bill to amend the Small Business Act of 1953, as amended, so as to permit the making of loans to small business concerns which have suffered substantial economic injury because of certain disasters; to the Committee on Banking and Currency.

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

By Mr. ANDERSON:

S. 2960. A bill to amend the Soil Bank Act in order to limit the amount payable to any producer in any one year for participation in the acreage reserve and conservation reserve programs; to the Committee on Agriculture and Forestry.

S. 2961. A bill to amend the Colorado River Storage Project Act in order to limit the interest rate applicable to each unit of a storage project and each participating project constructed pursuant to such act; to the Committee on Interior and Insular Affairs.

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

By Mr. KEFAUVER:

S. J. Res. 133. Joint resolution proposing an amendment to the Constitution of the United States to make provision for the Congress to determine the inability of the President of the United States to discharge the powers and duties of his office; and

S. J. Res. 134. Joint resolution proposing an amendment to the Constitution of the United States to establish a committee to determine the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above joint resolutions, which appear under a separate heading.)

By Mr. ANDERSON:

S. J. Res. 135. Joint resolution providing for the construction by the Department of the Interior of a full scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. ANDERSON when he introduced the above joint resolution, which appear under a separate heading.)

CENTENNIAL OF DISCOVERY OF SILVER IN NEVADA

Mr. BIBLE submitted the following concurrent resolution (S. Con. Res. 52), which was referred to the Committee on the Judiciary:

Whereas June 8, 1959, marks the 100th anniversary of the first significant discovery of silver in the United States at the Comstock Lode, Virginia City, State of Nevada; and

Whereas the prodigious production of the silver mines in the State of Nevada during the heighth of the Comstock Lode helped materially to save the Union; and

Whereas the continued production of such mines made it possible for the United States to resume specie payment, thereby securing the credit of the Union: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress extends greetings and felicitations to the citizens of the State of Nevada, and particularly to the Nevada Centennial Committee, upon the occasion of their commemorative celebration of the 100th anniversary of the first significant discovery of silver in the United States. The Congress joins with the people of the United States in expressing appreciation of the great contribution by the citizens of the State of Nevada in preserving the Union.

PROPOSED JOINT COMMITTEE ON EARTH SATELLITES AND THE PROBLEMS OF OUTER SPACE

Mr. JAVITS. Mr. President, I submit a concurrent resolution providing for the establishment of a Joint Congressional Committee on Earth Satellites and the Problems of Outer Space. A companion resolution has been submitted in the House of Representatives by Representative JAMES G. FULTON, of Pennsylvania.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 53) establishing the Joint Committee on Earth Satellites and the Problems of Outer Space, submitted by Mr. JAVITS, was received and referred to the Committee on Armed Services, as follows:

Whereas the development of successful earth satellites and high altitude rockets capable of supersonic speeds by remote control is a reality, and the problems of outer space and the many ramifications of this area have opened a new field whose impact on our civilization shows tremendous capabilities for good or for ill; and

Whereas the necessity is apparent for the United States to maintain leadership in

developing outer space so that the tremendous gains to come in this field may be advances for peace; and

Whereas freedom of navigation in outer space is as vital as freedom of the seas; and

Whereas claims may be made and questions of international law arise as to rights in outer space and to celestial bodies; and

Whereas for the protection of the general welfare and security of the United States and the free world there is need for a joint and continuing comprehensive study and Congressional oversight in these fields: Now, therefore, be it

Resolved, etc., That there is hereby established a Joint Committee on Earth Satellites and the Problems of Outer Space.

SEC. 2. Authority and duties: The joint committee shall make continuing studies of the activities of the various Government departments, services, and commissions, and of private and international agencies relating to the development, use, and control of earth satellites and similar mechanisms, and shall make continuing studies of the problems of outer space and conditions beyond present human navigational air limits and claims to celestial bodies therein. The Department of Defense shall keep the joint committee fully and currently informed with respect to all matters within the Department of Defense relating to the fields of earth satellites and outer space. Any Government agency shall furnish any information requested by the joint committee with respect to the activities or responsibilities of that agency in the field of earth satellites and outer space. All bills, resolutions, or other matters in the Senate or the House of Representatives, relating primarily to the development, use, or control of the earth satellites and outer space shall be referred to the joint committee.

SEC. 3. Membership: The joint committee shall be composed of seven members of the Senate to be appointed by the President of the Senate, and seven members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than four members shall be members of the same political party. The members of the joint committee who are members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are members of the House of Representatives shall from time to time report to the House of Representatives, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the joint committee, or are otherwise within the jurisdiction of the joint committee.

SEC. 4. Chairman and vacancies: The joint committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The chairmanship shall alternate between the Senate and the House of Representatives with each Congress, and the chairman shall be selected by the members from the House entitled to the chairmanship. The vice chairman shall be chosen from the House other than that of the chairman, by the members from that House.

Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection.

SEC. 5. Powers: The joint committee may make such rules respecting its organization and procedures as it deems necessary: *Provided, however*, That no measure or recommendation shall be reported from the joint committee unless a majority of the committee assent.

In carrying out its duties under this act, the joint committee or any authorized subcommittee thereof, is authorized to hold such hearings or investigations, to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

Subpenas may be issued over the signature of the chairman of the joint committee, or by any member designated by him or by the joint committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the joint committee or any member thereof may administer oaths to witnesses. The provisions of sections 102 to 104, inclusive, of the Revised Statutes as amended, shall apply in case of any failure of any witnesses to comply with a subpena or to testify when summoned under authority of this section.

The expenses of the joint committee shall be paid from the contingent fund of the House of Representatives from funds appropriated for the joint committee, upon vouchers approved by the chairman.

SEC. 6. Staff and assistance: The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The joint committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

Members of the joint committee, and its employees and consulants, while traveling on official business for the joint committee, may receive either the per diem allowance authorized to be paid to Members of Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher.

The cost of stenographic services shall not be in excess of the amounts prescribed by law for the reporting the hearings of standing committees of the House of Representatives. The cost of stenographic service to report executive hearings shall be fixed at an equitable rate by the joint committee.

SEC. 7. Classification of information: The joint committee may classify information originating within the committee in accordance with standards used generally by the executive branch for classifying restricted data or defense information.

SEC. 8. Records: The joint committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committee records, data, charts, and files shall be the property of the joint committee and shall be kept in the offices of the joint committee or other places as the joint committee may direct under such security as the joint committee shall determine in the interests of the common defense and security.

Mr. JAVITS. Mr. President, such a committee would parallel the Joint Committee on Atomic Energy, which we have found it desirable to create, and would be a proper vehicle for providing the necessary bridge between Congress and the Executive on matters affecting outer space and earth satellites.

The space age is here. The world has been catapulted into the space age by the challenge of the Russian earth satellites and our determination to meet their efforts.

A new field has been opened up whose impact on our civilization shows tremendous capabilities for good or evil, for progress or annihilation. It is essential that the United States get and keep leadership in developing outer space so that the tremendous gains possible in this area may be gains for peace, and that our satellite, when launched, may be a symbol of peace and a star of hope.

Mr. President, I emphasize the fact that that is not an exclusivist position for us to take, but that we must do it with all humility in association with our allies, in regional organizations, and in the United Nations, as well as with all other free peoples, in our determination to make our great reserves serve all mankind.

The best interests of the United States and the Free World now require joint and continuing Congressional study in the problems of outer space, and Congressional oversight of the plans and programs upon which our national survival may depend.

Our Preparedness Subcommittee is to be complimented for the objectivity and the vigor with which it is proceeding at the present time in approaching this problem.

Before conflicts in jurisdiction among legislative committees arise on the numerous bills introduced on these matters, it will be best to settle this question by establishing a joint committee.

This measure for a joint committee calls for the appointment by the Vice President of 7 Members of the Senate, and for 7 from the House of Representatives, to be named by the Speaker of the House. In each instance, not more than four shall be members of the same political party.

It is planned that the joint committee shall make continuing studies of the activities of the various Government departments, services, and commissions, and of private and international agencies relating to the development, use, and control of earth satellites and similar mechanisms, and shall make continuing studies of the problems of outer space. The Department of Defense would be called upon by the proposed resolution to keep the joint committee fully informed with respect to all matters within the Department relating to earth satellites and outer space. The legislation also would call on any Government agency to furnish information requested by the joint committee with respect to the activities or responsibilities of that particular agency in the field of earth satellites and outer space.

INVESTIGATION OF MATTERS PERTAINING TO PUBLIC AND PRIVATE HOUSING

Mr. SPARKMAN (for himself and Mr. CAPEHART) submitted the following resolution (S. Res. 207), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to public and private housing.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1958, to January 31, 1959, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $104,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF CERTAIN MATTERS UNDER JURISDICTION OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. JOHNSTON of South Carolina submitted the following resolution (S. Res. 208), which was referred to the Committee on Post Office and Civil Service:

Resolved, That the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) the administration of the Federal employee group life insurance program by the Civil Service Commission;

(2) the administration of the civil-service system by the Civil Service Commission and other agencies of the Government; and

(3) the administration by the Post Office Department of the postal service, particularly with respect to (a) postal policy, (b) research and development, and (c) postal rates.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1958, to January 31, 1959, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF PROBLEMS OF AMERICAN SMALL AND INDEPENDENT BUSINESS

Mr. SPARKMAN (for himself and Mr. THYE) submitted the following resolution (S. Res. 209), which was referred to the Committee on Rules and Administration:

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by Senate Resolution 58, 81st Congress, agreed to February 20, 1950, and Senate Resolution 272, 81st Congress, agreed to May 26, 1950, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committees of the Senate.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1958, to January 31, 1959, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1959.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

TEMPORARY ADDITIONAL CLERICAL ASSISTANT FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. JOHNSTON of South Carolina submitted the following resolution (S. Res. 210), which was referred to the Committee on Post Office and Civil Service:

Resolved, That the Committee on Post Office and Civil Service is authorized, from February 1, 1958, through January 31, 1959, to employ one additional clerical assistant to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

AGREEMENT WITH MEXICO CONCERNING MOBILE RADIO TRANSMITTING STATIONS

Mr. HUMPHREY. Mr. President, for almost 5 years now the United States and Canada have been permitting mobile radio transmitting stations licensed by the Government of one country to operate more or less freely in the other's territory. This arrangement was concluded by an exchange of notes signed at Washington on March 9 and 17, 1953, and it permits "ham" operators to operate in either Canada or the United States on a reciprocal basis.

About 2 years ago I was asked by a number of American amateur radio operators, or "hams," to discuss with the State Department and the Federal Communications Commission the possibility of coming to some similar agreement of reciprocity with our neighbor to the south, Mexico.

I did take this matter up with both the Department and the Commission, and after a rather extended exchange of letters and conversation I have frankly become discouraged that any initiative would be shown by the executive department, without an official expression of interest from the Congress.

It is my strong feeling that Mexican and American "hams" should be permitted to operate in each other's country, just as we have more or less mutual privileges for Canadian and American "hams."

Therefore, Mr. President, I submit a resolution which resolves that it is the sense of the Senate that the President enter into negotiations with the Government of Mexico in an effort to establish an agreement permitting reciprocity for American and Mexican "ham" operators.

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

The resolution (S. Res. 211) submitted by Mr. HUMPHREY was referred to the Committee on Foreign Relations, as follows:

Resolved, That it is the sense of the Senate that the President of the United States should take such steps as may be necessary to enter into negotiations with the Government of Mexico in an effort to establish an agreement under which certain mobile radio transmitting stations licensed by the United States Government or the Mexican Government could be carried from the territory in which they are licensed into the territory of the other country without being removed from the vehicles in which such equipment is installed and without being sealed to prevent transmission.

SMALL-BUSINESS DISASTER LOANS IN CERTAIN AREAS—LIMITATION OF ENDORSERS' LIABILITY ON CERTAIN LOANS

Mr. EASTLAND. Mr. President, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Missouri [Mr. SYMINGTON], the Senator from Colorado [Mr. ALLOTT], and I are today introducing two bills to amend the Federal Farm Loan Act and the Small Business Act for the purpose of providing a comprehensive program of relief to alleviate the drastic disaster situation that now exists in the agricultural economy of the lower Mississippi Valley and other areas of the United States due to excessive rainfall and other inclement weather conditions.

The proposed amendment to the Federal Farm Loan Act would authorize a $200 million fund to be made available within the Farm Credit Administration for disaster relief loans in agricultural areas declared such due to excessive rainfall, drought, hurricane and wind damage, excessive cold, and other acts of God.

The amendment is designed to give immediate relief to farmers and their suppliers who have suffered severe financial loss and reverses due to crop failure. It proposes that the $200 million be made available through the intermediate credit banks to production credit associations, cooperatives, banks, and private

lending institutions throughout the present and future disaster areas. Under the plan, borrowers who have been unable to meet the obligations incurred in producing the 1957 crop will be given an opportunity to go to their lending agency and arrange for a special loan for a 3- to 5-year period to immediately liquidate the debts they now owe and cannot pay which were incurred in the production of the 1957 crop. It is intended that this special type loan will be entirely divorced from the production loan that will be necessary for the 1958 farm operation.

The widespread nature of the present disaster requires a program far more extensive than that provided for under the Farmers Home Administration. The bill supplements—and not supplants—the function of the FHA in disaster relief. It will also supplement the companion amendment we are now introducing.

This companion amendment would amend the Small Business Act to enable the Small Business Administration to make certain emergency loans in disaster areas where farm implement dealers, fuel oil suppliers, seed, feed, and chemical dealers, and others are caught with large unpaid balances for supplies and services upon which credit was given to farmers during the past year. The present Small Business Act now provides for such assistance. However, it is limited to areas proclaimed disaster because of hurricane and drought and does not cover disasters proclaimed by reason of excessive rainfall or other conditions, such as have occurred in many areas of the United States in 1957.

Mr. President, 1957 was one of the most disastrous years in certain areas of the United States that has occurred since 1930. The lower Mississippi Valley was particularly hard hit on both sides of the river from Cairo to New Orleans. Excessive rainfall started at the beginning of harvest and has continued up until the present time. Farmers in this area are totally unable to gather their crops, one of the biggest crops that they had ever made. Cotton, beans, corn, everything was affected. The producers were simply unable to get into their fields from September up until now to gather and place in the bins not only one of the greatest crops that the area had ever made but the most expensive crops. Estimates of damage range from $300 million to $500 million in the lower Mississippi Valley.

These staggering losses today represent a severe strain on the farm credit machinery that has serviced this area. Our present farm-credit machinery, as presently administered, is wholly inadequate to cope with a disaster of this magnitude.

Everyone knows that many commercial banks have long since ceased to make agricultural loans and that the field of agriculture credit has been relegated for the past quarter century to agencies operating under the Farm Credit Administration.

Mr. President, I ask unanimous consent that I may yield to the Senator from Arkansas [Mr. FULBRIGHT] for a few moments, before I conclude my remarks.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the Senator from Arkansas may proceed.

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the remarks made by the Senator from Mississippi, and I shall not elaborate on his comments or engage in a lengthy discussion with respect to the merits of the proposed legislation.

First, I ask unanimous consent that, at the end of the remarks of the Senator from Mississippi, there may be printed in the RECORD a letter from the Department of Agriculture, dated December 10, 1957, which is in answer to my letter to the Secretary of Agriculture dated November 29, 1957. I also ask unanimous consent that a copy of my letter be printed in the RECORD.

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

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, I have before me 3 articles, 1 published in the Arkansas Democrat, and 2 published in the Arkansas Gazette. These articles describe very vividly and adequately, I believe, the conditions which exist in my State and demonstrate quite clearly, in my opinion, the reasons for the enactment of the proposed legislation.

The Senator from Mississippi [Mr. EASTLAND] should be commended for his leadership in developing the proposed legislation, and I shall see to it that when the proposed amendment to the Small Business Act comes before the Committee on Banking and Currency it will receive prompt attention and action. I know that the Senate will cooperate in making available to our part of the country this very important and desperately needed legislation. I know of nothing which is more important to the welfare of our area than the bills the Senator from Mississippi is introducing. I thank him. I ask unanimous consent that the three articles which I mentioned be printed in the RECORD at the conclusion of the Senator's remarks. One article, published in the Arkansas Democrat of November 26, 1957, is entitled "State Farmers Count Crop Loss in Millions." The first article published in the Arkansas Gazette on November 14, 1957, is entitled "Dreams of Farmers Shattered by Rain"; the other article, published on December 13, 1957, is entitled "Weather-Battered Eastern Arkansas Faces Lean Year."

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

(See exhibit 2.)

Mr. EASTLAND. Mr. President, I thank the distinguished Senator from Arkansas, the chairman of the Committee on Banking and Currency, for his assurance that he will immediately proceed to consideration of the bill.

Mr. President, I ask unanimous consent that I may yield to the Senator from Tennessee for 2 minutes.

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

Mr. KNOWLAND. Mr. President, I must object. I would object regardless of whether the request came from this side of the aisle or from the other side. My objection is based on the previous statement made by the distinguished majority leader, which was concurred in by the Senate, that on this opening day, when many Senators wish to introduce bills and transact other morning business, Senators be recognized alternately from each side of the aisle.

Mr. EASTLAND. These remarks all deal with the same bill.

Mr. KNOWLAND. I understand. However, there are many Senators waiting who wish to introduce bills. If we follow the procedure outlined by the majority leader earlier today I believe we will expedite business and we will not get into any problems on this subject.

Mr. EASTLAND. Mr. President, it will be recalled that back in the 1930's when we had the great nationwide drought of that year, Congress did little or nothing to counter the downward trend in agricultural income. We wholly failed to realize the significance of the disaster that had stricken American agriculture and nothing was done to shore up farm credit until it was too late—1931 and 1932 followed with their trend of credit chaos and bankruptcies until the national income had shrunk to such proportions that it could hardly maintain the national debt. At that time our farm credit machinery was revamped and no longer were the American farmers dependent entirely upon commercial channels for agricultural credit. Production credit associations were authorized throughout the entire farming area of the Nation and these associations became the credit sources to maintain and sustain American agriculture.

Other emergency steps were taken under the Farm Credit Administration to help in that emergency. The Federal Farm Mortgage Act was passed, seed loans were authorized, Federal Land Bank Commissioner Loans were created and all of these newly created devices proved useful in the rehabilitation of farm credit. As credit in the farming community was reestablished many of these devices were allowed to lapse and the entire burden of farm credit was turned over to the Production Credit Association. The system has worked well when taken together with the disaster loan powers of the Farmers Home Administration.

Farm credit generally became so stabilized under the coordinating program developed by the Farm Credit Administration and the Agricultural Adjustment Act that we entered into a new and unprecedented era of agricultural solidarity. During this period agricultural technology developed at a most rapid pace. Machinery entirely supplanted the mule and animals in soil cultivation. Chemicals began to play a larger and larger part in successful agricultural production. The stabilization of agricultural credit was on such solid ground that implement dealers, oil jobbers, seed and feed, fertilizer and chemical dealers and many other small businesses that operated to supply the basic needs and requirements of farm operations were able to supply a great portion of the credit and services for these operations

outside of the actual production loan made to finance the operation of the individual farmer. This is particularly true in the time period from the maturity of a crop until it is harvested and in the bin or barn. Farm implements and machinery, replacement parts and repairs now constitute a large portion of the individual capital investment on any farming operation large or small. This is entirely credit operation. Likewise, tractor fuels and combine fuels are largely financed outside of the production loans. This class of small independent merchants who supply these services to the farmers are today in equally as bad a shape as are the farmers themselves because of the current disaster. Some method of relief must be devised to aid and assist both them and the farmers involved.

Under the present setup, when a disaster in a farming area is proclaimed by the Secretary of Agriculture, the Farmers Home Administration is authorized to make production loans to farmers who have been hard hit by the disaster and cannot receive credit from production credit associations or commercial banks. In this contingency the Farmers Home Administration will make production loans for the next year's crop. These loans, though, do not contemplate helping the farmers pay their past due obligations, but these past due obligations, including unpaid notes on farm machinery secured by lien, and interest payment, and so forth, are compelled to be set aside through standby agreements and the farmer's creditors are forced to wait another year for payment.

Under ordinary circumstances, while hardships were created, on the whole this plan worked reasonably well notwithstanding the complaints from the business community in the agricultural area.

However, 1957 proved to be a year that was not an ordinary disaster year. In previous years the disasters when proclaimed were usually limited to very small areas or were found to be in areas of very low-cost agricultural production. Nineteen hundred and fifty-seven was not this type disaster. The disaster was widespread and hit at the very heart of high cost agriculture production, that is, the lower Mississippi Valley, Florida, and many other areas of the country. In Mississippi alone 59 counties out of 82 have been declared disaster areas; 400,000 people in Mississippi are on commodity relief. In Arkansas 51 counties were declared disaster areas and commodity relief is being extended in that State. Southeast Missouri, west Tennessee, and Louisiana are similarly affected; in fact, the entire lower Mississippi Valley from Cairo south on both sides of the river and large areas of the southeastern part of the United States together with large areas in Texas. We hear of adverse weather in Florida where freezes destroyed the citrus crop; there was destruction of the peanut crop in Georgia; wet corn in Minnesota and Illinois and many other adverse conditions in agricultural areas.

The staggering effects of this disaster are revealed in the Department of Agriculture cotton estimate reports. In August the cotton crop in the United States was estimated at about 13 million bales. By this time the ginners report should have confirmed this very accurate forecast of the Department of Agriculture. However, the ginners report revealed a prospective shortage of about 2½ million bales of cotton and this shortage is largely limited to the lower Mississippi Valley plus other portions of the southeastern part of the United States and some areas in Texas.

In fact, the December ginners report as of December 13 states that Mississippi, Arkansas, and Missouri were running 1,188,000 bales below the September estimate and this is cotton alone, not counting the proportionate losses in other farm crops. A grassroots meeting held at Stoneville, Miss., with the Mississippi Delta Council acting as host with representatives from Mississippi, Louisiana, and Arkansas present, it was estimated that the farmers in these areas lack 40 percent of paying their production loans plus farm liens and necessary open accounts owing to concerns furnishing agricultural services.

Another of the tragic aspects of this situation is the effect that these losses have on business supplying agriculture. Farmers in this area are unable to pay their implement notes, they are unable to pay their chemical bills, they are unable to pay their fertilizer accounts or pay for their tractor fuel. I hold in my hand letters which I have received from tractor fuel dealers, fertilizer and chemical dealers and implement dealers in the area proclaimed a disaster area by the Department of Agriculture. Most of these dealers state that they cannot carry on next year. Some of them state very frankly that their business will be forced to close except by the sufferance of their creditors.

The proposed amendment to the Small Business Act is designed to give immediate relief to this type of small business operation.

Small business loans, as helpful as they might prove to be, are not the answer to the collapse of agricultural credit. The disaster loan program has heretofore operated well in limited situations. It must be supplemented for this present major disaster and possible future catastrophes. What is called for is second mortgage refinancing over a period of years in such a fashion as not to impede established systems of credit.

If enacted, the proposed amendment to the Farm Loan Act will fulfill this need. The $200 million authorization is not an appropriation and will come from assets now available to the intermediate credit bank. What the amendment proposes is simply this: It will give to the Farm Credit Administration the authority to make loans through the intermediate credit banks to production credit associations and other lending agencies of a character and nature that are not now permitted by law. Let me give an illustration as to how the plan would work. Through crop failures an individual farmer is now confronted with a net operating loss of $10,000 on his 1957 operation. Furthermore, he does not have the money to pay taxes that are now due. He must obtain a loan to produce his 1958 crop; yet he is behind on the payments for his tractors and machinery, owes large bills for fuel oil, poison, machinery repairs and numerous open accounts for groceries, drugs, and other essentials that formed an integral part of his 1957 operation. Under this proposed amendment he can now go to his lending agency and arrange for his 1958 production loan. In addition to this loan the lender will carefully examine the obligations carried over from the 1957 crop in a supplemental loan covering a period of from 3 to 5 years. The money will then be made available for him to pay off the numerous tractors included in the 1957 deficit.

At this point I ask unanimous consent to insert in the RECORD a letter which I have received from Honorable P. F. Williams, Clarksdale, Miss., a member of the National Advisory Committee of the Farm Credit Administration written to Gov. R. B. Tootell, Governor of the Farm Credit Administration. A similar story is told by all production credit associations in the affected area. I likewise ask to insert in the RECORD a copy of a letter which has been written by Senator FULBRIGHT and me to Governor Tootell.

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

DECEMBER 19, 1957.

Mr. R. B. TOOTEL,
Governor, Farm Credit Administration,
Washington, D. C.

DEAR BOB: I have had two conversations with Mr. Courtney Pace, executive secretary to Senator JAMES O. EASTLAND, with reference to conditions prevailing in the Mississippi Delta, Arkansas Delta, Louisiana Delta, and Missouri Delta. In addition to the plan which Senator EASTLAND first started we have had a number of Senators and Representatives from Mississippi, Arkansas, and Missouri to suggest similar plans.

Personally I cannot see how the production credit associations are going to finance the farmers in the shape they are in financially now. The farmers have land payments to make, taxes, implement notes to meet, poison from last year's crop to pay for; in fact, the farmers have innumerable obligations to meet, and the production credit associations simply cannot lend them enough money to meet their debts and money with which to produce a crop in 1958.

I have discussed this proposition with a number of large producers, also discussed the matter with production credit associations. I am told that either the old Federal mortgage loan or the Federal land bank commissioners loan can be reactivated at once, and they can put out second-mortgage money which will enable the farmers to pay the 1957 debts and then get money from the production credit associations with which to produce a crop in 1958.

Implement dealers have not got the money to carry over the debts until 1958. The banks have not got the money to carry the debts over for the farmers. The production credit associations have not got the money to carry over the debts simply because the farmers have not got the security to put up to pay their debts. I will thank you kindly if you will look into this matter and see what can be done.

I talked to Mr. Pace yesterday afternoon, and he tells me that certainly the National Advisory Committee knows something of the seriousness of this proposition in the States of Mississippi, Arkansas, Missouri, Louisiana,

and east Texas. Senator STENNIS, of Mississippi; Mr. SMITH, Congressman from Mississippi, who lives in Greenwood, Miss.; and other Mississippi Congressmen are very anxious to have the advisory committee take this matter up in January with you, your board, and the Congress.

If you should want to investigate the facts, I would certainly be delighted to have you come to Clarksdale or send somebody to Clarksdale, and we will help you in any way.

Frankly, something has got to be done and done quickly.

Sincerely,

P. F. WILLIAMS,
Member, National Advisory Committee, Fifth District.

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
December 20, 1957.

The Honorable R. B. TOOTEL,
Governor, Farm Credit Administration, Washington, D. C.

DEAR GOVERNOR TOOTEL: We are in receipt of a copy of a letter addressed to you by Hon. P. F. Williams, member of the National Advisory Committee of the Fifth District of the Farm Credit Administration. The letter outlines the inadequacies of the present farm credit machinery in the disaster areas proclaimed by the Secretary of Agriculture for Missouri, west Tennessee, Arkansas, and Mississippi. Probably other States now or will soon have similar problems.

As of this time, the Secretary of Agriculture has proclaimed 59 counties in Mississippi, 52 counties in Arkansas, several counties in Missouri and west Tennessee as disaster areas. Incessant rain during the harvest season has rendered it impossible for the farmers in these areas to meet their obligations.

In Mr. Williams' letter he states "I cannot see how the production credit associations are going to finance the farmers in the shape they are in financially now. The farmers have land payments to make, taxes, implement notes to meet, poison from last year's crops to pay for. In fact the farmers have innumerable obligations to meet, and the production credit associations simply cannot lend them enough money to meet their debts and money with which to produce a crop in 1958." He then suggested the reactivation of the former Federal mortgage loan program or the Federal land bank commissioners loan program so that farmers will have available second-mortgage and chattel refinancing over a period of years to enable them to pay 1957 debts.

We concur in the observations made in Mr. Williams' letter to you. We have realized the seriousness of this condition for some time and we also feel that the present credit machinery is inadequate.

Disaster loan officials are reluctant to make loans to refinance existing obligations. However, this is the crux of the problem which confronts the people in these areas.

The situation is very bad. However, it is not so bad that it cannot be handled by a realistic appraisal of the magnitude of the task coupled with the realization that the primary need is adequate credit over a sufficient length of time to enable the obligations and losses to be liquidated.

Mr. Williams suggested a meeting of the Advisory Committee of the Farm Credit Board and we concur that some action along this line would be very helpful.

Early in January we will propose an amendment to the Small Business Act to enable the Small Business Administration to extend its disaster loan program to areas where disasters occur because of excess rainfall, as well as drought and hurricanes. We realize, of course, that this is not the answer to the entire credit problem, but believe it will be helpful. The farm economy in our areas has been stricken to such an extent that the business community, which directly and indirectly depends upon agriculture, is also suffering. Small business loans are necessary to finance inventories accumulating because of lack of sales to farmers, and because of uncollected accounts.

Early in January we expect to have hearings on this amendment and we are suggesting to some of the agriculture, credit and business leaders in the affected areas that this might be an appropriate time to ask some persons who are acquainted with conditions in the area to come to Washington for a discussion of this matter with their representatives in Congress and officials of the executive agencies involved. We believe such a meeting would be helpful in pointing out the extent of the disaster and bringing forth suggestions as to how our credit machinery can be shaped to meet the immediate need.

We hope you and your advisers will be available to participate in these discussions at that time. In the meantime we hope that your agency will give careful and urgent consideration as to what can be done, either by regulation or amendment to existing law, to help the people in these areas. Prompt action is necessary, for, as you know, the 1958 planting season must be arranged for in the next few weeks.

Sincerely yours,

JAMES O. EASTLAND.
J. W. FULBRIGHT.

Mr. EASTLAND. Mr. President, the Senator from Arkansas [Mr. FULBRIGHT] and I have suggested that the importance of this question would, in our opinion, justify business and credit leaders coming to Washington to meet with their representatives in Congress and to appear before such committees as may seem appropriate and discuss this whole subject in a roundtable form with the administrative agencies involved, which would be the Small Business Administration, the Farmers Home Administration, and the Farm Credit Administration, looking forward to whatever steps are necessary to take to meet the emergency character of the declaration of disaster as presented by the Secretary of Agriculture. Undoubtedly many Senators and Congressmen who are not immediately affected at this time will be tremendously interested in this entire subject matter. We have suggested January 21 as a target date for such a conference.

The two presently proposed amendments will give to the conference a sound base for a thorough discussion of the situation. Copies will be distributed to each Member of the Senate. Their suggestions, advice, and criticisms between now and the convening date of this conference will be appreciated, as well as their participation in the conference itself.

I believe that Senators who have heretofore introduced legislation on subjects similar to this will find in these two proposed amendments the complete answer to every problem with which they were confronted at the time of the introduction of their bills, and this proposed procedure is far simpler than the procedures that have heretofore been suggested.

Mr. President, we urge the immediate passage of these amendments.

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

The bills, introduced by Mr. EASTLAND (for himself and other Senators), were received, read twice by their titles, and referred to the Committee on Banking and Currency, as follows:

S. 2920. A bill to provide for small business disaster loans in areas affected by excessive rainfall; and

S. 2921. A bill to enable the Federal intermediate credit banks to limit endorsers' liability on loans in disaster areas.

EXHIBIT 1

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, December 10, 1957.

Hon. J. W. FULBRIGHT,
United States Senate.

DEAR SENATOR FULBRIGHT: We were glad to get your letter of November 29, 1957, and to have your appraisal of the distress caused among Arkansas farmers because of excessive rains over the past month. Your letter confirms information that has been made available to us from other sources.

We have tried to alleviate the difficulties faced by Arkansas farmers because of the excessive rain. On May 29, the President designated flooded areas in Arkansas as major disaster under Public Law 875. On August 19 he amended this designation to include additional areas. We sent one of our most able fieldmen, Mr. James Cross, into Arkansas. He gave us a report indicating the extent of the disaster. On June 20, the Commodity Credit Corporation made available surplus stocks of feed grain without cost to eligible Arkansas farmers for the purpose of maintaining their distressed livestock in Lafayette, Little River, Hempstead, and Miller Counties.

Under Public Law 38, 26 counties have been designated by the Secretary as eligible for emergency credit. Nineteen counties have been designated for agricultural conservation practices. Two hundred and ninety thousand dollars has been sent into the State as a contribution to restore flood-damaged lands. We are now reviewing this program so as to make further contributions for restoring flood-damaged areas after January 1.

As of June 1, 1957, 178,443 family units were receiving donated surplus commodities from the Department of Agriculture. These commodities are still available to those in need.

It is noted that you believe that emergency credit policies should be reviewed with the end in view of granting emergency loans for refinancing existing debts. Farmers Home Administration is only one of many credit institutions serving Arkansas farmers. We have inquired as to deposits in Arkansas banks and find that, while deposits are down, the banks are still in a strong position.

In addition, production credit associations operate in your State and the Farm Credit Administration advises us that they are able with very few exceptions to take care of their regular customers and are willing and able to serve new ones. In short, there is no shortage of loanable funds in the area served by the Federal Intermediate Credit Bank of St. Louis.

The Department has two statutory authorities which may be used to assist farmers with loans falling in the general category of production and intermediate-type credit. These statutory authorities will be used to the fullest extent possible in assisting Arkansas farmers as a result of the losses that have occurred there. The policies under which these loans are made are based upon the provisions in the statutes and understandings that have been reached with Congress concerning the use of such au-

thorities. These two types of loans are explained below:

Operating loans under title II of the Bankhead-Jones Farm Tenant Act are made to eligible farmers for such items as seed, fertilizer, gas and oil, machinery repair, other farm needs and living expenses. These loans are also made for the purchase of livestock, farm machinery, and the refinancing of debts on livestock and farm machinery. These loans are made from appropriated funds. The county offices of the Farmers Home Administration are now processing loans to farmers for the purposes indicated above as applications therefor are approved by the local county committees.

Emergency loans under Public Law 38 are now available in 25 counties in Arkansas which have been designated by the Secretary of Agriculture. These loans are available for farm operating costs and living expenses. However, the operating budgets made up in connection with these loans may include interest to other creditors for loans secured by liens on farm machinery and loans secured by real estate liens on the farm. These loans are not available for the refinancing of debts. These emergency loans are made from a revolving fund established by Congress when Public Law 38 was enacted in 1949. The Department's policy of not making loans from this revolving fund for the refinancing of debts to other creditors has been a long-standing policy of the Department. This policy has been discussed at many hearings before Congressional committees participated in by Department officials.

It has been our experience that the use of both authorities described herein will enable the Department to satisfactorily meet the credit needs in these emergency areas.

The Department of Agriculture stands ready through the Farmers Home Administration to assist with emergency credit in the financing of eligible farmers for production of next year's crops. It is particularly alert to assist farmers who have suffered from disasters beyond their control but wish to continue their operations. It is ready to help with the conservation practices in restoring land damaged by excessive rains and floods. If there is a need for feed grain to maintain basic breeding herds, these supplies may be made available. In addition, the Department of Agriculture can, as it has done heretofore, make surplus foods available to needy persons.

It is not the intention of the Department of Agriculture to hide behind technicalities in reviewing requests for assistance on receipt of reports from our State disaster committee. Action to alleviate distress among Arkansas farmers will be taken in a sympathetic and understanding manner. We will give prompt consideration to all requests from the Arkansas State Disaster Committee to the full extent intended by the appropriate statutes. This includes assistance in the purchase of feed grain, assistance in the rehabilitation of flood-damaged lands, emergency credit, and making available surplus foods.

It is to be regretted that more farmers who suffered such severe losses could not avail themselves of the protection provided by the Department's Federal crop insurance program or hedge against loss by taking advantage of the soil bank program. By use of these programs a farmer can protect himself against disastrous losses and it is suggested that these protections be considered in planning next year's farm operations.

Again let me assure you of our desire to be helpful in serving the farmers of Arkansas who find themselves in difficulty.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
November 29, 1957.

The Honorable EZRA TAFT BENSON,
Secretary of Agriculture, Department of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: I should like to call your attention to the critical situation facing Arkansas farmers brought about by the cumulative effects of adverse weather this year.

As you know, Arkansas and other States in the West and Southwest had until this year suffered through several years of serious drought. The drought forced many farmers to abandon or sell their farms and seek work in the cities. Countless others were left in an almost impossible financial situation. Much of the distress suffered by farmers in Arkansas could have been alleviated by prompt and sympathetic assistance under the disaster programs administered by the Department of Agriculture. For example, Arkansas farmers suffering from last year's drought were not made eligible for hay and grain assistance under Public Law 875 until February of this year and then only 8 counties were designated. This was only a fraction of the counties pleading for relief, and the aid given was much too late to save many farmers from ruin. A more sympathetic attitude toward the problems of the disaster stricken farmers by Department personnel would have prevented much distress.

Most farmers were optimistic over prospects this year and hoped for fairly normal weather conditions. However, a late freeze destroyed much of the fruit crops. Extensive heavy rains during the planting season prevented many farmers from planting their crops until early summer and newly planted crops on thousands of acres were washed out by flooding. Some farmers planted their crops as many as three times before achieving success. Despite these adverse effects, indications this fall pointed to good crops, considering the acreage under cultivation. Two weeks of torrential rain this month have completely changed this picture and the farmers are in serious difficulty again.

The State has already received rainfall of 66.43 inches this year—more than any year since 1884. As of November 19, the rainfall for November already measures 9.24 inches. This has had disastrous effects on crops now being harvested. Thousands of acres of good cotton are lying completely under water, and if any cotton is to be salvaged from this land it will be of very poor quality. The cotton crop harvest was far behind normal schedule, due to the late planting and other factors. Much of the crop was still in the fields when the rains came. Reports of crop damage are incomplete at this time, but losses will undoubtedly run into many millions. In Jefferson County alone the county agent estimates that the cotton crop losses will be at least $3 million. Similar losses can be expected for all cotton-producing counties in eastern Arkansas and the lowlands of the Southwest. Great losses will also be incurred in the rice, soybean, sorghum, and lespedeza crops. The farmers of Arkansas are in need of all possible assistance from the Department of Agriculture to help in recovering from this catastrophe.

Twenty-five counties in Arkansas are currently eligible for emergency loans under the provisions of Public Law 38. Many counties most seriously affected by the recent rains are not included in this authorization. It is apparent that many more counties should be authorized for emergency loans. I understand that additional action is needed to make the already designated counties eligible for aid for losses from recent flooding since the current authorization relates only to losses suffered earlier this year. I hope this authorization will be made promptly and that the other counties which were afflicted by recent rains will be added to the eligible list.

I realize that the current Department policy does not favor granting emergency loans for refinancing existing indebtedness. I believe this policy should be reviewed. One of the greatest needs of the farmers is for refinancing debts to prevent foreclosures on their land and chattels as well as preventing additional strains on an already overburdened farm credit situation. The current credit needs of the farmers cannot be met with "production" loans. Therefore, I urge that you give careful and considerate attention to making available emergency-type loans for refinancing purposes.

The farmers in Arkansas have suffered tremendous losses in recent years through no fault of their own. They are normally conditioned to accepting setbacks by nature, as are farmers everywhere. However, they have a right to expect the Department of Agriculture to make available without delay in emergency conditions the disaster relief which Congress has authorized. It is difficult to tell at this stage what additional assistance Arkansas farmers will need other than emergency credit. In all probability, feed and grain relief under Public Law 875 will be needed in some sections. Many areas will need authorization for land rehabilitation practices under the agriculture conservation program. I hope that the Department will take a positive attitude toward relieving the plight of the affected farmers and will not hide behind technicalities in refusing requests for assistance. The Department will, of course, receive official reports from the State disaster committee on needs for various types of aid. I urge that these reports be acted upon promptly so that the farmers can receive the relief to which they are entitled.

Sincerely yours,

J. W. FULBRIGHT.

EXHIBIT 2

[From the Arkansas Democrat of November 26, 1957]

WEATHER TO BLAME: STATE FARMERS COUNT CROP LOSS IN MILLIONS

(By Clifton Wells)

The weather has dealt Arkansas' delta cotton farmers a body blow.

"Some of them are out of business right now and don't know it," said one eastern Arkansas observer.

While it is the delta farmers who have felt the brunt of periodic rains and an early freeze, growers in all sections of the State are suffering. And the impact of reduced farm income already is being felt by many segments of business.

Farmers with reduced production and crops of poor quality which will bring lower prices, will have fewer dollars to spend. Many may not be able to repay loans they received last spring.

The Agricultural Department said that on October 1, the cash income of Arkansas farmers was down $85 million from last year.

Harold F. Ohlendorf, Osceola, president of the Arkansas Farm Bureau Federation, described the situation as critical. He said it could get worse.

Neither Ohlendorf nor Government officials would estimate the total damage wrought by the weather or what the ultimate loss might be. But they agreed that it already is in the millions of dollars.

The weather threw its first punch last spring.

Rains caused widespread flooding from surface water and rivers. Thousands of acres along rivers and creeks throughout the State were inundated and surface water covered

much acreage in northeast Arkansas, destroying just planted crops.

Farmers replanted—some of them two or three times.

Through the summer more rain hampered cultivation and spraying operations, despite a plush growing season.

In October still maturing crops—delayed because of the late planting—were caught by an early freeze.

Then came more rain, again pushing rivers and creeks out of their banks and preventing harvest. Machines and laborers were idled as the rainfall either ruined or lowered the grade of stands still in the soaked fields.

By November 1 last year, 1,257,047 bales of cotton had been ginned in Arkansas. The Census Bureau said that prior to the same date this year only 644,577 bales had been ginned—a reduction of nearly 50 percent.

During the first three-quarters of 1956, the Agriculture Department said, Arkansas farmers received $343,262,000 for their products. During the same period of 1957 the cash income was only $258,135,000.

The Arkansas farmer—now faced with a smaller than normal crop and one of low quality—began the year with fewer acres on which to plant cotton.

The State's allotment for 1957 was 1,416,809 acres compared to 1,424,511 the previous year. In addition, about 186,000 acres were placed in the soil bank, a program under which the Government tries to reduce surpluses by discouraging planting.

Flooding prevented many acres from being planted.

The crop loss in Jefferson County alone recently was estimated at $3 million—a figure based on normal production.

Ashley County Agent D. M. Vaught estimated the cotton loss at $500,000. The loss to all crops in Randolph County was placed at $1 million by the Agriculture Department.

In Craighead County, the county agent, *Herbert Russell*, said Craighead farmers would be lucky to get 50,000 bales of cotton this year. He said Craighead produced 77,000 bales a year ago.

The loss in farm income already is being felt.

Amos David, Caraway, a butane-gas dealer, reported about 25 percent more delinquent accounts than last year. A lot of the delinquents, he said, are customers who normally would take advantage of 30-day discounts.

An implement dealer in northeast Arkansas said his business was off 20 percent and delinquent accounts up 40 percent.

The east Arkansan, who said many small farmers were already out of business but didn't know it, said, "They'll find out next spring when they try to get their furnish."

[From the Arkansas Gazette of November 14, 1957]

DREAMS OF FARMERS SHATTERED BY RAIN

(By Leland DuVall)

The dreams of Arkansas farmers are turning to nightmares in the wake of rainstorms and generally adverse weather.

After struggling through one of the most difficult and expensive spring planting seasons in recent years, farmers emerged with what promised to be a fair to good crop. The freeze and excessive rains have changed the picture.

Even before the latest storms, the Arkansas cotton crop prospects had declined sharply. The latest estimate, based on conditions as of November 1, placed the crop 10 percent below the October report.

But this is by no means the biggest loss. Farmers probably will feel their sharpest pains from loss of grade. The market spread is unusually wide this year and there is a good chance that it will increase more.

Little Rock buyers said yesterday that the price spread from the Middling grade upward was not particularly wide but from the Middling grade down the market slips sharply. One buyer said yesterday that the spread was about $20 a bale between Middling cotton with a staple Low Middling with the same staple.

PER POUND SPREAD

Stated in price, this would mean that if Middling cotton of the specified length were selling at 36.5 cents a pound, the same staple length in Strict Low Middling would bring only 32.5 cents. Another buyer said Strict Low Spotted cotton of this staple length would bring no more than 24 cents. There were reports that some cotton was sold at 17 cents.

When this rain stops and the cotton is finally picked, there is a good chance that the grade will be down to the point that the selling price will range between 19 and 25 cents, one buyer said.

The weather was responsible for part of the loss of anticipated production. The crop was planted considerably later than usual but there appeared to be a good chance that it would overcome the handicap and make a normal or better crop. Cool, damp weather late in the growing season slowed the maturity rate so that the bolls that were set did not fill out as rapidly as they would have done in hot weather.

DEFOLIATION DIFFICULT

Defoliation, where it was tried, was difficult and this slowed the harvest of the early cotton.

"There has been little opportunity to use the mechanical pickers," said William E. Woodall, extension cotton specialist. "I have seen some of the machines at work and they were doing a poor job. The farmers had no choice, since they were faced with the alternative of losing the whole crop or gathering what they could."

He said that in fields where the tires of the picker slipped or skidded, the efficiency of the machine declined rapidly because of the altered ratio between the picking drums and the movement through the field.

OTHER CROPS

Rice farmers are facing similar problems. Harry W. Wellhausen, extension agronomist, said much of the early rice had been harvested but the late crop was threatened by high water. Farmers are faced with higher costs because the harvest will be slow.

Losses of grain sorghum are expected to be heavy.

Soybeans present a slightly different problem. Wellhausen said most of the beans were mature when the frost came and there was little danger of shattering.

But short days and wet ground will keep the moisture content of the beans high and this will interfere with the storage. Wellhausen said beans could be stored safely if they had less than 14 percent moisture. Above that level losses will occur. The alternative is to harvest the beans when the moisture content is high, then dry them to the safe level.

But this is expensive.

The tragedy of the whole thing is that the circumstances are completely out of the hands of the farmer and the troubles were caused by factors over which they had no control.

[From the Arkansas Gazette of December 13, 1957]

WEATHER-BATTERED EASTERN ARKANSAS FACES LEAN YEAR

(By Bill Lewis)

PARKIN, December 12.—Man and the elements combined this year to deal farmers of the rich St. Francis River lands of this area a blow that, for some of them, may well prove to spell financial ruin.

Spring floods delayed planting or required replanting, in some cases as often as three times. This in turn caused late-maturing crops that were severely damaged by an early frost.

Then the rains came again and while the water has greatly subsided, thousands of acres of dirty cotton, milo grain sorghum, and other crops lie unharvested in still soggy fields.

The situation has reached the point where field hands, whose employers are unable to continue carrying them financially, plod through the wet fields in weather so cold that it normally would keep them indoors, picking the ragged cotton tatters that remain, earning enough to keep eating.

A week, two at the most, will wind that up, and one large-scale farmer said the only prospect for relief for the hands after then would be surplus commodities, distributed by county judges.

Cross County people are accustomed to floods—the seasonal ones that result from high water in the Mississippi River. The flooding, in fact, is largely responsible for the richness of their soil. But in the past, these have occurred before the planting season and after harvesting, and the first killing frost hasn't come so early.

Rainfall for the county normally averages about 50 inches. By this week, 73.922 inches of rain had hit Cross County itself, and as much or more had fallen in the areas to the north drained by the St. Francis.

Years ago, the St. Francis, which squeezes between Crowley's Ridge on the west and a high bank on the east to the southwest of Parkin, could easily handle the excessive rains that fell in southeast Missouri and northeast Arkansas. The excess water meandered through the gullies, taking its normal lazy time.

Now, an elaborate system of drainage ditches making up the Little River drainage system in southeast Missouri speeds the excess water down the tributaries that feed into the St. Francis and a manmade leveed ditch now called St. Francis Bay. The river and the bay meet at a point just above the river's "tight squeeze" at Parkin, bringing more water than the well-confined riverbed can possibly handle. The water simply backs up, overflowing roads, fields, and the foundation of houses.

ONLY $3 MILLION

The Corps of Engineers has started a project for opening up the bottleneck by ditches from the Mississippi River northward to the Parkin area, but this is expected to cost some $55 million and the corps now is getting only about $3 million a year for the work.

Farmers of the area are in agreement that this is the only solution to the problem of flooding caused by excessive rains and they press their cause for more funds for the engineers at every opportunity. They concede that their chances for speeding the work aren't too bright at the moment, in view of recent Congressional talk of the increased cost of a missiles program to match Russia's Sputniks seem remote to them in their present difficulties.

Cotton is, of course, the principal crop and moneymaker, with rice next, soybeans third, and milo fourth. Despite the adverse weather, rice planters have fared better than the cotton farmers, but in a county where the entire economy is pegged to agriculture, losses in any crops are felt by just about everybody.

GRADE LOSS GREAT

Troy S. Jennings, the Cross County extension service agent, has estimated that for cotton and rice, production costs for this year's crops were 25 percent greater than normal and that on cotton crops alone farmers will lose $600,000 to the downgrading of cotton quality and $125,000 for the acreage not planted. The loss on rice from these two causes will run about $285,000, soybeans $200,000, and milo $65,000.

Cotton that normally would sell for 36 to 37 cents a pound will be downgraded to 21 to 25 cents. And the amount of even this poor quality of cotton that can be harvested has been reduced in many instances to one-fourth of the estimated crop.

Miles McPeek, statistician with the Department of Agriculture, estimates this year's cotton crop for the entire State will amount to 985,000 bales, 31 percent less than last year's crop, and 32 percent below the 10-year average. Early sales have been at slightly improved prices but he expressed the opinion that prices would drop even more than 31 percent when the damaged cotton reaches the market.

Added to the excessive and early frost was an unusually cool and moist fall that retarded the opening of the cotton bolls.

J. E. Hollan, Jr., of Levesque, who operates a general store and gin for about 1,800 acres of cotton farmland, said he normally could expect to gin at least a bale per acre.

"The first overflow took 25 percent," Hollan said. "We lost another 25 percent from frost damage in October and another 25 percent in the November flood. So far we've ginned 597 bales on better than 1,800 acres of land, and that's about all we'll get this year."

BUILT LEVEES

One of Hollan's neighbors, John H. Johnson, built levees around about 1,000 acres of his cotton and milo land, which borders on Crowley's Ridge, installed lift pumps and saved his crop. But pumping and levee work are expensive and even impractical for the lower lying areas of the county.

Morris Smith, Jr., of W. M. Smith & Sons, one of the larger farms of Cross County, said 700 acres of their farm had been under water for 5 months of this year—4 in the spring and 1 in the fall—and the chances are much of that land will be inundated for the rest of this year.

The high water blocked a gravel road normally used to transport cotton to the gin, and instead of 6 miles, Smith had to haul the harvested cotton 45 miles.

Smith is a director of the St. Francis Levee Board which is promoting the Corps of Engineers project. The project is federally financed. He said the project, if completed now, would lower the St. Francis River 8 feet.

The Smith farm also breeds Angus cattle and ponies and operates its own gin.

MAY BREAK EVEN

The large operators—those who have subsidiary interests in addition to farming—may manage to break even this year, or at least suffer losses small enough to allow them to continue.

The others, those who rent their lands and borrow money to make crops, won't fare so well.

A typical example of the latter is a young man with a wife and two children who had wisely placed enough of his rented farm in the soil-bank program to repay his crop loan. He was confident he would make enough to pay rent on the land and provide his family with a livelihood. His crop was a failure and he was forced to take a teaching job to support his family.

One of the major operators, who owns 4,000 of the richest acres of the county, commented that he would gladly accept a $75,000 loss this year—if he could then rest assured his losses wouldn't exceed that figure.

E. D. McKnight, who has a farm under lease, operates the St. Francis Pedigreed Seed Co. and has other farming interests, voiced cautious optimism that those who were honest in their work and who have really tried will be able to get more credit for a crop next year.

Even if they do, it will take them 3 to 5 years to recover from this year's setback, McKnight said. "You used to be able to make it back in a year, but the margin's too close now," McKnight said. "Sometimes it's just best to give up and turn to something else."

OTHERS FEEL PINCH

Others feel the pinch. A Parkin farm equipment dealer who sold $18,000 worth of equipment last year has sold just a little more than $2,000 worth this year. Power cutoffs are far more numerous this year than normally, and some grocery stores are just barely staying open.

The oldtimers of the area agree that the combination of disasters this year are unprecedented in their lifetimes.

Mr. KEFAUVER subsequently said: Mr. President, I am happy to join with the Senator from Mississippi [Mr. EASTLAND] and other of my colleagues in the sponsorship of these bills, which are of such vital immediate importance to the farmers, the small-business men, and the economy of Mississippi, Arkansas, and parts of Missouri and Tennessee, and which may affect many other parts of the Nation as well.

Speaking of Tennessee, I have been sorely concerned during trips I have made this past fall through west Tennessee—the cotton-growing part of the State.

There, as in Mississippi and the other States of the Midsouth, excessive rainfall did tremendous damage to last year's crop. The farmers are now caught in a squeeze: They can borrow money to put in next year's crop, but under existing laws they cannot borrow to pay what they owe on last year's crop. The small-business men are in a difficult plight because of the same natural disaster: The farmers cannot pay their last year's bills and they have not been able to buy, so inventories are stacking up.

In trying to arrive at some worthwhile suggestion for helping in this situation, I had considered proposing something of the RFC type, but the bills we are introducing today are, in my opinion, far preferable to the tentative solution I had considered, because they have the advantage of working through existing agencies. Therefore, the help can be applied rapidly, which is what is needed.

One of our bills authorizes a $200 million fund to be made available to the Farm Credit Administration for disaster relief loans in agricultural areas declared as such due to excessive rainfall, drought, hurricane, and wind damage, excessive cold, and other acts of God. Under this plan borrowers from production credit associations who have been unable to meet their obligations will be permitted to arrange for a special loan over a 3- to 5-year period. Thus, the money will be a loan only, not a gift.

The other amendment we are introducing enables the Small Business Administration to make emergency loans in disaster areas to the small businesses which are caught with large unpaid balances on supplies and services upon which credit was given to farmers during the past year.

The proposed legislation is most necessary in order that some measure of relief may be afforded the merchants, farmers, dealers, banks, and lending institutions of the Midsouth. I hope it can be acted upon with reasonable dispatch.

Mr. SYMINGTON. Mr. President, in the southeast section of Missouri, as well as in other States along the reaches of the Mississippi River, excessive rainfall in recent months has caused disastrous floods.

In addition to the damage from the floodwaters, thousands of acres of crops, matured and ready to be harvested, were damaged or destroyed.

In the boot heel area of my State, where the average annual rainfall is less than 40 inches, over 100 inches of rain have been reported.

Cotton production, according to the USDA's 1957 Missouri crop report, is just 40 percent of the 1956 level. There are some fifty to sixty thousand people without either food or adequate funds to purchase it. Bank deposits in this area are down 25 percent from last year.

Conditions are extremely critical. Immediate action is needed to lessen the burden on the people affected—not only in Missouri, but in the other States as well.

At the present time surplus food stocks of flour, cornmeal, rice, and some milk products are being distributed through the Missouri Department of Welfare.

Some credit assistance, in the form of emergency crop production loans on the 1958 plantings, is available through Farmers Home Administration.

Additional credit must be provided to prevent mortgage foreclosures and to help the farmers and the small-business men serving them through the rehabilitation period.

For this reason I am joining with Senator EASTLAND and several other colleagues in introducing two bills to help meet this need.

One of these bills would amend the Federal Farm Loan Act to make available $200 million for emergency loans in disaster areas through the Federal intermediate credit banks and the production credit associations. This money would be used for refinancing present indebtedness.

The other legislation would amend the Small Business Act of 1953, authorizing the Small Business Administration to make disaster loans in flood emergency areas as declared by the Secretary of Agriculture.

These two pieces of legislation represent efforts to improve the loan programs currently in effect for disaster areas such as those in southeast Missouri. They would apply not only to the present areas declared disaster, but also in the future to other areas that may be affected.

Prompt and favorable consideration of these bills is very important.

AMENDMENT OF AGRICULTURAL ACT OF 1949, RELATING TO PRICE SUPPORT ON DAIRY PRODUCTS

Mr. HUMPHREY. Mr. President, I introduce a bill to protect America's dairy industry from liquidation. I urge its priority consideration by the Senate Committee on Agriculture and Forestry as emergency legislation which must be enacted into law prior to April 1.

I am introducing the proposal on behalf of myself and a group of colleagues deeply concerned about the plight of dairy farmers, including Senators MANSFIELD, MURRAY, NEUBERGER, MORSE, HENNINGS, KEFAUVER, LANGER, PROXMIRE, MAGNUSON, SCOTT, CHURCH, THYE, KERR, SYMINGTON, JACKSON, MUNDT, POTTER, WILEY, and YOUNG.

In essence, this bill is designed to keep America and Americans strong. The bill immediately reverses the decision—the pre-Christmas decision—made by the Secretary of Agriculture, Mr. Ezra Taft Benson, to lower the support level for manufacturing milk an additional 8 percent. The bill as introduced would assure all of us that chaos will not be the lot of the dairy farmer and, therefore, of the consumer. We are proposing in this bill a modest increase in the support level of manufacturing milk of some 7.7 percent from the present level. When you realize that the dairy farmer's cost of doing business has risen appreciably since 1954, this suggested increase is little enough.

Members of the Senate are aware, I am sure, of my lack of confidence in the ability or the intention of the Secretary of Agriculture to do anything for the American farmer: I have every confidence in his ability and intention to do anything and everything he can to the American farmer. Mr. Benson's abilities along this line are no more amply or cruelly demonstrated than in his announcement of December 18—1 week to the day before Christmas—which, if permitted to become effective, will remove from the pockets of the American dairy farmer $250 million. This on the pretext—and history from 1954 to the present will show that it is nothing but a pretext—that such action would, in the Secretary's opinion reduce production and increase consumption. Mr. President, it is high time that we, as the elected representatives of the American people, do everything we can to stop the Secretary of Agriculture's economic liquidation of the American dairy farmer.

I am as aware today, as I was some years ago when I made my first charge against Mr. Benson, of the seriousness of those charges. I am more convinced today that these charges can be sustained on evidence published by the Secretary's own Department of Agriculture. One need only refer to the official publication of the United States Department of Agriculture titled "Dairy Situation" to secure support for the indictment.

Information in that publication clearly shows a convincing rebuttal of Mr. Benson's so-called economic theories of readjustment for dairying.

For 5 years Mr. Benson has been telling the people of America and the world that dairy farmers were pricing themselves out of the market. In a completely unprincipled appeal to nonagricultural segments of our country the Secretary has attempted to defend his flexing of the American dairy farmers with the argument that lower prices to those farmers will reduce production and increase consumption of milk and its products. Neither of these objectives has been attained under Mr. Benson's policies. On the contrary milk production has increased an average of 1.6 billion pounds each year since 1954 when Mr. Benson started his downgrading of the American dairy farmers and the per capita consumption of milk and its products has remained about the same.

In summary, therefore, Mr. Benson's dairy program has lowered the economic status of the American dairy producers and has actually increased the milk bill to consumers.

I cannot believe that the American consumer would subscribe to Mr. Benson's theories knowing that the application of such theories has meant an hourly wage for our dairy farmers of about 50 cents. I do not believe that American consumers will subscribe to Mr. Benson's economic theories when they realize that the application of those theories has brought about a reduction in the purchasing power of the American dairy farmer by some $600 million each year since 1954 and this reduction will reach some $850 million if the recent decision by Mr. Benson is permitted to stand. All this with no reduction in milk prices to the consumer.

My indictment of Mr. Benson, his theories and his programs, as they affect dairy farmers and consumers, must go further. Mr. Benson talks out of both sides of his mouth. In support of this I submit the Secretary's public statements and actions of December 18, 1957. On the morning of that date Mr. Benson held a national conference on food donations. This conference was publicized by Mr. Benson with the announcement to the conference participants that "I know that you share my interest in the most constructive use of our abundance with which we have been so richly blessed."

During the conference, Mr. Benson described the effectiveness of our abundant food production in winning and holding friends in foreign countries, as well as increasing the nutritional level of many vulnerable segments of our own population. Mr. Benson left the room in which this conference was held and walked to his own office some 200 feet away to hold a press conference during which these very blessings of an abundant production of milk and dairy products became an evil to be dealt with ruthlessly.

I suggest we have seen in Mr. Benson as the Secretary of Agriculture the most blatant "two-face-ism." Members of the United States Senate are well aware of the role our abundant food and fiber production has played as a tool in our programs to win and hold the confidence of our friends in foreign nations. The Secretary has recognized this. But now he would penalize those who helped shape this tool.

The error of Mr. Benson's ways as Secretary of Agriculture can only be mended by the Congress—this we must do before he scraps our agricultural production plant.

Mr. President, I ask that my bill be printed at this point in the RECORD, along with a statement I issued at the time of Secretary Benson's announcement of plans to reduce dairy income.

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

The bill (S. 2924) to amend section 201 (c) of the Agricultural Act of 1949, as amended, relating to price support on dairy products, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first sentence of subsection (c) of section 201 of the Agricultural Act of 1949, as amended, is amended to read as follows: "The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at not less than 75 percent nor more than 90 percent of the parity price therefor using a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive: *Provided*, That for the marketing year ending March 31, 1959, the price of milk for manufacturing purposes shall be supported at not less than $3.50 per hundredweight."

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY ON SECRETARY OF AGRICULTURE BENSON'S DAIRY INCOME REDUCTION ORDER

Secretary of Agriculture Benson has again lowered the boom on our dairy farmers. He announced today that price supports for milk and butterfat will be set at 75 percent of parity. Mr. Benson did not say what kind of parity he has in mind. Presumably he will continue to use the current "tricky parity equivalent" formula for manufacturing milk which keeps going lower and lower.

Based upon estimates for next year, the new support price for the marketing year starting April 1, 1958, will be around $3 per hundredweight for manufacturing milk and 55.6 cents per pound for butterfat as compared to this year's $3.25 per hundredweight for manufacturing milk and 58.6 cents per pound for butterfat.

This unjustified and irresponsible action by Mr. Benson makes it imperative that the Congress give immediate consideration in January to legislation to bolster dairy farmers' income. This legislation must, as a minimum, provide for (1) mandatory use of a stabilized parity equivalent formula for manufacturing milk and (2) a price support of not less than $3.50 per hundredweight. This $3.50 level represents a modest increase over the present $3.25 of about 7½ percent or less than a 50 percent recovery of the drastic drop by Mr. Benson in 1954 when he cut dairy price supports from 90 percent of parity to 75 percent.

I propose to use every possible honorable means to reverse the direction taken by Mr. Benson and give our dairy farmers some encouragement instead of constantly putting roadblocks in their way. Early in January last year I introduced a bill in the Senate which would give our dairy farmers assurance of a stabilized income for milk and butterfat. It is all the more imperative that this proposed legislation be adopted.

The unconscionable action taken by Mr. Benson is not necessarily the limit of his intentions to make matters even more difficult for our dairy farmers. There is evidence that the Secretary is unhappy over the fact that the law prevents his dropping dairy price supports below 75 percent of parity. It is clear that Mr. Benson has not learned the lesson that reducing price supports will not result in decreased production. Decreased production will result only from disastrously low prices.

Dairy farmers are beyond the point of being shocked by Mr. Benson's actions and they should not be surprised if he requests

the Congress to amend the existing law so as to permit him to lower dairy price supports to 60 percent of parity. He has made known that he intends to submit proposed legislation to give him authority to drop price supports on some of the basic agriculture commodities from the present minimum of 75 percent to 60 percent. Mr. Benson may have some notion of including dairy products in the group to be cut. If so, the Secretary will know the real meaning of righteous wrath of our dairy farmers and the producers of other agricultural commodities.

Mr. SYMINGTON. Mr. President, I join with the Senator from Minnesota [Mr. HUMPHREY] and a number of my colleagues in sponsoring legislation to amend the Agricultural Act of 1949 as it relates to dairy price supports.

This bill would have the effect of maintaining dairy price supports for the next marketing year at approximately the present level.

On December 23, the Secretary of Agriculture announced that he was cutting the level of price support on dairy products from 83 percent of parity to 75 percent—the minimum allowed by law. This price cut should be prevented.

Dairy farmers, along with all of our farmers, are already in serious economic trouble. They have been caught in a vicious cost-price squeeze.

Since 1952, total net farm income after inventory adjustments has declined 23 percent. Per capita income of farm people, $903 in 1956, is just 45 percent of the per capita income of nonfarm people.

Since 1952, about 4 million farm people have been forced from their homes and farms, including many thousand dairy operators.

The reasons for this latest action, reducing farm income, as given by the Secretary of Agriculture in his December 23 press conference, are inadequate.

He said the lower price supports would provide less incentive for excessive production. This has been his theory for many years and it has not worked.

Several thousand Missouri farmers told me last fall that they have only one choice in the face of such a price cut—if they want to avoid bankruptcy, they must increase production. A dairy farmer with heavy investment in cows and equipment simply cannot switch crops.

Another reason given for the drastic cut in price-support level was that it will be reflected in lower retail prices of one-half cent a quart for fluid milk. Many informed observers do not believe this will take place.

Even if it does, is there any justice in the Secretary of Agriculture reducing support prices for the farmers by 10 percent in order to reduce retail prices 2 percent?

Dairy products accounted for 13 percent of my State's total cash farm receipts in 1956. With a total production of 4.2 billion pounds, Missouri ranked tenth in the Nation as a dairy State.

Secretary Benson's recent action in reducing the dairy support level will cost the farmers of Missouri over $9 million, and the farmers of the Nation some $200 million a year.

In view of the already seriously depressed economic condition facing these farmers, this policy is not tenable.

Therefore, I urge favorable consideration and prompt enactment of this bill.

PROPOSED LEGISLATION TO CORRECT IMPROPER ACTIVITIES IN THE LABOR-MANAGEMENT FIELD

Mr. IVES. Mr. President, I introduce for appropriate reference four bills designed to help correct abuses disclosed by the investigations thus far of the Select Committee on Improper Activities in the Labor or Management Field.

One of these bills would insure democracy in labor organizations. Another would prevent misappropriation and misuse of union funds. The third would eliminate abuses resulting from so-called stranger picketing. The fourth would extend criminal liability for certain unfair labor practices to middlemen retained by employers in labor disputes, as well as to employers and representatives of employees.

These four bills, in conjunction with previously introduced measures to require the registration and reporting of pension and welfare funds, and to eliminate the jurisdictional no man's land between State and national labor relations agencies, constitute a constructive and reasonable legislative program, corrective rather than punitive in its intent.

I ask unanimous consent that explanations of the four new bills, and the texts of the bills, be incorporated in my remarks at this point in the body of the RECORD.

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

The bills, introduced by Mr. IVES, were received, read twice by their titles, referred to the Committee on Labor and Public Welfare, and, together with the explanations, ordered to be printed in the RECORD, as follows:

S. 2925

Be it enacted, etc., That section 8 (b) of the National Labor Relations Act is amended by striking out the word "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and the word "and," and by inserting at the end of such subsection a new paragraph as follows:

"(7) To take a vote in any manner other than by secret ballot in the election of officers or in any other matter to be determined by a vote of all or a part of the membership (except for such minor incidental or routine matters as may be exempted from this paragraph by regulations of the Board."

SEC. 2. (a) Section 10 of such act is amended by inserting before the period at the end of subsection (1) the following: "or section 8 (b) (7)."

(b) Such section is further amended by adding at the end thereof a new subsection as follows:

"(m) No complaint shall issue against a labor organization under subsection (b) in the case of an unfair labor practice under paragraph (7) of section 8 (b) except upon a charge filed by a member of such labor organization. In any such case in which the Board determines that the labor organization has been guilty of an unfair labor practice, its order may include a provision declaring the election or other vote or votes in which such unfair labor practice occurred to be void and directing the labor organization to cease and desist from giving effect to such election or vote."

The explanation accompanying Senate bill 2925 is as follows:

DEMOCRACY IN LABOR ORGANIZATIONS

Throughout the select committee hearings it has been obvious that many of the evils within unions have been caused by lack of rank and file participation in the unions' internal affairs. This has been due in part to the fact that too many rank and file members are concerned only with contracts and other results of collective bargaining, but have left the running of their unions entirely to the professionals. However, there are no legal remedies in the Federal statutes which could assure individual union members of their right to a vote by secret ballot on important issues.

I have, therefore, drafted an amendment which would make it an unfair labor practice to take a vote in any manner other than by secret ballot in the election of officers or any other matter to be determined by vote of all or part of the membership of a labor organization, except for such minor incidental or routine matters as may be exempted by regulations of the NLRB.

Such a charge could be brought only by an employee or group of employees in the labor organization. Furthermore, the NLRB, in its discretion, could seek a preliminary restraining order in Federal court enjoining such action as would result from the vote in question until a final Board determination had been issued deciding whether the labor organization in question was guilty of an unfair labor practice. If found guilty, the union could then be directed by the court to cease and desist from giving effect to the election or vote in question, such election or vote being declared void.

S. 2926

Be it enacted, etc., That subsections (a) and (b) of section 302 of the Labor Management Relations Act, 1947, are amended to read as follows:

"(a) It shall be unlawful for any employer, any agent of such employer, or any person retained or engaged by such employer as a labor relations expert, adviser, or consultant or for the purpose of dealing or negotiating with any of his employees who are employed in an industry affecting commerce or with any labor organization representing or seeking to represent or organize such employees—

"(1) to pay or deliver or agree to pay or deliver, directly or indirectly, any money or other thing of value to such labor organization or to any officer or representative thereof; or

"(2) to pay or deliver or agree to pay or deliver, directly or indirectly, any money or other thing of value to any employee or group or committee of employees of such employer who are employed in an industry affecting commerce for the purpose of (A) encouraging or discouraging or in any way influencing any such employee or employees in the exercise of their right to self-organization or the selection of a representative, or (B) causing or enabling such employee, group, or committee to encourage or discourage or in any way influence other employees of such employer who are employed in an industry affecting commerce in the exercise of any such right.

"(b) It shall be unlawful for any person to receive or accept or agree to receive or accept, directly or indirectly, any payment or delivery of money or other thing of value prohibited by subsection (a)."

SEC. 2. Subsection (d) of such section is amended by striking out "misdemeanor" and inserting in lieu thereof "felony", and

by striking out "1 year" and inserting in lieu thereof "5 years."

The explanation accompanying Senate bill 2926 is as follows:

THE MIDDLEMAN PROBLEM

Recent select committee hearings have shown how many employers were able to thwart the right of their employees to organize, or to prevent certain unions from becoming the collective bargaining agent for their employees in favor of friendlier labor organizations, by retaining the services of a middleman. Under the present act, it is unlawful for any employer to pay or deliver or agree to pay or deliver any money or other thing of value to any representative of his employees and for such a representative to receive or agree to receive the same.

But it is most doubtful that the existing law would in any way incriminate the agents of such an employer or independent contractors, including so-called labor-management consultants retained by such an employer, even though the employer himself were in violation of section 302, which contains criminal sanctions.

I have therefore drafted a proposed amendment which is designed to extend to such agents or independent contractors the criminal sanctions already applicable to employers. Moreover, a further amendment would change the violation from a misdemeanor to a felony, and increase the maximum imprisonment from 1 year to 5 years.

With respect to the payment or agreement to pay or deliver money or any other thing of value to any employee or group or committee of employees by an employer or his agent, to encourage or discourage in any way their right to self-organization or such rights of any other employees, it should be noted that such an action is already an unfair labor practice under section 8 (a) (2) and (3) of the Taft-Hartley Act, but it is not under existing law a criminal offense. The proposed amendment would make such an action a crime subject to the criminal provisions contained in section 302.

S. 2927

Be it enacted, etc., That section 8 (b) of the National Labor Relations Act is amended by striking out the word "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and the word "and", and by adding a new paragraph as follows:

"(7) to carry on picketing on or about the premises of any employer either for organizational purposes or for the purpose of forcing or requiring such employer to recognize or bargain with a particular labor organization as the representative of his employees if (A) another labor organization has been certified as the representative of such employees under section 9 (c) within the preceding 12-month period, (B) an election has been held under section 9 (c) within the preceding 12-month period and no labor organization has been certified as the representative of such employees, or (C) a petition has been filed under section 9 (c) (1) (A) by another labor organization or under section 9 (c) (1) (B) by such employer, and such petition is pending before the Board."

The explanation accompanying Senate bill 2927 is as follows:

ELIMINATING ABUSES BY "STRANGER" PICKETING

The select committee hearings have furnished examples, as in the case of the garment industry in New York City, of how outsiders or strangers have thrown a picket line around a place of business as part of an extortion scheme which victimizes the employers and provides the employees with no benefits from the labor organizations technically representing them.

Under present law, organizational picketing by a rival labor organization, after another labor organization has been certified for the purposes of representation by the National Labor Relations Board, is an unfair labor practice. A majority of the NLRB held recently that organizational picketing by a labor organization immediately following its defeat in a representation election conducted by the NLRB is also an unfair labor practice; the outcome of the case is uncertain, since it will be appealed through the courts.

I have therefore drafted proposed legislation which would make it an unfair labor practice for a labor organization to engage in picketing for the purposes of organization or recognition when (1) a representation petition filed by another union is pending before the NLRB, (2) a representation petition has been filed by an employer and is pending before the NLRB, and (3) during a period of 1 year following the defeat of a labor organization or organizations in a representation election conducted by the NLRB.

Moreover, with respect to petitions filed by employers for a representation election, picketing shall be construed to be a claim of representation on the part of the union conducting the picketing and the election shall proceed.

S. 2928

Be it enacted, etc., That sections 9 (f) and (g) of the National Labor Relations Act are amended to read as follows:

"(f) Every labor organization which represents employees in an industry affecting commerce shall—

"(A) File with the Secretary of Labor, within 60 days after the date of enactment of the National Labor Relations Act Amendments of 1958 or the date on which such labor organization commences the representation of such employees, whichever is later, copies of its constitution and bylaws and a report, in such form as the Secretary shall prescribe showing—

"(1) the name of such labor organization and the address of its principal place of business;

"(2) the names, titles, and compensation and allowances of its three principal officers and of any of its other officers or agents whose aggregate compensation and allowances for the preceding year exceeded $5,000, and the amount of the compensation and allowances paid to each such officer or agent during such year;

"(3) the manner in which the officers and agents referred to in clause (2) were elected, appointed, or otherwise selected;

"(4) the initiation fee or fees which new members are required to pay on becoming members of such labor organization;

"(5) the regular dues or fees which members are required to pay in order to remain members in good standing of such labor organization;

"(6) a detailed statement of, or reference to provisions of its constitution and bylaws showing the procedure followed with respect to, (a) qualification for or restrictions on membership, (b) election of officers and stewards, (c) calling of regular and special meetings, (d) levying of assessments, (e) imposition of fines, (f) authorization for bargaining demands, (g) ratification of contract terms, (h) authorization for strikes, (i) authorization for disbursement of union funds, (j) audit of union financial transactions, (k) participation in insurance or other benefit plans, and (l) expulsion of members and the grounds therefor.

"(B) File with the Secretary of Labor, not later than 60 days after the close of each of its fiscal years, reports in such form as the Secretary shall prescribe bringing up to date the information specified in paragraph (A).

"(C) File with the Secretary of Labor not later than 60 days after the date of enactment of the National Labor Relations Act Amendments of 1958 or the date on which such labor organization commences the representation of such employees, whichever is later, and within 60 days after the close of each of its fiscal years thereafter a report in such form as the Secretary shall prescribe showing its receipts and the sources thereof, and its disbursements and the purposes for which made, during its last fiscal year, and its total assets and liabilities as of the end of such year.

"(D) Furnish to each member of such labor organization a copy of each report required to be filed with the Secretary under paragraph (C).

"(g) (1) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, and no labor organization shall be eligible for certification under this section as the representative of any employees unless it shows that it and any national or international labor organization of which it is an affiliate or constituent unit, has complied with the provisions of subsection (f).

"(2) Any labor organization required to file reports under subsection (f) which fails to file any such report or which knowingly and with intent to deceive the Secretary of Labor or any other person has filed a report containing false information or omitting information required by such section, shall be punished by a fine of not more than $50,000. Any violation of this provision by a labor organization shall be deemed also to be a violation thereof by the individual officers or agents of such labor organization who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation and shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 5 years, or both.

"(3) The Secretary of Labor shall examine all reports filed under subsection (f) and any case in which he has reason to believe that any labor organization required to file reports under subsection (f) has failed to file any such report or that any such labor organization knowingly and with intent to deceive the Secretary or any other person has filed a report containing false information or omitting information required by such subsection, the Secretary is authorized to conduct an investigation for the purpose of ascertaining whether such labor organization has violated the provisions of this subsection. For the purposes of such investigation the Secretary shall have the same powers as are conferred upon the Board by section 11. If, after such investigation, the Secretary is of the opinion that such violation has occurred he shall bring the facts with respect thereto to the attention of the Attorney General.

"(4) The Secretary of Labor shall make all reports filed under subsection (f) available for public inspection."

SEC. 2. This act may be cited as the National Labor Relations Act Amendments of 1958.

The explanation accompanying Senate bill 2928 is as follows:

PREVENTING MISAPPROPRIATION OF UNION FUNDS

While present law requires unions to file financial and other reports with the Secretary of Labor, the Secretary contends he has no authority to make these reports public and no funds or authority to determine whether the reports are true or com-

plete; furthermore there are no criminal penalties for failure to comply with the filing requirements. The inadequacy of the present filing requirements helped to make it possible for union funds to be misappropriated and misused in such spectacular fashion as the Select Committee hearings have disclosed.

I have therefore drafted an amendment to the filing requirements section which provides that the Secretary of Labor may make the union financial and other reports public, and provides criminal penalties for failure to file as required. Under this amendment, all labor organizations, regardless of whether they utilize the services of the National Labor Relations Board, would be subject to a fine up to $50,000 for failure to file such reports, or knowingly, or with intent to deceive the Secretary of Labor, or any other person, file reports containing false information or omitting information. Such violations would also be deemed a violation by the individual officers or agents of the union who shall have authorized, ordered, or done any of the acts constituting, in whole or in part, such violation, and they shall be punished by a fine of not more than $5,000 or imprisonment for not more than 5 years, or both.

Moreover, the Secretary of Labor will be required to examine all such reports and bring any cases of suspected non-compliance to the attention of the Attorney General.

CONDITION OF THE AMERICAN MINING INDUSTRY

Mr. BIBLE. Mr. President, I have before me a release from the Department of the Interior quoting its Secretary, Mr. Fred Seaton, and evaluating the mineral production of our Nation during the past year. In glowing terms the report states that mineral output attained a record value of $18.3 billion in 1957, for a gain of three-fourths billion dollars over 1956. At first glance it would seem that the mineral industry of our country is doing fine and that the mines of our country must be working overtime to achieve such startling results.

As I had recently returned from my State, Nevada, and the West, and had seen firsthand the deplorable condition of the mineral industry, there was something about this impressive production record that did not ring exactly true. While I do not believe that Mr. Seaton or the administration would deliberately mislead the public, the report certainly does just that because it gives the impression that all is well so far as the mineral industry is concerned.

Almost the entire dollar increase can be attributed to the rise in the price and production of petroleum occasioned by the closing of the Suez Canal and to the fact that almost $75 million in uranium production is taken into consideration for the first time.

Instead of such a glowing report, the administration should have made public the true condition of the American mining industry today. They should have pointed out that most of the mines in the country are closed or their production curtailed until they are practically on a standby basis. It should have been pointed out that during the past year the production of metals decreased 11.6 percent, and that these metals are essential for defense purposes and for building component parts of missiles, jets, and other necessary tools of war. The administration should have pointed out that if an emergency comes and our mines are closed, we shall be dependent only on overseas sources for critical raw materials, and these overseas sources are undependable at best.

They should also have made public that at no time in recent history has the entire mining industry of our country been in such a precarious position, that at no time in recent history has our country been so likely to become entirely dependent on domestic sources for strategic and critical minerals, and that these sources have been closing almost daily.

The administration promised more than 3 years ago to present to Congress a long-range mineral program which would be designed to create a strong and stable mining industry. After 2 years of stalling, the administration presented a program which was without a doubt one of the most inadequate proposals ever to see the light of day. Instead of coming out with a program to help the industry, the letdown, after waiting 2 years, did what our enemies have been trying to do for decades; it collapsed what was left of our domestic mining industry.

For the purpose of the record, during the past 2 years, 719 of the 720 tungsten mines operating in this country closed, and tungsten is one of the most vital metals used in the products of defense and war. During 1957, gold production dropped to a total value of $62 million, the lowest since 1945. Domestic chrome production decreased 5 percent. 1957 copper production dropped 5 percent from 1956, while during the same time imports from foreign sources increased 6 percent. I might add that this reflects the entire year's production and doesn't truly reflect the present state of the domestic copper industry. During the last half of 1957, copper prices slipped from 36 cents a pound to 27 cents and caused the closing of many of our domestic copper mines.

The lead-zinc industry of this country has hit a new low. Because of the great influx of cheaply produced foreign metals, the world price was forced lower and lower until all of our domestic mines were hurt seriously, many of them being forced to close.

I could cite further examples of how our domestic mining has suffered because of inaction or confusion on the part of the administration. Because of the same inaction and confusion, we are behind in the missiles race and are frantically seeking ways to make up for lost time. Let us not again be guilty of inaction in the minerals field and, if a crisis comes, be totally unprepared as we were, twice, when emergencies arose in the past 15 years. Let us not again have to fly tungsten ore from Korea for use in our factories. Let us not again have to depend almost solely on foreign sources for strategic and critical minerals because our mines are closed and cannot be put in shape to produce on immediate notice.

As a Nevada editor recently said, "If the administration has decided to let the mining industry of our country die, they should let the people know about it—and stop mouthing platitudes."

Experts seem to feel that the next war, if it ever comes— and I hope and pray it does not, will last at most only a few short years. Let us be ready with the tools and raw materials when they are needed. If we do not take the proper steps at this time, it will soon be too late.

In talking to mining men in my State and throughout the country, I have found that it is the general consensus that legislation allowing a free market for gold will do more to stimulate the entire mining industry than any other factor. Gold is a byproduct of many of the other metals, and the ability of the mining companies to dispose of this byproduct at a higher price will tend to stimulate the production of the other minerals and metals. I am therefore introducing for the consideration of Congress a bill that will remove restrictions on the sale of gold by producers and others. This is the first of a series of bills I intend to introduce, for myself and in conjunction with other Senators, which are designed to aid our ailing mining industry.

Mr. President, I send to the desk a bill and ask that it be received and appropriately referred.

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

The bill (S. 2951) to authorize private transactions involving the sale, acquisition, or holding of gold within the United States, its Territories and possessions, including Alaska, and for other purposes, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on Banking and Currency.

FULL PARITY FARM INCOME IMPROVEMENT AND PROTECTION PROGRAM

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, a bill to preserve and to establish a comprehensive full parity farm income improvement and protection program, to expand American farm commodities, to enable farmers to keep market supplies of farm commodities in reasonable balance with augmented demand therefor, to establish a yardstick family farm credit program, and for other purposes. I ask unanimous consent that the bill, together with a statement prepared by me describing the provisions of the bill, may be printed in the RECORD.

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

The bill (S. 2952) to preserve and to establish a comprehensive full parity farm income improvement and protection program, to expand domestic consumption and exports of American farm commodities, to enable farmers to keep market supplies of farm commodities in reasonable balance with augmented demand therefor, to establish a yardstick family farm credit program, and for other purposes, introduced by Mr. PROXMIRE, was received, read twice by its title, referred to the Committee on Agriculture

and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act shall be known as the "Agricultural Act of 1958."

FINDINGS

SEC. 1. The Congress finds that—

(a) food and clothing supplies per person in many families in the United States and in many areas of the world are far below the minimum required for healthful living;

(b) it is now possible to accurately determine by scientific nutrition, dietetic, and other research the national and world shortages in these basic needs;

(c) failure of food supplies to attain this basic adequate allotment, and of fiber supplies to attain equivalent standards for clothing, undermines the maintenance of health, efficiency, and morale of the American people and the people of friendly nations;

(d) supplies of food and fiber products available from time to time should be efficiently distributed among the various sections of the Nation and friendly nations among persons in all income groups;

(e) the development of more adequate reserves of farm products would provide essential safeguards against shortages resulting from natural causes, such as drought, flood, and pestilence; from breakdowns in distribution; and from inflation, insurrection, and war;

(f) the assurance of adequate food and clothing supplies would be an important step toward strengthening democracy throughout the world and creating the economic foundations and atmosphere of hope and confidence necessary for world peace and an effective roadblock to the inroads of communism;

(g) it is essential to the national security and the general welfare that production and consumption of farm products be maintained at a high level in the United States as a means of maintaining a healthy population and a strong, productive economy, and to buttress the Nation's foreign policy;

(h) in many friendly nations more rapid economic development is blocked by the inability of populations to divert time and energy of children or adults from day-to-day labor in subsistence production of food and fiber, resulting in a lack of general and technical education and elementary capital improvements, such as roads, canals, bridges, school facilities, and the like; United States farm products could be used to break the cycle of poverty in these nations by freeing children and adults from the necessity of unrelieved labor for bare subsistence, to enable them to attend and teach schools and to construct basic capital improvements.

(i) both the foreign and domestic markets for American farm products have historically been characterized by fluctuations and recurrent depressions;

(j) the maintenance of a healthy and prosperous agriculture on the family farm pattern is essential to the preservation and improvement of democracy in America;

(k) the prices and income received by American farm families have been declining and threaten to decline still further; each such decline brings with it the threat of reduced farm purchasing power and purchases, reduced demand for industrial products used on the farm and by farm families, and a resulting enforced reduction of industrial employment;

(l) American farms and farm families are fully capable of producing efficiently a greater abundance of food and fiber products, while at the same time conserving and improving the Nation's farm soil and water resources;

(m) this great productive ability of American farmers and farm families should be put fully to work in the interest of national security and the maintenance of the health, efficiency, and morale of the American people;

(n) since the earliest days of the Republic the family farm pattern of American agriculture has been considered as essential to a strong democracy and the policy of the Nation has been to favor the establishment and preservation of family owned and family operated farms. A large number of prosperous farm families on family farms is a strong balancing force within the Nation against the political and social extremes of economic class warfare;

(o) family farms make up the great bulk of all American farms; the traditional pattern is one where the farm or ranch provides the main source of income for the farm family and the operator and his family manage the farm, arrange for its financing, own or hold with secure tenure the land and other capital, participate regularly in work on the farm and supply most of the labor needed to operate the farm;

(p) on the family farm, the economic functions of capital ownership, of arranging for financial needs, of managing the productive enterprise, and of working are performed by the farm operator and his family, thus avoiding controversy and tension along economic class lines;

(q) the family farm pattern of agriculture is the basis of agricultural progress and good community life; it builds in farm family members attitudes of self-reliance, social responsibility, individual initiative, tolerance, and self-government—the attitudes that make for a sound democracy and the human qualities that have done so much to make this Nation great; the family farm is the most efficient production unit in agriculture; family farms build strong social communities; and the family farm builds strong families; and

(r) the Nation's family farms are democracy's answer to Soviet collective farming; unrest in many parts of the world today results from insecure and inequitable farmland tenure creating hopelessness among those who work the soil, making the man easy prey for communism's glittering false lines; the restless peasants of the world can find the ray of hope they seek in the American pattern of family farming and family farm ownership that enables the Nation's farmers to farm efficiently, conserve soil and water resources, participate fully in civic, community, and public affairs, and perform a vital role in making our system of government operate.

DECLARATION OF POLICY

SEC. 2. It is the policy of Congress that the United States should take appropriate action to insure that—

(a) the means of obtaining sufficient food for an adequate diet and sufficient clothing for an adequate standard of clothing will be placed, so far as possible, within the reach of every person in the Nation;

(b) the food and fiber products produced on American farms and not needed for fully adequate domestic consumption will be put to work to implement United States foreign policy through facilitating (1) the elimination of the threat of starvation and famine, and (2) more rapid economic development that will expand markets and increase consumer purchasing power in friendly nations, (3) the inauguration of universal public general and vocational education systems in friendly nations not now having them, and (4) increases in the security and income-earning capacities of farm families in friendly nations;

(c) adequate safety reserves of farm commodities and/or food and fiber products will be developed and maintained;

(d) extreme price fluctuations in the international market for farm products will be prevented and production will be kept expanding; and

(e) the family-farm pattern of American agriculture is preserved and encouraged by programs and policies that will provide greater economic opportunity for families on presently low income farms, and discourage the further development of industrial-type agricultural production; and to provide the opportunity for economically adequate family farms to earn enough income from the sale of products to provide for family living standards equivalent to that earned in other occupations, cover cash operating costs, replace used-up machinery and equipment, repay operating loans and interest, return the capital investment (through rent or principal and interest payments on real estate mortgages), pay taxes and conserve the soil and water resources of the farm through adaption and implementation of policies that will fulfill the following family farmers' bill of rights;

(1) The right to full equality of economic opportunity.

(2) The right for improved standards of rural living.

(3) The right of reasonable protection against natural hazards.

(4) The right to extend agricultural free enterprise through cooperative action.

(5) The right to public cooperation and assistance in saving the soil.

(6) The right to preserve the social and human values of family farming.

(7) The right to decent land tenure which would encourage the desirable goal of farm ownership.

(8) The right to a democratic voice in his own farm program.

(9) The right to benefits of an expanding world trade.

(10) The right to a long-term program of food storage to encourage abundance.

(11) The right to assurance that land reclamation development will result in establishment of new independent family-operated farms, not factories in the field.

TITLE I—DAIRY PRODUCTS MARKETING ACT OF 1958

SEC. 101. This title may be cited as the "Dairy Products Marketing Act of 1958."

SEC. 102. It is recognized that dairy products are strategic commodities essential to the health, welfare, and security of the Nation and that the desired domestic production and consumption of such dairy products is hindered by the depressing effects of low prices to the producers, by wide fluctuations in supply and price to the consumer, and by impaired purchasing power of the consumer.

SEC. 103. It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to provide mandatory protection of returns to producers at not less than 80 percent nor more than 100 percent of the parity income equivalent price on milk and butterfat used in manufactured dairy products for the marketing years ending August 31, 1959, and August 31, 1960, in order to maintain the productive capacity of the dairy farming industry, and to provide orderly marketing of an adequate national supply of milk and dairy products.

SEC. 104. For the purpose of this act—

(a) The term "Secretary" means the Secretary of Agriculture, "Department" means the Department of Agriculture, and "Advisory Committee" means the Federal Dairy Advisory Committee.

(b) "Commodity Credit Corporation" means and shall include the Commodity Credit Corporation as now or hereinafter constituted and any successor or other Federal agency authorized to perform similar functions.

(c) The term "milk producer" means an individual, partnership, joint stock company corporation, association, trust, estate, or any other business entity engaged in the production of milk for sale or consumption

elsewhere than on the dairy farm at which it is produced.

(d) The terms "milk", "butterfat", and "dairy products" mean bovine milk and butterfat, respectively, including any classification, type and grade thereof and such products manufactured wholly or in part of both or either as may be designated by the Department.

(e) The term "marketing year" means the 12-month period beginning September 1 of each year.

(f) The term "milk and butterfat used in manufactured dairy products" means all milk, except fluid whole milk, skim milk, or buttermilk.

(g) The term "first processor or handler" means (1) any person or firm engaged in purchasing milk from a milk producer for processing or distribution, (2) any association of milk producers receiving milk from milk producers for processing or distribution, and (3) any milk producer holding a license or permit issued by Federal, State, or local agencies authorizing such milk producer to buy milk from other producers and to sell milk or dairy products directly to consumers.

SEC. 105. The Secretary of Agriculture shall, through the National Farm Income Stabilization Corporation, protect the returns of producers of milk and butterfat used in manufactured dairy products to the producers thereof.

The producer's returns shall be protected at such level as the Secretary of Agriculture determines will give the necessary incentive to accomplish the declared objectives of this act, but, in no case, shall be less than 80 percent nor more than 100 percent of the parity income equivalent price except that the Secretary of Agriculture may increase the level of protection to producers' returns at any time that it may appear to him that the production may fall below the desirable national level.

The protection to producers' return shall be on sales of whole milk, or of whole milk equivalent of butterfat sold, that is used in manufactured dairy products in the 2 marketing years hereinafter specified.

SEC. 106. When it appears to the Secretary of Agriculture, that the open market price for a marketing year will average below 80 percent of the parity income equivalent price, he shall require, as a condition of protection of producers' returns during the following marketing year, that farmers comply with such marketing quotas as may be established for each individual dairy farm.

A production base shall be established for each farm, which base shall be the average production of milk for the preceding 3-year period.

The marketing quota for each farm shall be calculated by deducting 3 percent from the production base for each 5 percent which the estimated average open market price is below 80 percent of the parity income equivalent price.

For new producers wishing to establish a production base at a time when marketing quotas are in effect, the Secretary shall permit such producers to market milk without restriction, but shall authorize protection to such producers' returns on only 50 percent of deliveries made by such new producers. After a 3-year production history has been established, such new producer shall be assigned a production base and marketing quota based on his production history.

Notwithstanding the foregoing provisions of this section, the Secretary shall determine a minimum marketing quota for milk which may be marketed without disqualifying the producer thereof from eligibility for parity income deficiency payments as provided in section 111 of this act, taking into account the amount of milk and its products normally used for home consumption per family, the minimum volume of production required to operate an efficient family unit, the total volume of all farm commodities normally produced on such farm, and the effect of such exemption on the overall operations of the milk marketing quota program and other quota programs.

SEC. 107. In addition to any other tax or duty imposed by law, there shall be imposed, under such regulations as the Commissioner of Customs shall prescribe, with the approval of the Secretary of Agriculture, a tax upon manufactured dairy products imported or brought into the United States as follows:

On all manufactured dairy products at a rate of not less than 10 percent and not in excess of 50 percent ad valorem, according to the following schedule:

If the national average price received on all milk wholesale for a given quarter is equal to 80 or more percent of the parity income equivalent price, the levy shall be 10 percent in the following calendar quarter; if the national average price received is 72 percent of the parity income equivalent price, the levy shall be 20 percent; if the national average price received is 64 percent of the parity income equivalent price, the levy shall be 30 percent; if the national average price received is 56 percent of the parity income equivalent price, the levy shall be 40 percent; if the national average price received is 48 or less percent of the parity income equivalent price, the levy shall be 50 percent. The national average parity income equivalent price for a given quarter and the resulting necessary import levy for the quarter ahead shall be certified by the Secretary of Agriculture to the Commissioner of Customs. The proceeds of the import levy shall be paid to the Treasurer of the United States and deposited to the account of the Secretary of Agriculture and shall be used by him to reimburse the Commodity Credit Corporation for expenditures under this act.

SEC. 108. For the purpose of further reimbursing the National Farm Income Stabilization Corporation for any expenditures made by it under this act, there shall be levied on all milk and butterfat sold a processing tax at a rate of not more than 10 cents per hundredweight of whole milk or more than 2½ cents per pound of butterfat, which shall be paid to the Treasurer of the United States by the first purchaser from the producer and deposited to the account of the Secretary of Agriculture. The processing tax shall be paid in such manner and at such times as may be prescribed by the Treasurer of the United States.

The intent of this section shall be that the processing tax shall be paid by the first processor or handler, as defined by this act, and shall not be deducted from the price which would normally be paid to the milk producer.

SEC. 109. There is hereby established, in the Department of Agriculture, a Federal Dairy Advisory Committee, which shall meet annually on the first Monday of December, and at other times at the call of the chairman of the advisory committee, to confer upon the status of the program and to make recommendations for its improvement to the Secretary and to the appropriate committees of the Congress.

The Federal Dairy Advisory Committee shall consist of 15 members to be appointed by the President of the United States from a list of nominees submitted by milk producers in a manner hereinafter provided.

Only persons who are milk producers, or who are officers or full-time employees of organizations of dairy producers which meet the requirements of the Capper-Volstead Act (7 U. S. C., sec. 201–292) or who are officers or full-time employees of federations or marketing agencies in common owned and controlled by such organizations of dairy producers, shall be eligible to serve on such committee. Not more than 3 of the 15 members shall be persons who are not engaged in farming as milk producers.

In order to secure proper regional representation on the advisory committee, the United States shall be divided into 15 districts to be designated by the Secretary, giving consideration to geographical representation and to the importance of dairying in each area.

Each district shall be entitled to one member on the advisory committee. The milk producers in each district shall by ballot select three nominees for the place on the advisory committee to be filled from their district.

The Secretary shall conduct all elections for the selections of such nominees, prescribe such rules and regulations as may be necessary, and certify the nominees to the President.

The term of appointment for members of the advisory committee shall be for two marketing years.

The advisory committee shall on or before March 15 of each year make recommendations to the Secretary and to the appropriate committees of the Congress regarding operations of the program and any matters having a bearing on the dairy price situation, including, but not limited to the economic position of dairy farmers, trends in the consumption of milk and dairy products, and development of a realistic parity equivalent for manufacturing milk.

SEC. 110. A parity income deficiency payment shall be paid to each individual producer and shall be such as the Secretary of Agriculture determines to be sufficient, when added to the State average net price received by producers, to give the producer a total return equal to not less than 80 percent nor more than 100 percent of the parity income equivalent price.

The Secretary of Agriculture shall prescribe a uniform report form which shall be furnished monthly by the purchaser to the producer showing the volume of milk and butterfat delivered to be used for manufacturing purposes. The producer shall file this report with his county agricultural stabilization committee.

The Secretary of Agriculture shall calculate the monthly average net price received for milk and butterfat used in manufactured dairy products received in each State, using the price at the point of first sale out of the producer's hands.

The intent of this section shall be that the State monthly average net price as computed by the Secretary shall be the net price received by the farmer for milk or butterfat.

SEC. 111. A milk producer, as defined in this act, shall be eligible to receive parity income deficiency payments up to a limit of $3,000 in any one marketing year. If any individual has an interest in more than one dairy farm or operation, his total payment on all operations in any marketing year may not exceed an absolute limit of $3,000.

If a milk producer sells milk under the terms of a Federal milk-market order, he shall be eligible for a payment on surplus milk diverted into manufactured dairy products.

SEC. 112. The Secretary of Agriculture is hereby authorized and directed to administer purchases on the Federal Government's account of manufactured dairy products including, but not restricted to, butter, American, Swiss and other foreign-type cheeses, dried milk, and canned, condensed, concentrated, and evaporated milk for the school lunch program, public institutional use, the removal from commercial markets of temporary seasonal surpluses occurring at seasons of peak production, and so as to ensure the maintenance of a reasonable relationship, in accordance with historical relationship during period of normal market supplies, between the market prices during such seasons of temporary surplus of the various types and forms of manufactured dairy products.

SEC. 113. Any surplus accumulated prior to the effective date of this Act, shall be set aside from normal marketing channels and may be used only for school lunch distribution, augmenting diets in the Armed Forces and Veterans' Administration facilities, public institutional use, and relief within the United States and abroad. The Secretary of Agriculture is hereby authorized and directed to rotate such stocks so as to avoid losses from spoilage.

SEC. 114. The effective date of this act shall be September 1, 1958. Prior to July 15, 1958, and prior to the July 15 preceding the beginning of any marketing year for which marketing quotas have been proclaimed, the Secretary shall conduct a nationwide referendum of milk producers to determine whether a majority of those voting approve the provisions of this act. If a majority of those voting do not approve, this act shall not be placed into effect for the ensuing marketing year, and the price support operations of the Secretary under title II of the Agricultural Act of 1949 with respect to milk and dairy products shall remain in effect.

The Secretary shall conduct the referendum, prescribing such rules and regulations as may be necessary. Only milk producers shall be eligible to vote. Any milk producer, as defined in this act, shall have only one vote and shall vote as an individual, rather than as a business entity.

The ballot shall be in the following form:

United States Department of Agriculture

OFFICIAL BALLOT

National Referendum of Milk Producers

Mark this square if you favor—

☐ Continuation of a dairy price support program, utilizing deficiency payments at 80 to 100 percent of the income parity equivalent price of parity, as provided in the Dairy Products Marketing Act of 1958.

Mark this square if you favor—

☐ Return to price support under title II of the Agricultural Act of 1949. (Support of 75 percent to 90 percent of the parity price by Secretary of Agriculture, through Government purchases, storage, and diversion.)

SEC. 115. The price support operations of the Secretary under title II of the Agricultural Act of 1949 with respect to milk and dairy products shall be suspended during any marketing years during which this act shall be in effect.

TITLE II. FARM INCOME IMPROVEMENT AND PROTECTION

SEC. 201. This title shall be known as the "Full Parity Family Farm Income Act."

SEC. 202. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 2 is amended by striking out the words "parity prices for such commodities" and by inserting after the words "parity of income" and before the word "and" the following: "parity income equivalent prices."

(b) Subsection 301 (a) (1) is amended to read as follows:

"(1) (A) 'Parity farm family net income' shall be that net family income from farming that will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation and shall be determined for any year by dividing average per person income of the nonfarm population for the next preceding year into the average per person income of the farm population for the next preceding year; and dividing the result into the total realized farm operators' net income for the next preceding year.

"(B) 'Parity farm gross income' for any year shall be determined by adding parity farm family net income for the next preceding year, to the farm production expenses for the next preceding year, to be adjusted for change in the index of prices of farm production items that farmers buy, wages paid to hired farm labor, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate."

(c) Subsection 301 (a) (2) is amended to read as follows:

"(2) (A) 'Parity income equivalent price' of any agricultural commodity as of any date shall be determined by multiplying the income parity adjustment factor for the year including such date by the average of the prices received by farmers for such commodity, at such times as the Secretary may select during each year of the 10-year period ending on the 31st of December last before such date, or during each marketing season beginning in such period if the Secretary determines use of a calendar year basis to be impracticable.

"(B) The 'farm income parity adjustment factor' for any year shall be determined by dividing the parity farm gross income for such year by the average of the realized farm gross income in each year of the 10-year period ending on the 31st of December last before such year.

"(C) The prices, indexes, income, and production expenses figures provided for in subsection 301 (a) (1) and (2), and the data used in computing them, shall be determined by the Secretary, whose determination shall be final.

"(D) 'Parity' as applied to income from any agricultural commodity shall be that gross income that bears the same relationship to parity farm gross income for such year as the average gross income from such commodity for the preceding 10 calendar years bears to the average total realized farm gross income for such 10 calendar years."

SEC. 203. Section 101 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"SEC. 101. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed to make available through loans, purchases, parity-income deficiency payments, or other methods, farm income protection to cooperating producers, for any agricultural commodity other than milk and butterfat and their products, if producers have not disapproved marketing quotas for such commodity for that year and if producers affected by this section have not disapproved the Secretary's proclamation of the national conservation acreage reserve and farm all-commodity marketing quota, at a level not in excess of the parity income equivalent price of the commodity nor less than 80 percent of the parity income equivalent price of the commodity: *Provided*, That the Secretary is authorized, upon the recommendation of such action by the National Farm Income Stabilization Board, established by this act, upon petition to it of a substantial number of representative producers of any farm commodity and after public hearing held by the Board after public notice of date of hearing at least 3 weeks prior to the hearing, and dependent upon adoption of such recommendation by a two-thirds majority of the members of such Board, to make a downward adjustment of not more than 15 percent in the level of farm income protection for such commodity provided to the producers thereof: *Provided further*, That the provisions of this section shall not be placed into operation with respect to any commodity until after a referendum of producers of such commodity has been held by the Secretary of Agriculture to determine by majority vote whether such producers prefer the program established by this section in substitution for whatever program may then be in effect for such commodity: *And provided further*, That the eligibility of any producer to obtain farm income protection for any commodity provided under this section shall be limited to the proportional part of the sales of such commodity by such producer that is equal to the ratio that the volume of total sales of typical family-operated farms bears for any crop or marketing year, as determined by the Secretary upon affirmative recommendation by two-thirds vote for each type-of-farming area by the National Farm Income Stabilization Board in the type-of-farming area, to the total sales of all farm commodities by the producer. Farm income protection may be made available to noncooperators at such levels, not in excess of the level of protection to cooperators, as the Secretary, upon recommendation by two-thirds vote by the National Farm Income Stabilization Board, determines will facilitate the effective operation of the program."

SEC. 204. The Federal Crop Insurance Act, as amended, is further amended as follows:

(a) Section 507 is amended by adding at the end thereof the following new subsection:

"(f) Except following a public hearing in the State or county affected and based upon the findings thereof, the Board and the Secretary shall utilize the State and county farmer committees established pursuant to section 8 of the Soil Conservation and Domestic Allotment Act, as amended, to carry out the provisions of the Crop Insurance Act."

(b) Section 580 is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding the provisions of the other subsections of this section, (1) crop insurance shall be provided in any county with respect to any crop if written applications therefor are filed covering at least 200 or one-third, whichever is smaller, of the producers normally producing such commodity, except that such application may be refused on basis of the findings of a public hearing in such county that the premium cost of such insurance would exceed the value of the program to eligible producers; (2) premiums charged shall be based on actuarial risks covered by the policies calculated with 50 percent of the weight on county or type-of-farming area experience and 50 percent of the weight on statewide records and experience and shall not include any charge for administrative and experimental costs of the program. Notwithstanding the other provision of this subsection the annual premium charged on any policy shall not exceed 28 percent of 75 percent of the indemnity coverage of such policy. Appropriation by Congress to the corporation is hereby authorized in such amounts annually as may be required to equal the excess of indemnities paid over premiums collected in any year in any area designated by the President to warrant assistance of the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended."

SEC. 205. Section 1402 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(f) Alternative methods of computation of net earnings from self-employment available to farmers: In the case of any trade or business which is carried on by an individual who reports his income on a cash receipts and disbursement basis, and in which, if it were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 3121 (g) if the net earnings derived from such trade or business by such individual for any taxable year which ends during the period commencing January 1, 1955, and ending December 31, 1958, is less than the amount of the net earnings derived from such trade or business by such individual for any taxable year which ended during the period commencing January 1, 1950, and ending December 31, 1954, the net earnings derived from such trade or business by such individual shall, at option of such individual, be

deemed, for the purposes of subsection (a) of this section and section 211 (a) of the Social Security Act, to be equal to—

"(1) the net earnings derived from such trade or business by such individual for such taxable year if the average net earnings realized by such individual per unit or production from such trade or business were equal to the average net earnings realized per unit of production of the same commodity or item in the area in which such trade or business is located for any one of the taxable years which ended in the period commencing January 1, 1950, and ending December 31, 1954.

"No individual shall utilize any one taxable year during the period commencing January 1, 1951, and ending December 31, 1954, more than once for the purpose of computation of his net earnings from self-employment under the provisions of this subsection.

TITLE III—NATIONAL SECURITY AND SAFETY RESERVE OF FOOD, FIBER, AND BIOLOGICAL OILS

SEC. 301. The Administrator of Defense Mobilization is authorized and directed to establish a security reserve and stockpile of food, fiber, and biological oil commodities and products thereof, in appropriately dispersed storage, and insulated from effect upon farm commodity markets, of a volume of such commodities and products thereof adequate to provide for the national safety and security against the hazards of natural disasters, insect pests and diseases, and disruptions of the peace, as determined by the President of the United States upon advice of the National Security Council and the Defense Mobilization Administrator.

TITLE IV—FARMER PROCESSING AND MARKETING LOANS

SEC. 401. Section 34 of the Farm Credit Act of 1933, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the Secretary is authorized and directed to make available, through the National Farm Income Stabilization Corporation, (i) loans to existing and newly organized farmer-owned cooperatives and other farmer-owned business associations with 1,000 or more farmer members who are unable to obtain loans for such purposes from private sources on similar terms, for the purpose of financing the purchase or construction of structures and other facilities for the assembly, processing, marketing, and storage of farm commodities and the products thereof in amounts up to a maximum of 100 percent of the cost thereof at an interest rate not to exceed the average cost to the Federal Government of interest on marketable securities and subject to such other terms as the Federal Farm Income Stabilization Board may recommend and as may be approved by the Secretary; (ii) to extend, without charge, and upon request of such groups of farmers, technical advisory and other service assistance required to encourage and facilitate the establishment of farmer-owned and farmer-controlled business enterprises to assemble, process, store, and market farm commodities and products thereof."

TITLE V—DOMESTIC CONSUMPTION EXPANSION

Purposes

SEC. 501. (a) (1) It is hereby declared to be in the interest of national security and the maintenance of the health, efficiency, and morale of the American people that the supplies of food available from time to time for domestic consumption be efficiently distributed among the various sections of the Nation and among persons in the various income groups, and that the means of obtaining sufficient food for an adequate diet be placed insofar as possible within the reach of every person in the Nation. It is further declared to be essential to the national security and the general welfare that production and consumption of agricultural products be maintained at a high level as a means of maintaining a healthy population and a strong, productive economy. It is further declared that the operation of the national food-allotment plan, as provided in this act, is a desirable and effective method of accomplishing the purposes hereinabove set forth.

(2) It is further declared that nothing in this act shall be construed as intending or justifying the payment of inadequate wages or the lowering of standards of public assistance.

Definitions

(b) As used in this section—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "household," subject to such further definition as the Secretary may specify, shall mean a domestic unit consisting of one or more persons occupying a common home or noncommercial, nonpenal institution and for whom food is customarily purchased in common. Households shall be classified for the purposes of this act according to number of members and monthly income.

(3) The term "basic food allotment" shall mean the amounts of food per person per week required to provide adequate nutritional value as determined by the Secretary.

The Secretary may add to or delete commodities listed, or may change quantities in the several categories if he deems such changes necessary or appropriate to provide an adequate diet in view of new research in nutrition, and may increase the basic food allotment for those individuals or groups who are in need of special nutritional supplements.

(4) The term "food-allotment coupon" shall mean a coupon, stamp, token, or other medium of exchange issued to an eligible recipient pursuant to the provisions of this section.

(5) The term "household income" shall mean the total amount of money received by all persons in a household and available to pay the ordinary expenses of the household, less—

(A) such portions of the amount received by such persons from any public agency as assistance payments on the basis of individual needs as the Secretary may, after consultation with the appropriate State or local welfare agency, deem it advisable to exclude in the interest of maintenance of standards of public assistance; and

(B) such portions of the amounts received by such persons, other than the head of the household or his spouse, as the Secretary may deem it equitable to exclude in computing the income of such household.

Establishment of the food-allotment program

(c) (1) The Secretary shall establish and administer a national food-allotment program in accordance with the provisions of this section, and shall make rules and regulations for the conduct thereof. Under such program the Secretary may issue to households applying therefor food-allotment coupons, as hereinafter set forth, which shall be transferable by the recipent thereof to mercantile establishments registered in accordance with the provisions of this section in exchange for food at the prices currently prevailing in the establishment of the transferee, and shall be redeemable at face value upon presentation to the Treasury by any authorized transferee thereof.

(2) The Secretary shall determine at least semiannually the prevailing retail cost of the basic food allotment for households within each size classification, taking into consideration the purchasing practices of families with low income. If he deems it necessary, the Secretary, in determining the prevailing cost of the basic food allotments, may provide for regional differentials and differentials by size and type of community.

(3) The face value of the food-allotment coupons which may be sold to any household shall be not greater than the prevailing retail cost of the basic food allotment of such household less the prevailing retail cost of—

(A) the food produced and consumed by such household or which, in the opinion of the Secretary, should be produced by such household for household consumption; and

(B) to the extent that the Secretary determines that such deduction is consistent with the purposes of the program, the food consumed by members of such household in meals eaten outside of such household.

Prices to be charged for coupons

(d) (1) The Secretary shall from time to time determine the prices to be charged to various households for food-allotment coupons, other than free coupons issued under the provisions of subsection (3) of this section, and shall establish such prices at levels that will effectuate the purposes of this section. Such price shall be not less than 25 percent of the face value of the coupons and shall be so fixed that the cost of the coupons required to purchase the basic food allotment for a household shall not be more than 40 percent of the household income or 25 percent of the face value of the coupons, whichever may be the greater.

(2) If the Secretary finds such action necessary to assure the realization of the purposes of the program, he may require any unemployed male member of the household applying for food-allotment coupons, who is between the ages of 16 and 65 and is not attending school or disabled, to submit (A) a certificate from a public employment office that he is registered for work, and (B) an affirmation that he has not within the past 6 weeks refused suitable work.

(3) In order that the increased food consumption resulting from the administration of this Act may be concentrated, insofar as practicable, upon those foods which are in surplus, or upon those foods which are most needed in diets, the Secretary may (A) require that each household to whom food-allotment coupons are issued use not more than 33⅓ percent in face value of such coupons to buy specifically designated foods, or to buy any one or more of a group of foods, or (B) include with food-allotment coupons sold other such coupons which from time to time may be used in exchange for specifically designated foods. The aggregate value of free coupons issued shall be not more than 10 percent of the aggregate value of coupons sold in the preceding 6-month period or estimated as likely to be sold in the current 6-month period. The Secretary may vary the value of the free coupons issued to households of differing income and composition, according to the same criteria used in fixing the purchase price of coupons sold.

(4) If the Secretary finds that the funds available for expenditure in accordance with the provisions of this act are insufficient to meet the cost of providing food-allotment coupons representing the prevailing retail cost of the basic food allotment for all households expected to participate in the program, he may make such adjustments in the program as he finds necessary to secure maximum participation among households with low per capita income, or he may limit the program to specific areas.

Discriminations prohibited

(e) There shall be no discrimination against any household with respect to eligibility, classification, participation, or issuance or utilization of food-allotment coupons under the provisions of this section by reason of race, religious creed, national origin, citizenship, political affiliations or beliefs, occupation, employment, or other tests, except as provided for in this act and as may be necessary to insure general fairness and equity in the application of this act.

Information to be furnished by applicants

(f) (1) Each applicant for food-allotment coupons shall furnish such information with respect to the size and income of the household of which he is a member as may be required by the Secretary to determine the value of food-allotment coupons to which such household is entitled and the price to be paid for such coupons.

(2) The Secretary shall establish appropriate procedures for appealing from the determination of the value of the coupons issuable to a household and the prices chargeable for them.

(3) The value of the coupons to which each participating household is entitled shall be redetermined and certified at least twice in each 12-month period in accordance with rules and regulations issued by the Secretary.

Issuance and limitation on use

(g) Food-allotment coupons shall be issued in such denominations as the Secretary shall determine. The Secretary, or his designated issuing agents, shall issue coupons in such manner, and at such times and places, as the Secretary may determine, taking into consideration efficiency of administration and the convenience of those entitled to receive such coupons.

Redemption of food-allotment coupons

(h) (1) The Secretary shall provide for redemption, through the cooperation of the Treasury Department, the General Accounting Office, and banking institutions throughout the Nation, of food-allotment coupons exchanged for food. He shall designate banking institutions to accept such coupons from sellers of food retail and wholesale. Institutions so designated shall pay at time of presentation in cash or by credit to a demand deposit the full value of all such coupons presented to them, except any amount which the Secretary in any particular instance directs the institution to withhold.

(2) The banking institutions accepting food-allotment coupons as provided in subsection (1) of this section may present to the Secretary, or such other agency, including the Treasury Department, as the Secretary may designate, evidence of the deposit with them of coupons from persons authorized to redeem such coupons, together with appropriate vouchers. Such evidence of deposit and vouchers shall be considered complete documentation for payment and payments may be made thereon. Food-allotment coupons so redeemed may be reissued or delivered for reissuance by the banking institutions under regulations of the Secretary.

(3) The Secretary may advance money to banking institutions, where such action appears necessary, to provide funds for the redemption of food-allotment coupons. Such advances shall be accounted for by such banking institution or institutions not less often than once monthly.

(4) The Secretary may contract to pay banking institutions designated to receive food-allotment coupons a charge determined by the Secretary to be reasonable for the services rendered in acting as such depositories.

(5) Funds derived from the sale of food-allotment coupons shall be available for expenditure in accordance with the provisions of this section and may be deposited to the credit of any appropriation provided for the purpose of carrying out the provisions of this section or may be deposited directly with banking institutions as advanced moneys pursuant to subsection (h) (3) of this section.

Registration of food dealers

(i) The Secretary shall provide by regulation a simple method for the registration of mercantile establishments selling food at wholesale or retail which desire to be authorized to receive food-allotment coupons in exchange for food. Such registration shall constitute a privilege to receive food-allotment coupons, which privilege shall be enjoyed until suspended or revoked by the Secretary in accordance with the provisions of this section and the rules and regulations prescribed by him.

Council on nutrition

(j) The Secretary shall provide for the appointment of a Council on Nutrition to advise on nutritional aspects of the food-allotment program.

(k) (1) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(2) The Secretary shall have authority to make such expenditures, not exceeding 5 percent of the funds appropriated for the purposes of this section, as he may deem necessary for the administration and enforcement of this section.

(3) For the purpose of this section, the Secretary is authorized—

(A) to utilize the facilities, services, and personnel of units and agencies within the Department of Agriculture; to establish regional and local offices; to enter into agreements with other public or private agencies or individuals; to utilize (pursuant to such agreements) the facilities and services of such agencies and individuals and to delegate to them functions under this section; and to allocate or transfer funds to, or otherwise to pay or to reimburse, such units, agencies, and individuals for expenses in connection therewith;

(B) to accept and utilize voluntary and uncompensated services; and

(C) to employ in the District of Columbia and elsewhere such employees as he deems necessary in order to carry out the purposes of this act.

(4) The Secretary may exercise any power, duty, or discretion vested in him under this act, through such person or persons as he may designate.

(5) The Secretary may conduct such economic studies as he deems necessary to the efficient and equitable administration of this section.

(6) The provisions of section 3709 of the Revised Statutes shall not apply to the purchase (for the purposes of this section) of services rendered by banking institutions or by agencies.

(7) The Secretary may, from time to time, issue such rules and regulations as he deems necessary or proper in order to carry out the purposes and provisions of this act.

Educational program

(l) As a part of the food-allotment plan, the Secretary shall provide, in cooperation with existing agencies of the Federal, State or local governments, or private persons or groups, an educational program for improving the buying habits, food-utilization techniques, and food-preservation methods of the participants in the food-allotment plan.

Reports to Congress

(m) The Secretary shall render semiannual reports to Congress describing the operations of the food-allotment plan, including the following: Number of eligibles and participants by the various classes of households established; the reasons for any nonparticipation by eligibles; effect of the food-allotment plan on the expenditure habits of participants; extent to which the plan increases purchases of foods of various types and other kinds of goods and services, for the various classes of households; benefits derived from the plan for the different types and groups of food sellers, wholesalers, processors, and producers; extent of improper use if any of food-allotment coupons; the amount and type of administrative expenditures incurred; and the effectiveness of alternative arrangements, procedures, and methods of administration used in carrying out the program.

Territorial applicability

(n) The provisions of this section shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

Separability provision

(o) If any provision of this section or the application thereof to any person or circumstance shall be held invalid, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

Short title

(p) This section may be cited as the "National Food Allotment Act."

SEC. 502. Section 202 of the Agricultural Act of 1949, as amended, is amended to strike out the words "until December 31, 1958." wherever they appear in that section.

SEC. 503. The National School Lunch Act (42 U. S. C. 1751–1760) is amended by adding at the end thereof the following new section:

"Milk program

"SEC. 12. (a) There are hereby authorized to be appropriated such sums, not to exceed $250 million in any fiscal year, as may be necessary to provide milk for schoolchildren in accordance with this section. The funds appropriated for any fiscal year for carrying out this section, less not to exceed 5 percent thereof hereby made available to the Secretary for his administrative expenses, shall be apportioned and paid to the States and to nonprofit private schools as provided in sections 4, 7, and 10 of this act, except that the matching requirements of sections 7 and 10 shall not apply. Such funds shall be used to provide at least two half-pints of milk per day to each child attending public schools and nonprofit private schools in the States, except that if the funds available are not sufficient to provide two half-pints for each child, first priority shall be given to children in grades 1 through 6, second priority to children in grades 7 through 9, and third priority to children in the higher grades.

"(b) Funds paid to a State under this section shall be disbursed by the State educational agency, in accordance with agreements, approved by the Secretary, between such agency and the schools in the State. Such disbursements shall be made only for the purpose of reimbursing a school for the cost of obtaining milk for consumption by children attending the school, and for its administrative costs in connection therewith. Such milk shall be served without charge to such children.

"(c) The program authorized by this section shall be considered to be a part of the school-lunch program for the purposes of subsections (a) and (b) of section 11 of this Act."

TITLE VI—EXPANSION OF FARM EXPORTS

SEC. 601. The President is authorized to explore with friendly nations and encourage the establishment of an international food and fiber reserve bank under the auspices of the United Nations and related specialized international organizations for the purpose of acquiring, storing, donating, and selling in appropriate countries raw and processed farm products and other raw materials, exclusive of minerals, with a view to their use in (1) preventing extreme price fluctuations in the international market in these commodities; (2) preventing famine and starvation; (3) helping absorb temporary market surpluses of farm products and other raw materials (exclusive of minerals); (4) economic and social development programs formulated in cooperation with other appropriate international agencies,

utilizing such commodities directly or the currencies for which they may be sold.

Participation by the United States in such an international food and fiber reserve bank shall be contingent upon statutory authorization or treaty approval, as may be appropriate.

SEC. 602. The Agricultural Trade Development and Assistance Act, as amended, is amended to read as follows:

(a) In subsection 103 (b) by inserting after the word "title" and before "which" the following: "after June 30, 1958," by striking out the words "Commodity Credit" and inserting "Federal Farm Income Stabilization", and by striking out "$3,000,000,000" and inserting in lieu thereof "$7,500,000,000".

(b) By adding to section 104 a new subsection (k) as follows:

"(k) Establishment of universal free systems of general and vocational education in nations not now having such an education system; and construction and operation of basic capital improvements such as roads, bridges, canals, irrigation systems, water and soil-conservation facilities, reforestation, dams, hydroelectric systems, and others."

(c) By inserting in section 109 the words "June 30, 1960" in lieu of the words "June 30, 1958".

(d) By inserting in section 203 after the parenthesis in the first sentence the following: "in any one calendar year".

(e) Insert in section 204 the words "June 30, 1960" in lieu of the words "June 30, 1958".

TITLE VII—BALANCING MARKET SUPPLY WITH DEMAND

SEC. 701. (a) Section 101 of the Soil Bank Act shall be amended to read as follows: "This section may be cited as the 'All-Commodity Farm Market Sharing and Conservation Acreage Reserve Act.'"

(b) Section 103 (a) of the Soil Bank Act is amended to read as follows:

"SEC. 103. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized and directed upon recommendation adopted by two-thirds vote of the National Farm Income Stabilization Board to determine and proclaim, prior to November 15 of each year, a national all-commodity farm marketing quota and a national conservation acreage reserve for the succeeding crop year.

"(A) The national conservation acreage reserve for any crop year shall be a number of acres equal to the number of acres, if any, by which—

"(I) the sum of (i) the total number of acres determined by the Secretary to have been used within the continental United States for the commercial production of agricultural commodities during the crop year immediately preceding the year for which the national conservation acreage reserve is being determined, (ii) the number of acres within the continental United States which were diverted from their normal use during such year by reason of the operation of acreage allotments and marketing quotas, and (iii) acreage placed in the conservation reserve under subtitle B hereof, exceeds

"(II) the total number of acres determined by the Secretary to be needed for the commercial production within the continental United States of sufficient quantities of all agricultural commodities and to maintain adequate safety reserves to meet emergency needs for such commodities as proclaimed by the Secretary as being equivalent to the national all-commodity farm marketing quota, as defined in subsection (B).

"(B) (1) The national all-commodity farm marketing quota for any crop year shall be total value of all farm commodities, as the Secretary may determine can be sold by farmers for average national prices received by farmers of not less than 80 percent nor more than 100 percent of parity income equivalent prices in such crop year, calculated on the assumption that the number of unemployed in such year be not greater than 3 percent of the total civilian labor force.

"(2) The national all-commodity farm marketing quota and national conservation acreage reserve shall be allocated among the several States in such manner that the conservation acreage reserve of any such State shall be the number of acres which bears the same ratio to the national conservation acreage reserve, and the State all-commodity farm marketing quota shall bear the same ratio to the national all-commodity farm marketing quota as (A) the total number of acres determined by the Secretary to have been used within such State for the commercial production of agricultural commodities during the year immediately preceding the year for which the State all-commodity farm marketing quota and conservation acreage reserve is being determined, bears to (B) the total number of acres determined by the Secretary to have been used within the continental United States for the commercial production of agricultural commodities during such year.

"(3) The all-commodity farm marketing quota and conservation acreage reserve of each State shall be allocated among the several counties in such State in such manner that the conservation acreage reserve of any such county shall be the number of acres which bears the same ratio to the State conservation acreage reserve, and the county all-commodity farm marketing quota shall bear the same ratio to the State all-commodity farm marketing quota, as (A) the total number of acres determined by the Secretary to have been used within such county for the commercial production of agricultural commodities during the year immediately preceding the year for which the county conservation acreage reserve is being determined, bears to (B) the total number of acres determined by the Secretary to have been used within the State for the commercial production of agricultural commodities during such year.

"(4) The conservation acreage reserve and the all-commodity farm marketing quota of any county shall be allocated among the several farms within such county in such manner that the conservation acreage reserve of any farm shall be a number of acres which bears the same ratio to the county conservation acreage reserve and the individual all-commodity farm marketing quota shall bear the same ratio to the county all-commodity farm marketing quota, as (A) the total number of acres determined by the Secretary to have been used on such farm for the commercial production of agricultural commodities during the year immediately preceding the year for which the farm acreage reserve is being determined, bears to (B) the total number of acres determined by the Secretary to have been used in such county for the commercial production of agricultural commodities during such year.

"(5) To the extent that any farm, county, or State does not utilize its entire conservation-acreage reserve or its entire all-commodity farm marketing quota in any year, such unused marketing quota or reserve acreage shall be made available, for that year only, to other States, counties, and farms which have indicated a desire to obtain a greater quota or reserve than their initial allocation for that year.

"(6) The National Farm Income Stabilization Board shall cause to be issued to the operator of each farm a farm market quota certificate bearing on its face the volume of sales at parity income equivalent prices of farm commodities permitted under the certificate. Each such operator who sells farm commodities shall obtain for each sale, from the county farmer committee, a quota certificate of sale or an overquota certificate of sale for such commodities, which shall accompany the commodity through the channels of trade within the United States. Each such producer shall be issued quota certificates of sale by the county committee free of charge up to the remaining total volume for the crop year of sales shown on the face of the farm market quota certificate of such producer for such year. The committee shall enter upon the face of the farm market quota certificate the value of each such quota certificate of sale that has been issued. Each such producer shall also be issued such overquota certificate of sale by the committee as he may require for the sale of farm commodities over and above the volume shown on the face of the farm market quota certificate for such operator upon the payment of a farm-income stabilization fee equal to the total of the number of units of each commodity covered in such overquota certificates of sale multiplied by 50 percent of the parity income equivalent price per unit of each such commodity. The Secretary shall confiscate all farm commodities and products discovered in ownership other than that of the farmer who produced them if they cannot be accounted for by quota certificates of sale or overquota certificates of sale in the hands of the owner thereof.

"(7) The Secretary is authorized to enter into annual agreements with individual farm operators under which the operator agrees to put into effect on the specified number of acres in addition to those already covered by contract under subtitle B of this act in the conservation-acreage reserve for his farm such soil and water conservation and improvement uses and practices as may be specified by the Secretary, for purposes of conserving and improving the soil, water, range, timber, wildlife, and hunting, fishing, and recreational resources, and the Secretary agrees, to the extent that appropriations allow, to pay to such operator an acreage-rental payment with respect to each such acre not to exceed the land and capital carrying charges, plus necessary annual land treatments, plus the net income earnable on such land by a typical family-operated farm at parity income equivalent prices, as determined by the Secretary, for the area in which the farm is located, of the commodities which the Secretary determines would be produced on such acre were it used for commercial production during the crop year for which the contract is made: *Provided*, That the Secretary, before prescribing the practices which individual farm operators may put into practice on the conservation-acreage reserve, shall consult with the Secretary of the Interior, and the State committee established under section 8 (b) of the Soil Conservation and Domestic Allotment Act of 1938 shall consult with the State agency having jurisdiction over matters relating to conservation of wildlife, such consultation to include consideration of the effect of proposed and recommended practices upon wildlife, conservation, and hunting, fishing, and recreational uses.

"(8) The determination for the purposes of this subsection of the amount of any acreage rental payment shall be made by the local committee established under section 8 (b) of the Soil Conservation and Domestic Allotment Act of 1938, as amended, in accordance with standards promulgated by the county committee established under such section. Each such county committee shall determine and proclaim, for the purposes of this section, the typical ratio of net income to gross income for each agricultural commodity commercially produced within the county. The determination of the county committee with respect to such typical ratio of net income to gross income shall be final unless disapproved by the Secretary after public hearing held in the county after due notice.

"(9) The Secretary is authorized (1) to provide, in any contract entered into under

this section, for a right of entry on the farm with respect to which such contract is entered into for the purpose of measuring the acreage in commercial production and ascertaining that grasslands and other resources included within the conservation acreage reserve are not being used for commercial production of livestock or milk, or products thereof, and (2) to require that the farm operator certify under oath or affirmation that no acres included within the conservation acreage reserve have been utilized for commercial production during the period covered by the contract.

"(10) No farm operator shall be eligible for any price-support loans, purchase contracts, or payments unless there is in effect with respect to his farm a contract entered into under this section.

"(11) Whenever any contract entered into under this section requires the institution or continuance of soil or water conservation or improvement uses and practices on any farm, the Secretary shall reimburse the operator of such farm for costs incurred in providing such uses and practices by making a conservation incentive payment to such operator equal to 80 per centum of such costs plus an additional 1 per centum of such costs for each percentage point by which net income from farm operations is less than 100 per centum or parity.

"(12) The maximum amount of any acreage rental payment under subsection 7 with respect to any farm operator for any year shall be $7,500, and the maximum amount of any conservation incentive payment under section 6 with respect to any such unit for any year shall be $2,500.

"(13) The Secretary is authorized and directed, upon recommendation of the National Farm Income Stabilization Board, to adjust the allocation of the national conservation reserve and the national farm marketing quota to the several States and to authorize State and county committees upon application, approved by the Board, to adjust the allocation of State quotas to counties and of county quotas to farms by not more than 10 per centum to take account of trends in production patterns, the needs of good land use and soil and water conservation and other factors cited in section 102 and 104. Such recommendation or approval shall be made upon two-thirds majority vote of the members of the Board and only after a public hearing following due public notice of the date of the hearing.

"(14) The words 'acreage reserve' wherever they occur in this subtitle are amended to read 'Conservation acreage reserve'.

"(15) The conservation acreage reserve shall include but not be limited to any acreage devoted to the conservation acreage reserve program authorized under subtitle B of this title. The conservation acreage reserve program may include such terms and conditions in addition to those specified herein, including provisions relating to control of noxious weeds on the reserve acreage, as the Secretary determines are desirable to effectuate the purposes of this title. Before any producer is entitled to receive compensation for participating in the conservation acreage reserve program, he must first enter into a contract with the Secretary, which contract, in addition to such other terms and conditions as may be prescribed by the Secretary, shall contain provisions by which such producer shall agree—

"(A) in the event that the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm, and that such violation is of such substantial nature as to warrant termination of the contract, to forfeit all rights to payment or grants under the contract, or to refund to the United States all payments and grants received by him thereunder; and

"(B) in the event the Secretary determines that the producer has knowingly sold farm commodities for which he has no quota certificates of sale or overquota certificates of sale, the contract with such producer shall be terminated."

(c) Section 104 of the Soil Bank Act is amended to read as follows:

"The allocation of the national all-commodity farm marketing quota and of the national conservation acreage reserve shall be administered in such manner as is reasonably calculated to achieve the purposes of this title and give the farm operators a fair and equitable opportunity to participate in the programs provided by this Act and the Full Parity Farm Family Income Act within the limitations provided in section 103, taking into consideration their commodity marketing quotas, the supply and demand conditions for different classes, grades, and qualities of the several commodities, the relative dependence of the farmers of an area, county, or State upon one or a few crops or other commodity specialization, and such other factors, as the Secretary deems appropriate upon recommendation of the National Farm Income Stabilization Board."

SEC. 702. The Agricultural Marketing Agreement Act of 1937, reenacting, amending, and supplementing the Agricultural Adjustment Act, as amended, is amended as follows:

(a) Subsection 2 (1) is amended by striking the words "parity prices" and substituting therefor the words "parity income equivalent prices" and by striking the following "section 301 (a) (1)" and substituting therefor the following "section 301 (a) (2) (A)."

(b) Subsection 8 (c) (2) is amended by inserting after the word "soybeans" the following: "other field crops, Irish potatoes, farm forestry products, cattle, hogs, lambs, milk for manufacturing, butterfat and cream, eggs, and poultry."

SEC. 703. (a) In order to assure the orderly marketing of an adequate national supply of hogs, pork products, and cattle and beef products, to encourage the increased domestic consumption of pork, beef, and pork and beef products, to maintain the productive capacity of our hog and cattle farming industry, and to avoid the feeding of hogs and cattle to less desirable weights, the Secretary of Agriculture is authorized and directed, whenever he finds (1) that the annual pig crop for any year will exceed the average pig crop for the 10 preceding years, or the number of cattle on hand in any year will exceed the average number of cattle on hand for the preceding 10 years, or (2) that the national average price received by farmers for hogs or cattle is less than 80 percent of the parity income equivalent price therefor, to make incentive payments to hog and cattle producers to encourage the marketing of hogs and cattle for slaughter at not to exceed specified optimum live weights to be determined by the Secretary as appropriate to accomplish the purpose of this section.

(b) The amounts of incentive payments under this act shall be established by the Secretary at such level, not less than $1, or more than $3 per hundredweight, as he determines is necessary to carry out the purposes of this section. No producer shall be eligible to receive incentive payments under this section totaling in excess of $2,500 in any calendar year.

(c) Every purchaser of hogs and cattle for slaughter shall supply to the producer of such hogs or cattle a ticket, in such form as may be prescribed by the Secretary, showing the number of hogs and cattle sold in weight classes of the respective specified optimum live weights or less, and the total weight of the hogs or cattle sold. Such producer shall make application for the payment of the incentive benefits under this act by filing the ticket received by him from the buyer with the county committee for his county appointed under section 8 (b) of the Soil Conservation and Domestic Allotment Act.

(d) Payments shall not be made under this section after December 31, 1960.

(e) The Secretary is authorized to use any funds of the National Farm Income Stabilization Corporation, and any funds appropriated by section 32 of Public Law 320, 74th Congress (49 Stat. 774; U. S. C. 612c), as amended, in making payments provided by this section.

(f) For the purpose of further reimbursing the National Farm Income Stabilization Corporation for any expenditures made by it under this section, there shall be levied on all hogs, pork, and pork products and on all cattle, calves, beef, veal, and products thereof a processing tax at a rate to be determined by the National Farm Income Stabilization Board as appropriate to carry out the purposes of this section but not to exceed 50 cents per hundredweight live weight or live weight equivalent, which shall be paid to the Treasurer of the United States by the first purchaser from the producer and deposited to the account of the Secretary of Agriculture.

SEC. 704. The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following part VII to subtitle B, marketing quotas:

"PART VII. MARKETING QUOTAS FOR OTHER AGRICULTURAL COMMODITIES

"SEC. 360. (a) The agricultural commodities covered by this part comprise (1) field crops (other than those covered by other parts of this title), including corn, both inside and outside the commercial corn-producing area, barley, oats, rye, grain sorghum, flaxseed, soybeans, dry edible beans, and grass seeds; (2) vegetables, including potatoes, cabbage and tomatoes; (3) fruits, including citrus fruits, dried fruits and deciduous fruits; (4) tree nuts, including English walnuts and pecans; (5) livestock, including hogs, cattle, and lambs; (6) poultry, including chickens and turkeys; (7) eggs, hops, honeybees, and gum naval stores, or any regional or market classification of any farm commodity covered by this part. The inclusion in each group of specific farm commodities shall not be taken as a limitation on farm commodities otherwise falling within such group.

"National single-commodity marketing quotas

"(b) Whenever a marketing agreement or order under provisions of the Agricultural Marketing Act of 1937, as amended, is not in effect for any such farm commodity and whenever the Secretary determines that the total supply of such farm commodity for the next marketing year will, in the absence of a single-commodity marketing quota program, likely exceed the normal supply for such marketing year by such an amount as will make a single-commodity marketing quota program necessary to effectuate the declared policy of this act and that the operation of such a program will be administratively practicable, the Secretary shall proclaim such fact and shall proclaim a national single-commodity marketing quota which shall be in effect for such commodity. Any national single-commodity marketing quota proclaimed under this section shall be subject to a referendum held pursuant to subsection 360 (i). The Secretary shall also determine and specify in such proclamation the amount of the national single-commodity quota in terms of the quantity required, together with (1) the estimated carryover at the beginning of the marketing year for which the quota is proclaimed, and (2) the estimated imports during such marketing year, to make available a normal

supply, defined for purposes of this section as the volume of marketings which the Secretary determines, upon recommendation of the Federal Farm Income Stabilization Board, will move through normal channels of trade during such marketing year, assuming conditions of less than 3 percent of the civilian labor force unemployed, at an average price received by farmers of not less than 80 per centum nor more than 100 per centum of the parity income equivalent price. The proclamation of a national commodity marketing quota for any agricultural commodity which is planted annually shall be made not less than 60 days prior to the beginning of the normal planting season, and in the case of any other commodity, not less than 90 days prior to the beginning of the marketing year. The national single-commodity marketing quota for any farm commodity may be made applicable to a crop or to a marketing year.

"Apportionments of national single-commodity marketing quota

"(c) (1) The national single-commodity marketing quota for any farm commodity established pursuant to the provisions of subsection 360 (b), less the portion set aside for purpose of paragraph (4) of this subsection, shall be apportioned by the Secretary, upon advice and recommendation of the National Farm Income Stabilization Board, among the several States on the basis of the total marketings or production (in terms of acreage, production units or commodity units) of such commodity in each State during such representative period as the Secretary may determine, on the basis of recommendation of the National Farm Income Stabilization Board, with such adjustments as are deemed necessary for abnormal conditions, for trends in production or marketing, and consideration of relative dependence of different areas upon one or a few crops or commodities.

"(2) The Secretary shall provide for the allotment of the single-commodity marketing quota for any State for any farm commodity among the farms in the State on which such commodity has been produced in any year of a representative period of not more than five years, as determined by the Secretary. Such allotment shall be made in such manner and in such amounts as to provide a fair and equitable distribution of the marketing quota for any State among such farms in the State taking into consideration one or more of the following factors: Past marketings or production of the commodity, abnormal conditions affecting production; land, labor, and equipment available for the production and marketing of the commodity; rotation fallow practices; soil and other physical factors affecting the production of the commodity; and the factors listed in subsection (c) (1) hereof.

"(3) If the Secretary determines that such action will facilitate the effective administration of the provisions of this section, the commodity marketing quota for any State may be apportioned among the counties therein on the basis of the provisions of subsection (1) of this subsection for apportioning the national single-commodity marketing quota among the States, and the single-commodity marketing quota so established for the counties shall be apportioned among the farms in the county on the basis of provisions of subsection (2) of this subsection.

"(4) Not more than 5 percent of the national single-commodity marketing quota for any farm commodity shall be apportioned among farms on which producers will produce such commodity but for which single-commodity marketing quotas were not established pursuant to subsection (2) or (3) of this subsection.

"(d) Whenever farm single-commodity marketing quotas are in effect for any farm commodity under provisions of this section, the farm marketing excess of such commodity or the marketing of such commodity in excess of the individual farm commodity marketing quota shall be subject to the payment of a farm income stabilization fee at a rate per unit of the commodity so marketed equal to 50 per centum of the parity income equivalent price of such commodity at the beginning of the second month prior to the beginning of the marketing year for such commodity.

"Minimum commodity marketing quotas for individual farm

"(e) Notwithstanding the foregoing provisions of this section, the Secretary shall determine for any all-commodity marketing quota and single-commodity marketing quota a uniform amount of marketings per farm which may be marketed free of payments of the fees provided in subsection (d) of this section and subsection 501 (o) (6) of this act taking into consideration the amount of such commodities normally used for home consumption per family, the minimum volume of production required to operate an efficient family unit, and the effect of such exemption on other quota programs.

"(f) Notwithstanding any other provision of law, the Secretary shall arrange to adjust the all-commodity farm marketing goal specified in section 501 of this act, and the single-commodity marketing goal and the dairy commodities marketing goal specified in section 106 of this act of individual farms in accordance with the following schedule:

"Percentage that the total marketing goals and quota for the farm for all commodities for which quota programs are in effect is of the national average per farm total of such goals and quotas:	*Percentage increase in marketing goal of such farm*
Not more than 20	50
More than 20 but not more than 40	45
More than 40 but not more than 60	40
More than 60 but not more than 80	35
More than 80 but not more than 100	30
More than 100 but not more than 134	25
More than 134 but not more than 167	20
More than 167 but not more than 200	10
More than 200	5

In making the adjustments provided by this subsection the Secretary shall so apportion the national commodity marketing quota and the national farm marketing quota and so calculate the milk-marketing quota for each dairy farm that the total of adjusted individual farm commodity marketing goals for any farm commodity and of milk-marketing quotas and the individual farm all-commodity marketing quota will equal the national single-commodity quota proclaimed by him pursuant to subsection (b) of this section for such commodity and the national all-commodity farm marketing quota, proclaimed by him pursuant to subsection 103 (a) of the Soil Bank Act, as amended, respectively, and the total of individual farm milk-marketing quotas as calculated under section 106 of this Act.

"Referendum

"(g) The Secretary shall conduct a referendum of farmers to determine whether they favor or oppose a national single-commodity marketing quota program proclaimed under this section, by not later than sixty days after issuance of the proclamation. The persons eligible to vote in the referendum shall be farmers engaged in the production of the commodity in the year in which the referendum is held, or the next preceding year. If more than one-third of the farmers voting in the referendum oppose the quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum."

TITLE VIII—DEFINITIONS

SEC. 801. For purposes of the provisions of title II of this act, the word "cooperator," with respect to any commodity, shall mean a producer of such commodity who is in full compliance with any program established for such commodity under provisions of title VII.

SEC. 802. Subsection 408 (h) of the Agricultural Act of 1949, as amended, is amended by inserting after the word "determined" in the first sentence the following: "assuming that the number of unemployed workers in such year be less than 3 per centum of the total civilian labor force."

TITLE IX—FAMILY FARM CREDIT

SEC. 901. This title may be cited as the "Family Farm Yardstick Credit Act."

SEC. 902. (a) Subsection (a) of section 3 of the Bankhead-Jones Farm Tenant Act, as amended, is amended by striking out the second sentence of such subsection.

(b) Subsection (b) (2) of section 3 of such act is amended by striking out "5 per centum," and inserting in lieu thereof "3 per centum".

(c) Section 5 of such act is amended by striking out "$50,000,000" and inserting in lieu thereof "$150,000,000"; and by striking out "June 30, 1947," and inserting in lieu thereof "June 30, 1957."

(d) Subsection (a) of section 11 of such act is amended by striking out "$25,000,000," and inserting in lieu thereof "$50,000,000".

(e) Subsection (c) of section 12 of such act is amended by—

(1) striking out in paragraph (4) "4 per centum," and inserting in lieu thereof "3 per centum"; and

(2) by striking out paragraph (5) and inserting in lieu thereof the following:

"(5) loans insured under the provisions of this section shall not be in excess of the amount certified by the appropriate county committee to be the fair and reasonable value of the farm;".

(f) Subsections (d) and (e) of section 12 of such act are repealed.

SEC. 903. (a) Subsections (b) and (c) of section 21 of title II of the Bankhead-Jones Farm Tenant Act, as amended, are amended to read as follows:

"(b) No loans shall be made under this section for the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program. No initial loan to any one borrower under this section shall exceed $25,000 and no further loan may be made under this section to a borrower so long as the total amount outstanding, including accrued interest, taxes, and other obligations properly chargeable to the account of the borrower, exceeds $40,000.

"(c) The rate of interest on loans made under the provisions of this title shall not exceed 3 percent per annum."

(b) Subsection (d) of section 21 of such act is repealed.

SEC. 904. (a) Subsection (b) of section 42 of the Bankhead-Jones Farm Tenant Act, as amended, is amended by striking out "$5" and inserting in lieu thereof "$15."

(b) Section 44 of such act is amended by striking out in subsection (b) "5 percent" and inserting in lieu thereof "3 percent."

SEC. 905. The act of August 28, 1937, as amended (16 U. S. C. 590r–590x), is amended—

(1) by striking out in the first sentence "for a period of 4 years from July 14, 1953, loans for $2,500 or more" and inserting in lieu thereof "loans";

(2) by striking out the second sentence and inserting in lieu thereof the following: "Loans to such producers and feeders may

also be made under this subsection for the purpose of refinancing any existing indebtedness incurred for purposes for which loans may be made under this subsection";

(3) by striking out in the third sentence "3 years" and inserting in lieu thereof "10 years";

(4) by striking out the fourth and fifth sentences and inserting in lieu thereof the following: "Loans made under the provisions of this subsection shall bear interest at a rate not to exceed 3 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe"; and

(5) by adding at the end of subsection (c) a new sentence as follows: "The Secretary is authorized to make advances of Commodity Credit Corporation owned wheat and feed grains to farmers and stockmen, who are unable to obtain loans from other sources on such terms and conditions as they could reasonably be expected to meet, for the purpose of furnishing the feed needed by such farmers and stockmen to preserve a breeding stock of cattle, hogs, work stock, and poultry. Such advances shall be repayable in kind or money within a period of 3 years and shall bear interest at a rate not to exceed 3 percent per annum."

SEC. 906. The act entitled "An act to provide emergency credit," approved August 31, 1954, as amended (68 Stat. 999), is amended—

(1) by striking out the first section and inserting in lieu thereof the following: "The Secretary is authorized to make emergency loans for any agricultural purposes and for refinancing existing indebtedness to farmers and stockmen when there is a need for such credit which cannot be met from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular programs or under the act of April 6, 1949, or other responsible sources,";

(2) by striking out clauses (2) and (3) of section 2;

(3) by striking out in clause (4) of section 2 the words "for such area or areas"; and

(4) by renumbering clauses (4) and (5) of section 2 as clauses (2) and (3), respectively.

SEC. 907. The Bankhead-Jones Farm Tenant Act, as amended, is amended by adding at the end thereof the following new titles:

"TITLE V—RURAL ADJUSTMENT CREDIT

"SEC. 60. The Secretary of Agriculture is authorized to make loans to encourage, assist, and provide a sounder system of credit in rural areas to ameliorate the effects of the agricultural recession and adverse agricultural situations caused by conditions beyond control of the farmers and stockmen.

"Purpose of loans

"SEC. 61. Loans made under the provisions of this title shall be made for the purpose of—

"(1) refinancing, consolidating, renewing, or extending all or part of the existing debts of eligible farmers, stockmen, farm partnerships, grazing associations, and irrigation companies and to the owners of farm-related small business in rural areas;

"(2) assisting eligible farmers and stockmen, with special emphasis on family-sized farms and smaller than family-sized farms, to acquire additional land if the acquisition of such additional land—

"(A) will improve the economic status of the farmers or stockmen;

"(B) will aid in a planned program for preventing erosion;

"(C) is for the purpose of retiring land from its present use to a more suitable use;

"(D) will facilitate the improvement of farmland through soil or water conserving or drainage facilities, structures, or practices;

"(E) will facilitate the improvement of farm-soil fertility, establishment of improved permanent pasture, sustained-yield afforestation or reforestation, or other erosion preventatives, and other similar or related measures; or

"(F) will fulfill any other agricultural purpose consistent with the overall purposes of this title;

"(3) financing or refinancing general farm operating and subsistence expenses; and

"(4) assisting eligible farmers and stockmen to purchase stock in irrigation companies or grazing associations.

"Limitations on loans

"SEC. 62. Loans made directly by the Secretary under the provisions of this title, and loans made by private credit sources and insured under provisions of this title, which are secured only by chattel liens shall be repayable within the normal useful life of the chattels or within 15 years, whichever period of time is the shorter. In the case of an individual farmer or stockman no loan so secured shall be for an amount in excess of $50,000 and in the case of grazing association or irrigation company no loan so secured shall be for an amount in excess of $1 million. Loans made or insured under the provisions of this title and secured by real estate shall be repayable in not more than 40 years and shall not be for an amount in excess of $50,000 in the case of an individual farmer or stockman, or more than $1 million in the case of a grazing association or irrigation company. Direct or insured loans made to any farm partnership of two or more farmers or stockmen shall not exceed the total amount all such farmers and stockmen would be entitled to receive as individual farmers or stockmen under the provisions of this title. In the case of any farm-related small business, no loan secured by chattel lien only shall be made for an amount in excess of $250,000, and no loan secured by real estate shall be made for an amount in excess of $1 million. The rate of interest on direct or insured loans provided for under the provisions of this title shall not exceed 3 percent per annum.

"Persons eligible

"SEC. 63. (a) Loans made directly by the Secretary under the provisions of this title, and loans made by private credit sources and insured under the provisions of this title, shall be made only to established farmers and capable beginning farmers, part-time farmers, stockmen, whether tenants or owners, farm partnerships, grazing associations, irrigation companies, and to owners of farm-related small businesses in rural areas—

"(1) who are unable to repay their existing indebtedness in accordance with present repayment schedules;

"(2) who are unable to secure financing through private or cooperative sources on terms and conditions which they could reasonably be expected to meet and the rejection of such credit was not due to the lack of repayment ability under normal conditions, or to the character or lack of managerial capacity of the applicant;

"(3) who are certified by the appropriate county committee in accordance with subsection (a) (3) of section 44 of this act;

"(4) with respect to whom the appropriate county committee certifies and the Secretary finds there is a reasonable expectation that, with the assistance provided hereunder and other resources available to such applicants, they will be able to repay the loans and continue their farming or ranching operations or their business operations; and

"(5) who have total principal indebtedness not in excess of the normal market value of their farms or ranches or businesses and the market value of their chattels, which have security value, less the outstanding balance of any liens not refinanced hereunder.

"Provisions with respect to insured loans

"SEC. 64. To effectuate the program provided for in this title the Secretary is authorized to make commitments to insure loans made by private credit sources to eligible farmers, stockmen, farm partnerships, grazing associations, irrigation companies, and farm-related small businesses in rural areas. To qualify for such insurance, loans shall be made upon such terms and conditions not inconsistent with the provisions of this title, as may be prescribed by the Secretary.

"SEC. 65. Any loan insured under the provisions of this title shall be an obligation guaranteed by the United States as to principal and interest and incontestable, except for fraud or misrepresentation of which the holder has actual knowledge.

"SEC. 66. The aggregate amount of principal obligations on loans insured under the provisions of this title shall not exceed $300 million in any one fiscal year.

"SEC. 67. (a) The Secretary shall require that all loans insured under the provisions of this title shall be administered and serviced by him.

"(b) Any loan insured under the provisions of this title shall be made subject to the right of the Secretary to purchase such loan, whether or not in default, on such terms and conditions as he may prescribe.

"(c) The Secretary is authorized to purchase loans, which could have been made under the provisions of this title, from banks, or other credit institutions in areas where the Secretary determines that additional funds and terms of loans are necessary to improve rural credit sources, such loans to be referred to the Farmers' Home Administration by the credit institutions within the designated area. The amount advanced against such loans shall not exceed the value of the security as determined by the representative of the Secretary and shall not exceed the maximum amounts set out in this title. Loans obtained directly from the bank or credit institution can upon request by the borrower be renewed, extended, or amended in line with the terms established in this title.

"General provisions

"SEC. 68. The Secretary shall require loans to be repaid as provided in subsection (c) of section 44 of this act if he determines that the borrower is able to obtain a loan from a production credit association, Federal land bank, or other responsible cooperative or private credit source at rates and terms which the borrower can reasonably be expected to meet.

"SEC. 69. For the purpose of carrying out the provisions of this title, the Secretary shall utilize the insurance fund established by section 11 of this act. Notes and security acquired by the Secretary for loans insured under this title shall become a part of such fund. The notes may be held in the fund and collected according to their terms, or may be sold and, if necessary, reinsured. All proceeds from such collections, including the liquidation of security, and sales of notes shall become a part of such fund.

"SEC. 70. The provision of section 51 of this act shall be applicable to this title, and the Secretary may utilize the insurance fund for the payment of taxes, insurance, prior liens, foreclosure expenses, and any other expenses incident to action taken by the Secretary under such section. The provisions of subsections (b) and (c) of section 13 of title I of this act shall be applicable to this title also.

"Rules and regulations

"SEC. 71. The Secretary is authorized to make such rules and regulations and such delegations of authority as he may deem necessary to carry out the provisions of this title.

"Appropriations

"SEC. 72. There are authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to carry out the provisions of this title.

"TITLE VI—FAMILY FARM DEVELOPMENT ACT

"This title shall be known as the Family Farm Development Act of 1957.

"Findings and policy

"SEC. 81. The low incomes, poor living standards, and insufficient economic opportunity for efficient employment of their full capacity of a large part of the rural population denies the Nation the benefit or greater productivity in agriculture and in local rural manufacturing and service industries, slows down national economic growth, and reduces standards of living. The Congress recognizes that rural poverty and low rural productivity can and must be remedied in order to bring the Nation up to maximum strength and that, through this example of strengthening democracy at home by providing additional opportunities to low-income rural groups, democracy in other parts of the world also will be strengthened. It is the policy of the Congress to provide practical assistance to low-income rural families who desire to increase their productivity, income, and standard of living.

"Determination of low-income counties

"SEC. 82. The President is authorized to determine from time to time, from the latest official statistics available to him, the counties or areas of the United States, not exceeding 500 in number at any one time, having the largest low-income farm population and to inaugurate and maintain in such counties a program to effectuate the purposes and policy of this title.

"Eligibility

"SEC. 83. (a) The President through existing agencies of the Federal Government may render special assistance to low-income families or single persons living in rural areas who apply for such assistance if (1) the applicant is recommended by the appropriate county committee (established under section 8 (b) of the Soil Conservation and Domestic Allotment Act); (2) such county committee finds that the applicant, with the assistance provided for herein, will develop a farm and home management or family employment plan for increasing his productivity and income; and that the applicant has a reasonable chance to succeed.

"(b) In exploring the most feasible and practicable methods for increasing his productivity and income the applicant, with the assistance of the appropriate county committee, will determine whether the cause of low income is due to physical handicaps of the family; the lack of available credit to make needed shifts in farming methods and employment of labor resources of the family; the practice of inefficient farming methods or practices; lack of practicable diversification in the farming operation; lack of sufficient land; lack of outside employment opportunities to fully utilize the labor of the family in ways that enable it to earn an adequate return at least equal to the established national minimum wage. To assist in the analysis of the needs and in developing the plans with families, the Secretary of Agriculture shall make available to the families and the county committees the services of the local and State offices of the agencies of the Department of Agriculture to provide the advice of technicians in such fields as soil conservation, and supervised agricultural credit for agricultural production and for farm enlargement and development. The advice and assistance of other Federal agencies shall be made available, and the cooperation of State and local agencies, including the State agricultural extension services and the State employment service, and the cooperation of private individuals and organizations shall also be solicited.

"Developing economically adequate full-time and part-time farmers

"SEC. 84. In case of eligible applicants who wish to remain on the farm now occupied or to become established on another farm in the area, either on a full-time farming basis or in conjunction with off-farm employment of one or more members of the family, the Secretary of Agriculture is authorized and directed to provide the following services through the county committees:

"(a) Employ such full-time employees as may be required to carry on the purposes of this title.

"(b) Make a complete analysis of the farm and farm operations and supplemental employment opportunities to determine the most promising ways by which family income and productivity in combination with whatever off-farm employment may be planned can be raised to an adequate level. After completion of such a farm and home plan, the Secretary through the county committee shall render every assistance possible to the applicant and his family in putting the new program into effect, including technical assistance on improved farm and home practices, and assistance in obtaining credit needed from private, cooperative, or governmental sources to put these practices into effect.

"(c) To effectuate the purpose of this title, the Secretary of Agriculture is authorized, upon such conditions as he shall prescribe, to insure and make loans for periods not to exceed 25 years, and at a rate of interest not to exceed 3 percent per annum for the purpose of financing the enlargement and development of owner-operated family-type farms by (1) the acquisition of additional land, (2) the establishment of improved pastures and sustained yield woodlots, (3) the construction of adequate farm buildings and structures (including drainage facilities, irrigation facilities, and other facilities for the use, conservation, and improvement of soil and water), and (4) such other related farm improvements as will increase the income-producing ability of the farm unit to a more nearly fully adequate family farm.

"(d) (1) To make or to insure 3-to 15-year loans at a rate of interest not to exceed 3 percent per annum advanced by production credit associations and by private lenders for non-real-estate capital investment purposes; (2) to make loans up to 50 years at a rate of interest not to exceed 3 percent per annum to eligible applicants to acquire and manage on a sustained-yield basis additional forest or cutover land; (3) to make loans for periods up to 10 years at a rate of interest not to exceed 4 percent per annum to enable an eligible applicant to acquire needed logging equipment; (4) to make loans of not more than 5 years at a rate of interest not to exceed 4 percent per annum to eligible applicants to purchase capital stock of and pay membership fees to existing or new supply, service, or marketing cooperatives, including timber marketing and processing cooperatives; and (5) to make loans to refinance existing indebtedness incurred for any of the above purposes on terms and conditions applicable to loans for such purposes: *Provided*, That creditors will enter into voluntary agreements to make needed adjustments of outstanding indebtedness to realistic income possibilities of the collateral for the existing mortgage or mortgages: *Provided, further*, That the Secretary of Agriculture shall establish a variable repayment schedule for all the foregoing types of loans such that the repayment of interest and principal in any single year shall bear a reasonable relationship to the income of the participating family in that year.

"Part- and full-time off-farm employment

SEC. 85. Whenever the family determines to seek part-time or full-time farm or nonfarm employment off the farm, the problem shall be presented to the nearest farm labor placement center of the State employment service cooperating with the Department of Labor. Information concerning farm labor opportunities also shall be made available to the family by the State and County Committees.

"Vocational education

"SEC. 86. The Secretary of Health, Education, and Welfare is authorized to provide a program of adult vocational training in the low-income counties designated, pursuant to section 82, both in farm and home management and in such other farm and nonfarm activities as the family plans of eligible applicants indicate are needed to maximize family income and productivity of family labor within the area.

"Industrial dispersion

"SEC. 87. To provide for the national defense, to promote interstate commerce, and to improve the general welfare by assisting in the sound economic growth and development of the county, it is the policy of the Congress to encourage and stimulate the establishment of new, or the expansion of existing, private industrial, commercial, or service enterprises in widely dispersed rural areas as may be required to reduce vulnerability to modern war risks, and in which, over an extended period of time, because of the number of underemployed persons in rural areas with excessively low incomes, the number of existing industrial, commercial, or service enterprises and the available markets and resources there are reasonable prospects for successful operation of additional private enterprises which would more fully utilize available manpower in rural areas. To effectuate this policy of industry dispersal, the departments and establishments in the executive branch of the Government shall be utilized and coordinated to—

"(a) provide technical aid and assistance to, and consult and cooperate with, farmers, businessmen, workers, cooperatives, civic organizations, clubs, and committees, community study and planning groups, and local and State governmental agencies;

"(b) prepare and distribute technical, defense, and economic information and opportunities in and necessities of private enterprise in various industries and areas in order to aid individuals, business firms, civic organizations, and local units of Government in developing new or expanded industries best suited to local conditions, and the requirements of civil defense;

"(c) assist new or expanding industries in finding adequate private financing through local capital or otherwise, and where such financing is found to be unavailable, extend Government loans or guaranties under existing authority; and

"(d) use all appropriate means and authority to encourage and stimulate the maximum expansion in private employment and private enterprises consistent with the needs for national defense, with a sound, growing national economy, and with the necessities of civilian defense.

"Appropriation

"SEC. 88. There are hereby authorized to be appropriated such sums as may be necessary for carrying out the provisions of this title.

"SEC. 89. (a) No provision contained in this act or in any of the following acts shall be construed as authorizing the Secretary of Agriculture to make charges against either the borrower or lender for the insuring or servicing of loans insured by the Secretary under the provisions of such acts: (1) The

Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001); (2) the act of August 28, 1937, as amended (12 U. S. C. 1148a–1) and the act entitled "An act to provide emergency credit," approved August 31, 1954, as amended (68 Stat. 999). Any expenses incurred for the insuring and servicing of such loans shall be borne by the United States.

"(b) The provisions of this section shall not apply to any such charges accrued prior to the date of enactment of this section."

Debt adjustment

SEC. 908. The Secretary shall arrange to assist borrowers under any of the provisions of this act in the voluntary adjustment of their existing indebtedness with creditors directly in cooperation with State, Territorial, and local agencies and committees engaged in such debt adjustment.

Variable repayment

SEC. 909. The Secretary is authorized and directed to establish, with respect to all loans authorized by this act, variable repayment plans with payments adjusted, without regard to previous excess payments, to the net earnings and ability of the borrower to pay from year to year.

TITLE X—AGRICULTURAL RESEARCH AND INDUSTRIAL UTILIZATION ACT

SEC. 1001. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, for new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry.

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high level national economy.

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations.

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture.

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities.

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products.

(g) Development of new and improved uses of farm products and new farm products and new and extended markets and outlets for farm products and byproducts will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus.

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

Purposes

SEC. 1002. The purposes of this act are to establish a Board whose duties shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

Board created

SEC. 1003. A Board is hereby created and established within the United States Department of Agriculture to be known as the Agricultural Research and Industrial Board (hereinafter referred to as the Board), which shall be composed of 5 members appointed by the President, by and with the advice and consent of the Senate, one of whom shall be an Assistant Secretary of Agriculture. Members of the Board shall be appointed for a period of 4 years, their terms to run concurrently. One of the members shall be designated by the President as Chairman. The power of removal for inefficiency, neglect of duty, or malfeasance in office shall be vested in the President. Any vacancy occurring during a 4-year term may be filled in the same manner as an original appointment, but only for the unexpired term thereof.

Salaries, employees, etc.

SEC. 1004. Members of the Board shall be paid compensation at the rate of $50 per day. The Board is authorized to appoint and fix the compensation, without regard to the civil-service laws and the Classification Act of 1949, as amended, of a director, and such other technical, legal, and other clerical employees or consultants on a salary, retainer or per diem basis as it may deem necessary: *Provided, however,* That the annual compensation of anyone so employed shall not exceed $17,500 and the per diem allowance shall not exceed $75 per day: *And provided further,* That wherever possible, in the judgment of the Board, employees of the Board shall be part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the Board and by the Civil Service Commission. Members of the Board and employees thereof shall be reimbursed for necessary traveling and other expenses incurred in the performance of their duties.

Powers and duties of the Board

SEC. 1005. The Board shall have power and authority, within the limits of the funds herein made available to it, to coordinate and expedite activities toward research, pilot-plant development, trial commercialization and industrial uses with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties the Board is empowered to:

(a) Make use of the facilities of the Departments of Agriculture and Commerce and other Federal departments and agencies, land-grant institutions, and experiment stations;

(b) Contract with State government agencies, State and other universities and colleges, nonprofit or profitmaking research organizations, and private corporations, including agreements to share costs;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law No. 480, 83d Congress, 2d session. The Board is hereby authorized to utilize such foreign currencies: *Provided, however,* That the authority to enter into such contracts shall be exercised only with the approval of the Secretary of State, to the end that such authority shall be exercised in such manner as is consistent with the foreign policy objectives of the United States;

(d) Provide research grants, student fellowships, scholarships, and similar aids, where deemed appropriate by the Board: *Provided,* That any such funds shall be so allocated as to strengthen graduate training in each of the four major agricultural regions;

(e) Enter into appropriate contracts for development of research results into trial commercial scale operations;

(f) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(g) Grant agricultural development certificates for the amortization of new facilities, for tax purposes, on the basis of 60 months from the date of completion of a facility in such cases as the Board deems advisable and necessary for the discharge of its duties, particularly with regard to equipment and facilities for harvesting, storing, and processing of new crops and with regard to research, development, and trial commercialization facilities for industrial utilization of the products of farm and forest. Such agricultural development certificates of rapid amortization may be issued at any time during the existence of the Board and shall otherwise be governed by the provisions of law governing emergency facilities contained in section 168 of the Internal Revenue Code of 1954 and the provisions of law governing the amortization of grain-storage facilities contained in section 169 of the Internal Revenue Code of 1954;

(h) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the Board where such stocks are to be used for (A) research, (B) pilot-plant operation, (C) trial commercialization, (D) export of manufactured products, or (E) new or byproduct uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the Board, shall pay necessary handling and delivery charges to the destination directed by the Board. Such sums of money as the Board shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(i) Take title to any property acquired by transfer from another Government agency pursuant to this act or other legislative authority, or otherwise, and to make contracts or leases for the private operation of any such properties or facilities;

(j) Publicize and make available from time to time information as to the Board's activities, any discoveries through research, and applications thereof, new crops, and the development of commercial uses of the products of farm and forest;

(k) Provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing herein shall be construed to authorize the Board to enter into any contractual or other arrangement incon-

sistent with any provision of law affecting the issuance or use of patents;

(l) Establish appropriate advisory committees to assist in effectuating specific research programs and to compensate members thereof on a per diem basis in addition to allowing traveling and subsistence expenses;

(m) Prescribe such rules and regulations as the Board deems necessary governing operations under this act.

Limitation upon Board powers

SEC. 1006. The Board shall not directly conduct research, operate plants or processes or otherwise engage in business but shall use primarily the facilities of the Agricultural Research Service.

Transfer of Government plants

SEC. 1007. (a) Notwithstanding any other provision of law, the Administrator of the General Services Administration is authorized and directed to transfer to the Board the Government-owned alcohol-producing facility at Omaha, Nebr., known as Plancor No. 1608, for use in the program authorized by this act.

(b) Notwithstanding any other provision of law, the Federal Facilities Corporation is authorized and directed to transfer to the Board the alcohol-butadiene plant at Louisville, Ky., known as Plancor No. 1207, for use in the program authorized by this act.

(c) Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this act is authorized to transfer such facility to the Board, for use in the program, if requested to do so by the Board, provided such transfer has the approval of the Director of the Bureau of the Budget.

(d) The Board is authorized to exercise, with respect to the facilities transferred under this section, all the authority vested in the agencies which so transferred such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the Board.

Appropriations

SEC. 1008. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1958, an amount equal to 15 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such funds shall be available to the Board to provide for its operation and the expenditures and incentives herein authorized. The sums appropriated herein shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over $150 million shall, in the same manner as though it had been appropriated for the Board for such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (31 U. S. C. 712) and section 5 of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purposes."

Annual report

SEC. 1009. The Board shall make an annual report to the Congress as soon as practicable after the 1st day of January in each year.

Disposition of President's Commission files

SEC. 1010. All files and records of the bipartisan Commission on Increased Industrial Use of Agricultural Products, created by section 209 of Public Law No. 540, 84th Congress, shall, upon the termination of its activities be turned over to the Board.

TITLE XI—NATIONAL FARM INCOME STABILIZATION BOARD AND FARMER COMMITTEES

SEC. 1101. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby redesignated as the National Farm Income Stabilization Corporation, and Board of Directors of the Commodity Credit Corporation shall be known as the National Farm Income Stabilization Board. Wherever the words "Commodity Credit Corporation" or "Commodity Credit Corporation Board of Directors" appears in any law, the words are hereby amended to read "National Farm Income Stabilization Corporation" and "National Farm Income Stabilization Board," respectively.

SEC. 1102. Notwithstanding any other provisions of law, the National Farm Income Stabilization Board shall be composed of 6 officials of the United States Department of Agriculture appointed by the President of the United States, by and with the advice and consent of the Senate, and 5 members elected from their own number by the farmer-elected members of the State farmer committees provided in subsection 8 (b) of the Soil Conservation and Acreage Allotment Act as amended.

SEC. 1103. Section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, is amended by striking out the 4th to the 17th sentences, inclusive, thereof and inserting in lieu thereof the following: "In carrying out in the continental United States the provisions of this section, the crop-insurance program, acre-allotment and farm-marketing-quota programs, and all other acreage-allotment and farm-marketing-quota programs, and all other farm programs dealing in individual farms, and all farm programs established by the Agricultural Act of 1958 except those specifically assigned to the National Dairy Advisory Committee under title I of this act, the Secretary is directed to utilize the services of the National Farm Income Stabilization Board and of local, county, and State farmer committees selected as follows:

"(1) Local committees. The Secretary shall designate local administrative areas as units for administration of the programs described above. No such local area shall include more than the geographic area served by a common farm trading center. Farmers within such local area shall elect annually by secret ballot from among their number a local committee of three members for such area, together with first and second alternate members who shall serve in that order in the absence of committee members. Election of local committee members and alternates for any year shall be conducted by the local committee serving at the time of such election. Public notice of such election shall be given by such local committee at least 2 weeks prior to the date of such election. Candidates for election shall be selected only by a nomination from the floor. The local committee shall elect from its members a chairman and a vice chairman. The local committee shall select a secretary.

"(2) County Committees: The county committee shall consist of three members. There shall also be first and second alternate members who shall serve in that order in the absence of committee members. The chairman of the local committees (or vice chairman in the absence of chairman) shall, in a county nominating convention nominate annually one or more farmers within the county for each position on the county committee and for each position of alternate members of the county committee. The nominating convention shall be called by the county committee then serving, which shall give the chairman of each local committee at least 2 weeks' notice of the date of such convention. The county committee then serving shall, immediately following such convention, give public notice of the names of the persons nominated at such convention and of the time and place fixed for the election, which shall be held not earlier than 15 days following such notice. Such election shall be by secret ballot and shall be conducted by such committee either by mail or at one or more public polling places. Each farmer in the county shall be entitled to vote at such election, and may vote for up to five of any of the nominees named by the nominating convention or of any other candidates if he desires by writing in and voting for their names. The votes shall be counted by the county committee conducting the election. Unless such count is made in the presence of a representative of the State committee, the ballots shall be preserved for such period as the Secretary, by regulation, may prescribe. The committee conducting the election shall certify the results of the election to the State committee. The three candidates receiving the highest number of votes shall be declared elected as committee members; the candidate receiving the next highest number of votes shall be declared elected as first alternate; the candidate receiving the next highest number of votes shall be declared elected as second alternate. The county committee shall elect from its members a chairman and a vice chairman. The county committee shall select a secretary. In any county in which there is only one local committee the local committee shall also be the county committee.

"(3) Provisions Applicable to Local and County Committees: Special elections for the purpose of filling vacancies not filled by alternate members, occurring at least 60 days prior to the time for holding annual election, in the membership of a local or county committee shall be held as expeditiously as possible, and shall be held in the same manner and subject to the same restrictions as annual elections, except that only 5 days' notice of the nominating convention shall be required. The State committee may, if it deems necessary, appoint temporary committee members to serve pending any such special election, or to fill vacancies occurring less than 60 days prior to an annual election. County and local committees authorized by this section shall be administratively responsible to the Secretary of Agriculture, through the National Farm Income Stabilization Board, for the conduct of farm programs assigned to them. Any work of a county or local committee may, at the discretion of such committee, be performed by members of such committee, or may be performed under the supervision of the committee by persons employed by the committee, except that, if the State committee with the approval of the majority of the county committees in the State so prescribes, responsibility for day-to-day operations and employment and supervision of field and office personnel shall be delegated to a county office manager employed by and responsible to the county committee.

"(4) State committees: In each State there shall be a State committee for the State composed of five farmers who are legal residents of the State and who have had previous service on county or local committees established under this section. Three members shall be elected from their own number by the members of the county committees at an election to be held on a date or within a period of time fixed by the Secretary which will afford full opportunity for participation therein by all county committee members: *Provided*, That such date or period of time shall fall between July 1, and December 31 each year. Such elected members shall take office on the first day of the month next after his election and shall serve for 12 months or until a successor has been elected and qualified. Such elected members shall be subject to removal by the Secretary only for cause. The other two members of such committee shall be appointed by, and serve

at the pleasure of, the Secretary, one of whom shall be designated as chairman.

"(5) Removal of local and county committee members: The State committee may remove a local or county committee member from office, but only by majority vote after furnishing such member with a statement of the charges against him, advising him of his rights, and giving him an opportunity for a fair hearing at which a representative of the Secretary shall be present. The State committee shall cause a transcript of the proceedings at any such hearing to be made and a copy thereof to be furnished to such member. Pending such hearing, the State committee may by majority vote suspend such member, but no such suspension shall exceed 30 days unless such hearing is delayed at the request of such member. Such member may appeal from the decision of the State committee to the Deputy Administrator of the Commodity Stabilization Service, or such other officer or employee of the Department of Agriculture as the Secretary may designate. All pertinent and material evidence may be presented at such appeal.

"(6) Regulations: The Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration through the committees, of such programs."

SEC. 804. Section 503 of the Agricultural Act of 1954 is amended by inserting after the word "county" the words "or local."

The statement presented by Mr. PROXMIRE is as follows:

STATEMENT BY SENATOR PROXMIRE

This bill would promptly restore farmers' returns to the full parity levels that prevailed in 1952. It provides for a commodity-by-commodity approach to the problems of all agricultural producers.

The farm income protection programs provided for in this bill can be carried out on a substantially self-financing basis. There will be little or no need for subsidies to farmers.

It would establish a National Farm Income Stabilization Board, including a strong representation of actual farmers, which would exercise broad powers in the administration of all farm programs. It would create the most thoroughly and genuinely farmer-run farm programs in history.

This bill would use the method of farm income deficiency payments made directly to farmers, with a ceiling on payments set to fit the independent family-sized farm, in order to give direct and effective protection to family farm operators. These payments would be financed in essentially the same manner as under the program for wool producers established in 1954, through an allocation of customs receipts and a tax on processors of farm commodities.

It includes provisions for greatly expanding the consumption of farm commodities in domestic and foreign markets and for industrial uses. It provides for extending the school-lunch and school-milk programs to all schoolchildren in the United States, a food-stamp plan for low-income families, and better diets for persons in welfare institutions, Veterans' Administration facilities, and the Armed Forces. It also provides for using farm commodities to help finance foreign military and economic aid programs, and for aggressive research to develop new industrial uses for farm products.

This bill would discard the present parity-price formula, and subsitute a more realistic parity of income standard which will measure returns to farmers according to the incomes received by nonfarm people.

To achieve the objective of improved returns to farmers without requiring enormous subsidies to farmers, this bill combines two mutually reinforcing principles:

1. It provides for methods whereby farm programs can be substantially self-financing; and

2. It authorizes farmers to establish and administer effective programs for adjusting their marketings in accordance with the law of supply and demand, essentially in the same way that other major industries do.

In my opinion, there is no realistic and feasible way to achieve fair incomes for farm people other than by utilizing these basic principles.

These principles, applied by both public and private means, are commonly practiced throughout the major part of our economy.

This bill would provide for a variety of adjustment programs, tailored to fit the special needs of the various farm commodities.

Producers of commodities suffering from severe price difficulties would be authorized to apply marketing quotas to adjust their sales to the volume that is needed and wanted by the economy. Milk and other single-commodity marketing quotas could be applied only with the approval of the farmers themselves, voting in a referendum of all producers of the commodity.

Provisions in the present farm laws for marketing agreements and marketing orders would be made available to producers of an increased number of farm commodities. Livestock producers could utilize a self-financing plan of incentive payments for marketing at lighter, more desirable weights.

A voluntary marketing adjustment and conservation acreage reserve program would be provided for helping to balance overall agricultural supplies with demand, to supplement and to reinforce the various single-commodity programs established by the producers.

Most of these programs would be entirely voluntary. Others, depending upon the market characteristics of the commodity, would utilize the same control provisions as are provided in present farm laws. Producers of any commodity, if they prefer, could retain the program provided for their commodity under present laws.

Because of the uniquely vital importance of food supplies to the Nation, I have provided for ironclad protection of the interests of consumers in this bill.

It would provide for fully adequate national safety and security reserves of storable farm commodities.

It would prohibit the use of farm programs to raise the incomes of farmers any higher than the average income of nonfarm people.

It would also prohibit the use of farm programs to reduce farm production below a point that will be fully adequate to meet all of the Nation's needs for adequate diets and reserves. It would provide for the automatic operation of farm income deficiency payments to act along with other economic stabilizers such as unemployment insurance, in order to subsidize the full consumption of food throughout the economy whenever unemployment exceeds 3 percent of the labor force.

The provisions of my farm bill have been worked out after consultation with representatives of many farm organizations and careful study of their proposals. I have tried to combine the best features of all, to achieve the kind of farm program that farmers themselves want, with strong protections for the interests of taxpayers, consumers, and the national economy.

This bill incorporates the pledges that I made to the voters of Wisconsin in my campaign last summer. I consider that my special election victory, in which I received 70 percent of the votes of Wisconsin farmers, constitutes both a mandate and an obligation to sponsor and to fight for the kind of self-financing, farmer-run, full-parity farm program that this bill provides.

Together with other Senators of both parties, I am cosponsoring and supporting emergency Congressional action to prevent the disastrous cut in dairy farmers' incomes that the Secretary of Agriculture has ordered to take effect next April 1. But this can be regarded as nothing but a short-term stopgap.

Farmers must have a program that will give them true prosperity along with the rest of the economy. Taxpayers must be spared from the enormous waste and exorbitant costs of the present farm programs.

AMENDMENT OF VOCATIONAL EDUCATION ACT OF 1946

Mr. MONRONEY. Mr. President, on behalf of myself, my colleague, the senior Senator from Oklahoma [Mr. KERR], and the Senator from Michigan [Mr. MCNAMARA], I introduce, for appropriate reference a bill to promote scientific education by amending the Vocational Education Act of 1946. I should like to call attention to the fact that this measure is not a hasty move, pulled together in a panic over Sputniks I and II.

It is the same bill which was introduced by Senator KERR, for himself, Senator MCNAMARA, and myself, in the 84th Congress, in an attempt to help head off the shortcomings in the field of scientific education before they became so acute. The bill was sent to the Department of Health, Education, and Welfare by the Senate Committee on Labor and Public Welfare for a recommendation, which was never forthcoming. In support of more serious consideration of this bill by this Congress, and to emphasize the fact that it is 2 years or more overdue, I want to quote from my own testimony on its behalf before the Senate Appropriations Committee in 1956, as follows:

The vocational education program has produced such astounding results since its initiation that I am convinced that a program along similar lines to promote scientific education would be equally effective.

All of you are familiar with the repeated warnings that this country is being outstripped in the scientific manpower race. Industry alone has 50,000 jobs going begging. You have seen the full-page and half-page newspaper ads for technical and scientific jobs. Every year recruiting teams for United States industry raid campuses, put budding engineers under contract, pay their expenses until graduation, even put them on the payroll, and promise them everything but the hand of the boss's daughter in marriage, in order to be assured of their services.

The reason we do not have enough young scientists graduating from college is simply because we do not have enough entering. In order to increase this number we must turn to the source of every kind of talent we need—the secondary schools.

Not enough of our secondary schools can provide the facilities essential to encourage students and prepare them for further scientific training in order to supply our scientific manpower needs. I believe that we can and should establish a program to further scientific education along the same lines as our vocational agriculture, home economics, trades and industry, and distributive occupations programs. This could be done within the framework of the existing law, and to that end Senators KERR and MCNAMARA and

I have introduced a bill to amend the Vocational Education Act of 1946 to set aside $10 million annually for education in the various fields of science, including mathematics. I think it deserves the most serious consideration of Congress, and I sincerely hope it will be adopted. It will constitute real progress in our race for 20th century technical supremacy.

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

The bill (S. 2956) to amend the Vocational Education Act of 1946 in order to promote scientific education, introduced by Mr. MONRONEY (for himself, Mr. KERR, and Mr. MCNAMARA), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

UNITED STATES SCIENCE ACADEMY

Mr. THURMOND. Mr. President, I introduce a bill which proposes to establish a United States Science Academy which embraces a Library of Science.

The purpose of this bill is twofold. First, it would be a step toward furnishing the United States with a sufficient number of scientists to meet the increasing demands of research and technological developments. Second, it would create a central filing point and clearinghouse of scientific data, including foreign publications.

My bill would place the science academy under the Department of Defense because of the vital role the academy would play in our national defense and security programs, and because an academy of science for purposes of defense under the Defense Department would be constitutional while there is doubt as to the constitutionality of other proposals for the Federal Government to enter the field of education. The proposed science academy would differ from the Military, Naval, and Air Force Academies in the following respects:

First. It would have facilities to permit graduate study up to the doctorate and postdoctorate levels.

Second. It would have authority to engage in basic research.

Third. It would have a vast library where scientific data could be translated, coordinated, and made available for scientific research and study.

Fourth. Selection of students would be based solely on merit without Congressional recommendations or appointments.

My proposal would require the students entering the academy to commit themselves to undertake a period of scientific service as designated by the Department of Defense similar to the postgraduate service now required by the service academies.

The science academy, in my opinion, would be better designed to meet the need for additional scientific education than the various scholarship proposals, for the reason that the existing facilities for scientific education are now operating at maximum capacity with no dearth of students, and my scientific-academy proposal meets the need for additional facilities, as well as increased incentive for exceptionally able students. As previously stated, a science academy established for the purpose of providing for the national defense is a constitutional means of meeting a recognized need in this field while there is considerable doubt as to the constitutionality of other proposals for the Federal Government to enter into educational activities.

In planning this proposal, I have obtained a study from the Library of Congress on the constitutionality of a science academy. I ask unanimous consent to have the report of the study printed at this point in the RECORD.

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

CONSTITUTIONALITY OF PROPOSED SCIENCE DEPARTMENT AND ACADEMY

THE LIBRARY OF CONGRESS,
Washington, D. C., November 19, 1957.

To: Hon. STROM THURMOND.
(Attention: Mr. Dent.)
From: American Law Division.
Subject: Constitutionality of proposed Science Department and Academy.

This is in response to your question as to the constitutionality of a proposed National Academy of Science under a Department of Science.

A definite answer is not possible except in terms of particulars. The constitutionality of such a step could depend on the method adopted. Nevertheless, though many more methods can be imagined than would be profitable to discuss, it is hoped that the following comments will shed light on the main features of the problem.

1. The express powers of Congress are enumerated in Article I, section 8, of the United States Constitution. In addition, Congress is considered to derive certain "implied" powers from the final ("necessary and proper") clause of the same section. Under the doctrine of enumerated powers, the courts have repeatedly said that Congress can exercise only such powers as the Constitution grants it. (E. g., *McCulloch* v. *Maryland* (17 U. S. 316, 405 (1819)).)

In the course of time, however, this doctrine has been supplemented by the view that certain Federal powers are neither set forth by the Constitution nor delegated by the States.

"The broad statement that the Federal Government can exercise no powers except those specifically enumerated in the Constitution, and such implied powers as are necessary and proper to carry into effect the enumerated powers, is categorically true only in respect of our internal affairs. In that field, the primary purpose of the Constitution was to carve from the general mass of legislative powers then possessed by the States such portions as it was thought desirable to vest in the Federal Government, leaving those not included in the enumeration still in the States. * * * That this doctrine applies only to powers which the States had, is self-evident. And since the States severally never possessed international powers, such powers could not have been carved from the mass of State powers but obviously were transmitted to the United States from some other source. * * * A political society cannot endure without a supreme will somewhere. Sovereignty is never held in suspense. When, therefore, the external sovereignty of Great Britain in respect of the Colonies ceased, it immediately passed to the Union. * * * It results that the investment of the Federal Government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution. The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality." (*U. S.* v. *Curtiss-Wright Export Corporation* (299 U. S. 304, 315, 316-317, 318 (1936)).)

2. Science is mentioned only once, in the grants of legislative power, and then with respect to copyrights and patents. There is, thus, no general grant of power for the advancement of science.

3. It might be supposed that the taxing-spending power is broad enough to authorize a Science Academy and a Department of Science. The first clause of article I, section 8, provides:

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States."

It is considered, however, that this clause creates the power to tax, and nothing more. Paying the debts and providing for the common defense and general welfare are merely the purposes for which the taxing power may be exercised; they are not substantive powers in themselves. (See President Monroe's Message to Congress of May 4, 1822, in Messages of the Presidents, vol. 2, pp. 162-164. Jefferson's Correspondence, vol. 4, pp. 524, 525.)

4. The most plausible basis for a Science Academy and a Department of Science is the war powers of Congress, supplemented by the "necessary and proper" clause. By "war powers" is meant a group of granted powers and stipulated purposes, especially the following:

(a) Preamble: "provide for the common defense."

(b) Article I, section 8: "provide for the common defense," "To declare war," "To raise and support armies," "To provide and maintain a Navy."

The invocation of these express powers of Congress might be strengthened by pointing to the "inherent" international powers of the National Government.

5. Conclusions: (a) It is considered too obvious for discussion that Congress could authorize a National Science Academy established and functioning in roughly the same way as the academies now maintained by the Armed Forces.

(b) There is substantial doubt whether Congress could, without a constitutional amendment, establish either a Department of Science or a National Science Academy which bore no reasonably close relation to the Defense Establishment. As the foregoing discussion has indicated, such actions do not appear to be authorized by any of the constitutional grants of legislative powers, with the possible exception of the war powers provisions in connection with the "necessary and proper" clause.

(c) The constitutionality of a proposed National Science Academy would evidently depend on the particulars of its organization and operation, and especially on its relation to the Defense Establishment.

For purposes of illustration, a supporting argument might run as follows:

(i) Congress has power to provide for the national defense.

(ii) Research and development (of certain kinds) are necessary to the national defense.

(iii) Scientific education (of certain kinds) is necessary to such research and development.

(iv) A National Science Academy is necessary to such education.

A similar argument could readily be constructed in support of a Science Department.

The weak link in these arguments is the relation of a Science Department or Academy to the national defense, in the context of the "necessary and proper" clause. The Supreme Court has said that "necessary

and proper" measures "include all appropriate means which are conducive or adapted to the end to be accomplished, and which in the judgment of Congress will most advantageously effect it." (*Legal Tender Case* (110 U. S. 421, 440 (1884)).)

Even on such a liberal interpretation, however, it may be thought that the relation of a Science Department or Academy to the national defense is too remote or attenuated to be "necessary and proper."

SPENCER M. BERESFORD.

Mr. THURMOND. Mr. President, I ask that the bill be referred to the appropriate committee, where I hope it will receive early and serious consideration.

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

The bill (S. 2957) to advance the national security and welfare and to promote the progress of science by the establishment of a United States Science Academy, introduced by Mr. THURMOND, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF SMALL BUSINESS ACT OF 1953, RELATING TO LOANS TO CERTAIN SMALL BUSINESS CONCERNS

Mr. STENNIS. Mr. President, I introduce for appropriate reference a bill designed to extend the disaster loan program of the Small Business Administration. Under its provisions, areas or counties which have been affected by excessive rainfall, heavy insect infestations, and other natural disasters would become eligible for these loans. These business loans would be an additional remedy, supplementing the disaster relief available under the disaster loan and commodity programs of the Department of Agriculture. If adopted, it would permit the Small Business Administration to make loans to private business enterprises showing substantial economic injury resulting from adverse agricultural conditions.

During the past year, a great part of the entire Southeast has suffered a serious crop failure. Department of Agriculture cotton production estimates for Texas, Oklahoma, and all States east have been revised downward 1,645,000 bales or over 16 percent since September 1, 1957. During this same period, the cotton loss for Mississippi alone has amounted to over 390,000 bales or roughly one-fourth of this total reduction. Reports coming from some Mississippi counties indicate that the cotton crop has been reduced by as much as 50 percent and that boll rot, insect damage, and grade deterioration have greatly reduced market value of the remaining half. Soy beans, corn, and other crops have also suffered greatly in the unfavorable weather conditions.

The Secretary of Agriculture has already declared 387 counties in the Cotton Belt alone as disaster areas and has authorized emergency loans to assist farmers in financing the 1958 crop. In Mississippi, 60 counties have been declared eligible for disaster loans. These loans would give some assistance to farmers, but the Farmers Home Administration loans cannot be used to pay existing debts.

The 1957 agricultural income loss has had serious impacts on our farmers, processors, merchants, bankers, and the local economy in general. Many farmers have had a complete crop failure and therefore are not in a position to pay existing debts. As a result, this collapse has placed the local processors and other businessmen who supply farmers in a most critical position. These local businessmen face the same credit problem that confronts the farmer. Local credit is already largely extended.

In agricultural areas we have many merchants whose main customers are farmers, tenants, and others who depend on the crops for their livelihoods. Collections during the past crop year were low, and unless these merchants receive help through the disaster-loan program many of them will be forced to close down. This is a most critical situation, and the need for extending the disaster-loan program to small businesses who furnish farmers and cannot obtain the necessary credit from local lending agencies cannot be overemphasized.

The Small Business Act authorizes disaster loans to small businesses who can show substantial evidence of economic injury resulting from drought conditions. The act also authorizes general disaster loans to business concerns who have suffered tangible property loss as a result of floods or other catastrophes. However, the act does not authorize disaster loans to areas seriously affected by heavy rainfall and other natural causes. Excessive rainfall results in the same economic injury as drought conditions, and a provision should be included in the act to cover this serious problem. Other natural disasters should be anticipated and included in an amendment of this act.

The amendment which I now offer extends the disaster loans to small businesses who can show substantial economic injury resulting from excessive rainfall, heavy insect infestations, and other natural causes in areas which the President of the United States or the Secretary of Agriculture has declared major disaster areas. These conditions are identical with the requirements for FHA disaster loans.

These Small Business Administration disaster loans will be used solely to provide relief for injury directly attributed to these conditions. Loans may be used to provide ordinary working capital to replenish normal inventory and to pay financial obligations which the borrower would have been able to meet had it not been for the loss of revenue resulting from these adverse conditions. Interest on these loans would be 3 percent and the term of the loan, based on borrowers' ability to pay, cannot exceed 20 years. Local banks would be eligible to participate in this loan program or the Small Business Administration could make direct loans.

Mr. President, the need for credit in agricultural areas and especially in my State is critical, and I hope that this bill will receive immediate attention and support in the Senate.

I send the bill to the desk and ask unanimous consent that it be printed in the RECORD at this point.

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

The bill (S. 2959) to amend the Small Business Act of 1953, as amended, so as to permit the making of loans to small business concerns which have suffered substantial economic injury because of certain disasters, introduced by Mr. STENNIS, 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 section 207 (b) (1) of the Small Business Act of 1953, as amended (15 U. S. C. 636), is amended to read as follows:

"(1) to make loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate because of floods or other catastrophes, including necessary or appropriate loans to any small business concern located in an area affected by any such flood or other catastrophe if the Administration determines that the small business concern has suffered a substantial economic injury as a result of such flood or other catastrophe, and the President has determined under the act entitled 'An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes,' approved September 30, 1950, as amended (42 U. S. C., secs. 1855–1855g), that such flood or other catastrophe is a major disaster, or the Secretary of Agriculture has found under the act entitled 'An act to abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia, and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes,' approved April 6, 1949, as amended (12 U. S. C., secs. 1148a–1—1148a–3), that such flood or other catastrophe constitutes a production or economic disaster in such area: *Provided*, That no such loan including renewals and extensions thereof may be made for a period or periods exceeding 20 years: *And provided further*, That the interest rate on the Administration's share of loans made under this paragraph shall not exceed 3 percent per annum."

AMENDMENT OF COLORADO RIVER STORAGE PROJECT ACT

Mr. ANDERSON. Mr. President, I introduce for appropriate reference, a bill to amend the Colorado River Storage Project Act in order to limit the interest rate applicable to the power units of the reclamation storage projects authorized by this act. The need for such a limit was covered by a speech I made to the National Reclamation Association at Phoenix last November.

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

The bill (S. 2961) to amend the Colorado River Storage Project Act in order to limit the interest rate applicable to each unit of a storage project and each participating project constructed pursuant to such act, introduced by Mr. ANDERSON, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PROPOSED AMENDMENTS TO THE CONSTITUTION RELATING TO INABILITY OF THE PRESIDENT TO PERFORM HIS DUTIES

Mr. KEFAUVER. Mr. President, I introduce two joint resolutions for appropriate reference. The resolutions propose an amendment to the Constitution, on a different kind of basis, the first to authorize Congress to determine the inability of the President of the United States to discharge the powers and duties of his office.

Another joint resolution would establish a committee to determine the inability of the President to discharge the powers and duties of his office.

I wish to announce that some time in the latter part of this month the Subcommittee on Constitutional Amendments of the Committee on the Judiciary will hold hearings on these joint resolutions and on a number of other resolutions and proposals which are pending before that subcommittee.

The VICE PRESIDENT. The joint resolutions will be received and appropriately referred.

The joint resolutions, introduced by Mr. KEFAUVER, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. J. Res. 138. Joint resolution proposing an amendment to the Constitution of the United States to make provision for the Congress to determine the inability of the President of the United States to discharge the powers and duties of his office; and

S. J. Res. 134. Joint resolution proposing an amendment to the Constitution of the United States to establish a committee to determine the inability of the President to discharge the powers and duties of his office.

CONSTRUCTION OF PLANT FOR PRODUCTION FROM SEA OR OTHER SALINE WATERS, WATER SUITABLE FOR BENEFICIAL CONSUMPTIVE USES

Mr. ANDERSON. Mr. President, our civilization is increasingly dependent upon an ample supply of fresh water. One of our large industrial firms has made a study of our use of fresh water in this country, and has come up with the rather astonishing estimate that more than 1,000 gallons of fresh water are required daily for every man, woman, and child in the United States. This figure is rising every day, just as our population rises.

Obviously, each of us does not drink that much water every day. We consume only about 40 gallons of drinking water per day per person, according to official Government studies; and we do not actually drink all of that.

The remainder of our huge daily consumption of fresh water goes into the making of steel and other industrial products, into the food and textile industries, into the chemical industry, and into the production of the food we eat.

Fortunately the United States was blessed by nature with a large supply of clean fresh water. The immense industrial and agricultural wealth of the country has been a direct result of our fortunate water supply.

But even such a continent as North America does not have uniform water distribution. There are desert areas and areas which, although water is plentiful, are blighted by the fact that the water is brackish or otherwise unfit for drinking or for irrigation. So the demand for water in these areas is never met; use does not increase, because men and industries have located elsewhere.

For centuries men have sought ways to convert the unlimited waters of the seas into fresh water. The Dead Sea is an example of unusable water in an arid land. In our own country we have similar areas where salt and other minerals make water unusable.

Ways have been devised to de-salt sea water and to remove objectionable elements from brackish water, but almost without exception they have been too expensive for use on anything but a very limited scale.

Recognizing that the United States is rapidly outgrowing its water supply—despite conscientious efforts to store and use all available natural supplies—the Congress voted in 1952 to set up funds for a special study. This study has been conducted by the Office of Saline Water Research, in the Department of the Interior. In the ensuing years, several methods have been examined for converting sea water and other water to beneficial use. Some of these methods have shown promise; others have not. Meanwhile the need for fresh water has not diminished.

Until the past few months, a number of our southwestern cities were in acute need of water. Dallas, for example, was almost desperate for any new source of water with which to keep up pressure in its water mains and thus protect against disastrous fires. Nature has since relieved the emergency. However, the next drought period will find the water shortage returning with perhaps even greater severity.

Also to be considered is the growing awareness today that the United States is in a technological battle for its very life. We cannot continue to assume that we shall have adequate manpower and materials to be diverted to a search for water when we are, at last, confronted with an overwhelming need. The time is at hand for us to utilize the study efforts of this program. It is true that we have not yet perfected a surefire process, or one which will produce water at a budget price. Likewise, we have not tested our best processes in any large way, regardless of cost. We have, however, managed to spend rather considerable sums.

Mr. President, I believe that we now must do in the saline water research program what we did in the atomic energy program, namely, we must select 3 or 4 of our most promising processes, as they stand today, and then build from them at least one large-scale demonstration plant. At the going cost rate of $10 million, such a plant will be relatively cheap to build, and may possibly be the best investment we ever made.

Another factor, from my viewpoint, is the decided attractiveness of this program to nations in the Middle East. A contribution to the water supply in that part of the world might be of vastly greater long-range importance than the arming of the various nations with atomic weapons. The Middle East is a place where demonstration plants might be set up, although I do not minimize the need in this country. Let me state what happened when Egypt seized the Suez Canal. An American-made portable ionic-membrane saline water conversion plant was captured by Egyptian authorities in Cairo, where it had been unloaded for trans-shipment to another Middle East nation. Egyptian technicians quickly recognied the value of such a plant to the Egyptian Army. Inquiries which were made led to contacts by the Egyptian Government with the manufacturer of the plant—Ionics, Inc., of Boston. Egypt offered to pay for the plant, although it might have kept it without paying. After brief negotiations, Egypt paid for the plant, and ordered a second one. It is now on its way.

I cite this incident to illustrate my point that wars can be laid aside, policies neutralized, and bargains made when water is at stake. With this program, we could bring water to the Middle East. We could rebuild some of our sagging esteem in that part of the world; we could insure that in this area at least we would have our sputniks abreast the Russians', and we could do our own economy a priceless good turn.

This is no idle possibility. Great strides are being made in saline-water conversion by the Governments of the Netherlands and South Africa. In view of the interest and competency of the Soviet Union, we must assume that the Russians are working on this problem, too.

So, I say, Mr. President, that the saline-water-research program needs a boost. It needs an opportunity to prove itself. For that reason, I am introducing a joint resolution for appropriate reference, and ask unanimous consent that the text of the joint resolution be printed at this point in the CONGRESSIONAL RECORD.

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

The joint resolution (S. J. Res. 135) providing for the construction by the Department of the Interior of a full-scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, introduced by Mr. ANDERSON, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of the Interior shall, pursuant to the provisions of the act of July 3, 1952 (66 Stat. 328), as amended, and in accordance with this joint resolution, provide for the construction of a full-scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive

uses, through the utilization of the ionic-membrane process, or one of the three most promising saline-water conversion processes currently under study in the Department of the Interior. A decision with respect to the process to be utilized in such plant shall be made by the Secretary within 6 months after the date of approval of this joint resolution, and the construction of such plant shall proceed as rapidly thereafter as is practicable.

SEC. 2. There are authorized to be appropriated such sums, not in excess of $10 million, as may be necessary to carry out the provisions of this joint resolution.

FIRST SUPPLEMENTAL APPROPRIATION BILL, 1958—AMENDMENT

Mr. THYE submitted an amendment, intended to be proposed by him to the first supplemental appropriation bill for the fiscal year ending June 30, 1958, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENT OF SMALL BUSINESS ACT OF 1953—AMENDMENTS

Mr. THYE submitted amendments, intended to be proposed by him, to the bill (S. 1789) to amend the Small Business Act of 1953 (title II of Public Law 163, 83d Cong.), as amended, which were referred to the Committee on Banking and Currency and ordered to be printed.

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. JOHNSON of Texas:

Address by Robert B. Anderson, Secretary of the Treasury, at the dedication of the Sam Rayburn Memorial Library in Bonham, Tex.

By Mr. KNOWLAND:

Transcript of Meet the Press program participated in by him on January 5, 1958.

By Mr. MARTIN of Iowa:

Address, World Affairs, delivered by him before the Western Grain and Feed Association, in Des Moines, Iowa, on November 25, 1957.

By Mr. JACKSON:

Address entitled "We Must Catch Up," delivered by him before Washington Bankers Association, Spokane, Wash., October 10, 1957.

Statement by him, dated January 6, 1958, on Polaris atomic submarine program.

By Mr. RUSSELL:

Article entitled "Meet Senator TALMADGE," written by Harold L. Varney, and published in the American Mercury magazine for February 1958.

By Mr. MANSFIELD (for Mr. NEUBERGER):

Editorial entitled "Timely Credit Action," published in the Portland (Oreg.) Oregonian of November 16, 1957.

Editorial entitled "Families Wrecked by Alcoholism," published in a recent edition of the Catholic Sentinel.

News article concerning Portland Area Council of Boy Scouts and G. H. Oberteuffer in the Portland Sunday Journal of December 29, 1957.

MAINTENANCE OF COMPETITIVE CAPITALISM IN THE UNITED STATES

Mr. BUTLER. Mr. President, on December 11, 1957, it was my pleasure to address the Merchant Club of Baltimore, Md.

My remarks were directed at the problem of maintaining competitive capitalism in the United States. We depend on American industry today to provide the materiel for our national defense. We must also convince the underdeveloped nations that our society based on competitive capitalism is the desirable model for their own economic advancement.

With this end in view, I discussed some of the problems which confront the Senate in connection with the problem of strengthening and improving the operation of our antitrust statutes during the current session of the Congress.

Mr. President, I ask unanimous consent that my address to the Merchant Club of Baltimore be incorporated in the body of the RECORD.

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

INDUSTRY AND NATIONAL DEFENSE—SPEECH BY SENATOR JOHN MARSHALL BUTLER, WEDNESDAY CLUB, MERCHANT CLUB, BALTIMORE, MD., DECEMBER 11, 1957

It is indeed a pleasure to meet with this distinguished gathering of Baltimore's business and professional leaders.

Russia's success in launching missiles into outer space requires a reappraisal of many of our national policies. However, this does not call for hysteria. The time has come when we must recognize the fundamental strengths inherent in the American way of life and use them to our utmost potential.

We are in a contest of ideologies. We believe that man can advance his material well-being without sacrificing his freedom. We believe in the God-given right of individuals to develop their capacities as free men. Our adversaries believe that man exists for the state. Nikita Khrushchev boasted that our grandchildren would live under socialism. It is our task not only to insure the survival of our Nation in a physical sense, but also to preserve a free society. Thereby we will guarantee that Khrushchev's statement will never become a reality.

The strengthening of our defenses places responsibilities on both Government and private enterprise. The executive branch is constantly evaluating the capabilities and intentions of our adversaries, our allies, and the uncommitted nations. From these assessments, programs are developed to produce offensive and defensive forces which will deter aggression and enhance the peace of the world. The Congress reviews the plans prepared by the Executive, makes modifications, authorizes their execution, and then appropriates the necessary funds. We look toward private enterprise to undertake fundamental research, to develop weapons, and to produce them.

May I remind you that our industrial strength lies not only in the facilities to produce planes, ships, rockets, tanks, and guns, but also in the industries producing chemicals, petroleum, steel, aluminum, magnesium, and other nonferrous metals, as well as the transportation and communication facilities to tie our economy together.

In World War II the Manhattan district was charged with the development of the atomic bomb. Some believe that this Government group was solely responsible for its production. Nothing could be further from the truth. Government officials made the decision to embark on this project, and they coordinated its progress. However, private enterprise built the Oak Ridge diffusion plant and the Hanford plutonium plant. These were the critical elements in making atomic energy a potent force.

Industry through its support of research activities for peaceful purposes already had teams of trained scientists and engineers. Their numbers were expanded by drawing on our technical schools and universities to do this job. It is obvious that large firms supporting great technical centers are a vital national asset today.

Private enterprise must play an additional role in maintaining our defenses. We require a sound and ever-expanding economy if we are to preserve fiscal stability and avoid budgetary deficits while undertaking the added military burdens we must now assume. Our economy also generates the tax revenues necessary to finance Government programs. Profits provide the incentive and impetus for expansion.

The peace of the world requires the economic development of underdeveloped countries. Not too many years ago the United States was an underdeveloped country. We achieved our present industrial strength through competitive capitalism and not through any form of socialism. Hence, when we encourage other nations to create an investment climate conducive to the flow of private American capital to their economies, we are contributing to the peace and economic advancement of the rest of the world. Such investment carries with it the "know-how" and the personnel to operate what I believe is the most effective technical assistance program.

I am sure we all recognize that our private enterprise system has these three great responsibilities: the development and production of materiel for the armed services, the financing through taxes of Government programs, and the primary responsibility for foreign investment. Any activity which tends to undermine the confidence our people place in a dynamic and expanding capitalism is a great disservice to humanity.

For many months I have been disturbed that some of our Congressional committees have approached our economic problems in a manner designed to gain temporary political advantage. There have been recurrent attacks on bigness, which some politicians have attempted to make synonymous with monopoly. In more peaceful times, perhaps we could afford these political luxuries. Today the masters of the Kremlin read the CONGRESSIONAL RECORD and the hearings of Congressional committees. Exaggerated statements disparaging our business leaders and our system of competitive enterprise are played back by our adversaries in debates before the United Nations. The Soviets use them to discourage the new countries of Asia and Africa from welcoming private American capital. They believe if they can deter or ridicule American investment, these countries will not progress and may turn toward Russia for help.

I am a member of the Senate Committee on the Judiciary. Our committee has a Subcommittee on Antitrust and Monopoly, of which I am not a member. However, I have certain responsibilities not only as a Senator but as a member of the full committee for the activities of our subcommittees. I have studied its hearings throughout the past year with great concern. They illustrate practices we must discontinue if we are to preserve national unity and respect for our institutions abroad. Let me review them briefly.

Following the closing of the Suez Canal last winter, the Federal Government and

our oil companies made every effort through a gigantic oil lift to maintain the economy of Western Europe. During this period this subcommittee indulged in a series of hearings which placed these companies and our Government officials in the worst possible light. The Congress was then debating the Mid-East resolution to grant President Eisenhower authority to use United States troops to preserve peace in this area and to grant additional economic assistance. Yet this subcommittee was undermining the position of American oil companies operating in the Middle East by their partisan attacks.

Following these hearings, the subcommittee investigated the pricing policies of the steel industry. This is not a subject unexplored by Congressional committees. Steel prices were the subject of an intensive review by the Joint Economic Committee in 1949, and by a House Antitrust Subcommittee in 1950. It is significant that these earlier hearings were suspended when we entered the Korean war. Every responsible legislator knew that the large steel producers were an essential ingredient to our effort in that conflict. The 1957 hearings of the Senate Judiciary Subcommittee produced no additional information. They covered the same ground. They discussed corporate profits and executives' salaries in a manner which will provide wonderful grist for Communist propaganda mills.

Please let no one misunderstand my position. I am opposed to monopoly—so much so that I have publicly stated that I would support legislation to have our antitrust laws apply to all segments of our economy. I would even make them apply to unions which were granted exemptions for many of their activities by the passage of the Clayton Act in 1914. Certainly labor unions with millions of members, and controlling the investment of many billions of dollars through welfare funds, are in a position to exert monopoly powers.

I believe that the antitrust laws have made this country strong. They have given us the competitive society upon which our future rests. I do not believe that bigness and monopoly are synonymous. The Congress, during the 67 years since the Sherman Act was placed on the books, has never adopted legislation making bigness a crime. Repeated decisions of the United States Supreme Court have also stated that bigness per se is not a violation of the antitrust laws. I am interested in strengthening these laws so as to preserve a vigorous competitive society. We cannot operate in the world of today without big business.

Price fixing is one practice which the courts, the Attorney General, and the Congress have long agreed is condemned by the antitrust laws.

Last fall, Walter Reuther, the president of the United Automobile Workers, proposed that the three leading automobile producers reduce the average wholesale price of their 1958 models by $100 per car. While he demanded that the manufacturers make a specific reduction in the selling price of their product, he did not propose any reduction in wages. All that he offered was a vague promise that if they complied, he might reduce his subsequent demands.

Mr. Reuther's latest proposal followed a series of earlier steps he initiated to secure participation by the unions and the Government in the determination of industry's wage and pricing policies. Obviously such practices are not compatible with a competitive economy. Prices must be determined by the forces of competition in free markets.

You can imagine my surprise when I recently learned that our subcommittee, charged with perfecting the antitrust laws, suggested procedures which would make the subcommittee itself an instrument for their violation.

On November 7, Senator KEFAUVER, its chairman, addressed an identical letter to the presidents of General Motors, Ford, Chrysler, and the United Automobile Workers. It contained this amazing statement:

"Members of the subcommittee unanimously decided that, although Mr. Reuther's offer to the automobile companies was rather vague and indefinite, the opportunity should not be passed without having Mr. Reuther and the Big Three manufacturers of automobiles brought together, with the hope of arriving at a better understanding of the issues involved in a firm hold-the-line wage-and-price formula."

The letter to each of the presidents also said:

"To this same hearing there will be invited simultaneously Mr. Walter Reuther, as well as representatives of the three companies. The first witness to be heard will be Mr. Reuther. It is my hope that at this hearing there can be developed a better understanding of the problems involved in a formula for holding the wage and price line in the automobile industry."

Gentlemen, the mere suggestion that the pricing policies of these competitors should follow a common formula shows a complete lack of understanding of the philosophy underlying our antitrust statutes.

While Senator KEFAUVER implied that this procedure had the unanimous approval of this subcommittee, I noted with equal interest a telegram addressed to him by Senator DIRKSEN, a member of the subcommittee, which was released on November 8. Senator DIRKSEN said:

"The committee would be in a highly embarrassing position if it undertook price-fixing or price understanding at the committee table, even by discussion, and in addition, such so-called simultaneous hearing could prove even more of an embarrassment if a bargaining controversy should develop at some later time over wages and benefits between management and labor and the committee record was used in such a proceeding.

"This would be clearly beyond the scope of the committee."

I am in hearty accord with this position.

I also understand that the manufacturers were asked to produce detailed cost, price, and profit data. The disclosure of what has always been regarded as confidential information to competitors around this subcommittee conference table would be the first step in destroying competitive capitalism in this country. It is unfortunate that the Senator from Tennessee has wittingly or unwittingly fostered this major objective of Walter Reuther.

These hearings have now been postponed because of conflicting investigations until January 28. Before that date I hope that the full committee, of which I am a member, will have an opportunity to take the necessary action to prevent such abuse of the legitimate investigatory power of its anti-monopoly subcommittee.

For many months I have endeavored to understand the apparent antibusiness bias of this subcommittee. I believe I have found the answer. Its chief economist is Dr. John M. Blair. In 1938 he was the author of a book entitled "Seeds of Destruction." The theme suggested by this title was that capitalism contained within itself the seeds for its own ultimate destruction. Dr. Blair outlined four axioms which you and I regard as essential to the survival of capitalism.

He devoted 358 pages to showing that capitalism had not and could not meet them. He suggested three possible corrective techniques. They were: First, to raise our labor costs; second, to lower our prices; and third, to redistribute the national income. Mr. Reuther is now recommending precisely these same corrective techniques.

On the last page of this book Dr. Blair said:

"We have gone at length into the axioms which capitalism has violated, into the aggravating trends which seemingly have made it inevitable for capitalism to violate the axioms, and into the corrective techniques which offer slight hope that capitalism can be made to function in accordance with the axioms."

Dr. Blair concludes with this fantasy: "The result as a whole cannot be interpreted as anything but a none-too-happy picture of capitalism."

Now let us examine Dr. Blair's four axioms against the record of the performance of our economy since 1938 when his book was published.

His first axiom stated that: "Capitalism must not cast out of employment a progressively increasing number of workers nor lower the relative wages of those employed." In 1938, when the New Deal philosophy was at its height, the civilian labor force consisted of 54.6 million people. The unemployed accounted for 10.3 million or 19 percent of the total. In 1956, the civilian labor force had grown to 67.5 million people. There were 2.6 million unemployed or 3.8 percent of the total. Our economy had created 20.7 million additional jobs in 18 years. This was accomplished by the investment of billions of dollars. It does not appear as though our form of capitalism has been casting people out of work.

Let us examine the relative wages of those employed. There were inflationary price increases during this period as reflected by an increase in the Consumer Price Index of 93 percent. However, the average gross weekly earnings in all manufacturing during this same 18-year period increased 260 percent.

These statistics from Government sources effectively dispose of Dr. Blair's second axiom, namely, that capitalism must not progressively raise prices without correspondingly raising wages.

His third axiom stated that "capitalism must not distribute a large portion of its income to the upper income groups." In 1938 net interest payments and dividends accounted for 11.5 percent of the national income. In 1956 they accounted for only 7 percent of the national income. Let me add that these payments today are received by millions of individuals who are not usually regarded as in the upper income groups.

Dr. Blair's last axiom stated that "capitalism must be ever-expanding." The total gross national product measured in dollars of constant value, thus compensating for the inflation during this 18-year period, increased by 127 percent. I would say that this indicates that we enjoy an ever-expanding economy.

I accept Dr. Blair's axioms. Capitalism has met and is still meeting his challenge.

Before quoting from Dr. Blair's book written so many years ago, I wanted to make sure that his apparent bias against big business had not been altered as his judgment and maturity increased. Accordingly, I have examined many of his more recent writings. They convince me that he still believes that our industrial society as it is presently organized contains the seeds for its eventual collapse. I am frank to say that I do not share this belief. His position as the chief economist of the subcommittee accounts for the unusual character of these proceedings.

Curiously, the Journal of Commerce in an editorial on August 5 last described Senator KEFAUVER'S opening statement as "verbatim the same recipe prescribed by Dr. John M.

Blair in his 1938 book, Seeds of Destruction, and, as late as 1949, in a paper on dissolution delivered before the Economic Workshop at the University of Minnesota."

As a member of the Judiciary Committee, I have a responsibility which I shall discharge to force a reexamination of the staff and the procedures of this important subcommittee. It has been given a serious task to perform. The antitrust laws are a charter for American economic freedom. Their intelligent evolution to meet the demands of a modern industrial society requires unemotional, unprejudiced, factual analysis by Congressional committees. There is no place for attacks on business firms, large or small. We should only be concerned with promoting fair and vigorous competition. By no stretch of the imagination should this committee be used as a forum for collective bargaining negotiations, nor should it harass the executive branch of the Government in the discharge of its functions.

In a short span of 12 years, since the end of World War II, Russia traversed the path from a primitive economy to a great industrial state. The Soviets are not going to destroy their industries and atomize them. They may urge us to do so through the misuse of our antitrust laws, but it would be naive to suppose that they are not going to continue the expansion of their industrial strength. I believe we can enjoy the high standards of living and the military strength which our economy, integrating large and small enterprises through free markets, makes possible. We can do this without regimentation and without losing opportunities for the individual.

It is conceivable that the present cold war could last for many years. Our security rests upon American industry—its research facilities and its organizational skills. Its capacity to perform difficult technological tasks are an essential element to our survival. Private enterprise is in the front line in today's ideological battle. As we are about to convene in Congress, I hope that all Members will make sure that their words and deeds contribute to the strength and security of our country.

CHALLENGING PAPER ON EDUCATION, STRATEGY, AND FOURTH DIMENSIONAL WARFARE

Mr. BUTLER. Mr. President, on December 6, 1957, 1 day before the 16th anniversary of the attack on Pearl Harbor, Dr. Frank R. Barnett presented a challenging paper to the 62d Congress of American Industry conducted in New York under the auspices of the National Association of Manufacturers.

Dr. Barnett is director of research for the Richardson foundation. He is a Rhodes scholar and was formerly a professor at Wabash College.

He is peculiarly qualified to review the advance of the Russians since World War II. During that conflict he served as a Russian interpreter with the 69th Infantry Division, the first American unit which met the Red army on the Elbe River in April 1945. After the German surrender, he served as a military government official in Berlin where he had a unique opportunity to observe Russian tactics. He later revisited Berlin during the period when that beleaguered city was supported by the American airlift.

Dr. Barnett focuses our attention on the propaganda value the Russians have received from Sputnik. I endorse his thesis that American private enterprise must assume new responsibilities in this difficult period. It must continue to develop and sell the products which have given us our high standard of living and in addition foster an understanding and appreciation of the economic and political system which has made these benefits possible.

I found Dr. Barnett's address so stimulating that I believe it should be brought to the attention of my colleagues. Accordingly, I am asking permission to include it as an extension of my remarks in the body of the RECORD.

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

EDUCATION, STRATEGY, AND FOURTH DIMENSIONAL WARFARE—AN ADDRESS BY FRANK ROCKWELL BARNETT

Tomorrow is the anniversary of an event that permanently changed the lives, fortunes and future of every man in this room. Beyond that, Pearl Harbor radically revised American axioms about world geography and power politics. In a handful of minutes, Japanese dive bombers not only sank our Pacific Fleet; they also torpedoed unreal assumptions about the technical capacity of foreigners and the use of trade or good will as effective means of deterring aggression.

We had thought that east was east and west was west. We learned the hard way that 20th century America is cheek by jowl with the Orient, that the Burma Road intersects with Main Street, that Tokyo and Berlin—and now Moscow and Peiping—are closer to New York than Philadelphia was to Boston at the time of the American Revolution.

These lessons were derived from the bombing of December 7, 1941. But on December 6, 1941, America was already at war, even though we didn't know it; for while it takes two to keep the peace, it takes only one to make a war. So, as America slept, the carriers of Imperial Japan were converging on Hawaii. The bombs had been loaded, the pilots briefed, the mission assigned. On December 7 the tragic climax was revealed to everyone; but the fateful first act had been playing, with the curtain closed, throughout the day and night of December 6.

Today is another December 6. Again we are at war. Our failure to recognize that fact does not affect the designs of the Kremlin. Again, it is an enemy—not ourselves—who has decided to involve the United States in conflict. Again our own good intentions are beside the point. And again there is danger our country may drowse through the afternoon of its December 6, through a night of no return, into another kind of Pearl Harbor, where the hour and the place, and the weapons and the rules, and the cost and the sacrifice are all determined by factors outside our control.

Only this time, the odds are much heavier against America than on that other December 6, 16 years ago. What if, in 1941, the power of Japan had already swallowed two-fifths of the earth? What if Japanese scientists had in some respects surpassed our own? What if Tokyo had dominated a billion people whose labor could be coerced to the cause of conquest? What if her fifth column had penetrated every country in the world, including the United States? What if Japan had had vast natural resources, abundant water power, access to oil, no need to import steel or coal? And what if Japanese submarines and bombers, armed with atomic weapons, had been based as close as Alaska, Mexico, Canada, Catalina, Nantucket, Key West and Bermuda? The equivalent of this nightmare supposition has come to pass since 1945, with the Soviet conquest of space and the invention of guided missiles—with the manpower of China and the resources of Eastern Europe feeding the Communist war machine—and with India, the wealth of Indonesia and the oil-rich Middle East only three assassinations and a few street fights removed from the grasp of the Kremlin.

In short, an Asiatic conqueror stands on our frontier. Owing to science, the Atlantic Ocean is no wider than the Rio Grande. Owing to technology, the Pacific is no broader than Lake Michigan; and the wastelands of the north can be bridged in a few hours' flight. We Americans are face to face with the descendants of Genghis Khan.

Indeed, television brings Mr. Khrushchev into millions of American living rooms to lecture on the glories and inevitable triumphs of world socialism. When a Soviet leader denounces Wall Street monopolies and the NAM, his message is transmitted free of charge on the front pages of American newspapers and contributes to the general climate of opinion in this country.

Khrushchev & Co. are no longer a rude barbarian horde. They are disciplined in science and well armed with engineering. They are schooled in economics and political theory. They speak many languages. They have learned to use education, literature, art, trade and even religion as weapons of subversion. Above all, they are superbly trained in the conduct of symbol warfare—in conquest by communication and warfare by words.

That is why we must talk about management's responsibility for national security. In the past, wars were chiefly shooting matches, and businessmen naturally left defense problems in the hands of America's soldiers. Today, the front is everywhere. Certain intangibles can literally wash out the material foundations of defense. If the world climate of opinion is mobilized against us by propaganda, we will lose markets, airbases, and access to strategic raw materials. If, here at home, we lose the will to sacrifice or cynically disregard our spiritual traditions, our physical wealth will not safeguard American civilization. Today, national defense begins at the level of domestic political morality, the quality of citizenship training for our youth, and the reputation of American business growth both here and abroad. These intangibles are the clear responsibility of private citizens.

Ancient Carthage, with its luxury standard of living, refused to make minimum sacrifices to support Hannibal and did not survive. Cato's relentless chant "Carthage must be destroyed" did not awaken the indolent Africans from their preoccupation with business as usual. They couldn't believe that Cato, like Khrushchev, meant what he threatened. Similarly, Rome itself, entertained with bread and circuses and arrogant in its splendor, did not survive the onslaught of the Vandals and Visigoths. The technical skill that built her roads and aqueducts, the know-how of her administrators, the glory of her law—none of these assets saved an effete and overcivilized Rome.

Nor did Rome's gross national product protect her. The Visigoths had no gross national product whatsoever—only weapons and willpower. These dismal comments on Carthage and Rome could be repeated for other proud civilizations. Many times in the past, nations with high standards of living have been pushed to the grave by nations with low standards of dying.

History teaches us that when a people put indulgence before discipline, worship welfare and discourage risk taking, they are likely soon to be forced into bankruptcy by a more vital competition. Especially if they no longer believe in themselves. For nearly 25 years this country has been confused by a cult of doubt. Too many Americans suffer an odd guilt complex about their own way of life. Meanwhile the missionaries and conquistadors of the Communist church militant

advance Marxism as the one truth faith—and they are willing to die for their belief. That is why the battles of the cold war are fought on our side of the Iron Curtain and at the Kremlin initiative. That is why trying to contain communism with a "Maginot line" of dollars and diplomacy is bound to fail. We forget that no status quo power has ever checked the thrust of a dynamic barbarian, for even if the defense is 90 percent successful on every occasion, a civilization can be driven to its doom 10 yards at a time.

In 1945, America enjoyed absolute air-atomic supremacy. In less than a decade, Russia has broken our monopoly in nuclear weapons, beaten us into space, produced jet aircraft and tested guided missiles. A system once contemptuously called the ox-cart economy has built the world's second largest navy, graduates more than twice as many engineers as America, and, by ruthlessly disregarding the claims of its consumers, is out-producing us in heavy machine tools, the basic equipment of war.

But the greatest threat to our civilization may not stem from Soviet guided missiles or engineering or atomic weapons. We have brilliant scientists, able generals and inventive industrialists who doubtless can safeguard national security on the technological front. It is in the realm of fourth dimensional warfare—or psychosocial combat—that we are hopelessly outclassed. We know a lot about the tricks and techniques of mass persuasion, but we have not yet applied that knowledge to the main challenge of our time—how to beat communism without fighting a hot war.

We use advertising skills and the hidden persuaders to change consumer taste in salad dressing. We use high-powered public relations to boost the box-office appeal of a rock-and-roll cowboy. The Soviets exploit Pavlov, propaganda and group dynamics to overthrow empires and condition the masses to become addicts of socialism. They use psychology to win the world.

Propaganda has always been a tool of the conqueror. In the age of radio, television and mass literacy, however, political warfare has become a primary weapon. The Communists, like the Nazis before them, use the strategy of terror to frighten the West into inaction, to promote class warfare and thus divide and conquer, to encourage neutrals to ride the Soviet wave of the future. The danger of the Russian sputnik is not just that it means Moscow can probably put a missile on New York or, in the near future, aim atomic guns at Pittsburgh and Detroit from a platform in outer space. Sputnik is a symbol of successful socialism.

All over the world, intellectuals and politicians—already half in love with Marx—are saying: "If socialism can do such wonderful things in science, why not give it another chance with business? If communism is efficient in the laboratory, let's try it in our factories. If Marxism can plan a sputnik and build so many splendid schools of engineering, we must have social planning and social engineering for every part of our society. Capitalism is obsolete." Despite the record of American enterprise, millions of people—including some in this country—will believe that propaganda. Why? Because very few Americans can articulate what it is we really stand for. We perform, but performance is not enough in an age of mass mediums. The Communists capture the slogans, manipulate the symbols, pervert the communications. The facts are on our side; but facts don't necessarily move men to action. More often, men are motivated by theories, by hopes and hatreds, by envy, fear or inspiration. The Communists have done their homework in the human subconscious. From superstitions and buried emotions and bedrock beliefs, they have mixed the weapons of fourth dimensional warfare.

They have put this knowledge to practical use. With blackmail and infiltration, they captured Czechoslovakia without firing a shot. That meant they got the Skoda Works intact. For 30 years Moscow trained many oriental Communists in its academies of political warfare. The alumni are today the rulers of Red China, the overlords of North Korea, the leaders of the Communist thrust into Southeast Asia. No Russian soldiers died to score these victories. In recent months, communism has won elections in India, Indonesia and South America. It has penetrated Syria and Egypt. It is growing like a weed in the fertile fields of Africa. It controls powerful party machines in France and Italy. Communist political strategy, in short, is not an ivory tower experiment. It pays Moscow huge dividends in real estate, military bases, raw materials, manpower—and continuous trouble for the United States.

These things don't happen by accident. Communism is not just an idea; it is a power technique. Behind the Iron Curtain, there are more than 100 schools and colleges of propaganda and subversion. Many Russians get a first-class education in math, physics, and foreign languages. But other Russians—and selected recruits from Asia, Africa, and Latin America—receive professional training in conflict management and psychological tactics. We have the Harvard School of Business; they have the Lenin Institute of Political Warfare, for politics is the chief business of communism.

It is imperative, of course, for this Nation to win the contest of science, electronics and military hardware. Otherwise, the Soviets will blackmail us into surrender. But we cannot guarantee our security by simply catching up or staying ahead in science. After all, we were ahead of them for 35 years when, in spite of our technological superiority, they scored victories by irregular methods. We must create a shield of science to ward off a hot war; but we must also learn to make stronger moves on the ideological, political and economic squares of the cold war chessboard.

To do that, we must raise the standards and improve the quality of education in economics and philosophy, American history, political science and foreign languages—as well as in science and engineering. And we must not be afraid of competition in the classroom, for young America in the next two decades is going to face the most ruthless competition the world has ever known.

American business cannot afford to be a mere spectator at this match for the future of mankind. The managers of Soviet society are all committed to agitation and politics. They are conflict minded. You can't do business with Moscow, because Communists are not businessmen or statesmen. They are professional revolutionaries. Their foreign aid personnel are commandos; their artists are propagandists; their diplomats are spies; their economy is based on the cost accounting of the battlefield, where every resource is squandered in order to defeat the enemy. Since Communists have a combat mentality, you can't reason with them. If we don't want to fight them—or surrender—we must learn to beat them in the precincts of the Middle East, in the lobbies of the United Nations, in our own classrooms and pulpits, and before the court of world opinion. Our own managers dare not be aloof to this challenge.

The Communist Party, through the apparatus of total government, can mobilize the total resources of the Sino-Soviet Empire. Our limited government, by definition, cannot and should not compete with Moscow across the board. If it did, Washington would have to regulate business, control the press, police our schools and regiment our voluntary agencies. This means that, unless private institutions take over many areas of nonmilitary defense, the ubiquitous thrust of Communist conflict management will be unchecked at crucial points.

Why should business be asked to serve? Primarily, because our economic system is the crux of the whole struggle—and because, in a sense, this is the business society. Each year, a very high percentage of our college graduates are recruited by business. Although there are extremely able men in other walks of life, our greatest reservoirs of inventive talent, drive, organizational vitality and brainpower lie in the world of industry, commerce, and finance. Yet, with certain notable exceptions, business leadership has not taken full responsibility for safeguarding the moral, intellectual, and political framework which insures its opportunities to make the economic system pay off for all America.

This Republic was founded, of course, by bankers and lawyers, businessmen and a general. The frontier was civilized by business leaders who took an active part in the citizenship function. Today, however, many business leaders regard politics as beneath their dignity. Unfortunately, American civilization can be crippled—and even destroyed—by concepts which lead first to changes in the climate of opinion and, ultimately, to the hard facts of power politics.

If the business society is destroyed outright, or simply withered by politics and propaganda, business leadership has only itself to blame. After all, every great corporation has more than enough surplus to allow some of its best brains to stop thinking about production and sales and start thinking about national defense, citizenship education, foreign policy and economic philosophy. One way for business to attack these complex problems systematically—and with sophistication—would be to build an academy of industrial statesmanship. This would be, in effect, the equivalent of the Harvard School of Advanced Management in the area of public affairs, national defense, citizenship training, and the theology of American-style capitalism. Its purpose would be to produce articulate champions of freedom who could compete with the lobbyists for Marx in the never-ending battle to condition the climate of opinion.

Another place to improve the machinery of ideological defense might be with the lever of corporate philanthropy. American business now gives to good causes more than $500 million a year. Perhaps 5 percent of that total should be used to pay a cultural life-insurance premium on America, in the light of Khrushchev's boast that our grandchildren will live in a Soviet Socialist America. Recent events suggest at least three more questions about private philanthropy:

1. If the Soviet challenge is not to result in eventual Federal control of our schools, must not business give even more generously to improve the quality of American education?

2. Cannot business get much more for its charitable dollar by applying the same professional standards to giving away money that it does to making it in the first place?

3. Should not industry begin to reappraise its pattern of giving—shifting some investments from the portfolio of community welfare to the portfolio of national survival, allocating priorities, evaluating results and, in general, managing corporate largesse with the same discrimination and purpose that mark other phases of business operations?

Ultimately, it may be desirable—even necessary—for great corporations to appoint a vice president of public affairs to spend full time on these matters. A waste of talent? At the beginning of the century, certain firms refused to adopt advertising. They perished. Now, most firms are hospitable

to the subtler meanings of public relations. But beyond orthodox public relations lies the arena of public affairs in which the fate of American civilization may well be decided in the next decade.

American businessmen have been trained to cope with one kind of competition. As that term is defined with a small letter "c," it refers to corporation B which, by increasing its own sales, may slightly reduce corporation A's margin of profit. That kind of contest can be continued. But, as we have seen, there is a new kind of competition abroad in the world today. This form of competition, spelled in all caps, is designed to destroy—utterly and for all time—the moral and legal framework of the civilization which undergirds the free enterprise system. If Genghis Khan & Co. win this competitive struggle, there will be no second chance for the business society. The contest will be foreclosed by the secret police.

One word more. The ultimate weapon is neither science nor politics nor psychological warfare. The ultimate weapon is human courage—and faith in certain unalterable moral laws. Unfortunately, some people have forgotten the true meaning of America. We are already half afraid of the honorable word "revolution," although we are the true revolutionaries. It was an American revolution that gave the world its finest revolutionary ideal—the notion that government is the servant, not the master, of the people. The Communists, who call us reactionary, have turned society back to the days of the Pharaohs. The monuments to Socialist progress erected in the U. S. S. R.—like the pyramids of ancient Egypt—have been built with slave labor.

On the other hand, we Americans have developed the most flexible, continually progressing society known to man. Our so-*called masses* already enjoy luxuries undreamed of in other parts of the world. Our unique type of capitalism—almost as different from European cartel-capitalism as it is from socialism—produces more welfare and more social justice than Communist functionaries would even dare to imagine. But beyond that is the fact that we are truly free men. We have plenty and freedom, together. We must not let this remarkable experiment in human liberty and opportunity perish from want of courage, or lack of sophistication, or failure to meet the problem with the ablest human resources at our disposal. That is why these questions of education, strategy, and fourth dimensional warfare urgently require the attention of this audience.

The task may seem enormous; but the stakes are even higher. And let us remember that great events are always determined by minorities. Forty years ago communism was confined to a rented room in Zurich, the brains of Lenin and the ambition of a few other outcasts. Less than 100 men made the American Revolution. For a time the whole future of this Nation was carried in the will and heart of a lonely man who walked the winter lines at Valley Forge persuading his ragged countrymen not to quit and go home. There is more than enough talent in this one room to change the course of history. But time is impartial. In politics and war, as in business, time is only on that side which knows how to use it.

A SINGLE CHIEF OF STAFF FOR THE ARMED SERVICES

Mrs. SMITH of Maine. Mr. President, sometimes in a crisis there is a failure to put first things first. Sometimes in a crisis there is the tendency to look for quick and easy solutions. Sometimes in a crisis in our frantic search for the achievement of security we overlook the basic need for analysis—the need to determine the cause of the malady before prescribing the cure.

That is why I feel that the lead editorial of the Washington Post, issue of January 4, 1958, should be read by every Member of Congress. It expounds incisive and calm logic at a time when incisive and calm logic is so desperately needed. I ask unanimous consent that it be printed in the body of the RECORD.

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

PANACEA IN THE PENTAGON

From the assortment of comments on Capitol Hill endorsing the concept of a single Chief of Staff, it is evident that such a change will receive new attention as a solution to the controversies in the Pentagon. This newspaper is in no way horrified at the thought of a single Chief of Staff directing all of the armed services; in some ways it might be an improvement. We wonder, however, whether some of the advocacy does not arise for the wrong reasons.

Leaving aside the rivalries and jealousies that are pandemic among the services, the real cause of controversy is sincere and fundamental differences in viewpoint about objectives. What is the strategic assumption under which the United States is arming? Is it that the country may have to fight a war of annihilation through to the bitter end? Is it that by maintaining the capacity for instant retaliation the United States can deter major war in the first place? Is every armed conflict automatically to be a war of missiles and nuclear weapons, or is there a place for conventional means in coping with "brush fires"? Is there any disposition to seek to limit any war that may be forced upon the country and to fight it for limited objectives?

These are essential questions, and there is no very clear answer to them. Instead, the reaction to the Soviet sputniks and intercontinental missile has been one of attempting to ride all horses at once. Military programs are confused because there is no agreement on precise purposes. The definition of these purposes is as much a political as a military issue, and there can be no very satisfactory resolution of the controversies until more fundamental decisions are made.

As important as a definition of national military doctrine is a new and comprehensive review of roles and missions of the armed services. The services are still operating more or less within the outlines of the 1948 Key West agreement. New weapons, and changes abroad, may have invalidated these assignments. Because the Military Establishment is now in transition to missiles and not all of the possibilities and implications can be foreseen, it may not be possible to limit new missions exactly. But certainly an overhaul would be desirable to get away from parochialism and make the best integrated use of weapons systems.

Certainly more genuine unification is called for. The Navy, which fought unification at first and then became a reluctant dragon, was so busy trying to get into the strategic act that it neglected the Soviet submarine threat. The Air Force was so intent on massiveness that it rode roughshod over all thought of limited war. The Army had plenty of traditionalists preparing for the last war. Unified direction under a consistent strategic doctrine could minimize at least some of these divergences.

It would be desirable, too, to reorganize the present Joint Chiefs of Staff. Strategic planners ought, as has been suggested by several studies, to be divorced from operating responsibilities in the individual services; they ought, at the same time, to retain superior rank so as to make their authority effective. Moreover, they ought to become officers of the United States rather than of any one service. There is much to commend the idea of a general staff under this sort of system.

If, at that point, the designation of a single chief of staff appeared logical, the question ought to be faced. But other more basic steps ought to be taken first, and the appointment of a single chief ought not to be proposed in the notion that it somehow would be a cure for controversy. Up to the point of decision, at least, controversy stemming from differing beliefs is healthy. A single chief of staff might be able to carry out decisions more effectively, but the laying of the bases for sound decisions calls for more than fiat rule.

STATE OF THE UNION MESSAGE—COMMENTS BY SENATOR KEFAUVER

Mr. KEFAUVER. Mr. President, I think the President of the United States today made one of the most impressive speeches of his career. It was temperate in tone, it was optimistic, and it made little effort to cover up the deficienies in our military situation which have grown up in the past 5 years. I believe that all Americans will respond to the President's call to action.

Most impressive is the expression by the President of the peaceful intentions of Americans, his emphasis on economic aid and improved world trade, improved people-to-people contacts, and his vigorous call for disarmament. I hope the speech will now be followed by day-to-day leadership on the part of President Eisenhower to give effect to the points he made. I hope also that Secretary Dulles, who in the past has frustrated some of the President's hopes for peaceful solutions to the world's problems, as he did after the meeting at Geneva, will now carry out the President's program, so far as it lies within his power.

If the President now can unite his party in support of these farsighted programs of trade, aid, security, and peace, then I shall feel much better about the future of America and the world.

The forceful plea for peace, if followed and implemented, will win back many friends we have lost through vacillation and lack of policy.

REFORM OF CHAOTIC TAX STRUCTURES

Mr. WILEY. Mr. President, Congress and the Nation, as has just been stated, have welcomed the President's comprehensive and constructive state of the Union message this afternoon. Someone said, coming back from the House, that it might be a good thing if Congress simply followed that message, passed the appropriation bills, and then adjourned. I do not know but that that is a sort of pearl of good advice. As is universally recognized, this is one of the most important of such messages delivered by a Chief Executive of our country in this century.

The Nation is gratified by the leadership which the President has, once again, demonstrated.

THE CONTINUING TAX PROBLEM

Inevitably, of course, the thinking of many of our citizens turns to the contin-

uing serious problem of taxes in our economy.

As the President has rightly indicated, the American people are ready, willing, and eager to continue to bear the financial burdens involved in the present increased missile and related programs.

Our people recognize the necessity of continued adequate revenue to the United States Treasury to keep the budget in balance.

At the same time, I believe the people request that the Congress not merely fold its hands, that the Congress instead take some affirmative action this year on the tax front.

We cannot legislate a reduction of taxes.

USE CURRENT YEAR TO STUDY TAX REFORM

The very least we can do, however, is to make a comprehensive study of taxes. Let us use our time constructively, and not allow months to pass without laying the foundations for long-range reform.

That is why I am urging again today a goal which I urged almost at this very time last year. I am urging the enactment of the bill for a Hoover-style tax-reform commission, which I introduced with 22 of my colleagues on February 7, 1957.

This bill, S. 769, is, in my judgment, the only kind of fundamental tax action which we may be able to take in this 2d session of the 85th Congress.

I do not doubt that this year we can enact various limited tax measures. We may and should close some of the existing tax loopholes and remedy a few of the most glaring inequities.

But it is agreed by almost everyone that, within the next 7 months, it will be physically impossible to attempt a comprehensive and broad-scale revision of the whole sprawling tax system. And so, at the very minimum, the very least that we can do is to give the green light for the setting up of some kind of a tax commission—a commission similar to the one which others and I recommended, not only last year, but over a period of many years.

Nothing less than a top-to-bottom analysis of every kind of tax will suffice.

I am sure that many of my colleagues have read, with deep interest, the series of tax exposé articles now being carried in the Washington Daily News, under the able byline of Mr. Jack Steele.

OUR TERRIBLE TAX MESS

This series is a graphic, alarming documentation of the tax mess that we are in.

It is a mess, because in a time of national crisis, literally billions of dollars in potential taxes are being evaded and lost to the Treasury.

It is a mess because huge tax burdens are not falling upon those who can best carry those burdens.

It is a mess because it is a confusing patchwork, with amendments having been added helter-skelter on to amendments, with resulting increased confusion and uncertainty.

TRIBUTE TO TAX-WRITING COMMITTEES

I make all of these observations with all due respect to the tax-writing Members of the Congress.

None of us who has served here can fail to appreciate the fact that there is no harder working group of men in the United States Congress than the Members of the House Ways and Means Committee and the Senate Finance Committee.

To straighten out our uncoordinated tax mess, however, will require more than their devoted labors.

EIGHTEEN MONTHS OF INTENSE STUDY NECESSARY

It will require no less than an 18 months' impartial study of a high-level commission, consisting of leading Members of Congress and outstanding individuals of private life.

Only such a top-level review by a group of leading citizens whom the Nation would respect could possibly lead to fundamental reform in our tax system.

That is why I urge that S. 769 be enacted.

SENATOR WILEY'S PREVIOUS COMMENTS ON S. 769

I respectfully commend to my colleagues the observations which I have previously made on this subject.

They may be found in the following issues of the CONGRESSIONAL RECORD: On February 7, of last year, on page 1660; on February 18, beginning on page 2114; on February 25, beginning on page 2514; on March 1, beginning on page 2857; on March 8, beginning on page 3340.

At that time, I pointed out how a great group of American private citizens had endorsed the Wiley bill for a Hoover-style tax commission.

LIST OF BUSINESS-ENDORSERS OF PRINCIPLE OF S. 769

I had written to them, inviting their views on the subject. They had responded, almost to the man, praising the general concept of the bill.

I am sure that, had similar letters been addressed to outstanding labor leaders, to the representatives of women's organizations, veterans groups, and others, virtually unanimously favorable results would likewise have been secured.

The fact of the matter is that these American businessmen in particular, great leaders, who, individually as citizens, and whose businesses carry a major burden of Federal taxes, feel that the time is long overdue for a high-level look-see at the tax structure.

I hope that the series of Scripps-Howard articles will signal a start of renewed public and press demand for this commission-type legislation.

I ask unanimous consent that a list of some of these leading businessmen be printed at this point in the RECORD.

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

PARTIAL LIST OF BUSINESS LEADERS WHO HAVE ENDORSED WILEY TAX COMMISSION BILL, S. 769

Mr. C. M. White, chairman of the board, Republic Steel Corp.

Mr. H. H. Curtice, president, General Motors Corp.

Mr. W. Alton Jones, chairman of the board, Cities Service Co., Inc.

Mr. C. G. Mortimer, president, General Foods Corp.

Mr. John F. D. Rohrbach, president, Raybestos-Manhattan, Inc.

Mr. Eugene Holman, chairman, Standard Oil Co.

Mr. L. F. Long, president, the Cudahy Packing Co.

Mr. Joseph H. Wright, vice president, Illinois Central Railroad.

Mr. L. K. Lindahl, chairman of the board, the Udylite Corp.

Mr. Charles E. Frohman, president, Hinde & Dauch Paper Co.

Mr. W. G. Vollmer, president, Texas & Pacific Railway Co.

Mr. B. B. Jennings, chairman of the board, Socony Mobil Oil Co., Inc.

Mr. J. P. Kiley, president, Chicago, Milwaukee, St. Paul & Pacific Railroad Corp.

Mr. T. Russ Hill, Ward Industries Corp.

Mr. Cloud Wampler, chairman of the board, Carrier Corp.

Mr. Arthur B. Goetze, president, Western Electric Co., Inc.

Mr. S. M. Kennedy, president, Consolidated Foods Corp.

Mr. P. W. Hires, president, The Charles E. Hires Co.

Mr. Kenneth H. Redmond, president, United Fruit Co.

Mr. Augustus C. Long, chairman of the board, The Texas Co.

Gen. David Sarnoff, chairman of the board, Radio Corporation of America.

Mr. Claude S. Lawson, president, U. S. Pipe & Foundry Co.

Mr. George S. Young, president, The Columbia Gas System, Inc.

Mr. Herbert J. Yates, president, Republic Productions, Inc.

Mr. Roger M. Blough, chairman, United States Steel Corp.

Mr. L. L. Colbert, president, Chrysler Corp.

Mr. Thomas A. Printon, chairman of the board, Nopco Chemical Co., Inc.

Mr. Henry Ford, president, Ford Motor Co.

Mr. E. G. Grace, chairman, Bethlehem Steel Co., Inc.

Mr. Endicott R. Lovell, president, Calumet & Hecla, Inc.

Mr. F. W. Paul, president, McCrory Stores Corp.

Mr. Harvey S. Firestone, Jr., chairman, The Firestone Tire & Rubber Co.

Mr. John E. Reeves, president, Reeves Bros., Inc.

Mr. Conrad N. Hilton, president, Hilton Hotels Corp.

Mr. Warren W. Brown, president, Monon Railroad.

Mr. William T. Faricy, president, Association of American Railroads.

Mr. William M. Allen, president, Boeing Airplane Co.

Mr. Walter P. Marshall, president, Western Union Telegraph Co.

Mr. Arthur K. Atkinson, president, Wabash Railroad Co.

Mr. Charles Ward, president, Brown & Bigelow.

Mr. Fred C. Foy, president, Koppers Co., Inc.

Mr. R. A. Hummel.

Mr. E. S. Evans, Jr., president, Evans Products Co.

Mr. Sherman P. Voorhees, executive director, Pittsburgh Chamber of Commerce.

Mr. William A. Hughes.

Mr. Frederick E. Hines, vice president, finance and tax counsel, Douglas Aircraft Co., Inc.

Mr. William Jackman, president, Investors League, Inc.

FIFTIETH ANNIVERSARY OF CHRISTIAN SCIENCE MONITOR

Mr. WILEY. Mr. President, this year will mark the first half-century milestone in the history of one of the great institutions of American and of international

journalism. I refer to that remarkable publication known as the Christian Science Monitor.

I have been pleased to receive word, along with my colleagues, that in the fall the Monitor will publish a 50th anniversary edition.

Likewise, there will be issued this year an important anniversary book by the Monitor's distinguished editor, Mr. Erwin Canham, under the auspices of Houghton-Mifflin Co.

Mr. President, the pages of the CONGRESSIONAL RECORD are full of tributes which have been paid to the American press; and rightly so. It is outstanding among the free press of the world. And in turn, there are certain American papers which have traditionally stood out from all others.

The Monitor is certainly one such publication.

WHAT IS A GREAT NEWSPAPER?

Invariably, it is named by newspapermen as one of America's 10 best newspapers.

What makes a good newspaper? What makes a great newspaper?

Opinions may vary, but let me suggest a few standards, all of which the Monitor certainly fulfills:

First. A staff of outstanding competence, skilled in journalism, dedicated to the truth, and given the opportunity, to pursue and disseminate knowledge.

Second. An editorial policy which speaks boldly with courage, with honesty, with frankness on moral, political, economic, and scientific questions.

Third. A top-to-bottom recognition that the mission of a newspaper is creative to bring out the best that is in man, rather than to play upon some of the baser characteristics of man.

Fourth. An eagerness to serve the public interest rather than merely to achieve a healthy profit statement at the end of the year.

A newspaper is a business, but a paper would be a poor newspaper, indeed, if its sole function were considered the mere making of money.

Let me say, incidentally, that I am well aware that few businesses in America have been harder hit by rising costs than have newspapers. The price of newsprint goes up and up, as do the costs of printing, of personnel, distribution, and everything else that goes into the preparation and distribution of each daily paper.

Therefore, I pay special honor to the many newspapers which, like the Monitor, while still adhering to sound business practices, nonetheless indulge in the so-called luxury of the most complete coverage possible of the news.

Fifth. It should be a source of inspiration, as well as knowledge; character building, as well as informative.

POSITIVE APPROACH TO THE NEWS

Needless to say, perhaps the most distinguishing of all characteristics of The Monitor is its emphasis on the good and constructive that are within man. A reader would look in vain in all the pages of all the issues of the Monitor if he wanted to find headlines or stories of scandal and filth and social decay.

The Monitor wisely recognizes that the real news which is occurring in the world is to be found, not in the 1 percent or 5 percent of bulletins which represent crime and sin, but in the 95 percent or 99 percent of incoming stories which depict good and honesty and uplift. By looking for the good, it finds the good, advances the good, and multiplies the good.

No one need be a member of the Christian Science faith to find great profit and interest in the Monitor. Young and old find food for thought and enlightenment in its pages. Its columns are read enthusiastically throughout the world, by individuals of every conceivable circumstance, creed, and nationality. They find in the Monitor news of man's constructive efforts for world peace and prosperity.

The Monitor is, of course, a special credit to the institution which publishes it, to the city in which it is printed and edited, and to the country whose priceless heritage of freedom it fosters.

But it is also a credit to man—to man in the Creator's image, who reflects integrity, courage, justice, decency, and loyalty.

I extend my sincerest congratulations to this outstanding publication. May its next 50 years be even more successful than its first 50. It is a shining light in the firmament of journalism at home and abroad. May that light grow ever stronger in the decades ahead.

THE DANGEROUS NATURAL GAS BILL

Mr. WILEY. Mr. President, one of the great battles of 1958 is the continuing battle against inflation.

The continuing rise in the cost of living places in jeopardy every single citizen of the United States.

Every wage earner is hurt, but especially, every individual living on a fixed income, every retired citizen, every pensioner.

Under these circumstances, if Congress is to hold the line against inflation, it must not approve any legislation which would contribute to the spiraling of the cost-of-living index.

Regrettably, there now faces the House of Representatives—and soon, no doubt, the Senate—a dangerous bill which constitutes, in my judgment, the most inflationary single measure conceivable.

It is a bill which could do more to send prices skyrocketing than any single bill within the past 10 years. I refer to the bill which, to all intents and purposes, exempts from Federal Power Commission control the rates charged by the natural gas industry.

Supporters of this bill, H. R. 8525, have attempted to clothe it with enough legal gobbledygook to give the impression that it continues Federal controls.

The fact of the matter is that it emasculates all controls.

The fact is that, if this bill is enacted, it will mean that 30 million gas consumers may expect increased rates, commencing February 1, March 1, April 1, or whenever the bill is enacted. Five hundred million dollars more will be paid by consumers each year.

HOUSEWIVES SHOULD REBEL AGAINST BILL

There will be virtually no limit on gas rates' ceiling, because the gas industry will be able to charge virtually what the traffic will bear. It will charge the going market price, which means as high a price as it can possibly manipulate.

I want to urge that housewives and industrial consumers of this Nation rise in righteous indignation against this unfair bill.

I want to urge them to contact every single Member of the House of Representatives; to urge that this bill be defeated when it is brought to the floor, presumably later this month.

EIGHT GAS STATES VERSUS FORTY CONSUMING STATES

I want to urge people of the 48 States to ask this question: "Why should any Representative or Senator from a gas-consuming State vote for a bill that is solely for the benefit of a handful of interests in a few gas-producing States?"

There are no more than eight or so basic gas-producing States. Why should these 8 States get the arbitrary right to trample on the well-being of 40 other States? Is that fair? Is that democratic? Is that majority rule?

EVEN CONSUMERS IN PRODUCING STATES HURT BY H. R. 8525

For that matter, the consumers of Texas, itself, or of Oklahoma, Louisiana, or any other producing State, will be just as much harmed by this bill, as will the consumers of Wisconsin, and other consuming States.

I send to the desk now two items which tell the story of this bill.

EDITORIAL SPOTLIGHTS PUBLIC APATHY

The first, an editorial from the December 4, 1957, issue of the Stevens Point, Wis., Journal is entitled "Gas Lobby Busy While the Public Drowses."

The editorial points up some of the facts which I, personally, have made against this bill.

The second is an excellent analysis which was made in the Milwaukee Public Library regarding the harmful impact of this bill.

SALUTE TO MAYORS' COMMITTEE AGAINST GAS BILL

The analysis has come to me from one of the foremost fighters against this gas bill. I refer to the distinguished mayor of Milwaukee, the Honorable Frank Zeidler, vice chairman of the United States Mayors' Committee on Natural Gas Legislation. Despite the fact that Mayor Zeidler is busy with many municipal functions, he has given unstinting labor to opposition to this bill.

The same may be said of such colleagues as the disinguished Mayor Richardson Dilworth, of Philadelphia, secretary of the mayors committee; the Honorable Robert F. Wagner, of New York, chairman of the committee; and some other mayors of leading cities across the Nation. I ask that unanimous consent be given that these two items be printed in the body of the RECORD at this point.

The matters referred to were ordered to be printed in the RECORD, as follows:

[From the Stevens Point (Wis.) Journal of December 4, 1957]

GAS LOBBY BUSY WHILE THE PUBLIC DROWSES

Senator ALEX WILEY has made a new appeal to "stop the dangerous gas bill." He is referring to proposed legislation that would exempt gas producers from effective Federal regulation. Similar legislation was defeated in the past only by presidential vetoes.

Now, WILEY reports, the pro-price increase forces are gathering and expect to hit early and hard to drive the measure through Congress. Reportedly, he says, the gas bill is being used as "bait" for vote-trading to get greater support for other special interest legislation.

This is a pending matter that certainly should interest gas consumers, since they are the ones who will pay directly for any resulting price or rate increases. Yet Senator WILEY stresses in his current newsletter that there has been almost no activity on behalf of the public. And he issues this blunt warning:

"If consumers are to be protected from skyrocketing of gas rates, we need to stir up grassroots protests. This means that folks not only in Wisconsin but throughout the Nation, must contact their Representatives and Senators to urge them to vote against the gas bill. The time to act is now—not after the bill is passed. Four hundred thousand Wisconsin consumers of natural gas are directly involved. If you don't want to pay higher rates the 1st of every month, then contact and write your friends in our State and in other States against the gas lobby."

Here we have an old story repeated again. Time after time taxpayers complain loudly about higher taxes—after they have been voted and levied. Many don't bother to register their opposition when it might be effective. If people don't bother on a local level about things that affect their pocketbooks, they are likely to be less concerned when the decisions are made away from home.

The fight to do away with Federal regulation of natural gas has been going on for years. There is every indication that the gas interests are headed for victory this time.

Stevens Point has a stake in the outcome, as it is destined to be served by natural gas, sooner or later. The local utility, as the distributor of the gas, will be helpless to keep prices down if they are raised at the wellhead.

The gas lobby never gives up. It is a sad commentary on the attitude of the public that all too often it becomes indifferent on vital issues, of which Federal regulation of natural gas is one.

UNITED STATES MAYORS' COMMITTEE ON NATURAL GAS LEGISLATION

Washington, D. C., January 9, 1958.

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

MY DEAR SENATOR WILEY: Early in 1958, the issue of adequate Federal regulation of natural gas producers will again be placed before the Congress.

This issue, if unfavorably decided for gas consumers, will cost the gas consumers of the Nation upward of $500 million a year. Most of these consumers live in the cities and incorporated areas, and they will have to pay the bill.

Historically, the mayors and municipal law officers and State public service commissions have fought the attempts of gas producers (and oil companies) to escape Federal regulation. A Supreme Court decision in June 1954, placed the producing companies under regulation, but they are seeking again and again by an act of Congress to escape regulation in the public interest, by the Federal Power Commission.

They are now seeking to pass bill H. R. 8525 which will make FPC regulation of little protection to the consumer. As the history of the natural gas regulation problem is most complicated, there is attached a short summary of that history as it pertains to regulation of producers.

Knowing of your personal interest and concern regarding this matter I hope very much you will find it possible to call this document to the attention of the Members of the Senate and the House of Representatives.

Yours very truly,

FRANK P. ZEIDLER,
Mayor of Milwaukee, Vice Chairman, United States Mayors' Committee on Natural Gas Legislation.

Chairman: Robert W. Wagner, mayor of New York City; Secretary: Richardson Dilworth, mayor of Philadelphia; vice chairmen: Will E. Nicholson, mayor of Denver; Ben West, mayor of Nashville; Frank P. Zeidler, mayor of Milwaukee.

A REPORT ON PROPOSED AMENDMENTS TO NATURAL GAS ACT AS SET FORTH IN H. R. 8525

(Prepared by Peter J. McCormick, Milwaukee Public Library)

The new Harris bill, H. R. 8525, to amend the Natural Gas Act will be before the coming session of Congress. This bill was introduced at the last session on July 5, 1957 and reported out by the House Interstate and Foreign Commerce Committee on July 9 by a 15 to 13 vote. It was shelved for that session by a decision made and announced on August 13 by Speaker RAYBURN.

During the last session of Congress, a number of bills were introduced which sought to exempt or drastically curb FPC (Federal Power Commission) control over natural gas sales to pipeline companies. The Harris-O'Hara bills (H. R. 6790 and 6791), companion bills, were the principal measures. Hearings were held by the House Committee on Interstate and Foreign Commerce during May and June. After these hearings, it was decided to introduce H. R. 8525, which is termed in Congressional parlance, "a clean bill". It is essentially the Harris-O'Hara bills with section rearrangement and with certain amendments. H. R. 8525 was returned to the House accompanied by House Report 837 which analyzes the bill and outlines majority and minority views.

BACKGROUND DATA

H. R. 8525 is but the latest of many attempts to eliminate or to drastically curb FPC control over prices paid at the wellhead for natural gas sold to interstate pipelines. The following is a résumé of significant facts and action taken to date.

IMPORTANCE AND GROWTH OF NATURAL GAS INDUSTRY

Since 1948, the natural gasline companies have been engaged in a tremendous expansion program and now practically cover the entire Nation. Continued and uninterrupted growth is forecast through the next 10 years, reflecting population increase, anticipated economic expansion, increased use of gas for industrial and residential purposes, and extension of pipelines into new areas. In 1945 natural gas supplied 13 percent of the country's total energy needs; today it supplies approximately 26 percent and this is expected to rise to 29 percent by 1960.

Natural gas consumption in 1956 increased to 10,275,000,000 thousand cubic feet over 9,405,351,000 thousand cubic feet in 1955. The 1956 consumption rate was 1.56 times that of 1950. Two-thirds of 1956 consumption was for commercial or industrial purposes and one-third, residential.

Because of the higher rates, the residential classification is the major single contributor to revenues of natural gas companies. For the country as a whole, in 1956, residential sales made up 56 percent of the revenue while constituting only 33 percent of sales volume.

In 1956 there were 27,300,000 residential customers of natural gas in the United States, with 56 percent of these using gas for home heating. By 1965, the American Gas Association anticipates 35,530,000 natural gas customers with 75 percent heating homes by gas.

TRANSMISSION AND DISTRIBUTION OF NATURAL GAS

The natural gas industry can be grouped into three major classifications—production, interstate transmission, and local distribution.

Local distributing companies are utilities subject to regulation by State utility commissions, and in some instances, by municipal or local agencies.

Interstate transmission is by pipeline companies. Since enactment of the Natural Gas Act of 1938, supervision and regulatory control of these companies has been vested in the FPC. The general policy of the FPC is to allow pipeline companies to earn 6 percent on net utility plant, after Federal income taxes, and rate approvals have been based on the conventional rate base approach.

PRODUCTION OF NATURAL GAS

Because of the close production relationship between gas and oil, all leading petroleum companies hold extensive reserves of natural gas, and have been increasingly interested in the production and sale of natural gas. While there are about 5,000 independent natural gas producers, major oil companies are reported to hold natural gas reserves approaching 60 percent of the United States total. A National Municipal Law Officers' Association study shows that 85 percent of the gas sold via interstate pipelines is supplied by 100 producers—mostly big oil companies, either from their own resources or by gathering from other producers. Originally, natural gas had very little value and in many instances was burned at the wellhead. The great demand that has grown up, chiefly because of facilities for long distance transmission, has made it one of the chief resources of revenue for many of the oil companies, since 60 percent of natural gas produced comes from oil wells.

Until the Supreme Court decision in the Phillips case, June 7, 1954, the FPC held it had no jurisdiction over independent producers, and, hence, the prices they charged at the wellhead for gas sold to pipeline companies. However, the FPC did exercise control over the value placed on gas produced by integrated pipeline companies—those engaged in production as well as transmission of natural gas.

The price of natural gas at the wellhead has been steadily advancing during the postwar years. In 1945 the average price of wellhead gas was 4.9 cents per thousand cubic feet; in 1948, 6.5 cents; 1953, 8.3 cents; and in 1956, 11.5 cents. Furthermore, producers are now asking FPC approval for new contracts calling for 21 cents or higher, and have placed valuations on gas reserves as high as 40 cents per thousand cubic feet.

Contributing factors to this steady rise have been the lack of FPC controls until 1954, intense competition among pipeline companies to tie up reserves and the stipulated step-ups provided in escalator and other clauses which were included in producer sales contracts.

There has been a widespread policy of setting up escalator clauses in long-term

sales contracts to pipelines, providing for regular increases in the field or wellhead price every 5 years or so, and protecting the producer in the event of new excise or other taxes levied at the wellhead. A majority of the contracts also contained favored Nation clauses providing pipeline companies would pay the supplier a price equal to the highest price received by any other producer in the area. Thus, an increase by one producer automatically sets off price increases for nearby producers.[1]

Gas purchase cost is the major single expense item of pipeline companies and amounted to about 50 percent of their revenues in 1956. All increases, of course, are ultimately borne by the consumer. For northern cities, the cost of gas at the wellhead averages out to about 10 percent of the consumer rate.

REGULATION OF INDEPENDENT PRODUCERS BY THE FPC

As mentioned previously, the Federal Power Commission, until the Supreme Court decision of June 1954, did not exercise jurisdiction over independent producers. By majority vote on several occasions, the Commission refused to take this jurisdiction, contending that the provision in the Natural Gas Act excluding "production and gathering of natural gas," exempted independent producers. There were, however, members of the Commission who differed in this interpretation. In 1948 an investigation was started to determine whether the Phillips Petroleum Co. was a natural gas company under the meaning of the act. The investigation was terminated by the Commission in August 1951, with a majority holding that although Phillips was engaged in the sale in interstate commerce of natural gas for resale, the sales were part of production and gathering to which the Commission's jurisdiction did not extend.

The State of Wisconsin and its Public Service Commission, the city of Milwaukee, and various municipalities of Michigan and Missouri, appealed the decision of the FPC to the United States Court of Appeals which ruled in their favor. Phillips appealed to the United States Supreme Court and on June 7, 1954, a decision was handed down against Phillips, in which the majority opinion concluded:

"We believe that the legislative history indicates a Congressional intent to give the Commission jurisdiction over the rates of all wholesalers of natural gas in interstate commerce, whether by pipeline company or not, and whether occurring before, during, or after transmission by an interstate pipeline company."

Immediately after the Supreme Court decision, the FPC temporarily froze field prices of natural gas and ordered an estimated 4,100 producers to file sale contracts in effect, and to apply for certificates.

On December 7, 1954, the FPC issued order 174B which, among other things, condemned certain types of escalator and "most favored nation" clauses. The order does not outlaw these clauses but such clauses per se will not be accepted as evidence to support certificate applications or proposed rate changes.

On January 11, 1955, the FPC held a hearing at which all interested parties were invited to present views and recommendations. David Searles, one of the chief representatives of the producers, recommended that the FPC in setting gas rates for the natural gas producers, should accept contracts made at arm's length between producers and pipeline companies as prima facie evidence that the rates covered in such contracts are just and reasonable. Representatives of public utilities commissions in general favored a rate base method of regulation, but the Illinois commission favored a commodity value concept. Eastern utility companies on the whole looked with favor on a commodity value base. A case by case investigation, beginning with the major purchasers of interstate gas, was urged by William E. Torkelson, speaking for the Wisconsin Public Service Commission. This commission appears to favor a cost-of-service rate base. Small producers supplying less than 1 billion cubic feet per year could file proof of cost or accept the average price paid producers in the same area.[2]

Since the Phillips decision the FPC has been proceeding on a case-to-case basis deciding each case on the evidence and facts presented in formal hearings. It is the contention of the FPC that inasmuch as the regulation of independent producer rates is a new and vastly complicated undertaking, any predetermined standards arbitrarily fixed without the aid of clarifying legislation would, in all probability, require substantial revision at a later date, thereby leading to confusion and instability.[3]

At the present time the Commission is confronted with a considerable backlog of pending and suspended cases.

CONGRESSIONAL ATTEMPTS TO AMEND THE NATURAL GAS ACT

Even prior to the Phillips' decision, efforts were made in Congress to eliminate or curtail FPC control over producer sales. A bill to this effect was introduced in the 80th Congress, passed in the House, but not approved by the Senate.

In 1950, the Kerr bill was passed by the 81st Congress. This bill specifically exempted independent producers, including Phillips Petroleum, from FPC regulations. The measure was vetoed by President Truman and its supporters failed to override the veto. In his veto message President Truman stated: "There is a clear possibility that competition will not be effective, at least in some cases, in holding prices to reasonable levels. Accordingly, to remove the authority to regulate (producers) as the bill would do, does not seem to be wise public policy."

Several bills with similar intent were introduced in the 84th Congress in 1955. Impetus to this type of legislation was provided by a report of the President's Advisory Committee on Energy Supplies and Resources Policies, which recommended that the Federal Government should not control the production, gathering, and processing of natural gas prior to its integration into an interstate transmission line. Approval to this type of legislation was also given by FPC.

After Senate and House hearings, Congress passed the Harris-Fulbright bill, but it was vetoed by President Eisenhower on February 17, 1956.[4] In his message, the President stated that he favored the objectives of the bill but emphasized that any new legislation, in addition to furthering the long-term interests of consumers in plentiful supplies of gas, should include specific language protecting customers in their right to fair prices.

Hearings on the above bill indicated considerable opposition to its provisions, not only by consumer groups and State utility commissions, but also by many pipeline companies and gas distributing companies. In order to present a more united front, representatives of various segments of the natural-gas industry production, transmission, and distribution, met and drew up a general declaration of principles which future legislation should follow. This meeting of minds met with FPC and administrative approval and became the basis for the Harris and O'Hara bills introduced in 1957. Unfortunately, representatives of consumer groups were not consulted at these meetings.

The Harris and O'Hara companion bills, H. R. 6790 and 6791, were the principal bills for amending the Natural Gas Act introduced in early 1957. As mentioned previously, hearings were held on these and a clean bill, H. R. 8525, was reported back to the House with a 15 to 13 committee vote of approval. It is this bill that will be considered by the House and Senate in the next session.

The bill is reported to have administration backing and has been substantially endorsed by the FPC.

PRINCIPAL PROVISIONS OF H. R. 8525

1. Exempts producers from public utility regulation

The present law is modified by the bill so that transportation and sales in connection with the processing and gathering of natural gas in or within the vicinity of the producing field or fields will no longer be subject to the public-utility type regulation provided for by the present provisions of the act. Producers would no longer be required to obtain certificates of public convenience and necessity, or to file rate schedules in order to sell gas to interstate lines.

2. Restricts FPC control over producer sales

The FPC would still retain control over producer sale contracts but in a more restricted sense. Such sales are divided into new producer contracts and existing producer contracts, depending on whether they were entered into after or prior to enactment of this legislation. FPC control over new contracts is more inclusive than that provided for existing contracts. The FPC has no jurisdiction over prices provided for by a definite pricing clause in existing producer contracts, but any future amendments to an existing producer contract, is subject to regulation as a new contract.

With respect to pricing clauses in contracts, the bill makes a classification between definite and indefinite pricing clauses. A definite pricing is any provision which sets forth in terms of a specific price per unit, the prices to be paid and includes the initial price, any increase in the initial price by specific amounts at definite future dates, and tax reimbursement clauses. Other pricing clauses are termed indefinite and may be either proper or objectionable. The bill specifically terms as objectionable, two party favored nation, third party favored nation, better market or price determination, and spiral escalator clauses. Such clauses are not to be included in any new producer contract or in any amendment to an existing contract. (A ruling somewhat similar to this already has been made by the FPC under existing law.) Clauses of this type in existing contracts are not voided but are subject to FPC regulatory procedure. Every new producer contract must be filed with FPC by the pipeline company purchaser within a designated period, and notice given by publication and mail.

Objections may be filed by interested parties on one or more of the following grounds:

1. The contract results in a price which exceeds the reasonable market price;

2. the contract contains a prohibited indefinite pricing clause or an indefinite clause contrary to public policy;

3. the duration of a producer contract is shortened.

The FPC may also initiate proceedings on any of these grounds. If any of the objec-

[1] See article by James R. Durfee in Public Utilities, January 20, 1955, for clauses in the contract entered into by Phillips Petroleum Co. and the Michigan-Wisconsin Pipe Line Co.

[2] Information in this paragraph is based on a news article appearing in Gas, February 1955, p. 130 plus.

[3] Information obtained from H. Rept. 837 of 85th Cong., 2d sess.

[4] A contributing cause to this veto was the charge that unfair and illegal lobbying was done in support of the measure.

tions are sustained by the FPC, the new producer contract becomes null and void, or if it is an amendment to an existing producer contract, the amendment becomes null and void. If approved, any definite pricing provisions held valid are removed from regulation, but the FPC retains jurisdiction over indefinite pricing provisions.

With respect to indefinite pricing clauses which operate to increase prices, whether in new or existing contracts, the procedure is similar to that of a new contract. The FPC determines the reasonable market price.

Although this bill does permit the Commission to void price increases resulting from indefinite pricing clauses in existing producer contracts, jurisdiction over definite price increase clauses in existing producer contracts, is denied even though the definite price increases go above reasonable market prices.

Also, sales by a producer to a gathering company, which transports natural gas to a processing plant, is exempted from regulation by this bill, although the sales after completion of processing are covered.

3. Sets up a reasonable market price formula for determining producer prices

The bill directs the FPC to determine the reasonable market price of the natural gas at the point of delivery to the pipelines. In determining producer prices, natural gas is to be considered a commodity and the FPC is not to consider costs or use the public utility concept in arriving at this price. In determining price, the FPC is required to consider:

(a) whether the price as determined by it will assure to consumers of natural gas a continuing adequate supply thereof;

(b) whether the contract price was arrived at competitively and in arm's-length bargaining;

(c) the reasonableness of all the provisions of the contract as they relate to prices under a definite pricing clause;

(d) the quality of the natural gas being purchased;

(e) conditions of delivery.

In addition, the current level of field prices under other contracts in the same field or in other fields which contain terms and provisions generally comparable to those of the contract under review, shall be considered.

Finally the bill states:

"The reasonable market price is not necessarily the price of the last sale, the highest price, the lowest price, the weighted highest price, the average field price, or other price arrived at by the mechanical application of a single criterion. Instead, it is a price which the Commission, exercising its judgment and discretion in weighing, among other things directly relevant to the issue, all factors enumerated above, determines is the reasonable market price."

The bill, thereby, substitutes reasonable market price for the presently prescribed just and reasonable standard for determining the reasonableness of producer prices. It eliminates cost of production which has been basic under the just and reasonable standard.

This reasonable market price standard would not only apply to the gas purchased by pipeline companies from independent producers, but also to the gas which they or their affiliates produce. In respect to gas owned by pipeline companies or their affiliates, the present policy of FPC is to allow a price greater than that determined under the public utility concept, in order to stimulate exploration and development of their own reserves. This has been upheld by the courts providing that the starting point for this additional allowance is the cost-plus-fair-return formula on the allowance is reasonable.

ARGUMENTS ADVANCED FOR AND AGAINST H. R. 8525 AND SIMILAR BILLS

In general supporters of the bill state that there is no basic difference between the producer of natural gas and the producer of oil, coal, livestock, lumber, and other commodities.[5] They contend that utility regulation of producer gas will lead to Federal controls of oil and eventually rigid control of the entire petroleum industry. There has been some modification of this stand as shown by the fact that some FPC control over price is provided in H. R. 8525.

Those opposing contend that there is no free market at the production level, no full interplay of the forces of supply and demand. Pipeline companies, in many instances, cannot move freely in an open competitive market in search of lower prices. They are largely bound to one or a very limited number of suppliers by the physical location of their pipeline and by long-term contracts entered into when there was a limited amount of natural gas available for distribution.

REGARDING REASONABLE MARKET PRICE VERSUS RATE-BASE METHOD

Those advocating the reasonable market price formula contend that costs incurred by the producer should not be given consideration. That doing so would result in varying prices for the same gas in the same field and would result in a hodgepodge of prices. It is further contended that in many instances costs are impossible to determine and fixing costs is a cumbersome and time consuming operation. They point to the backload of FPC cases as evidence of this.

(In committee hearings on the bill the FPC has advocated that the bill should make cost a permissive but not a mandatory factor in determining costs.)[6]

Opponents of the bill contend that no definite criteria are established in the bill for determining a reasonable market price, and that eliminating cost as a determining factor deprives the FPC of any quantitative measure in determining reasonableness of rates. While agreeing that costs may not be ascertainable in all instances, they point out that cost figures are available and have been used by oil and gas companies that have appeared before Congressional committees and cited increased costs to justify higher prices for crude oil.

They further contend that the reasonable market price concept will run into as many legal or court difficulties as the present fair value concept and will prove unworkable.[7] On the other hand, the utility rate concept is well established, has proved to be equitable and can be modified to reflect factors other than costs.

With respect to the volume of work of the FPC, it is pointed out that use of the reasonable market price formula will substantially add to the FPC workload rather than diminish it. As a method of expediting FPC cases, it is advocated that emphasis should be placed in establishing prices of the largest independent producers under the present formula and the present just and reasonable standard.

Opponents of the bill pointed up the provision in the bill that requires the reasonable market price formula also be applied to gas produced by the pipeline companies and their affiliates. They point up the fact that consumers through FPC established rates have already paid for the exploration and development costs of the reserves of these integrated pipeline companies, and that revaluing these reserves would be an unwarranted burden on the consumers. Moreover, in bargaining with independent producers, it would be to the advantage of pipeline companies owning reserves to keep up the producer price and thereby enhance the value of their own reserves. Under a ruling by the United States Supreme Court in October 1956, the FPC obtained this right to determine a fair field price for company produced gas, giving due consideration to the original cost of production method but the higher rates resulting must not be any higher than required to maintain the production end of the business.

RE NATURAL GAS RESERVES

One of the chief arguments advanced for H. R. 8525 and similar legislation has been the need for additional incentives for further exploration and development of gas reserves.

Under the present law, the FPC has the authority to grant rate increases needed to encourage exploration and development, but must show the reasonableness of such allowances.

It should be pointed out that from 55 to 60 percent of the natural gas sold to transmission lines is obtained from oil wells and that exploration and development of these wells were primarily intended for obtaining additional petroleum reserves. Furthermore, producers are allowed a 27½ percent depletion Federal tax allowance which is specifically intended to encourage such exploration and development.

There is no evidence that the Phillips' decision (1954) has discouraged exploration and development of natural gas reserves. According to testimony at the 1957 House committee hearings, gas well completions have actually increased. In 1954, 3,974 gas wells were completed and 4,275 in 1956. Natural gas production shows a similar trend.[8]

Standard & Poor's Investment Advisory Service of July 4, 1957, reports:

"As has been the experience of the oil industry, new discoveries, development and exploration, have consistently tended to increase estimates of natural gas reserves, despite the pronounced rise in production. The American Gas Association and American Petroleum Institute jointly estimated proven recoverable reserves in the United States at over 237 trillion cubic feet at December 31, 1956. Based on indicated net withdrawal of 10.9 trillion cubic feet in 1956, these proven reserves indicate a life of 21 years. Moreover, new discoveries and revisions of previous estimates of recoverable reserves through extension of known fields, indicate that the Nation's natural gas reserves are more than adequate to satisfy demands for many more years."[9]

Williard F. Stanley, president of Corporate Services, Inc., in the Harris-O'Hara Bill—Boon or Bonanza, Public Utilities Fortnightly, October 10, 1957, questions—

"Why is it necessary in order to induce drilling of a new well or development of a new gas field, to provide for increasing the price of gas produced from old, presently existing wells already drilled? The extension of the bill to cover these existing wells, as to which there can be no need of inducement, would seem an unnecessary and regrettable bonanza for the benefit of the owners of those existing gas wells (who may or may not be the owners of new wells), at the expense of the gas-consuming public (and, indirectly of the electric-consuming public) throughout the Nation."

[5] See "Natural Gas Regulation From the Producer Viewpoint" by George W. Hazlitt, Public Utilities Fortnightly, Sept. 26, 1957, pp. 494–500.

[6] This stand has also been taken, but not insisted upon, by the Eisenhower administration.

[7] See Current Problems in National Gas Regulation—A Consumer Viewpoint by William E. Torkelson, Public Utilities Fortnightly, Sept. 26, 1957, pp. 482–487.

[8] Hearings, pp. 1324 and 1331.

[9] Standard & Poor's Industrial Surveys—Utilities—Gas, July 4, 1957, p. U33.

REGARDING CURTAILMENT OF NATURAL GAS SUPPLIES TO INTERSTATE PIPELINES

Opponents of FPC regulation have warned that such regulation would discourage sales of natural gas to pipeline companies. This has been one of the major threats of the petroleum companies. Producers of gas in some cases have preferred to use natural gas, or gas found in association with crude oil, for repressuring of oil pools, rather than contract for sale to others at present prices. Moreover, some companies, such as Phillips, are using an increasing amount of natural gas from their reserves in chemical operations. Prices realized for natural gas on that basis may reach 4 or 5 times the amount realizable from direct sales to pipelines.

While there has been some curtailment of natural gas commitments to pipelines, it is doubtful that substantial quantities of natural gas would be converted to other uses, particularly if FPC sets fair and reasonable rates. Some leading natural gas transmission companies believe that the fair value formula, together with Phillips' decision, will tend to encourage their segment of the industry to take over natural-gas fields and to intensively engage in exploration and development programs.

REGARDING INCREASED CONSUMER PRICES

Marshall C. Howard, University of Massachusetts, states:

"Since there is no one going open-market price, a market-value determined price would have to rely on reference to several prices in the field as a guide, through, for example, an average (perhaps weighted) field price. Such reference price making would tend to be inflationary. First, price might be expected to cover the full costs of the higher cost, less lucky speculation producers whose output is still in demand in the market at such a price. Second, prices will tend to be drawn upward whenever new higher prices are granted; for, except where such price making is applied only to a minor part of the total supply, prices become based on each other in a circular fashion. By the same token, however, prices might become stabilized after an initial period of adjustment, with any higher prices being justified only on the basis of new, large volume, and higher cost production. But the Federal Power Commission would be presented only with requests for approval of price increases; lower prices, conceivable under the rate-base method, would be unlikely to occur."

There appears to be a general agreement as to the rise in consumer gas prices if H. R. 8525 is enacted but no consensus as to the probable amount.

Producers have been anxious to have the producer price reach a competitive level with other fuels and it is for this reason they stress the commodity aspects of gas. At present prices of other fuels, natural gas at the wellhead would be at a competitive level at about 20 cents per thousand cubic feet.[10]

If the average price at the wellhead was to increase by 8 cents, that is, go from 12 cents (present approximate price) to 20 cents per thousand cubic feet, this would mean an annual cost to consumers of $520 million. A 10-cent increase would be $650 million. These are based on the 1956 natural gas consumption and would be much higher if based on projected consumption. This is a conservative estimate as it does not include additional cost, which would be bound to occur as the gas went from pipeline to local utility to customer. It also does not take into account the added consumer cost for electricity in areas where natural gas is used for generating electric power. And finally, it does not point up the spiralling effect increases in gas would have on other fuels.

A study by the St. Louis Post Dispatch in 1957 estimated the annual increase as between $500 million and $900 million. The minority report on bill H. R. 8525 estimated on increases in consumer prices of $1 billion per year and that a field price increase averaging 15 cents would mean a boost of $30 billion in the value of natural gas reserves.[11]

[10] Regulation and the Price of Natural Gas, by Marshall C. Howard, The Southern Economic Journal, October 1956, p. 148.

[11] H. Rept. 837, 85th Cong., 1st sess.

THE PRICE OF GOLD—LETTER FROM THE LIBRARY OF CONGRESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter relative to the price of gold over a period of years since 1933. The letter was received by me from the Library of Congress.

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

THE LIBRARY OF CONGRESS,
Washington, D. C., January 3, 1958.

The Honorable WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: This is in response to your request for information about the world price situation of gold in free markets from the time when the United States repriced gold.

The gold prices we have been able to locate do not meet all of your requirements. Some of the prices are official prices, when no other market except a clandestine market was operating; with one exception they are available for part but not all of the period; and some of the prices are convertible into dollars only at artificial exchange rates.

The price of gold in 400-ounce bars, 99½ percent fine, in London has averaged as follows (in shillings and pence):

1933	126	
1934	137	6.8
1935	142	0.98
1936	140	3.45
1937	140	8.8
1938	142	6.7
1939	154	4.7
1940–44	168.0	
1945–48	172.3	
1949–53	248	
	(from Sept.)	
1954	249	
1955	250–51	

Black-market prices at end of June each year were: 1948, $47; 1949, $49.75; 1950, $41.50; 1951, $40.75; 1952, $39.50; 1953, $37.20.

Gold bars in Switzerland in June of each year were bought and sold at $42.50 per ounce in 1948, $44.50 in 1949, $40.50 in 1950, $40.25 in 1951, $37.40 in 1952, $36.55 in 1953, $35.10 in 1954, $35.05 in 1955, $35.03 in 1956. Prices in 1941–43 increased from about $35.50 to slightly below $36.

Sincerely yours,
ERNEST S. GRIFFITH, *Director.*

TRANSPORTATION OF FISH OVER BROWNLEE DAM SITE

Mr. DWORSHAK. Mr. President, a report has been compiled by the Idaho Fish and Game Department on the number of fish transported over the Brownlee Dam site last fall.

This report is significant, as it reveals the efforts being made to devise a means of bypassing dams with fish runs, and it emphasizes the fact that the Middle Snake River has a greater migration of fish than was expected.

This report indicates that real progress is being made, through cooperation between the Federal Government, the States, and private interests toward solving the problem of anadromous fish runs endangered by construction of dams. Since power will be needed in ever-increasing amounts for years to come, it is gratifying to know that this program has been set up and is functioning successfully.

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

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

HEAVY RUN OF STEELHEAD, FALL CHINOOK COUNTED THROUGH BROWNLEE TRANSPORT SYSTEM

The central Snake River's portion of this year's record runs of anadromous fish finished with a fall migration of around 2,000 steelhead trout and more than 14,000 Chinook salmon, the Idaho Fish and Game Department said today.

Forrest Hauck, fishery research superior, said the fall run of Chinook is figured from August 10 when bright, fresh fish began entering the trap at Brownlee. From this trap, fish were transported around the construction area by truck and released some 3 miles above the trapping point. Chinook taken in the trap were in good condition until October 15 when numbers dwindled and the remaining fish showed more of the marks of the last stages of the run, Hauck added.

During the peak of the run, the fish came so fast that the two transport trucks furnished by the Idaho Power Co. were unable to keep them from piling up in the trap, Hauck reported. A third truck was used for a time, and the department recommended that adequate standby equipment be furnished for peak periods in the future.

Hauck said present plans call for transportation of upstream migrants past Oxbow when the river is closed for construction there next year. Brownlee is expected to start impoundment during the 1958 spring runoff, and provision for downstream fish passage will be needed at that time, he added.

Since the fate of these fish runs is of concern to Oregon and Washington, as well as Idaho, the studies in connection with the three Snake River dams have been handled on a cooperative basis, Hauck pointed out. The sports and commercial fishery agencies of Washington and Oregon, the United States Fish and Wildlife Service, the Idaho Fish and Game Department, and the Idaho Power Co. have cooperated.

He said the power company allotted $250,000 for studies to determine what to do about the fishery resources. However, most of the work done so far has had to go into developing temporary facilities for handling upstream migrants, a part of the construction phase and a separate operation.

"Permanent fish passage facilities for both upstream and downstream fish migrations were recommended by the Idaho Fish and Game Department from the start of negotiations in 1956," Hauck said. "Sportsmen and the department have a right to expect the construction agency to make every effort to maintain fish and wildlife resources that may be affected by their projects." He said good success so far has been obtained in cooperative work in connection with two northern Idaho dams, and the department hopes for equal consideration in the Snake River project engineering.

The transport system has worked fairly well so far, Hauck reported. "Reports that

the trucks were hauling nongame fish caused the department some embarrassment on several occasions," he said. "The facts are these: If a load of fish contained even one steelhead or chinook spawner, the load was ordered transported undisturbed, as separation of the species was almost certain to result in injury to the spawn-laden game fish. If a load contained no game fish, it was not transported, but was dumped in a hole on shore as a matter of efficiency." He pointed out that the nongame species already inhabit the river above the dam, so that addition of the fish involved would be "like adding another drop to a bucket that is already full of water," and of no effect. However, the loss of a single spawner would be an instant reduction of the threatened resource that the system was set up to preserve.

Hauck said 308 chinook salmon and 5 steelhead trout were removed from the trap for experimental purposes, to test various phases of the work. The spawn was taken from a few to be hatched under observation, but most of these fish were tagged and released. The results of these tests will be announced by the United States Fish and Wildlife Service, but it was interesting to note that 50 percent of the experimental releases reentered the trap within 48 hours.

Tagging records show that a number of the transported fish also dropped back downstream and reentered the trap a second time. The number of double runs of this type was computed at about 2 percent. Fish that passed through uncounted during periods when the barrier and trap were not in operation were estimated as making up for any double counting due to returns, however.

THE PRESIDENT'S STATE OF THE UNION MESSAGE

Mr. MORSE. Mr. President, I had not intended to make any statement about the President's state of the Union message until I listened to some of my colleagues laud it. I think at least a respectful dissent should be filed in the RECORD. I want to say that, in my judgment, it was a sermon delivered at the wake of the Eisenhower administration. Between its lines was a confession of 5 years of failure on the part of the Eisenhower administration to meet the foreign-policy needs of this country.

I am glad the President at least discovered the problem of the malaria mosquito. Nevertheless, it should be pointed out that under the Truman point 4 program we had appropriated great sums of money for the eradication of the malaria mosquito. Under the policies of this administration of placing the dollar above human values, there have been drastic cuts from time to time in funds needed for a much expanded point 4 program.

I was very much disappointed in the President's discussion of expected specific proposals to meet our foreign-policy needs. I thought we were going to get eight specific points of action for the alleviation of our foreign-policy crisis. However, the President's eight-point program consisted for the most part of glittering generalities. I want to say I was particularly disappointed in his discussion of the great issue that faces the people of the world, that of disarmament. It is about time we implemented the disarmament need. The President got right up to the line, then stopped. We cannot have disarmament without negotiation. The United States Government needs to stop following a course of action in which it would dictate the terms under which it will negotiate. The situation is so serious, in my judgment, that we ought to draw the Russians out, on the basis of public discussions, and disclose to the world that it is Russia and not the United States that is refusing to face up to the disarmament need.

I think it is particularly pertinent to point out that we need to return to the Vandenberg belief that a permanent system of peace will never be established until the nations of the world resort to international justice through law. Throughout the Vandenberg historic speeches on world peace that tenet was reiterated time and time again on the floor of the Senate. I recommend it to President Dwight D. Eisenhower. But not a word in his state of the Union message was there by way of reference to this great need of resorting to a system of international justice through law for a solution of the problems that threaten the peace of the world. I want to say respectfully the speech was probably suitable for a high school oratorical contest, but it did not come to grips with the reality of the great threat to peace facing the world.

My great fear is that if we continue to emphasize the military approach and the military hysteria that I fear is gripping the American public, we are going to end up with war. Armament races always end in war. This time war will mean the destruction not only of nations but a large part of civilization itself.

Therefore, Mr. President, as one who listened to the speech, I file this respectful dissent. I think it failed to come to grips with the great need of the hour, which is advancing the cause of peace in the world.

STOCKHOLDERS MEETING OF FARMERS UNION GRAIN TERMINAL ASSOCIATION

Mr. HUMPHREY. Mr. President, one of the outstanding annual farm meetings of the Nation is the stockholders meeting of the Farmers Union Grain Terminal Association in St. Paul, Minn. Alltime records were broken at this year's 20th annual stockholders meeting of this great midwestern cooperative on December 9, 10, and 11.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the St. Paul Pioneer Press commenting upon this farm convention.

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

THE GTA CONVENTION AS A ST. PAUL PATTERN

In this expansive period of many things setting new records as being bigger and better than ever before, there is no crystal ball to tell whether the apex still lies ahead in St. Paul's great farm conventions. We rather suspect that it does. If so, we are glad. And so will be the merchants of this city for whom the convention season and the Christmas shopping season through a happy coincidence arrive together.

As concerns the history of such conventions up to date, the one just concluded by the Farmers Union Grain Terminal Association brushed all records into the discard. Tuesday night's dinner crowd of close to 7,000 was remarkable by any standards that have ever been set in any place at any time. With anything less than the most skilled preparation and execution, an attempt to serve dinners to so many could easily result in a grand breakdown. But the feat here Tuesday night was performed swiftly and smoothly, without a hitch. The Hotel St. Paul is to be congratulated on this achievement. So is the GTA.

This city, its officials and businesses welcome the great farm conventions to St. Paul. We are glad to provide a forum for their discussions pro and con of the farm issues of the day. Their visits here seem a good thing all around. For us, their presence and the business they bring point up a realization of the interdependence of farm and city, a realization that should be at least as healthy for city people as for farmers. And our latchstring will always be out for these farm conventions.

Mr. HUMPHREY. Mr. President, highlight of the convention was its annual banquet, at which 7,000 farmers dined together at the St. Paul Auditorium. Some idea of the mammoth task of serving that great assemblage of Midwest farm people is given by a news story from the St. Paul Pioneer Press, which I ask unanimous consent to have printed in my remarks at this point.

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

TWO THOUSAND SEVEN HUNDRED POUNDS OF MEAT—THOUSANDS DINE AT GTA DINNER

Mom may have slaved for hours over a hot stove on Thanksgiving Day. But it was never like this.

They served dinner in the St. Paul Auditorium Tuesday night, and the guest list ran close to 7,000.

The dinner was prepared in all the kitchens of the Hotel St. Paul and served about three blocks away. Three trucks were kept running back and forth for about 18 hours before the meal.

Even though the service was buffet style, there were 220 waitresses on the job, pouring coffee, guiding the diners, cleaning tables, and doing other chores.

On the menu were 2,700 pounds of hot baked ham and roast beef, number of cold meats, baked and hashed-brown potatoes, corn, fruit cuts, rolls, butter, coleslaw, and multiple relishes.

Members of the Farmers' Union Grain Terminal Association ate the dinner in a crowded hall, but they didn't see all the work that went on behind the scenes.

More than 65 hotel employees in the chef's department alone were engaged in the preparation. They started preliminary work at noon Monday and began to cook at 10 p. m. Monday for the Tuesday evening feast.

Two crews rode the trucks as they hauled the food from oven to auditorium in warming carts or cooling carts, or whatever device was needed to keep the prepared dinner as it should be.

All ovens in all of the hotel's kitchens were utilized.

Some employees from the Hotel Lowry were borrowed for the time, and scores of extras were hired.

But the job had been done in previous years, although for slightly smaller crowds. And now it's just a big job well organized, said Joseph Yankovec, the chef.

As he spoke the clatter of pots and dishes rang through the main kitchen of the hotel. They were the thousands of dirty ones that had been trucked back and now were being washed by a crew of 27.

Mr. HUMPHREY. Mr. President, it was my privilege to address this great assemblage, an honor I have had every year for the last 5 years. I ask unanimous consent that the text of my remarks be printed at this point in the RECORD.

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

THE WAY TO PEACE: BREAD OR GUNS?

(Address by Senator HUBERT H. HUMPHREY, of Minnesota, at annual banquet of Farmers Union Grain Terminal Association, St. Paul, Minn., December 10, 1957)

It's always inspiring to stand before this great assemblage of farm people. It renews one's faith in the real strength of our democracy—the people themselves.

Each of the last 5 years, it has been my privilege to be guest speaker for your annual GTA banquet. I'm proud of your friendship and trust.

Each year, since 1953, I've endeavored to speak to you frankly and from my heart. I want to do that again tonight, sharing with you some of my observations and reactions to trends and events on the national and international scene that concern all of us.

These are somber times, calling for serious and thoughtful reflection.

Our national survival is at stake, and in danger.

Within the past few months, American strength and American prestige have received blow after blow. We are in trouble.

Faced with the gravest dangers we have ever known, our foreign policy is in a state of confusion and disarray.

The entire free world is crying out desperately for leadership—and we have been found wanting. We are ineffective, uncertain, floundering. We are virtually leaderless ourselves, offering little hope and encouragement to others looking toward us for guidance in the struggle for freedom's survival.

Yet maintenance of peace is our most urgent business, in an age when war could mean annihilation.

It is for that reason I feel impelled tonight to divert your attention from some of our domestic problems, as serious as they are, to take a broader look at where we are today—and where we're going.

Events of recent weeks have given America a rude awakening. They belie the administration's repeated bland assurances that we were "far ahead of the Soviets." Understandably, our self-assurance and self-satisfaction have been shaken.

We have been compelled to face some humiliating facts about Soviet Russia's advances—and our own failures and shortcomings.

The shock has been greater, because of the extent to which the American people have been lulled to sleep by a lack of candor in high places.

It has been a disservice to our Nation's welfare for the political hucksters to shut their eyes and blindly chant "Peace and prosperity"—when the world about them is a tinderkeg of tensions, troubles, and conflicts, and our own domestic economy is dangerously out of balance—inflated and deflated at the same time, and failing to keep pace even with Russia in expanded productivity.

We can no longer afford the luxury of complacency—or sloganeering lullabyes.

But there is no need, either, for panic or hysteria.

Rather, it is a time for soul-searching, dedication, and determination.

Out of our national humiliation must come a national awakening. Out of honest appraisal of our own shortcomings must arise a new and strengthened will to win in the face of any challenge, a determination that can only succeed if it is based upon high moral purpose for all humanity, rather than just material self-interest. As the great Greek Pericles once said, "I am more worried about our own faults than about the plans of our enemies."

We need first of all to know and understand the nature of the menace we face.

We need secondly to know and understand all the resources at our command, and then put our own house in order so as to make the most of the advantages we have.

We need next to chart a course that is morally right in our own eyes as well as in the eyes of millions before whom democracy as we know it is still on trial; a course that is in accord with our own heritage and tradition of human justice, compassion, equality, and respect for the individual dignity. It must be a course that depicts our image to the rest of the world as we really are, instead of what others would make us appear.

We need finally to fully mobilize all of our energies, our talents, our intelligence, and our fortunes behind the task of keeping our Nation on the course we have charted, doing what we are convinced is right as we see the right, under God, no matter what course others may pursue.

Only then can we be masters of our own destiny.

In Soviet communism, we confront an adversary whose aim is domination of the world—if not by war, then by all means short of war.

Soviet Russia may not try to blow the world to bits. Instead, it has shrewdly embarked on a campaign to conquer the world bit by bit—operation nibble.

Yes, far more than missiles or the race for outer space is involved in the serious challenge we now face. It is time we realized that, in effect, the Soviet is already waging an all-out war on the United States and the rest of the free world—a new kind of all-out war that may continue without a shot being fired. It is economic warfare, cultural warfare, scientific warfare, political warfare, and propaganda warfare.

Nikita Khrushchev has thrown down the gantlet across the board. He boasts that the Soviet will be supreme in nuclear power, in consumer goods production, in cultural activities, in agricultural production, in education, and in international trade.

They are challenging us in every field—and the new nations of Asia and Africa, representing the great uncommitted weight of the world's manpower and resources, are watching intensely the onrushing Soviet drive. They see a strident and confident Soviet Russia—and an indecisive and faltering United States.

We are locked in a struggle which will demand every resource of our intelligence and our spirit. We are in a one-game world series, and we cannot afford to lose any more innings. It's a winner-take-all showdown contest between the Soviet's state capitalism, and our private capitalism; between its collective enterprise, and our free enterprise.

We cannot escape the challenge, nor should we want to. It must be met with faith and determination, not with fear and frustrations. We must decide to compete—and win—in every area of challenge. We must compete all the way, not with one hand tied behind our backs. We must compete with the greatest mobilization of our resources, our talents, and our national will that we have ever known. We must face such competition with our eyes open, knowing that our way of life is at stake.

We must now prove that a free society offers more hope for the fulfillment of humanity's aspirations than the disciplined state of a totalitarian dictatorship.

It's a two-man race, and coming in second in any area of endeavor will be last.

Quite frankly, the scoreboard hasn't looked good for several years.

But the truth is we haven't really been willing to face the facts until the Soviet startled us with sputnik's breakthrough into outer space.

No amount of effort by the administration to pooh-pooh the great scientific breakthrough into space—comparable to splitting the atom and harnessing atomic energy—could obscure the Soviet success, advertising to the world that the United States had lost its scientific leadership.

If it achieved nothing more, sputnik compelled the American people to look realistically at what else was happening in the showdown struggle between the forces of freedom and the forces of Soviet imperialism.

On the military front, the successful firing of the first Soviet intercontinental ballistic missile was followed by our own Navy's disclosure that the Soviet Union had also perfected a 1,500-mile missile which jeopardized every overseas United States base within range.

On the trade front, Russia has aggressively pursued and concluded far more trade agreements with other countries than we have been able to do—and made an everexpanding number of countries dependent upon it as a source of supply.

On the cultural front, it has brought far more exchange students to Russia from all over the world than we have brought to the United States.

On the educational front, it is training far more engineers and scientists than we are producing in the United States—and responsible educators in our country are now conceding that Russia is doing a superb job on all-around education.

On the propaganda front, the extent of Russia's operations throughout the world makes the United States look like a little country weekly compared with the combined forces of the Minneapolis Star-Tribune and the St. Paul Pioneer-Press.

Now, my purpose is not to be unduly alarming; I'm just trying to give you a sober and realistic appraisal of the scope of the challenge we face. We must talk frankly with each other, because it is a sad truth that too often the present administration has not been candid with the American people.

Our danger now is that we may be tempted to swing too violently from one extreme to another—to compensate for our complacency, by plunging headlong into putting all our chips on weapons of destruction.

We'd better remember that the Soviet challenge is their system against ours—in every field, not just military power.

As urgent as it is for our country to catch up with, and surpass, the Soviet in missiles and satellites, it would be tragic indeed if we let our sudden belated concern blind us to the advantages we still hold—and lead us into neglecting still other areas of competition.

Our assets far exceed our shortcomings, for it is not on military might alone that the outcome of this struggle hinges—and make no mistake about it, the United States and its allies have military strength. But we have much more, as well.

In a world that is desperately in need of capital, we have the greatest capital resource of all. In a world where people are anxious for the blessings of better "know how" and technology, we are richly endowed with such blessings born out of the progress of our free society. In a world where tyranny and cynicism are widespread, we have freedom and idealism. In a world where the majority of people are ill housed, ill fed, and ill clad, we are privileged to have an abundance of food and fiber, and the knowledge of achievement for health and shelter.

We have these tremendous assets at our command; the test will be the extent to which we are willing to dedicate them to

humanity—the price we are willing to pay for peace, and the preservation of freedom.

Our forefathers pledged their lives, their fortunes, and their sacred honor to establish our independence. Can we offer less to preserve it?

Gathered in this great hall tonight are producers of what may really be one of the greatest assets our country has in its all-out competition with Soviet Russia—a force for freedom more far-reaching than any military weapon.

Food is the common denominator of international life. Man must eat to survive. Armies are helpless without food.

I wish every farmer who has been told he must drastically cut down his production could have walked with me through the Palestine refugee camps in Lebanon, the orphanages in Greece, or among the masses of unemployed huddled in shanty towns in Spain. I wish you could have seen with me the young hands outstretched for food, and heard the appeals for milk from haggard, worried mothers.

Bread, not guns, may well decide mankind's future destiny.

In areas of Africa and Asia, as well as other parts of the world, food means far more to vast millions of people today than any space satellite in the sky.

A breakthrough in the conquest of hunger could be more significant in the cold war than the conquest of outer space.

Thanks to you farm people, and others like you, the United States is in a far better position than Russia to lead the world toward the conquest of hunger and want.

The Soviet has its sputniks—but it hasn't our abundance of food and fiber.

Our much-abused abundance is a tremendously vital asset to our international relations, if we have the vision and determination to use it wisely for humanity.

Yet it also can be turned to a devastating disadvantage, if Russia can point to us as the greedy rich man living on the hill, unwilling to be concerned about those in the valley of poverty surrounding us even while we complain of having too much of everything.

Khrushchev seems to understand the vital role food and fiber can occupy in the struggle for the mind of man—and he has embarked the Soviet Union on the task of trying to outproduce us. He has served notice, publicly, that he intends to make Russia the world's leading supplier of food.

Regrettably, the American people have been led to think our abundance and ability to produce in abundance is some shameful millstone around our necks—instead of perhaps one of the greatest advantages we hold on the world scene.

From the President on down, no one high in our Government has seemed to realize what a potential force for freedom we have in the very thing many have complained so loudly about—our food abundance.

Every move to make greater use of food and fiber to bolster ties with underdeveloped areas of the world has had to be forced upon this administration.

They are too timid, and too unimaginative. They are hesitant when they should be bold. They cannot seem to look over the horizon into the future.

That's why I have proposed creation of a new Peace Food Administrator role at the White House level, to provide more aggressive leadership toward use of our Nation's abundance of food as a force for freedom in the world.

It took sputnik to awaken us fully to our failure to make the best use of our own scientific brains and knowhow. Let us pray it doesn't take the loss of some vital area of the world such as India to awaken us fully to the urgency of waging peace just as aggressively as we would wage war—and using more wisely the resources in our hands to win that peace. And food, dollars, and technical assistance, plus friendly association, can give India the chance it needs to be a powerful Asian neighbor on freedom's side.

Just as the President has belatedly named a "science czar" at the White House level to eliminate confusion and give some sense of urgency to our scientific progress in defense, we need the same kind of post for someone with vision of what our food can mean to the world, and someone with the ability and boldness to end buck passing and conflict between many agencies of Government involved one way or another in food use abroad.

During the war, we created a new post of War Food Administrator, entirely independent of the Secretary of Agriculture, because we fully recognize the importance of food to victory. In our current struggle for a secure peace in the world, it is no less important to have somewhere in our Government a top-level official whose full responsibility should be more effective use of our abundance of food and fiber, in the Nation's interests, as a vital arm of our foreign policy.

We in this country do not know what it means to have to choose between a necessary rate of investment, and enough to eat. We must do what we can to help ease that choice for others, before it is too late.

In a world where millions lack enough to eat, we should be humbly thankful that we are blessed with abundance—and we should be wise enough to use that abundance more constructively and more imaginatively for the sake of humanity.

Perhaps that is the real choice we as a nation must now make—the course that offers the most hope toward the peace we seek.

We have the opportunity of waging peace constructively and positively through trying to serve mankind, rather than destructively and negatively through sheer dependence on military might.

Certainly we must remain militarily strong for our own protection. It would be sheer folly not to keep pace with the Soviet, even in creation of weapons that could destroy us all. But it would be greater folly, indeed, to believe that such a weapons race is the eventual road to peace, or that ever more powerful weapons of destruction can ever fully achieve the security we seek.

The tragic truth is that there is no real security in the race to produce weapons of mass destruction that in themselves create insecurity in the hearts and minds of everyone.

All that our shield of strength can do is to provide us with more time—time to regain the world's confidence by asserting our leadership as we really are—a compassionate people, not a military people; a peace-loving people, not aggressors.

For too long America's foreign policy has been based on fear, rather than hope. To be strong we must be true to ourselves.

We're out of character, as Americans, when we try to frighten others by bluff and bluster. We're not fooling the Soviet, and we're just confusing our friends.

Hope, not fear, must be our message to the world.

Moral justification, not expediency, must be our guiding light.

Our foreign policy is weakened and limited, to the degree that we forget, or fail to apply, the yardstick of our own democratic experience to the complex and intricate problems of the world in which we live. Nor will we enhance freedom, by aping the enemies of freedom. Democracy and free institutions are not made more secure by utilizing totalitarian techniques.

We must be ourselves, all of us—and act as a nation in the image of what is really in our hearts.

Our history, our heritage, our experience in self-government, yes, our own revolution, are in fact the sources of our strength.

We have acted as if we were afraid of revolutions in Asia and Africa.

The greatest hope we can hold out to millions of people in Asia and Africa—people who now represent the ultimate balance of power—is our own dramatic story of American independence.

We need to join with the spirit of independent nationalism that grips the underdeveloped and underprivileged countries, and remind these people that we too are the children of self-determination, of revolution, and of a will to freedom and independence.

It is our message of brotherhood and human equality that is our reservoir of good will. It is time we walk more confidently before the world in that image, with the full stature and strength of our history—and our present capacities as a people, materially, intellectually, and morally.

But it will take deeds, not just words, to convey that image to the world—and restore us to the moral leadership so urgently needed in the world of today.

We must put our own house in order, and not be blind to our own shortcomings.

We must wipe out forever the shameful social blight of racial discrimination as at Little Rock, as well as the unjust economic blight of depressed agricultural income threatening to relegate farm people to less than full equality of opportunity in our society.

We must practice what we preach about economic justice and compassion, at home as well as abroad.

We must revise our immigration laws, and set new standards of morality in government, business, and labor. We must show democracy's concern for the least of those in our midst, if we expect to convince others throughout the world of our concern for all humanity.

We must properly care for our own aged, needy, and underprivileged.

We must greatly expand and improve the educational opportunities we offer our young people, not alone to produce more scientists we need but also to better prepare more of our future citizens as missionaries of peace in every walk of life.

We must keep our own economy fully employed and fully productive to support a rising standard of living as well as adequate programs of defense and foreign policy—and then we must be willing to accept in our hearts that our obligation to humanity doesn't end at our own shores.

We must make much greater use of our economic strength to help other free nations develop themselves, and bring the blessings of freedom to their eager and impatient peoples.

We must not limit the effectiveness of our economic development funds by attaching military or political conditions humiliating to the new nations, or by trying to shape them in the image of the United States. We must recognize that their independent development, in forms suitable to their people, their circumstances, and their resources, is in our interest as well as in theirs.

We must respect the neutrality of newborn nations. These neutrals are not pro-Communist; they are pro-themselves. As long as nations remain free, as long as they work for themselves and build their own economies, they are barriers to Communist penetration, strengthening the forces of freedom in the world.

We need to step up our own point 4 program, at the same time we continue to work through the U. N. and help expand the U. N. technical assistance. No program has been more rewarding or has greater promise for a comparatively small investment.

The experience of the farm cooperative movement can be a tremendous asset for American foreign policy, in many of the underdeveloped areas of the world. Land reform programs are fortified and strengthened when they are blended with the farm cooperative. GTA represents a reservoir or pool of managerial talent and practical experience in cooperative marketing that is needed in such countries as far away as Egypt, India, Japan, Iran, and Formosa.

We must authorize a dramatic expansion of student exchanges, along with the exchange of technicians, professional people, farmers, labor, businessmen, journalists, and others engaged in public communications—from all over the world. Only by really knowing each other can we learn to live together in peace. We have everything to gain from such exchanges.

We need to reassert our leadership toward disarmament, in practical ways. But while we work and plan for disarmament, we must keep our defenses strong and commensurate with our farflung commitments. Ironically, a strong defense is also one of the prerequisites to the negotiation of any disarmament agreement; for the Soviet Union will see little incentive to negotiate an agreement if they believe that time and the budget will reduce our defenses unilaterally wtihout concessions on their part.

No one wants to see budgets and taxes higher than they need be; but if $38 billion cannot be stretched with good management to pay for research and development, missiles, airpower, and the armed forces required by our international commitments, then it is better that the budget be increased than that we should thin our defenses to the danger point, or—what is equally dangerous—leave ourselves with no effective force but massive retaliation.

If we had no weapons but the ultimate weapons of total annihilation, for use only under the ultimate provocation, we can be sure our adversaries will construe this as a weakness and take advantage of it. Yet, this is exactly the direction we have been taking.

We must manage to convey to the world the sincerity of our passion for peace, and for control and reduction of arms as a means of diminishing the danger of war.

Ours is a nation more of compassion than cruelty.

Ours is a people more of generosity than of selfishness.

Ours is a tradition more of faith than fear.

This, then, must be our path to peace.

Mr. HUMPHREY. Mr. President, before adjourning the annual stockholders' meeting a number of important resolutions were adopted by the farmer stockholders. I ask unanimous consent that this series of resolutions, adopted by the convention attended by over 7,000 farm delegates, be printed at this point in the RECORD, for the information of my colleagues from throughout the Midwest and other farm areas of the country.

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

RESOLUTIONS ADOPTED AT 20TH ANNUAL STOCKHOLDERS MEETING OF FARMERS UNION GRAIN TERMINAL ASSOCIATION, ST. PAUL, MINN., DECEMBER 9, 10, AND 11, 1957

INTRODUCTION

This is the 20th annual convention of Farmers Union Grain Terminal Association.

We look with pride at the accomplishments, the growth and development of our organization in a period of only two decades.

From humble beginnings, this cooperative has developed into an institution of outstanding service, strength, and influence. It is of first-rate usefulness and value to farmers of the Central Northwest and the Nation.

Our pride in accomplishments to date in no way should blind us to the problems, the difficulties, and the challenge ahead. It is with a deep sense of things remaining to be done that your resolutions committee presents the following resolutions:

RESOLUTION 1. THE FARMERS UNION PROGRAM

Falling farm prices and steadily increasing production costs have created a depression among a growing number of family farmers.

The situation requires unity and concentration on developing and winning support for programs that will help family farmers achieve real bargaining power with parity income as the steadfast objective.

We believe that the National Farmers Union and the State organizations represent our chief hope in arresting the farm depression trend. They are embarked upon programs of education and legislation that continues to deserve our united and enthusiastic support.

RESOLUTION 2. PUBLIC RELATIONS PROGRAMS

There is a widespread lack of understanding and appreciation of the economic problem of family farmers among other segments of society today. This is partly because the farmer's share of the consumer's dollar continues to decline and opponents of farm programs have exaggerated the cost of farm programs to the taxpayer.

We therefore urge increased emphasis on a public relations program which will get the truth to other groups. The facts must be brought out and communicated effectively.

We commend the work of the Farmers Union Press Association in coordinating the information programs of GTA and the national and State Farmers Union organizations in their important field.

RESOLUTION 3. THE GTA FARM FAMILY SURVEY

We urge continuation of the GTA farm family survey. This statistical report and analysis is supplying basic information on the changes in farm income and costs that assist greatly in understanding and evaluating the trends that are rapidly changing the pattern of family farming in this region.

RESOLUTION 4. SOIL CONSERVATION SERVICE

Every citizen has a stake in preserving and protecting the Nation's soil and water resources. The Soil Conservation Service has proven to be of outstanding value in advancing this objective. We believe it should continue as an independent Federal agency, with adequate funds to insure rapid progress in conservation and a halt in wastage of this irreplaceable asset.

RESOLUTION 5. GRAIN SANITATION

Continued emphasis is required by farmers, elevators, and transportation carriers in keeping grain clean and reducing waste. Cooperation with the educational programs of the Federal and State extension services is proving effective.

RESOLUTION 6. THE NATIONAL FEDERATION OF GRAIN COOPERATIVES

GTA is proud to be associated with 23 other regional cooperatives marketing grain, oilseeds, and related commodities in the National Federation of Grain Cooperatives.

We believe it is of the utmost importance to producers everywhere to increase, strengthen and enlarge cooperative activity in marketing in this area and other areas.

Service has been greatly improved, margins reduced, and facilities for handling and storage expanded by these institutions owned and controlled by farmers. The benefits of cooperative marketing should be available to every producer.

RESOLUTION 7. ST. LAWRENCE SEAWAY TOLLS

We approve the progress being made by the Governments of Canada and the United States in bringing the St. Lawrence Seaway into being.

It will be a mistake, however, if the benefits of this improvement are kept from full realization by excessive toll charges on ships transporting grain and other cargo for use overseas.

In principle, we favor toll-free passage of ships as the best solution to the problem and urge Members of Congress to amend existing law to achieve this.

RESOLUTION 8. INTEREST RATES AND FARM CREDIT

Action taken by the Federal Government has advanced interest rates unduly This has greatly increased the cost of Federal indebtedness and has set in motion a series of chain reactions which have greatly increased interest rates to farmers and other citizens.

Present-day farming requires an increasingly large capital investment. Long-term credit at reasonable interest rates is impossible to obtain for young men and their families entering agriculture currently. We believe this is not to the best interest of this Nation.

RESOLUTION 9. GRAIN EXPORTS

We urge the continuation and expansion of the law (Public Law 480) under which farm exports have been increased.

An annual appropriation of at least $2 billion for this purpose is well justified in making available surpluses of food and fiber to needy people in other lands.

RESOLUTION 10. DISPOSITION OF SAVINGS

The management of GTA is authorized by the Board of Directors to pay in cash 20 percent of the current fiscal year's savings. In addition, stock in GTA is redeemed in full when a patron retires from farming. We urge continuation of this program.

RESOLUTION 12. TRANSPORTATION AND FACILITIES

The expansion of GTA's truck unloading and rail and barge loading facilities at St. Paul has proven of great value to patrons of our cooperatives.

It has become obvious that truck transportation of grain is expanding rapidly. This presents many grave problems. Further expansion of truck transportation is inevitable in view of the inaction by railroads in adjusting their rate structure and service to meet their competition.

Higher railroad rates are steadily forming more truck transportation of grain and oilseeds and we commend GTA's board of directors and management for the awareness of this development and the prompt steps to provide facilities.

RESOLUTION 13. PUBLICATIONS

We believe that the GTA publication program is invaluable in providing information to members of GTA.

We urge continuation of the GTA Digest and the Farmers Union Herald and commend their editors for their zeal and energy in keeping us informed. The GTA radio program which reaches the homes of all members is also a valuable aid in maintaining an awareness of economic and political developments important to our business as farmers.

RESOLUTION 14. NATIONAL FARM POLICY

The current flexible support price program has proved to be a failure. It has not measured up to the prospectus of its chief advocates, including Secretary of Agriculture Benson.

It has failed to advance the objective of Congress since 1938—the goal of full parity income for farmers. It has not advanced one iota, but has instead retarded the objective stated by President Eisenhower on January 9, 1956, of encouraging the preservation of the commercial family farm.

Secretary Benson has indicated that he will propose amendments to the flexible support price act to lower the minimum level of supports of basic commodities from 75 to 60 percent. He proposes to eliminate corn acreage allotments leaving the support level to his own discretion.

He desires to change further the flexible formula under which support levels are determined to prevent small, automatic advances in minimum support levels when carryovers are reduced.

These and nearly every proposal he has made will lower farm prices and farm income unless rejected by Congress. We believe that Congress should reject these proposals and enact instead legislation to strengthen farm prices and income as an essential step in maintaining a healthy national economy.

RESOLUTION 15. TV PROGRAMING

A resolution of the board of directors of the association relating to a proposed TV program was presented to the meeting, following which it was unanimously:

"*Resolved*, That the board of directors and management of the association are hereby authorized and directed to expend not to exceed $500,000 per annum for not more than 3 years for a TV program designed to enlarge the business of the association and increase the value of services rendered by it to its members and patrons, all in line with the recommendations of the board of directors of the association this day presented to this meeting."

It is intended by this resolution to give to management discretion in respect to the character of the TV program, the amount to be expended upon it within the annual limit above stated, and through this means increase the volume of business done by the association and the effectiveness of the services rendered by it to its members and patrons.

RESOLUTION 16. APPRECIATION AND THANKS

Once again St. Paul, its citizens and officials, have been most hospitable to GTA's annual convention. For this, we desire to express our sincere thanks and appreciation.

Mr. HUMPHREY. Mr. President, the success of this great convention, as well as the progress of this tremendous marketing organization, is a tribute to the vigorous and effective leadership of a great American who has dedicated his life to farm families of the Midwest. He is M. W. "Bill" Thatcher, general manager of the Farmers Union Grain Terminal Association. Few men in this generation have waged a more continuing or more effective fight in behalf of agriculture. His constructive influence has meant much to the economy of the Midwest. I could not call attention to the great GTA Convention without paying this deserved tribute to the moving spirit of that splendid organization.

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

Mr. HUMPHREY. I yield to the Senator from Montana.

Mr. MANSFIELD. I should like to join with the distinguished Senator from Minnesota in what he has had to say about "Bill" Thatcher, who has not only been a good friend of the farmers of the Midwest, but also a good friend, a wise adviser, and a great counselor to the farmers who live along the northern rim of the States as far west as Montana. We think a good deal of him in Montana. I am delighted to join with the Senator from Minnesota in extending my commendation to "Bill" Thatcher.

RESOLUTIONS OF MINNESOTA ASSOCIATION OF COOPERATIVES

Mr. HUMPHREY. Mr. President, Minnesota is proud of its cooperatives. Few States in the Union have a more effective cooperative movement than Minnesota.

The 12th annual meeting of the Minnesota Association of Cooperatives was held in St. Paul on October 28 and 29. A number of resolutions were adopted pertaining to issues which will come before the Congress.

For that reason, Mr. President, I ask unanimous consent to have printed in the RECORD some of the resolutions adopted by the Minnesota Association of Cooperatives that directly pertain to national legislation.

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

RESOLUTIONS, 12TH ANNUAL MEETING, MINNESOTA ASSOCIATION OF COOPERATIVES, HOTEL LOWRY, ST. PAUL, OCTOBER 28, 29, 1957

RESOLUTION 1

Whereas there continues to exist strong organized pressure groups that are making every effort to use taxation, especially the taxing of patronage refunds, as a weapon to weaken and destroy our cooperatives; and

Whereas the fact is that consumer and farmer cooperatives now pay their taxes on a basis of full equality with all other taxpayers: Be it therefore

Resolved, That the Minnesota Association of Cooperatives continue its work in the field of legislation to oppose laws which would tend to be discriminatory toward cooperatives, and to continue its work in the field of public relations and education to inform the general public of the facts regarding cooperative taxation.

RESOLUTION 6

Whereas cost of money has risen over 260 percent in the past 2 years and this increase is placing an added burden on public housing, school building, farmers, and small-business men by increasing the rate of interest; and

Whereas the tight-money policies that the national administration is sponsoring and recommending and applying in an effort to control inflation; and

Whereas figures show that the inflation has increased rather than been controlled under this policy: Be it therefore

Resolved, That the Minnesota Association of Cooperatives support legislation that would bring the facts about tight money to the public namely by supporting a bipartisan committee of Senators and Congressmen to make a thorough investigation of the Federal Reserve Board's tight-money policy.

RESOLUTION 7

Whereas after extensive hearings of all interested groups the Congress of the United States enacted into law the Farm Credit Act of 1956; and

Whereas said Farm Credit Act provided for a revolving fund for the benefit of the Federal Intermediate Credit Bank in an amount concluded necessary for the proper functioning of such banks in the interest of their farmer users: Now, therefore, be it

Resolved, That the Minnesota Association of Cooperatives does hereby go on record as opposed to any legislation changing or modifying the above revolving fund as presently provided for in the Farm Credit Act of 1956: Be it further

Resolved, That the Minnesota Association of Cooperatives does also go on record as opposed to any legislation not approved by the Farm Credit Administration with respect to increased and further control by the Bureau of the Budget over the budgets of the intermediate credit banks and the bank for cooperatives.

RESOLUTION 8

Whereas it is becoming increasingly difficult and cumbersome to administer REA loans: Be it

Resolved, That the Minnesota Association of Cooperatives favors reestablishment of the Rural Electrification Administration as an independent agency of the Federal Government as it was originally set up in the Rural Electrification Act of 1936.

RESOLUTION 9

Whereas we see a large amount of misleading and, in some cases, outright untruthful advertising sponsored on a national basis, by certain private electric power companies and directed against electric cooperatives, municipally owned electric utilities and the Federal public-power program: Be it

Resolved, That the Minnesota Association of Cooperatives favors Congressional investigation to ascertain if expenditures made for such advertising may be legally reported as operating expense for (1) the purpose of fixing electric consumer rates; and (2) as legitimate deductions for Federal income-tax purposes.

RESOLUTION 10

Whereas the Rural Electrification Act was enacted to make it possible for cooperatives, and others, to bring central station electric service to the rural areas of the Nation where, due to low population density, investor-owned utilities could not, or would not, make the required investments; and

Whereas a low rate of interest was, and still is, necessary to make such investments economically feasible; and

Whereas rural electrification cooperatives have, and will continue to make great contributions to the economic, as well as the social welfare of the Nation as a whole: Now, therefore, be it

Resolved, That the Minnesota Association of Cooperatives is opposed to any change in governmental policies whereby the rate of interest applicable to rural electrification and telephone loans would be increased.

RESOLUTION 12

Whereas development of atomic power in the field of power generation, especially of relatively small reactors adaptable to such electric and municipal power generation has been unduly and seriously delayed; and

Whereas such development is of prime importance to cooperatives and to cooperators and to municipalities in particular, and to the Nation in general; and

Whereas Rural Cooperative Power Association of Elk River, Minn., has been negotiating for more than 2 years to bring about the construction of a nuclear powerplant of 22,000 kilowatt capacity, and is ready and willing to cooperate in such development to the fullest possible extent: Now, therefore, be it

Resolved, That the Minnesota Association of Cooperatives reaffirm its support of the proposed nuclear power development at Elk River; and be it further

Resolved, That we urge the Atomic Energy Commission to expedite construction of the Elk River project so that the Nation may have the benefit of the scientific knowledge that will result from such research.

RESOLUTION 13

Whereas the economic position of the dairy farmer has steadily declined during the past 10 years; and

Whereas the present chaotic price condition at resale level is further aggravating this condition: Therefore, be it

Resolved, That the Minnesota Association of Cooperatives make a thorough study of

this serious problem and be on the alert for any legislation affecting dairy producers, lending its support to any measure which would benefit dairy farmers.

RESOLUTION 14

Whereas the 3 percent transportation tax is a special wartime tax, the proceeds of which are not used for road-construction purposes; and

Whereas it creates additional pyramiding costs to the farmer and consumer using transportation: Be it

Resolved, That the Minnesota Association of Cooperatives support the repeal of this tax.

RESOLUTION 26

Whereas the economic position of the farmer in Minnesota has steadily declined in the last few years and continues to do so in a rising general economy: Therefore, be it

Resolved, That the Minnesota Association of Cooperatives study this serious problem facing the farmer and support legislation which will strengthen the position of the farmer in our expanding economy.

BRUSSELS WORLD'S FAIR

Mr. HUMPHREY. Mr. President, earlier today I introduced a bill and commented at the time that I wished to make a short statement concerning it.

Three months from now the United States can expect to suffer another major psychological defeat at the hands of the Soviet Union. It will be another one of those defeats for which we have had ample advance warning, and where we have come up with a response both too little and too late.

At the moment, there is still something we can do to blunt the impact of this defeat provided we move quickly. Nevertheless, no matter what we do now, the overall constructive opportunity will fall far short of what this country is capable of doing, far short of what we should have done.

I am referring to the Brussels World's Fair, which is scheduled to open on April 17 and to last for 6 months, until October 19, 1958. This will be the first time in 19 years that mankind has looked at itself in a great universal exposition. Fifty nations, 7 international agencies, private and public organizations of 6 continents are joining together to create the first World's Fair of the atomic era. The exhibition will cover 500 acres in the Heysel Park, 4 miles from the center of Brussels.

This fair is explicitly not a trade fair. It is a world's fair with a special theme. As the Executive Director of the Office of the Commissioner General for the Brussels Fair, Mr. Thurston J. Davies, wrote to me on February 27, 1957:

> The Belgians have adopted as a theme for the exhibition the phrase "A world view—a new humanism." In all planning for the exhibition, the Belgians are trying to develop a picture of man and his development as an individual within a technological era; in brief, the exhibition is devoted to cultural and human values. Industrial participation within the exhibition will be limited to the displays of the products and industrial methods which tie in with this theme of man's cultural advancement.
>
> The United States program which is now under development must adhere to the theme established by the Belgians. There will be no industrial participation per se within the American national pavilion, except where industrial products serve to illustrate the story of America that we will tell.

Mr. Robert Warner, coordinator of the United States building exhibits for the Brussels Fair, elaborated this point in a letter to me dated July 15, 1957:

> We feel very strongly that we should try and develop a theme we finally worked out for the pavilion, the story of a restless, dynamic people who are far more interested in the creating and making of things than they are in the things themselves. Having spent a considerable part of the last few years working in foreign lands, I personally feel that the most important job we have to do in this pavilion is to show the rest of the world what we are like, what makes us tick. Most foreigners whom I have met, and I have met a great many, think of us as intensely materialistic, a people chained to gadgets and a people without culture. They are always surprised to learn that more of our people attend symphony concerts than attend baseball games, that we have more museums and libraries than any country in the world, and that these are used by a very large percentage of our people.
>
> We have set ourselves no easy task in trying to show what we are like. If we are successful, I believe this United States pavilion can make a tremendous contribution to a better understanding abroad of our land and people.

Consequently, and I believe correctly, Mr. President, the American exhibit is designed to be scrupulously selective to concentrate on the high points of the American way of life and cultural achievements instead of a vast array of economic and industrial resources.

From time to time, Mr. President, the American public has been given a rather optimistic glimpse of the Brussels Fair and our plans for it. Because of the significance of this kind of material, and as an example of this kind of foretaste of the total World's Fair program, I ask unanimous consent that the text of an article entitled "World's Fair: Brussels 1958," which appeared in Newsweek magazine on April 1, 1957, be printed at this point in my remarks.

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

WORLD'S FAIR: BRUSSELS, 1958

At some 30 different sites in Brussels, 2,000 workmen were making the dirt fly in a $400 million face-lifting operation. By day, pedestrians walked over artificial wooden sidewalks which workers removed at night. Throughout Belgium, roads were being built and rivers spanned to handle an estimated 50-percent increase in motor and rail traffic. After 9 years of preparation and planning, work was well advanced on the first World's Fair of the atomic era.

With more than 50 million visitors expected during the fair's 6-month duration, from April 17 to October 17, 1958, Belgium's 8.5 million citizens were busily preparing for their role as hosts to the world. Foreign-language schools reported record enrollment as thousands of volunteer interpreters sharpened their accents and vocabularies. Two hundred multi-lingual fair hostesses were being selected from more than 2,000 candidates; their rigorous training course would include manners and morals, art and history, and above all—hospitality. A nationwide courtesy campaign was being dramatized by pamphlets, radio broadcasts, cartoons, and posters calling for 8 million fair employees.

To handle the vast influx of World's Fair visitors, the Belgians have set up a special nonprofit organization called Logexpo. With the most advanced American electronic and telecommunications equipment at its disposal, Logexpo is ready to find room and board for an estimated daily average of 175,000 fairgoers, and for as many as 700,000 on peak days during July and August.

Logexpo already had reservations for 110,000 nights, and expected to book one-half of all existing and planned space by the end of 1957. Choice accommodations were being prepared only 2 miles from the fairgrounds, where the government was putting up the world's largest motel. This Pentagon for motorists will have 2,000 double rooms (4,000 twin beds), and will charge $5 per day including continental breakfast. Another 500-room motel was going up nearby, and space had been cleared for a trailer camp and a tent city for 17,000.

Copter shuttle: Universities and youth hostels will take in foreign students. Hotels along the North Sea coast will accommodate 36,000 visitors, and provide free transportation to the fairgrounds. Several shipping companies have plans for bringing tourists into the port of Antwerp, where they will get room and board afloat. Logexpo will take over 3,000 hotel rooms, contract for 8,000 more in private homes, and provide lodgings from $1 to $6 a day. Sabena (Belgian airlines) will shuttle visitors back and forth by helicopter from France, Germany, and Holland.

The Belgians were making sure that no one would be turned away or even unduly delayed in transit to the fairgrounds in Brussels' suburban Heysel Park. Special railroad coaches will carry up to 10,000 people an hour from special parking lots in Brussels. Gleaming new, 50-mile-an-hour trolley cars and buses will leave every few seconds from the capital's center, to whisk 75 percent of all visitors to Heysel Park in less than 20 minutes, at the rate of 60,000 an hour.

There was no doubt that the vast majority of visitors would find the trip worth while. Fifty-one of the world's nations, from San Marino to the United States and Soviet Russia were planning to show everything from isotopes to prima ballerinas, the whole thing lit up by an atomic-power plant. Seven international organizations, headed by the United Nations, would also take part in this vast balance sheet of man's achievements and hopes. At an overall cost of half a billion dollars, the Brussels World's Fair might well turn out to be what its planners proclaim—"The greatest world event of 1958."

ATOMS FOR PEACE

The World's Fair theme, the search for a new humanism for the atomic era, is symbolized by the exhibition's most spectacular piece of architecture, the $20 million, 360-foot steel-and-plexiglass structure known as the Atomium.

Designed by a Brussels engineer named André Waterkeyn, the Atomium is already sprouting up like some giant bloom from the center of the fairgrounds. Its nine spheres, each 59 feet across and connected by tubular passageways, represent the nine atoms of an elementary crystal of iron, magnified 160 billion times. In the daytime, their light aluminum casing is designed to give off a dazzling reflection of sky, sun, and clouds; at night, lights moving around the spheres will imitate the rotation of electrons, while powerful searchlights trained on the structure from below give it an ever-changing effect.

The New York World's Fair's trylon and perisphere contained no exhibits. In the Atomium, tourists may slake their thirst for knowledge on what many Belgians expect to be the fair's most important series of displays, on the peaceful uses of atomic energy.

Russia, West Germany, and France have each rented an entire two-floor sphere (for $44,000), and Belgium has reserved another for its own atomic show. As Newsweek went to press, the United States had not yet decided whether to take one of the spheres, or to house its exhibit in the Atomium's ground floor pavilion, which had been offered to the United States by the Belgium fair authorities.[1]

To get from sphere to sphere, each of which can accommodate 250 people at one time, you take an escalator through one of the tubes. One-way traffic is the rule throughout the structure: Visitors enter through the ground-floor pavilion, and exit by the three pylons on which the Atomium rests. Fair goers whose quest for atomic knowledge is exceeded by their yearning for food, drink, and rest can take Europe's fastest elevator from the ground to the topmost sphere, where haute cuisine is accented by a panoramic view of the fair and the city of Brussels lying beyond on a hill.

THE NATIONS

With budgets ranging from Lichtenstein's $15,000 to Russia's $50 million, every country was seeking to make architectural history, and to put its best foot forward in the competition for prestige and good will.

Fair architects were buzzing excitedly over the French pavilion, which promises to be the boldest and most advanced in design and technique. A glass house whose whole structure rests on a unique base in the form of a crystal, it is counterbalanced by a towering, canted arrow of steel. More than half its space is earmarked for cultural exhibits including modern French paintings, art books, and the work of French artisans and handicrafters.

With the fattest budget of all, Russia has designed a gigantic rectangular parthenon built around a statue of Lenin. The plans include a 1,500-seat theater and a restaurant. The Russians are building their pavilion in the U. S. S. R., to be transported in sections (1,500 tons of steel structure, 200 tons of aluminum, 16,000 square meters of mirrors) to Heysel Park, where several hundred Russian technicians are on hand to assemble it. (The Soviet Embassy in Brussels has already rented two dormitories to house the Russian workmen.) The frugal Russians plan to dismantle their pavilion and cart it back home afterwards to serve as a main hall in Moscow's permanent agricultural fair.

Manpower shortage: The Belgians have no objection to Russia's—or any country's—importation of manpower to build the exhibits. Belgium has full employment and has been obliged to import large numbers of Italian and North African workers for its own building projects at the fair. Other nations bringing in their own workmen include Czechoslovakia, Yugoslavia, and the Netherlands. Fair officials have created a special housing project for 1,500 foreign laborers, who will get room and board for $2 per day.

The United States pavilion, a crystal and gold palace 340 feet in diameter and 95 feet high, is the largest circular building in the world without any interior columns. Designed by Edward D. Stone, whose architectural credits include New York's Museum of Modern Art and the American Embassy in New Delhi, it is expected to cost an economical $5 million, and will include a 1,000-seat circular theater. A striking feature of the United States building is its "bicycle wheel" suspension roof, made of plastic and attached to an inner metallic rim with high-tension steel cables. The United States pavilion is being built by Belgian firms.

Walking around the United States pavilion (whose main entrance faces Russia's), visitors may see the towering spire of the Vatican building for which Catholics in 47 countries have been asked to contribute. This is the first time the Holy See is taking part in an international exhibition.

Little is known at this stage about what tourists may find in the national pavilions. World's Fair secretary-general Everarts de Velp, one of the fair's earliest boosters and chief planners, has urged all nations to show not what they make, but what they are, and this has led to certain complications. Russian officials were upset when told they could not display airplanes, tractors, and machinery around their pavilion, because all open space was to be devoted to gardens. "They just couldn't understand how statues could be preferred to tractors," a Belgian observer commented. The Russians, however, will devote one large hall in their pavilion to heavy industry, another to machinery and precision instruments.

World portrait: Most foreign participants have agreed, though, to gear their national exhibitions to the general theme of "A world view—A new humanism" and to present only those products that help to portray the life, work, and culture of the nation. West Germany (whose 6½-acre fair site is one of the 6 largest) plans 8 different pavilions linked by glass tunnels, to show a vast panorama of German life.

The theme of the Dutch exhibit is "water, friend, and foe." Their displays will show the Netherlands' centuries-old struggle against the sea. Great Britain's Crystalline Hall is designed to reflect British tradition and pageantry, and the exportable merits of British Jaguars, football, and, above all, nuclear know-how. The Austrians have decided to point up their position as a "bridge" between two worlds. From Japan's wood, paper, and bamboo pavilion, blending modern and ancient design, visitors can look out on an oriental garden. Israel plans to present a balance sheet of its birth as a nation and conquest of the desert. Morocco will provide a touch of exoticism with its Thousand and One Nights palace.

National rivalries: Fair officials have had to double as diplomats in several instances, as for example when six Arab States appointed a joint Egyptian commissioner general with a joint budget and demanded a joint display. A compromise was reached under which separate national exhibits by Egypt, Syria, Lebanon, Iraq, Saudi Arabia, and Yemen were permitted to band together under one Arab roof. But precautions were taken to locate this particular pavilion in a "safe" position in a corner of the foreign section. Similarly, Israel's pavilion was discreetly tucked away near the Red Cross and Salvation Army.

Although the Belgians are trying to soft-pedal national rivalries, the fact is that the international competition is building up fast and furiously. The leading contestants for World's Fair honors are, of course, the United States and Russia. "We have no intention of engaging in unseemly contests while a guest in another country," said Howard S. Cullman, United States Commissioner General, in a recent statement. But he went on to note that since the Communist nations were certainly going to use the fair as a platform for propaganda and persuasion, "the free countries [must] utilize every facility at their disposal to emphasize the importance of the freedom they possess."

How America can match Russia at the fair while spending less thn one-third of the Soviet outlay is a question that Cullman hopes to solve by mobilizing the "40 best minds" in the United States. Russia has asked to participate in every single activity at the fair. When the Belgian commissioner general, Baron Moens de Fernig, went to Russia last June to discuss plans, he was astonished by the warmth and enthusiasm of his reception. "There seemed," he said, "to be no more Iron Curtain." The Russians also assured him that there would be "significant numbers" of Russian tourists at the fair, in addition to the small army of technicians and engineers.

Bolshoi and Kabuki: The clash of ideologies may be observed primarily on the battlefield of culture. "National days" have been set aside to honor each nation, and on these occasions the heaviest artillery of international culture will be wheeled into position. Russia plans to bring in its famous Bolshoi Ballet, and assorted Soviet artists who have proved themselves on world tour. Present United States plans call for the Philadelphia Orchestra to perform for 3 days, beginning July 3; and the theater in the United States pavilion, equipped with all lighting and staging apparatus, is a sure bet for New York's City Center Ballet and perhaps one or more of Broadway's hit musicals. Other big cultural guns include France's Comédie Française and the Paris Opéra: Austria's Vienna Philharmonic as well as the celebrated Spanish Riding School of Vienna; Italy's La Scala Opera; West Germany's Berlin Philharmonic (and "Mozart by Candlelight" evening concerts in the open space around its pavilion). On Japan's national day, visitors will be treated to fireworks, Kabuki theater, and a performance by a 50-actor Tokyo troupe.

Nations are not officially rated on the successes they score on national days. But keen competition should attend at the film, theater, and music festivals for which prizes and awards have been selected. The nations of the world will also compete with military bands, barbershop quartets, and choir singing.

Most of the participating countries wanted more space than they received, but are now revising their plans for budgetary reasons.[2] Some are having trouble persuading private enterprise to contribute, as they have to tell businessmen that their wares will be shown in a national context, and not for sales. The United States, Canada, and all the Soviet-bloc countries are not inviting private enterprise participation, but some United States firms (notably Singer, IBM, and Kodak) have asked for and received space in an international building of the Belgian section.

THE HOST

Amid all the hubbub, the imperturbable Belgians maintained a diplomatic calm. For them it was a relatively old story: Of the 29 World's Fairs held since the first—London's Crystal Palace Exposition of 1851—nine have taken place in Belgium. (France has put on 6; the United States, 5.)

In addition to their role as host to the world, the Belgians were planning a 112-acre display of industry, science, arts, and folkways—some 250 activities in all—seen from a solely Belgian aspect.

The Belgians are very firm on one point: Brussels 1958 is in no sense a trade fair. Thus Belgium's associated exhibitors will present their products in the context of the general industrial grouping into which they fall. The metallurgy and steel products exhibit, for example, takes in everything from raw materials to the finished manufactured articles, so as to tell the story of this industry. Several halls that started as Belgian national exhibits have, under this system, turned into international displays: Belgian transport, for example, is featuring General Motors automobiles, since most of the General Motors models sold in Belgium are assembled locally.

A whole separate section of the fair is devoted to the Belgian Congo, with seven different halls showing that colony's progress

[1] Through a misunderstanding, Britain did not apply for a sphere in the Atomium, plans to present its atoms-for-peace exhibit in its national pavilion.

[2] India, Bulgaria, and Rumania have dropped out altogether for financial reasons.

in trade and agriculture, its culture and folklore, and its natural flora and fauna. Visitors to the Congo section will walk in a tropical garden, whose floor is artificially heated so that African trees and flowers may grow. In the African fauna pavilion, a series of displays will show the animals of the Congo in accurate replicas of their natural settings. Museum-weary tourists in the Belgian section can visit a miniature zoo, in which cageless birds are kept from flying off by a patented system employing powerful lights. They can also stroll through an elaborate reconstruction of Brussels as it appeared in 1900.

Among the major fair activities being arranged by Belgium for international participation, the Science and Fine Arts sections will command special attention from the visitor.

Science firsts: The International Science Hall, covering 2½ acres in the Belgian section, will gather the latest scientific techniques and theories developed throughout the world. These have been divided into four classes, corresponding to the fundamental bases of modern science: The atom (atomic physics); the molecule (chemistry); the crystal (solid state physics); and the living cell (biology). Nations will not be identified with their contributions to these exhibits.

One embarrassing moment occurred during a meeting of scientists when nations taking part in the International Science exhibit were asked to contribute displays in the fields they had pioneered. As each scientific discovery was mentioned, from penicillin to cyclotrons, Soviet delegates staked their claim to Russian "firsts."

Entering the Science Hall visitors will go first to a 600-seat auditorium, for the showing of a half-hour scientific film in alternate English, Spanish, French, or Dutch versions. After this, they can return to the main hall to watch experiments and demonstrations of the information presented in the film.

The two large art exhibitions being organized in conjunction with the Brussels fair are not to be held within the fairgrounds, but in the Albertine Library, a new building now under construction in the heart of Brussels. The first exhibition (April 18 to July 21) will show contemporary painting and sculpture, covering the first half of the 20th century; for the second (August 8 to November 2) entitled "Man and Art," world masterpieces from the Stone Age to the present day are being selected by an international committee from museums and collections throughout the world.

During the fair, visitors to the art shows may carry portable radios in order to hear a running commentary on the exhibitions in their own language. A highlight of the Man and Art show: The largest collection of Flemish paintings ever assembled under one roof.

Belgian budget: To help finance Belgium's $280 million stake in these and many other World's Fair projects, the government has issued bonds for a $22.5 million state loan (which was entirely subscribed in a single morning). It has also given the exhibition backers priority call on the proceeds of the "Colonial Lottery"—an officially financed charity project for the Belgian Congo. The government itself is putting in about $200 million, and will probably have to increase this sum later. This financing is independent of the $600 million the government is already spending on roadbuilding and civic improvement.

Out of its investment, the Belgian Government expects to recoup 25 percent in taxes, in addition to 16 cents out of every dollar spent by foreign tourists in Belgium. Since visitors would spend an estimated $200 million during the fair's 6 months, while foreign nations would spend about $750 million to present exhibits worth another $750 million, the Belgians were optimistic. "Even if we broke even," said one official, "it would be worth it. But in both short- and long-range benefits, we stand to gain."

AMUSEMENTS

Belgium's high-minded fair planners concede that the average visitor may not want to spend all his time contemplating nuclear wonders. And to please every taste (within reason), there will be generous quota of entertainment and creature comforts generally associated with big-time fairs.

Attractions planned for the World's Fair amusement park range all the way from a space ship (giving the "sensation of rocket flight") to a spelunkers' paradise with the latest in cave-crawling and underground exploration facilities. Also featured: A children's park, complete with babysitters and play equipment for 600 moppets aged 3 to 12.

American showman Billy Rose made a special trip to Brussels to propose that the fair's amusements include an aquacade. (Rose's aquacade was one of the leading moneymakers at the 1939 New York World's Fair.) But Baron Moens de Fernig, the Belgian commissioner general, considers an aquacade a "most unlikely" prospect. Brussels 1958 will have its own unique water display: A 550-yard "water staircase" down the main avenue of the fair, fitted with lights and mirrors to create the impression that water flows in whatever direction the visitor walks.

Admission to the fair has been fixed at $0.60 (30 Belgian francs). Entering by the main gate, the visitor will probably head first for the reception hall. There he will find language drawing rooms, with English-, German-, French-, and Spanish-speaking experts to guide and counsel him. From there, he may decide to take one of the specially designed, rubber-wheeled trains for a preliminary 2½-mile tour of the fairgrounds.

The fair's total area has been limited to 450 acres, to keep it on a human scale. According to Moens de Fernig, this was the suggestion of Grover Whalen, New York World's Fair president, who found from experience that the 1939 Flushing Meadow exposition's 1,000 acres were more than the human frame could comfortably bear.

To reduce fair fatigue, exhibits and pavilions will be interspersed with gardens, refreshment centers, and places to sit down. The Belgians have put aside 2 million plants in 45 greenhouses, for eventual transplanting in Heysel Park.

"No vulgarity will be tolerated," says fair official Gen. Etienne Baele, "and pubs will not exceed 50 percent of the total number of (refreshment) stands." Belgium's Parliament still is studying various bills that would modify the 1919 Vandervelde law prohibiting the sale of liquor in public bars. Gourmets will have many opportunities to appease their yen for new taste sensations, from Moroccan couscous to Soviet caviar snacks. At least a score of countries have announced plans to operate national restaurants, including the United States which will feature typical American food such as hamburgers, waffles, chicken-in-basket, and milkshakes.

But the refreshments and the merrymaking will be only frosting on the cake. "What Brussels 1958 can best do is to open a window on the world," said World's Fair Sec. Gen. Everarts de Velp. Using man as the measure, this is precisely what the 1958 Brussels Universal and International Exhibition hopes to do.

Mr. HUMPHREY. But all is not well, Mr. President, in the American plans for the Brussels Fair. For some time, those of us who have been closely watching the situation have been seriously disturbed, by the initial delays in programing, by the size of the appropriation figures requested by the State Department, and by the unfortunate failure of the Congress to appropriate even the small amount requested.

Some of us have voiced our concern from time to time in private correspondence, in consultations with the State Department, in committee hearings, and on the Senate floor. As the coauthor with Representative FRANK THOMPSON, of New Jersey, of Public Law 860, 84th Congress, the so-called International Cultural Exchange and Trade Fair Participation Act of 1956, I have had a special interest in developments of the Brussels Fair since their inception.

Mr. President, the initial delay itself was serious. The Belgians extended invitations to the United States and to almost 50 other nations in mid-1954. It was not until 2 years later, 1956, that the State Department bestirred itself and got around to requesting appropriations. Even at that time, Mr. President, we had had concrete evidence that the Soviet Union was moving ahead full steam in areas of cultural competition. Soviet exhibits in trade fairs had already put us on notice that we could expect a major effort from behind the Iron Curtain in connection with the Brussels World's Fair.

But the State Department, Mr. President, has never talked in terms of more than a minimal effort. Congress has never been asked to appropriate more than $15 million as our total financial effort for the Brussels Fair. I am proud to say that the Senate of the United States on four separate occasions has given the State Department all that it has asked in connection with this exposition.

The figures contained in the supplemental appropriation bill, 1958, Senate Report No. 980, 85th Congress, 1st session, to accompany H. R. 9131, would have brought the total appropriation within striking distance of the $15 million range. The explanation and breakdown of the additional amounts recommended by the Senate Appropriations Committee in the report, page 21, indicate clearly that the members of the Senate Appropriations Committee understand the magnitude of this challenge.

That the leadership of the Senate was equally concerned, and on a bipartisan basis, about the Brussels Fair appropriation was obvious from earlier comments on this subject made on the Senate floor on May 29, 1957, in the debate on the conference report on State, Justice, Judiciary, and related agencies. At that time the distinguished majority leader, the Senator from Texas [Mr. JOHNSON] said:

> The Senate retreated from its position by * * * $1,990,000 on the Brussels Fair. I regret the retreat from the Senate position on the Brussels Fair. * * * I think the exhibition should be first class, or not be presented at all. (CONGRESSIONAL RECORD, vol. 103, pt. 6, pp. 7950–7951.)

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Massachusetts [Mr. SALTONSTALL] agreed wholeheartedly with the majority

leader on this issue in the ensuing debate.

It is noteworthy, too, Mr. President, that the original $15 million range of United States expenditure was also tacitly accepted by the House Foreign Affairs Committee. When my bill, S. 3116 of the 84th Congress, was amended by the House Foreign Affairs Committee to authorize the United States participation in the Brussels Fair, House of Representatives Report No. 2509 said:

> The committee adopted an amendment authorizing the United States to participate in the Brussels Universal and International Exhibition which is to be held in Brussels in 1958. * * * It is estimated that the cost will be of the magnitude of $15 million.

Unfortunately, Mr. President, the total appropriations to date amount to only $12,345,000. Of this amount, $545,000 goes for Belgian taxes and insurance costs, fully understood by the Appropriations Committee. This leaves an operational budget at the moment of $11,800,000.

As a general rule of thumb, the cost allotted to the construction of a pavilion for such an international exhibit has been figured by our authorities to come to one-third of the cost of the project. On the basis of a $15 million anticipated program, the pavilion contract was let at a figure in the range of $5 million. With the reduced total appropriation, however, our pavilion and the adjacent auditorium and theater in Brussels are now going to cost approximately one-half of the currently available funds. The deficiency at the moment falls squarely on the performing arts where, instead of the first-rate presentation we should all like to see, we have a situation which, in the language of State Department understatement, "leaves much to be desired."

Indeed, in answer to an inquiry of mine last month relating to our current budgetary situation, the official at the State Department in charge of the Washington office of the Commissioner General for the Brussels World's Fair said the situation "could be calamitous."

Mr. President, I ask unanimous consent that the text of the letter to me, dated December 6, 1957, be printed at this point in my remarks.

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

> DEPARTMENT OF STATE,
> OFFICE OF THE
> COMMISSIONER GENERAL,
> BRUSSELS UNIVERSAL AND
> INTERNATIONAL EXHIBITION, 1958,
> *Washington, December 16, 1957.*
>
> The Honorable HUBERT H. HUMPHREY,
> *United States Senate.*
>
> DEAR SENATOR HUMPHREY: Your letter of December 6 to Congressional Liaison, Department of State, relating to the budget for United States participation at the Brussels World's Fair next year, has been referred to this Office for reply.
>
> United States participation in the Brussels World's Fair was based on an estimated cost of $15 million from the time of the acceptance by the United States of the invitation from the Belgian Government to participate in the fair. Up to now Congress has appropriated a total of $12,345,000 for United States participation, including an item of $545,000 for mandatory Belgian taxes and insurance costs. This leaves an actual operating budget of $11,800,000.
>
> Approximately half of the currently available funds will go into the cost of construction of the United States pavilion and its adjacent auditorium-theater.
>
> The drastically reduced budget, in the opinion of the United States Commissioner General for the Brussels Fair, could be calamitous, particularly in view of the reported expenditures of the U. S. S. R. whose site on the fairgrounds will adjoin that of the United States. The reduced budget has forced a curtailment in the projected United States program which, instead of being a first-rate presentation by this country, will leave much to be desired.
>
> We can assure you, Senator, that within our limited budget we are making every endeavor to do the best job possible.
>
> The Senate has consistently supported a first-rate participation by the United States and has always approved, without a single dissenting vote, the funds considered adequate for a first-rate show, but somehow or other the project has always suffered in conference committees.
>
> It is the intention of the United States Commissioner General at the present time to seek a supplemental appropriation from the next session of Congress. We would welcome the opportunity to discuss this matter with you in detail if you so desire.
>
> With high regard,
> Sincerely yours,
>
> GERSON H. LUSH,
> *Director, Washington Office.*

Mr. HUMPHREY. Mr. President, the sorry details of the present situation are at least as calamitous as the State Department letter points out, and as State Department officials have confirmed when personally contacted by my staff. Many of the alarming details have already been published.

One such article entitled "Sputnik Debacle Looms in Cultural Field" appeared in Labor's Daily on Wednesday, December 18, 1957.

Mr. President, this article began:

> America's tottering world prestige is in for another jolting blow in 1958 unless Congress provides badly needed funds for international cultural activities. Site of the predicted debacle is Brussels, where a giant World's Fair, involving 57 nations, will open next April 17.
>
> The United States will be represented by a $6 million pavilion. But next door to it will be a giant Soviet pavilion whose attractions may make American culture look sick. The impact of this on the East-West cultural competition may equal that of sputnik in the scientific race.

The same article concluded:

> According to competent observers, it has become late in the game for America to win the cultural cold war. However, the war is not yet lost. No, wait till Brussels.

Mr. President, from various sources it appears to me that the American challenge at the Brussels Fair now looks something like this:

The Soviet Union, according to conservative estimates, will spend at least $60 million to impress the 35 million spectators due to visit Brussels. From what we know about Soviet plans, there will be scarcely a creditable Soviet theater group, ballet artist, musician, singer, dancer or acrobat left in the Soviet Union if his services can be used in Brussels.

A brief look at some of the presentations which we know will be available in the Soviet pavilion shows clearly enough that the Soviet program is being designed to appeal to everyone, from sophisticated critics to wide-eyed children.

The Bolshoi Ballet will be there. The Moscow circus will be there. So will the Moisseyev Ensemble, the Moscow Art Theater, the Svetchnikov Chorale, world famous artists like violinist David Oistrakh, and singers and dancers from all the Soviet Republics.

Soviet representatives apparently intend to issue a newspaper called Sputnik three times a week. It is rumored that the Kremlin has already contracted for $1 million worth of printing in Belgium in connection with the fair.

In addition, the Eastern European countries will be represented by Czechoslovakia and Hungary. It may be said on good authority that Czechoslovakia itself may spend as much as $25 million for its attractions.

Now, let us look at the counterattractions which the United States intends to offer. We have an excellent pavilion impressively designed and nearing completion. But I have already mentioned that the reduction in our overall appropriation figures means that the pavilion will cost proportionately more than had been expected. The brunt of the cuts will have to be borne by the cultural programs themselves.

At the moment, funds are available for 15 weeks of performances of one kind or another in the American auditorium. There is a possibility that that auditorium will remain closed and dark for the 11 remaining weeks of the fair.

There is now a likelihood that such talent as our violinists Isaac Stern and Yehudi Menuhin; such singers as William Warfield and Harry Belafonte, and the Philadelphia Orchestra will put in appearances in Brussels. But budget cuts have probably ruled out the appearance of top jazz talent and other features. Even some of those attractions just mentioned are coming on a shoestring basis—an orchestra already in Europe will come to Brussels for a few days, or an American artist has decided to contribute his fee to help bail out our Government from its financial predicament.

Originally planners on the United States Committee for the Brussels Fair hoped to have funds for 250 bilingual American youths to be hired as usher-guides, thus promoting people-to-people contact. It was intended to have these youngsters on duty 13 hours a day, 7 days a week. Present funds permit only 140 usher-guides, including 40 Belgians. The 13-hour day has been reduced in present plans to an 8-hour day.

The 100 American youths are to be sponsored by the respective American States and will receive some financial assistance from the States. They will agree to work for the small sum of $150 per month. Even so, the present budget pinch only allows a program of the magnitude I have just described.

A scientific exhibit which we originally intended to have at Brussels was to have cost $840,000. The budget cuts have forced a reduction to $500,000. We originally intended to have scientific exhibits not only inside the American

pavilion but in the International Science Hall, a separate building. Inadequate funds have forced us to decline allocated space for these exhibits, and the Soviet Union has promptly picked up the exhibition space which we have rejected.

The United States Commissioner General for the Brussels Fair, Mr. Howard S. Cullman, recently stated:

> Our performing arts and exhibit plans in all fields, particularly science, have been seriously hampered. We have done our best to remedy the situation on all points through soliciting and securing the cooperation of industry, but we are still a long way from having the funds we need for the kind of exhibit that ought to represent the United States at this extremely crucial time in world history.

Mr. President, this is an incredible state of affairs, all the more incredible because it is so unnecessary. I have said earlier that I think we should be operating at a magnitude of expenditure far in excess of the $15 million range which the State Department originally proposed. But the least we can do at this point is to provide the minimum supplementary appropriation needed if the $15 million program is to be carried out.

After exploring every fiscal nook and cranny for a source of new funds, and considering certain private and business assistance, a figure of $2,054,000 has been cleared as a supplementary budgetary request by the Bureau of the Budget. This basic minimum amount can be broken down into the following categories:

For additional science exhibits	$160,000
For community theater and college drama	375,000
For United States bilingual usher guides	669,000
For color TV and science exhibits inside pavilion	250,000
For pavilion map and souvenir guidebooks	600,000
Total supplemental appropriation	2,054,000

It is my understanding, Mr. President, that the Department of State is prepared to justify each of these items in depth before the House and Senate Appropriations Committees. It is imperative we lose no more time.

Mr. President, earlier today I submitted a bill relating to this subject. I ask that the bill be printed along with my remarks at this point in the RECORD, in the hope that the presentation of this information to the Senate will arouse enough interest in this body to give the United States of America at least a 50–50 chance at the Brussels Fair.

The bill, if enacted, will enable us to participate in the Brussels Fair at least as effectively as last minute planning permits. Compared to the staggering sums for defense expenditures which this session of Congress is considering, the amount called for is but a pittance. Small though the appropriation requested really is, it is nevertheless critical in a symbolic and practical sense. I urge the Congress to act with speed to save us from further embarrassment at Brussels.

I think it is nothing short of an outrage and disgrace that the richest nation on the face of the earth shows up at a world fair as if it were a beggar—as if we were paupers—while the Soviet Union proceeds to win another great psychological victory.

The PRESIDING OFFICER. Without objection, the bill referred to will be printed in the RECORD at this point.

S. 2923

A bill making an appropriation for United States participation in the Universal and International Exhibition of Brussels, 1958

Be it enacted, etc., That there is hereby appropriated to the Secretary of State, out of any money in the Treasury not otherwise appropriated, the amount of $2,054,000 to be used for United States participation in the Universal and International Exhibition of Brussels, 1958, as authorized in paragraph (3) of section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956. The amount appropriated by this act shall be in addition to any other amounts appropriated for such participation and shall remain available until expended.

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

Mr. HUMPHREY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to add my voice to that of the distinguished Senator from Minnesota in making comment with regard to the psychological and cultural defeat we are apt to suffer at the Brussels Fair if prompt measures are not taken by the State Department to substantially increase the present niggardly appropriations. I understand the difficulties involved in getting the Philadelphia Orchestra, with Isaac Stern, over there. All sorts of sacrifices have been made by that distinguished orchestra in order to make it possible for them to appear.

I happen to know that the funds made available for theatrical production are entirely inadequate. As the distintinguished Senator from Minnesota stated, the United States pavilion may remain dark. We may suffer a serious cultural and intellectual setback if the State Department does not move very promptly, indeed, and if this body does not accept immediately the recommendation just made by the distinguished Senator from Minnesota.

I see in the Chamber the distinguished Senator from Montana [Mr. MANSFIELD], a prominent member of the Committee on Foreign Relations. I should think that this is a matter important enough to be brought to the attention of that committee.

I know the Senator from Minnesota [Mr. HUMPHREY] is also a member of that splendid committee.

I feel strongly, indeed, that the whole tone of the President's message today requires that we give the Brussels Fair our strongest and heartiest approbation. In fact, personally, I found it to be a splendid speech. We are back in the same old category of simply words and no deeds. I hope we will see prompt action, before we suffer another humiliating defeat.

Mr. HUMPHREY. Mr. President, in the material I have presented to the Senate, some of which I asked to have printed in the RECORD and did not read, there is evidence that the Soviet Union has asked for and received space we have given up.

In fact, we have given up scientific exhibition space, on the ground that we cannot afford to use it.

It is about time for the Congress of the United States to do its job, and appropriate the money which is necessary. It is time for the State Department to take affirmative, vigorous action. We must be willing to stand up, be counted, ask for and provide the funds which are necessary.

I thoroughly agree with the Senator from Pennsylvania. I thought the President's speech was filled with the expression of lofty ideals. However, again I must say, in all respect, that such ideals become nothing more than rhetoric unless they are backed here by performance and deeds. If the United States of America cannot afford $15 million to participate in one of the world's greatest expositions, and the Soviet Union can spend $60 million, we had better throw in the sponge now and save what little we have.

We are unwilling to face up to the fact that the Soviet Union is playing for keeps. The most important line in the President's speech was to the effect that the Soviet Union has declared war on us. I have said so from one end of the country to the other. We did not have to wait for the President to say it. Khrushchev said it on the Face the Nation program last summer.

The trouble is that not enough Americans are willing to recognize that the Soviet Union has declared war on us. It is a different kind of war than we are familiar with, but a war that can be devastating, and, in fact, catastrophic.

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

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I wish to join with the Senator from Minnesota and the Senator from Pennsylvania in what they had to say about the Brussells Fair. I understand that the Philadelphia Orchestra, the great violinist, Isaac Stern, and other outstanding American musical organizations and individuals, have been invited to participate. The a capella choir of Flathead County, Mont., has also been invited, but there are no funds which would enable them to travel that far.

I think it would be a good thing to ask a group of high-school boys and girls from the Far West, from the Rocky Mountain area, to participate. I think they would do this country proud in competition with the Bolshoi Ballet, the folk dancers, violinists, singers, and all the other accouterments which the Soviet Union will have at the Brussels Fair.

So far as the Soviet Union is concerned, this project is "big time" with them. The Soviet Union will make hay. I think we should wake up to our responsibilities, and that in addition to sending groups and individuals from the eastern seaboard, we should send the a capella choir from Flathead County, Mont. They would be more than a counterpoise to the high-toned organizations which the Soviet Union is determined to send.

Mr. HUMPHREY. I thank the Senator from Montana. I thoroughly agree with him.

Sometime later this month I intend to comment upon the great contribution recently made by Marion Anderson, the celebrated artist, in a special telecast over the Columbia Broadcasting System. It illustrates the impact of a cultural program such as we are discussing.

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

Mr. HUMPHREY. I am happy to yield.

Mr. HOLLAND. Mr. President, I concur very heartily in the opinion of the distinguished Senator from Minnesota, which has been so ably seconded by other Senators, to the effect that the exhibit of the United States of America at the great Brussels Fair should not be handicapped or curtailed by inadequate funds, as is now the case.

I am rarely heard to speak in defense of the State Department. It may be that the State Department has never asked for as much as it should have asked in this matter. On that question I am not competent to express an opinion. However, I feel that the RECORD should clearly show that the Congress itself has been derelict in responding to the requests made to it very urgently by the State Department for an appropriation for our exhibit at the Brussels Fair. The Senator from Florida was one of those who thought the entire amount requested should have been granted.

Mr. HUMPHREY. I know that.

Mr. HOLLAND. I was very active in that behalf. The Senator will recall that there were differences of opinion, both in the Appropriations Committee and on the floor, and that when we reached the stage of conference, we suffered a still further loss.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. I do not think this is the time to try to fix responsibility for what has happened in the past. I am grateful to the Senator from Minnesota for raising the question. I hope the Congress will speedily repair, insofar as it can, its dereliction, by rapidly passing the appropriation now requested as a supplemental item, to make it possible for our Nation to participate in the Brussels Fair in an adequate and creditable manner. I believe that by so doing we shall well serve the interests of the United States and of the free people of the world.

I thank the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Florida. Let us follow the example which he set in the committee. If we do so, I believe there will be no problem. Congress must fulfill its responsibility.

Mr. JAVITS. Mr. President, I join my colleagues in what they have had to say with respect to the Brussels Fair, although that is not the purpose for which I sought the floor.

Mr. Cullman, to whom the Senator from Pennsylvania [Mr. CLARK] has referred, is a very distinguished New Yorker. In the words of the distinguished Senator from Pennsylvania, he has been up on Capitol Hill fighting the battle tooth and nail, and will continue to do so.

I do not believe that the State Department deserves major criticism. It has sent to us its requests for money. But, as the Senator from Florida has truly said, with typical fairness, the dereliction has been here. However, bygones will not help us at all. The thing to do now is to react as we should.

I very much hope that the determination being shown here today will persist, and that all of us who have friends in the other body will talk with them, which will help materially in righting this very serious disadvantage to the United States.

I join with the Senator from Florida in praise of our friend from Minnesota for raising this question at the opening gun. It certainly deserves to be raised. This is one of the first remedies which we need to apply, in the new spirit described today by the President of the United States, namely, a determination to do rather than to make lofty protestations.

THE PLIGHT OF AMERICAN AGRICULTURE

Mr. HUMPHREY. Mr. President, many bills dealing with agriculture will be introduced during this session of Congress.

I wish to make a very brief statement relating to my impression of them. Some of us are determined to make sure that farm people are not neglected.

In this period of mounting crisis in agriculture, I take encouragement from a recently organized movement on the part of farmers themselves through which proposals of and by farmers can be brought to the attention of the United States Congress.

This organization, known as the National Conference of Commodity Organizations, is made up exclusively of organizations representing the viewpoint of agricultural producers.

The movement grew out of an awareness on the part of many agricultural leaders both in and out of Congress that our agricultural policies could become meaningless for the lack of unity within the ranks of agriculture. A strong stimulus was given to the origination of the idea more than 1 year ago, when our esteemed and distinguished chairman of the Committee on Agriculture and Forestry called on the national farm groups to unite in the interest of a prosperous American agriculture. It is regrettable but the record shows that apparently irreconcilable differences between so-called general farm organizations made unity highly improbable.

The situation was further aggravated by the classic argument on the best way to develop agricultural legislation. Farm organizations are split in their opinion as to whether the overall general umbrella-type farm legislation is more effective and appropriate or whether the commodity-by-commodity approach is wiser.

Member organizations in the National Conference of Commodity Organizations support the commodity-by-commodity approach. But recognize that no one commodity group can "go it alone." As a result, they are working together, for each other as well as for themselves, and are willing to support a general farm bill as long as it is tailored to needs and desires of individual commodities. The conference is fortunate in having as members those people nationally recognized as being the best informed and having complete knowledge of the production, processing, and marketing of their respective commodities.

I think it is extremely fortunate that the Congress of the United States will have available to it during this session of the Congress the counsel and the proposals from the organizations making up the National Conference of Commodity Organizations.

Since the first meeting of the conference, in May 1957, through the subsequent three meetings of the groups, several things stand out that impress me very much. In the first place, the deliberations by the conference begin from the grassroots. Second, the interest shown by each commodity representative in the conference in the problems facing producers of the various commodities. Third, the newspaper accounts of the conference meetings, which show a genuine and sincere interest on the parts of the participants to arrive at sound proposals to improve our agricultural economy and maintain adequate supplies of food and fiber to meet the needs of the household and industrial consumers.

The approach to be followed by the National Conference of Commodity Organizations in bringing various proposals before the Congress was discussed and agreed to during the meeting of the conference in December in Kansas City, Mo. The conference has already asked for informal meetings with the House and Senate Agriculture Committees to explore solutions to the farm problems with them and seek their counsel. Proposals for various commodities, including corn, milk, poultry, livestock, peanuts, and others, have been completed or will be completed within a very short time.

Here we have tangible evidence of a house united—one that has firm underpinnings in the soil of America. There is every possibility and probability of sound, constructive legislation coming out of the work of the National Conference of Commodity Organizations. I propose to work closely with the representatives of this organization in the development of needed legislation.

I firmly believe that an informal meeting early in this session of the Congress between the Senate Committee on Agriculture and Forestry and representatives of the conference could be most helpful to all of us. I understand that such a meeting has been scheduled for next Tuesday with the House Committee on Agriculture.

I understand that the conference will have available within a short time specific proposals covering corn, feed grains, cotton, and several other commodities. These proposals will be based on the deliberations of the conference over the past 7 months and will represent the thinking of people with a vast background of knowledge on these individual commodities. The confidence growing

out of this knowledge plus the announced intention of the conference membership to seek counsel from appropriate committees of Congress, encourage me in my belief that we will have an opportunity this year to join the various forces in agriculture and come up with a degree of unity from which much can be accomplished. This approach can do much more. It can provide a real service to Congressional committees by bringing before these committees producer-supported solutions to our agricultural problems. I look forward to the opportunity of reviewing these proposals on such commodities as corn, feed grains, and dairy, and will welcome this opportunity to see how these proposals can be geared to our food and fiber program.

THE GREAT POTENTIAL FOR MANKIND

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of the address delivered by General Sarnoff, chairman of the board of directors, Radio Corporation of America, delivered at the Time-Life, Stanford International Conference, held at San Francisco last October.

At the conference, leaders in commerce, industry, and finance from the principal nations of the free world—more or less following the pattern of our own Rockefeller report—discussed solutions to the Communist economic challenge and the challenges imposed by its dramatic technological progress, which was brought to our attention again when the President spoke this morning. It is a challenge which, I may say with pardonable pride, I have consistently called to the attention of Congress ever since my earliest days in the House of Representatives, back in 1947 and 1948. General Sarnoff sums up the goal we seek as a desire to increase the material well-being of all mankind in an atmosphere of expanding freedom.

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

THE GREAT POTENTIAL FOR MANKIND

Distinguished speakers, ladies, and gentlemen, the theme of our session this afternoon—The Great Potential for Mankind—is so pertinent to the major dilemmas of this crucial and historic period that I consider it a privilege to have been asked to participate. Your own presence here is convincing evidence that you are keenly aware of the problems of our times and dedicated to the search for viable solutions.

The economic questions that we have gathered to discuss are inextricably linked with the political, military, social, and ideological issues posed by the Communist challenge to the basic human values of our civilization. Economic pressures and changes, related to the amazing progress of science and technology in the last few generations, have swelled the tides of unrest today inundating many parts of the world.

The problems involved do not lend themselves to easy analysis or glib solutions. But the very fact that they are being given earnest study by people like yourselves—leaders of the free world's business, financial, and educational institutions—gives strong hope for progress.

All of us are indebted to Time-Life International and the Stanford Research Institute for their public-spirited initiative in sponsoring a conference of the scope and significance of this one. A special word of commendation is in order, I think, for the conference chairman, our good friend Harry Luce. He deserves our thanks for the characteristically energetic leadership he has brought to this effort, and for the masterful manner in which he set out the broad objectives of this conference in his luncheon remarks.

At our session this afternoon, we are going to attempt an assessment of the Free World's economic potentials. We will try to outline the needs and the goals for industrial production during the next several decades. This is an imposing assignment, indeed, because it demands that we project ourselves into the future with all the hazards and uncertainties that such an exercise implies. Yet the difficulties of the task give us no justification for withdrawing our intelligence from contemplating the future. Our own generation is responsible for passing on to the next one the potentials for continued and expanded well-being. It is our clear responsibility, therefore, to plan ahead to meet those requirements that now can be foreseen.

THE OVERRIDING FACT: TECHNOLOGICAL PROGRESS

In evaluating the economic potentials of the Free World—in the solemn dedication that it shall remain free—we might well be guided by the advice of the wise and eminent elder statesman, Bernard M. Baruch. In his recently published autobiography, Mr. Baruch lists three indispensable conditions for success in any venture.

"First," he says, "one must get the facts of a situation or problem.

"Second, one must form a judgment as to what those facts portend.

"Third, one must act in time—before it is too late."

The overriding fact of the next several decades, it seems to me, will be technological progress on a scale unparalleled in all our previous history. Just 10 days ago, we saw a fateful forerunner of this technological future in the launching, by Soviet Russia, of the first manmade satellite—an epochal event that pointed up both the promise and the peril of the years ahead.

Because of the prospects for technological progress, it is my best judgment that the possibilities for achieving the economic goals we seek are truly enormous. These goals have been stated many times and in many ways. But they can be summed up quite simply: We want to increase the material well-being of all mankind in an atmosphere of expanding freedom. In attaining this objective, technology can be a decisive factor. For economic growth comes through change, and change depends on scientific discovery and its practical application.

Just as many of today's basic inventions were discernible in the great awakening of science in the 18th and 19th centuries, so today, in our research laboratories, we can see the shape of things to come—technological marvels that promise new forms of energy, new controls and new materials for the future. Never before in history have two such prodigious forces as atomics and electronics unfolded simultaneously. It is a portent of amazing changes ahead that will overshadow even the dramatic advances of the last 50 years. The new types of energy released by the atom and controlled by the electron have already altered the character of everyday life, and they give promise of revolutionizing our lives even more drastically in the decades to come.

Technology, the common hoard of man's tools and techniques, had appropriately been called our primary resource. Without it, all other resources would be economically stagnant. With it, all other resources can achieve startling new dimensions of usefulness.

Let us consider, for a moment, the prospective impact of technological innovation, first on our material resources, and then on our human resources.

TECHNOLOGY AND OUR MATERIAL RESOURCES

We have heard disquieting admonitions that mankind is using up its precious stock of raw materials at an alarming rate. Yet even as these resources are being consumed, new and better ones are becoming available through increased knowledge and improved technology.

The scientific creativity that produced the awesome atomic and hydrogen bombs can also give the world all that it needs in the way of energy. It will, in time, be possible for us to extract atomic fuel from relatively inexpensive materials, making nuclear power both plentiful and economical. The significance of this becomes obvious when we realize that a single pound of uranium is capable of releasing more energy than 1,500 tons of coal. In the not-too-distant future, the atom will supply the power for most of our oceangoing ships, our airplanes, and even trains and factories. It will light, heat, and cool houses, and run our television sets and home appliances.

Through advances in technology, the energy of the sun's rays also will eventually be harnessed to serve man's economic needs. The solar energy reaching the earth in a single day is equal to that released by 2 million wartime atomic bombs, and now we are learning how to channel it to our uses. This form of energy should prove especially important to the underdeveloped tropical regions where solar power is superabundant, but where countries cannot afford adequate fuel and power of the existing types.

At the same time, our improving technology will give the world a vast array of new materials to meet almost any specifications that man can envisage. New plastics, ceramics, lubricants, and categories of substances yet unnamed will become available for personal and industrial uses.

TECHNOLOGY AND OUR HUMAN RESOURCES

A beneficient impact of technology can also be expected on our human resources. For one thing, man's life span will be further extended and his productive years increased by vital progress in preventive medicine, diagnosis, and treatment of human ills. Two thousand years ago, the average baby born in the city of Rome had a life expectancy of scarcely 20 years. Today, a baby born in this city of San Francisco can look forward to a life expectancy of 70 years. In a few more decades, the normal life span of an individual will approach the century mark, taking some of the force out of Dr. Albert Einstein's complaint that "the trouble with civilization is that we don't live long enough to make use of our experiences."

New methods and new techniques will greatly expand man's food resources, thus helping to eliminate the ghastly specter of famine in many parts of the world. New scientific advances will open the way to an era of relative economic abundance, freeing more and more people from the numbing pressures of poverty and thereby, no less important, canceling out a main cause of social discontent and disorder.

One of the most far-reaching of our new technological developments will be automation—the use of self-operating machines with electronic devices that check the product automatically and adjust the machine as required. We have so far seen only the beginnings in this field. Automation promises to free man at work from drab routine and to give him ever broader scope for the exercise of his highest skills. It promises more jobs calling for those human attributes, such as imagination and judgment, that technology can never duplicate. The result is bound to be a massive upgrading of man's skills and his joy in labor.

OPPORTUNITY OR DISASTER?

These, then, are a few indications of the great potential for mankind. They offer the

exhilarating prospect of wider industrialization, higher standards of living, and a more satisfying life for all mankind. As Sir Winston Churchill has so aptly phrased it, "Modern science is standing on tiptoe, ready to open the doors to a golden age."

Yet we must be ever mindful that the triumphs of science and technology I have touched upon can be wiped out by forces of destruction. Our times have been called times of continuing crisis. The word "crisis" in Chinese is a combination of two symbols. One is the symbol of "opportunity." The other is the symbol of "disaster." It is for mankind to decide which of these will be our destiny.

The possibilities of science offer the human race the chance to achieve a finer destiny. What we need most is a determination, rooted in spiritual faith, to apply our new knowledge and techniques to peaceful pursuits. The answer to the question, "Will science make this a better world in which to live?" lies not with science and technology as such, but rather with each one of us as responsible individuals.

One of our prime responsibilities is to keep informed. For if we are to make wise choices, we must—as Mr. Baruch has suggested—get the facts, form judgments about them, and then act before it is too late. To give us the facts about the free world's economic potentials and to help us arrive at sound judgments, we have with us today three of the Nation's foremost social scientists. The first will analyze world population trends over the next several decades. The second will discuss the rising per capita demands for goods and services throughout the world. The third will deal with the implications of these two factors—rising population and rising demands—for world industrial production.

What we are presenting, in effect, is a basic equation of economics—rising population plus rising demands equal rising production.

THE DEBATE OF THE CIVIL RIGHTS ACT OF 1957

Mr. THURMOND. Mr. President, I ask unanimous consent that a statement which I am sending to the desk be printed in the body of the RECORD. This is a statement which I issued on August 30, 1957, too late to appear in the body of the RECORD; therefore, I make the request at this time that it be printed in today's RECORD.

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

STATEMENT BY SENATOR THURMOND

In view of remarks made on the floor of the Senate today (August 30, 1957), and later amended to appear in the CONGRESSIONAL RECORD, by Senator LONG, of Louisiana, I feel that it is necessary for me to issue a statement.

I want to review briefly the course of events which led to my extended speech in the Senate on Wednesday and Thursday (August 28 and 29, 1957).

At the final caucus of the southern Senators on Saturday, August 24 (1957), it was generally agreed that an organized extended debate would not be held. However, it was also agreed that each Senator was on his own to oppose the bill as best he could. From the beginning, I made up my mind that it was my duty to oppose the bill strongly. Last weekend (August 24) I prepared an address from the material I had been assembling for a long time, although I still had not decided how long I would speak.

After further consideration of the so-called civil-rights bill and the compromise proposed by the House, I came to the conclusion that I should make a long speech against the bill. Also, I came to the conclusion that further consideration should be given to the question of whether organized extended debate should be conducted by the southern Senators.

When I arrived at this latter conclusion on Wednesday (August 28), I went to Senator RUSSELL's office and told him that I planned to make a long speech and suggested that he call the southern Senators into session again to consider the advisability of an organized effort. Senator RUSSELL stated that if a majority of the southern Senators requested him to do so, he would call them back for another caucus, but, that in lieu of such requests, he would not call another caucus in view of the previous understanding on Saturday (August 24) that each Senator would follow his own course.

THE MALLORY CASE

Mr. THURMOND. Mr. President, on January 6, 1958, the editors of the Washington Evening Star published an editorial which deserves the attention of the Senate and the entire American public. It is entitled "Lock Your Doors," and this is what it has to say:

The police are on the prowl again—looking for one Andrew R. Mallory. They would like to hear from anyone who knows where he is.

Mallory, for the benefit of those with short memories, was released from jail last June after the Supreme Court reversed his conviction on a rape charge. He was guilty—no doubt of that. But the Court said that the police had not arraigned him (formally charged him) soon enough after his arrest. The effect of this Court action was to invalidate his uncoerced confession and other corroborating evidence. So Mallory, who had been sentenced to death, had to be turned loose.

Now the police are hunting again for Mallory. He is wanted for housebreaking and assaulting the daughter of a woman who had befriended him. And this within 6 months after his release from jail.

The real point, it seems to us, is that the law, as it has been interpreted by the courts, is too heavily weighted on the side of the criminal. The public, or society, or whatever descriptive term one may care to use, is entitled to some consideration, too. As matters stand, the public is not getting it. We do not know whether Mallory should be in jail or in a mental institution. But one thing is certain—he ought not to be roaming the streets of this city. And as long as he and others like him are on the loose it would be well to keep the doors locked.

This is not one of those hopeless situations. It can be remedied. But the remedy will have to come from Congress. We hope the returning legislators will take the time and trouble to spell out the law of prompt arraignment in terms that are unmistakably clear—clear enough, at least—to keep Mallory and those like him off the streets of Washington.

Mr. President, I made two statements on the floor of the Senate last year after the Mallory decision was handed down. I made those statements, as I make this one today, in an effort to call attention to the need for reversal of this and other recent rulings by the Supreme Court. These rulings have resulted in substituting the views of sociologists for established law, providing greater protection for Communists and Communist sympathizers and convicted felons, and adding a post mortem codicil to a decedent's last will and testament as was done in the Girard College case.

The vital choice we face in this country today is that of judicial limitation or judicial tyranny. The history of limited governmental powers is one of liberty. The history of unlimited governmental powers is one of tyranny. I hope that the Members of the Senate and the House will aline themselves before it is too late with the principles of constitutional government, which provide for a Government of limited powers.

STATE OF THE UNION MESSAGE—COMMENTS BY SENATOR MARTIN OF IOWA

Mr. MARTIN of Iowa. Mr. President, in his message today President Eisenhower outlined a program by which Congress can help guide the Nation through troubled times, domestically as well as internationally. Domestically, the President's program will help to maintain a stable economy and, at the same time, care for the essential welfare needs of the people. Internationally, it will maintain our national defenses at an adequate level but will avoid the hysterical excesses being preached by some who seek to make a political issue of those defenses.

President Eisenhower today inspired many prolonged expressions of appreciation and approval by Members of Congress in the joint session.

With the loyal and united cooperation of Congress, we can look forward to continued peace and prosperity.

PAYEES RECEIVING $50,000 OR MORE UNDER THE 1957 ACREAGE RESERVE PROGRAM

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have incorporated in the body of the RECORD a report received from the Department of Agriculture on December 19, 1957, in which are listed 67 payees who received $50,000 or more under the 1957 acreage reserve program.

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

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 19, 1957.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: We are enclosing a preliminary tabulation of payees receiving large payments under the 1957 acreage reserve program as requested in your letters of July 22, 1957, and December 11, 1957. Your letters requested data pertaining to payments of $10,000 or more. It appears that there will be about 3,500 of such cases, many of which operate farms in other States.

We are now engaged in correspondence with such other States in an effort to obtain the total payments received by each payee anywhere in the United States. It may be several weeks before the correspondence with all affected State and county offices can be completed and the results incorporated in a final list.

Therefore, the attached list is transmitted so that you may have the data on a preliminary basis for the 67 payees who apparently earned $50,000 or more. We will transmit the final list as soon as possible.

TRUE D. MORSE,
Under Secretary.

Preliminary list of payees receiving 1957 soil bank acreage reserve compensation in excess of $50,000 [1]

Name and address	Compensation	Reserve acres	Commodity
Garvey Farms, Colby, Kans	$278,187.38	22,779.0	Wheat.
Harris Ranches, Post Office Box 7, Sahaurita, Ariz.	209,701.80	1,666.0	Cotton.
Ray Flanagan, Red Top, Calif	138,122.20	1,629.2	Cotton and rice.
Tierra Prieta Ranch, Box 938, Eloy, Ariz	135,107.45	931.8	Cotton.
Sutter Basin Corp., Ltd., Robbins, Calif.	128,442.88	1,990.7	Wheat and rice.
Westlake Farms, Star Route, Stratford, Calif.	125,942.50	1,293.9	Cotton.
Robert Pelletier, 1224 Mount Lowe Dr., Bakersfield, Calif.	124,378.80	797.3	Do.
J. H. Williams, Route 1, Box 77, Natchitoches, La.	120,088.50	1,682.5	Do.
Crews Farm, Box 352, Pecos, Tex	107,200.00	800.0	Do.
Vista Del Llano Farms, Route 1, Box 23, Firebaugh, Calif.	103,411.02	1,986.0	Wheat.
J. W. Baughman, Liberal, Kans	102,357.21	40,863.5	Do.
Jackson & Reinert, Paso Robles, Calif	97,209.00	3,086.0	Do.
Estrella Land & Cattle Co., Box 37, Glendale, Ariz.	96,706.50	586.1	Cotton.
Hammonds Ranch, Inc., Routes 1 and 2, Box 130, Firebaugh, Calif.	95,535.64	928.4	Wheat and cotton.
J. W. B. Farms and John Baughman estate, Liberal, Kans.	89,522.03	2,279.2	Wheat.
Moser Ranch, Route 5, DeKalb, Tex	87,094.32	905.5	Cotton and wheat.
Duncan Bros., Post Office Box 645, Alvin, Tex.	85,953.11	1,099.9	Rice.
Sherrell and La Follette, 867 First National Bank Bldg., Phoenix, Ariz.	84,103.40	532.3	Cotton.
Newhall Land & Farming Co., Post Office Box 95, Firebaugh, Calif.	83,903.50	870.5	Cotton and rice.
John W. Baughman Farms Co., Liberal Kans.	80,074.58	32,608.5	Wheat.
Sunset Ranches, Inc., Route 2, Box 23, Chandler, Ariz.	79,155.50	545.9	Cotton.
Porter & Wentz, Box 870, Brownsville, Tex.	75,576.37	3,199.0	Do.
Farmers Investment Co., Route 1. Box 138, Eloy, Ariz.	74,573.50	514.3	Do.
American Christian Institute, Post Office Box 4096, Phoenix, Ariz.	73,088.40	553.7	Do.
Mississippi State Penitentiary, Parchman, Miss.	71,000.00	1,000.0	Do.
Eddie J. Carpenter and Patricio Brijalba, 2020 Washington, Pecos, Tex.	70,500.60	443.4	Do.
J. Ernest Bertrand, Oakley, Kans	70,337.70	3,914.0	Wheat.
Martin Hereford, Inc., Madras, Oreg	69,757.16	2,486.0	Do.
Stanley and McDaniel, 2202 West McDowell, Phoenix, Ariz.	69,300.00	420.0	Do.
O. L. Garmon, Jr., Route 1, Mark, Miss	67,097.40	763.7	Do.
Geo. B. Franklin & Son, Holly Ridge, La.	67,040.33	957.7	Do.
Raymond Thomas, Inc., Box G, Five Points, Calif.	66,839.50	395.5	Do.
Glen H. Shay, Route 1, Eloy, Ariz	66,549.60	421.2	Do.
Chui Chiuschu Ranches, Inc., Box E, Casa Grande, Ariz.	$65,465.40	367.9	Cotton.
Progresso Farms, 1302 Park, Pecos, Tex	65,408.00	448.0	Do.
S. A. Camp Farms Co., Box 242, Rupert, Idaho.	64,886.02	1,299.8	Wheat.
Lee Wikon & Co., Wikon, Ark	64,851.10	820.1	Cotton.
Floyd N. Smith Co., 2100 West McDowell, Phoenix, Ariz.	64,350.00	390.0	Do.
J. T. Fargason & Son, Lyon, Miss	63,960.00	730.7	Cotton and rice.
Peres, Nickel & Pfitzer, 619 Washington, Los Banos, Calif.	62,998.80	792.8	Rice and cotton.
Paul M. Brophy, Box 686, Casa Grande, Ariz.	62,104.80	466.4	Cotton.
Winters Farm, Box 8, Verhalen Station, Pecos, Tex.	61,833.60	361.6	Do.
Waddell Ranch Co., Waddell, Ariz	60,885.00	369.0	Do.
Broadview Farms, Route 2, Box 87, Firebaugh, Calif.	60,681.00	537.0	Do.
Flader Land Co., 3975 York St., Denver, Colo.	60,008.13	3,017.0	Wheat.
Dan Seligman, Shaw, Miss	59,992.80	804.8	Cotton and rice.
J. L. Hodges, Box 846, Buckeye, Ariz	59,925.00	399.5	Cotton.
Chandler Co., Stockton Hotel, Fort Stockton, Tex.	59,783.60	405.5	Do.
Rio Grande Care, McAllen, Tex	59,642.52	1,333.2	Do.
Clark & Roberts, 1514 Morris, Pecos, Tex.	57,533.70	376.6	Do.
Bing K. Wong, Box 277, Marana, Ariz	56,700.00	450.0	Do.
Bi-County Farms, Box 550, Prosser, Wash.	56,519.64	2,611.3	Wheat.
Delmar Durrett, Box 1081, Amarillo, Tex	55,974.61	4,482.1	Do.
Allen & Ritch, Route 1, Lyon, Miss	55,354.40	528.4	Cotton.
William E. Glotz, Box 86, Tranquillity, Calif.	55,073.20	480.9	Cotton and rice.
Thomas L. Moran, Hartley Route, Dumas, Tex.	54,655.83	5,146.5	Wheat.
Layton Knaggs, Box 970, Woodland, Calif.	54,388.47	788.2	Rice.
W. M. and A. B. Nickey, 355 Goodwyn, Memphis, Tenn.	53,805.00	527.5	Cotton.
Warren N. Moore, Box 207, Alvin, Tex	53,580.40	923.8	Rice.
The Garin Co., Post Office Box 245, Firebaugh, Calif.	53,500.92	539.0	Wheat and cotton.
Bentley Johnston, DeKalb, Tex	53,100.00	590.0	Cotton.
W. J. Asmussen, Agar, S. Dak	52,807.57	3,355.0	Wheat.
B. F. Younger, Sr., Box 1176, Buckeye, Ariz.	52,503.00	350.0	Cotton.
Redfern Ranches, Box 305, Dos Palos, Calif.	51,480.50	829.0	Rice and wheat.
Dale Steele, Ford, Kans	51,180.42	2,549.7	Wheat.
R. J. Roesling Co., 244 California St., San Francisco, Calif.	51,024.50	389.5	Cotton.
Tom Moore, Navasota, Tex	50,425.60	787.9	Do.

[1] This list may be altered somewhat when cross checking across State and county lines is completed.

VISIT TO THE SENATE BY MEMBERS OF CONGRESSES AND PARLIAMENTS OF NATO COUNTRIES

Mr. KEFAUVER. Mr. President, we in the United States Senate have the great honor of being visited today by Members of a number of Congresses and Parliaments of NATO countries.

A number of Senators present in the Chamber today, including the Senator from New York [Mr. JAVITS], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. COOPER], and myself, were present in Paris and had the great privilege of attending the meetings of the NATO parliamentary association.

We feel that the person-to-person contacts by Members of Parliaments and Congresses of the NATO nations can do much to strengthen and unify the North Atlantic Treaty Organization. We feel also that visitations, back and forth, by Members of the Parliaments and Congresses of the 15 NATO nations will result in a greater understanding and appreciation of our common aims and our mutual problems.

On this day, when President Eisenhower in his excellent state of the Union message has placed so much emphasis upon the importance of NATO, it is, therefore, very significant that we should have with us this distinguished group of parliamentarians, whom I should like to introduce to the Members of the Senate at this time:

Hon. Eric A. Winkler, of Canada, Member of Parliament.

Hon. Carl Langseth, Permanent Undersecretary, Danish Ministry of Defense.

Hon. A. C. Normann, of Denmark, Member of Parliament.

Dr. Franz Engst, Staff Assistant to the Bundestag Defense Committee, German Federal Republic.

Hon. Jacques de Menditte, Senator from France.

Hon. Jean Seitlinger, Member of the French Chamber of Deputies.

Hon. Fridjon Thordarson, of Iceland, Member of Parliament.

Hon. Giuseppe Sibille, Senator of the Italian Republic.

Hon. R. Gresham Cooke, C. B. E., of the United Kingdom, Member of Parliament. [Applause.]

I wish to explain to the members of these parliamentary bodies who are present with us today that ordinarily the Senate Chamber is crowded with Members of the Senate. However, today is one of the first days of the session, and at this time only routine business is being transacted. I hope our guests will understand why not all the Members of the Senate are now present. I assure our guests that if information regarding their attendance had been sent out, all Senators would have been here to express to them a very warm welcome.

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

Mr. KEFAUVER. I yield.

Mr. JAVITS. I thank my colleague, who has so graciously welcomed our guests.

For the information of the Senate, I should like to say that our colleague has undertaken a great responsibility for the NATO parliamentarians, as chairman of their political committee. With others, I look for very outstanding results from his work.

Our colleagues from Canada, France, Great Britain, Italy, Iceland, the German Federal Republic, and Denmark are most felicitously here, for—as I said to them when we had our very pleasant luncheon in one of the most beautiful rooms of the Capitol, the Old Supreme Court Chamber, and I should like to repeat the statement publicly at this time, here in the Senate—as they travel in our country, I believe they will find that the challenge we have faced and are facing—namely, the mortal danger to our

joint survival, from the Soviet Union, with its emphasis on science in terms of destruction, rather than life—will engrain in the minds of the American people a tremendous appreciation for their alliances, and particularly the most important alliance, the NATO alliance. I hope that our colleagues from other lands in the NATO alliance will watch with care for those indications, which I am sure they will find.

I also hope that when they return to their homelands, they will join us—knowing that we shall be expressing them here—in the expression of the sentiments of mutual strength and cooperation, which are the most effective answer to the challenge we face.

I may say to them, also, that although we constantly emphasize the challenge, we are at one with our President in the recognition that this is not the answer of life, but is only a current emergency; that the answer of life is to be found in the cultural and economic cooperation for the development of a finer, more moral, more ethical life for all of us, your peoples and the people of our own country, and that we are very conscious of that total human responsibility, and are even more determined to play our full share in the role of strength with which providence and the genius of our people have endowed us.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). On behalf of the United States Senate, it is a great privilege to welcome these distinguished gentlemen to the Senate.

Mr. KEFAUVER. Mr. President, before requesting unanimous consent for the taking of a 5-minute recess, in order that other Members of the Senate personally may meet our distinguished guests, I wish to point out that the Senator from New York [Mr. JAVITS] and I suggested that half of them sit on the Republican side of the aisle—and of course that is a very difficult thing to do [laughter]—and that the other half sit on the Democratic side of the aisle. We suggested that in order to show that insofar as our friendship with NATO and our support of NATO are concerned, there is no party line dividing us, either in the United States or in the United States Senate.

Mr. COOPER. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I yield.

Mr. COOPER. For the reasons which have been stated by the distinguished Senator from Tennessee to our distinguished guests, the leader of the minority in the Senate, the senior Senator from California [Mr. KNOWLAND], is not now in the Chamber. Because I happen to be occupying his seat, I welcome these gentlemen, on behalf of the minority, to this Chamber.

I know that today all of us are conscious of the ties which bind our country to the countries they represent. At present all of us are much concerned about matters of security. I believe it is a good thing that our distinguished guests, whose energies and efforts have also been directed toward economic, social, and cultural associations, are with us at this time, because in the long run those will be the best basis for our understanding and our friendship.

Many of those of us who are citizens of the United States are descendants of persons who lived in the countries represented by our distinguished guests of today, and we have drawn upon them for our institutions, our ideals, and our traditions. We hope that our associations in the future will be enlarged and will be more fruitful and more helpful to all of us who hold common traditions and ideals.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that at this time there be a 5-minute recess, in order to enable the Members of the Senate to greet our distinguished guests.

The PRESIDING OFFICER. Without objection, the Senate will now stand in recess for 5 minutes.

Accordingly, at 3 o'clock and 9 minutes p. m., the Senate took a recess until 3 o'clock and 14 minutes p. m., when it reassembled, and was called to order by the Presiding Officer (Mr. PROXMIRE in the chair).

FARM PRICE SUPPORTS

Mr. GOLDWATER. Mr. President, a few days ago I received a very interesting letter from a constituent in Arizona. It is rather amusing. I should like to read it, so that my colleagues might understand the amusing situation farmers can get themselves in today. The letter reads:

DEAR MR. SENATOR: My friend Bordeaux over in Pima County received a $1,000 check from the Government this year for not raising hogs. So I am going into the not-raising-hog-business next year. What I want to know is, in your opinion, what is the best kind of farm not to raise hogs on and the best kind of hogs not to raise? I would prefer not to raise razorbacks, but, if that is not a good breed not to raise, I will just as gladly not raise any Berkshires or Durocs.

The hardest work in this business is going to be in keeping an inventory of how many hogs I haven't raised. My friend Bordeaux is very joyful about the future of this business. He has been raising hogs for more than 20 years and the best he ever made was $400 until this year, when he got $1,000 for not raising hogs. If I can get $1,000 for not raising 50 hogs then I will get $2,000 for not raising 100 hogs.

I plan to operate on a small scale at first, holding myself down to about 4,000 hogs, which means I will have $80,000. Now, another thing: These hogs I will not raise will not eat 100,000 bushels of corn. I understand that you also pay farmers for not raising corn. So will you pay me anything for not raising 100,000 bushels of corn not to feed the hogs I am not raising? I want to get started as soon as possible as this seems to be a good time of the year for not raising hogs.

OCTAVE BROUSSARD.

P. S. Can I raise 10 or 12 hogs on the side while I am in the no-raising-hog-business—just enough to get a few sides of bacon to eat?

THE CORDINER REPORT

Mr. GOLDWATER. Mr. President, this morning we listened to the President's state of the Union address. I was very pleased to hear him say that, in his opinion, one of the necessary things to do in this session of Congress was to create an incentive pay plan for the personnel of our military services. The distinguished Senator from Missouri [Mr. SYMINGTON] and I have a bill in the Senate that will put into effect the proposals of the Cordiner report.

If the Senate will indulge me for a few moments, I should like to make a statement I have prepared on this subject.

Without question to my mind, the most serious problem this Congress will be called upon to face during the coming months is that of our national security.

In a sense, it is a mistake to refer to this as one problem, in the singular, because it is actually a complex of many very difficult problems. Broadly speaking, I believe that these problems of national security can be subdivided under four major headings:

The first of these relates to our overall philosophy of the use of military power as an instrument of national policy and includes such difficult problems as the administrative structure of our Defense Establishment, the roles and missions of the services, and similar questions basic to the kind of military forces we believe we should maintain for national survival and national well-being in the world today.

The other problem areas relate to and depend upon the answers at which we arrive in this first category. They are: The kind of weapons that we should acquire to implement our basic military philosophy; the kind of personnel that we will need in our Military Establishment to operate and maintain these weapons; and, finally, the degree and the kind of the innovations we must make in the civilian sector of the body politic in order to establish the firm intellectual and industrial foundation necessary to the implementation of our national objectives.

I believe that all of us are aware in some degree of these very difficult and crucial problems.

Unfortunately, I also believe that reaching a general agreement on solutions to these problems is going to prove time-consuming and difficult. I therefore believe that we shall be wise if we devote our efforts initially to those areas of the problem where there already exist a substantial consensus and meeting of minds.

One such segment is certainly the question of the retention of military personnel. This subject has been exhaustively covered in the study prepared by the Committee headed up by Mr. Ralph Cordiner. I believe that most of us are by now fairly familiar with the broad conclusions reached by that Committee, and I shall therefore attempt no more than a brief summary of them here.

The basic conclusion of the Committee is that it is absurdly unrealistic and grotesquely uneconomic to compensate military personnel on the basis of the length of time they spend in the service rather than on the basis of the contribution that they make to the service. No arrangement could be more expressly calculated to result in the indefinite retention of marginal personnel and the

mass exodus of precisely those people who have cost the most to train and who represent the highest investment of personnel dollars.

From this simple proposition, with which I do not believe there can be any serious disagreement, the Committee evolved a number of sweeping recommendations. Of these, I believe that the two most important are the recommendation that service personnel be paid primarily on the basis of their skills rather than upon length of service; and the principle, borne out by all economic experience, that monetary incentives operate most effectively at the top rather than at the bottom of the career ladder. The young man entering a profession is concerned not so much with his starting pay but with what he can expect to be paid in 10 or 15 years' time, if he works hard and progresses normally. If the answer to this question is not attractive nor commensurate with his aptitudes, he will not choose such a profession for a career.

I believe that these principles are basic to any consideration of remuneration for military personnel. I believe that the Cordiner recommendations are excellently designed to alleviate the problems that we all know to exist in the personnel structure of our Armed Forces, and I believe that there is sufficient unanimity of opinion in the Congress to enact these recommendations into law. Finally, I believe that we should do so without delay, because it is only by taking constructive action in those areas in which we are in substantial agreement that we can reduce our problem to manageable size and isolate those issues which elicit profound differences of opinion and for which we must nevertheless urgently seek wise solutions in the weeks and months ahead.

For those of my colleagues who may wish to inform themselves further on the Cordiner proposals, I strongly recommend the article entitled "An Economist's View of the Cordiner Recommendations," appearing in the current issue of Air Force magazine, and I ask unanimous consent, Mr. President, that this article be printed in the RECORD at this point in my remarks.

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

AN ECONOMIST'S VIEW OF THE CORDINER RECOMMENDATIONS

(By Alain C. Enthoven)

The recommendations of the Department of Defense Advisory Committee on military pay, headed by Ralph J. Cordiner of General Electric, will again be under consideration by a special Senate Armed Services Subcommittee when Congress reconvenes.

Let's look at the proposals from the point of view of the taxpaying citizens whose interests are best served by an economically or efficiently managed Military Establishment. From their standpoint, one criterion for military pay is of predominant importance: within any given military budget, salary scales should be chosen in such a way as to create maximum effectiveness in the military services. With this criterion, salary levels may be judged too high if more is being paid than is necessary for particular skills, and they may be judged to low if not enough is being offered to attract men whose services are needed. In other words, what do the Cordiner proposals do to solve the military's most pressing problem—recruitment and retention, in a competitive economy, of qualified technical personnel?

Pay, of course, is not the only factor affecting the retention. Patriotism and a desire to serve, a sense of purpose and belonging, and a feeling of pride in membership in an outstanding organization are of great importance. In the words of the Cordiner report, "Without basic patriotism on the part of its members there can be no Armed Forces." But these considerations should not be permitted to cloud the fact that salaries are important. Other professions have their moral compensations, too (consider, for example, teaching and medicine), and even the most devoted of military men have families to feed, clothe, and educate. The fact is that unlike patriotism and devotion, pay can be increased substantially by legislative action. This is unquestionable.

But the matter of pay does give rise to many misconceptions. For example, the services have queried enlisted men who have decided not to reenlist, in an attempt to determine the various factors affecting their decision. The men are asked to rank a list of factors in order of importance. Plans to go to school, dislike of military life, and dislike of station assignments typically are ranked ahead of pay. From this it has mistakenly been concluded that pay is not an important cause of the reenlistment problem and that we must look elsewhere for a solution. Although other factors may be important to enlisted men, pay can be used to offset them. Although there is very little that can be done to make military life more palatable to a man who dislikes it, there are simple and obvious ways of increasing his pay.

This is related to another frequent misconception. The fact that some men leave the service even though they can earn no more than their military pay in civilian life is often used as evidence that pay is irrelevant. This notion is wrong, too. It is based upon the incorrect assumption that given equal income, most men would prefer the military to civilian life. Actually, considering the added demands and inconveniences of military life, it would not be at all surprising to find it necessary to offer many men more pay than they could earn as civilians in order to retain them. This is particularly true now that such large standing forces must be maintained.

A third fact which needs emphasis is that salary differentials already exist. The pilot is paid more than the crew chief. The first lieutenant with 14 years of service receives over half again as much pay as the beginning first lieutenant. In fact, he receives substantially more than do some captains. Bomber pilots receive more than their classmates who remain on the ground. This fact demolishes any argument over salary differentials, since they already exist and there is no question of abolishing them. The real issue is to whom should the higher salaries be paid.

And the key to the question is the fact that there are differences in supply and demand conditions in different categories of manpower. The average first-term reenlistment rate for airmen in the highly technical specialties is about 26 percent, falling as low as 14 percent for weather specialists. On the other hand, the comparable rate for nontechnical airmen in general is 40 percent; for air police, 46 percent. The wide difference persists despite the already superior advancement opportunities open to the technicians within the Air Force, but it is not surprising. Highly technical personnel are in heavy demand by industry, and those who leave the service can look forward to large increases in their incomes. For nontechnical airmen, there is less assurance that they will be able to improve their lot by leaving the service. The services would like to see the positions of the reenlistment rates reversed. Because of the large initial investment in training, the optimum reenlistment rate for technicians is high, whereas in the nontechnical areas, high turnover means a younger force which costs less to maintain.

From the supply and demand standpoint the most important objective is obvious. Our goal should be to maximize the combat effectiveness of the services as fighting forces, within the limitations of the budget.

In general, the services or the Defense Department can decide whether the payroll is being divided in the most effective way by making conceptual experiments of the following sort: Suppose that slightly less were offered for the services of men in one category. Then fewer of those men would remain in the service, and the overall effectiveness of the service would decline. Suppose that the money saved were offered to attract more men in another category. If the increase in effectiveness which is contributed by these additional men exceeds the decrease resulting from the loss of men in the first category, then the experiment indicates that the overall effectiveness of the service could be improved at no extra cost. Hence, the budget has previously not been divided in the most efficient way. If, on the other hand, repeated experiments of this sort indicate that no such improvement is possible, then it is safe to conclude that the personnel budget has been divided in such a way as to maximize overall effectiveness.

Notice the comparison. We think in terms of only the few men who would be lost because of a small pay cut in one category and the few who would be gained by a small pay increase in another. We consider the contribution toward our objective made by those last few men in the first category, and we relate it to the cost of retaining them or the savings from releasing them. Then we evaluate the improvement in the overall effectiveness of the service which would result from hiring a few more men in the second category, and we relate it to the cost of buying their services.

Finally, if the contribution of the extra men in the second category is greater in proportion to the cost of hiring them than is the contribution of the last few men in the first category in relation to the cost of hiring them, then we decide to go ahead and reallocate the money accordingly. When improvements of this sort are no longer possible, then it must be the case that the contribution of the last man hired in each category is proportional to the cost of hiring him, and we have achieved an optimum pattern of salary differentials. Responsibility, devotion to duty, and experience are only relevant insofar as they influence the contribution of each individual to overall military capability.

This analysis and the facts outlined earlier lend strong support to the proposals for differential pay. When there are large differences in supply and demand in different categories, it is wasteful to pay the same salary scales across the board. But this is what the present pay system forces the services to do. Any SAC commander would welcome the opportunity to trade some of his nontechnical enlisted men for some electronics specialists, and rightly so. But the present pay system denies him the only method available for doing this in a free country: He isn't allowed to offer the technician more money.

Differentials are only a part of the military pay problem. It is clear that it would be possible to achieve a greater level of military effectiveness by a more rational allocation of the present total payroll. There is also strong evidence to indicate that major improvements in combat capability could be obtained at no extra cost by spending more on personnel and less on other things. In

other words, the present balance between manpower and equipment is wasteful. If a million dollars now being spent on equipment were spent on personnel instead, we would have a more powerful defense force. And this would be true for many millions of dollars. In the words of General LeMay, "You must have bases and people to properly utilize the equipment. By and large we are not doing that now. We are not operating the equipment we have in as efficient a manner as we could."

An excellent illustration of this point emerged in the testimony of Brig. Gen. Horace Wade before the Symington committee. In 1955 the overall reenlistment rate for airmen who maintain SAC aircraft was 25 percent. With this force, SAC was able, on the average, to keep 65 percent of its bombers in commission. SAC has estimated that if the reenlistment rate were increased to 65 percent, it could keep 80 percent of its bombers in commission. This would be a 20 percent increase in the effective number of SAC aircraft. In terms of the 33 wings of B–47's in SAC, it would represent an increase of more than 6½ wings.

These calculations illustrate an important fact. If we take the number of bombers in commission, instead of the total number of bombers, as our measure of real military power, then we have two methods available for strengthening SAC: spending more on personnel and spending more on bombers. By spending more on personnel, we could raise the reenlistment rate in SAC to 65 percent and the bombers in commission to 80 percent, thereby increasing the strength of SAC by 6½ wings. This would cost millions of dollars. Alternately, we could buy 6½ wings of new aircraft and train the personnel to man them. This would cost billions of dollars. Yet the two policies would add the same amount to the combat effectiveness of SAC.

The remarkable fact is that today we are spending the billions for bombers instead of the millions for personnel.

Many such instances of waste could be prevented by more enlightened personnel policies. All of the services are experiencing a serious shortage of officers in the 4 to 14 years' service bracket and a surplus of junior obligated officers with 3 years or less of service. It should be clear that an improvement in the attractiveness of the middle years in the officer's career and an increased amount of selectivity in the commissioning of junior officers would improve the overall effectiveness of the corps. Too much money is being spent on the recruiting and training of junior officers and not enough is being spent on inducing them (with better pay) to remain in the service. As a result, a great deal of valuable talent and experience is lost to the services.

The experience of all of the services with men completing their first enlistment in fiscal 1956 provides another illustration. The men in this category trained in various aspects of electronics reenlisted at the rate of 13 percent, 20 percent below the optimum rate from the point of view of a balanced force (once the force has been built up). On the other hand, the first termers in supporting services reenlisted at a rate of 2 percent above the optimum rate. Supporting services include vehicle drivers, military police, and food service. It should be clear that it would improve the quality of the Armed Forces if the personnel budget were reallocated with less being paid to the men in the supporting services and more to the men in electronics.

As previously stated, the Air Force values the services of one bombing system repairman at $15,000 per year. Assume that at the end of their first enlistment, more of this kind of technician were to reenlist in the grade of airman first class. Over the next 4 years of their enlistment, each would receive an annual base pay averaging about $2,500, or a total of $10,000 in wages. To support each man for 4 years, it costs the Air Force an additional $10,000. For wages and support of each man, allow $20,000. But each man is worth $15,000 a year, or $60,000 for 4 years. Subtract $20,000 from $60,000 and you see that there is a difference of $40,000. This is the amount the Air Force gains with each reenlistment. By giving each technician, such as bombing system repairman, a reenlistment bonus considerably less than $40,000, the Air Force would be able to realize a large part of these potential savings.

A frequent objection to differential pay and to special reenlistment bonuses for technicians is that they would create a morale problem, but, as we know, differentials already do exist between the earnings of men of the same rank of the same age, and of the same length of service. Yet they have not destroyed the morale of the services. Nor is there any reason to think that a system of pay increases rewarding superior performance would cause any net decrease in service morale. On the contrary, it would tend to improve the morale of just the men the Nation should want to reward.

Furthermore, in evaluating the justice of his earnings, the sergeant who repairs radar is as likely to make comparisons with the earnings of civilian electronics experts as he is with the earnings of, say, a man with equal length of service who is a cook.

Finally, a reasonable interpretation of the "morale problem" would be that it is changes in salary levels favoring different people and not differences in the levels themselves which might cause a temporary morale problem. If this is correct, then once the new salary pattern is well established, there is no more reason to think that the morale of men in "soft skills" will suffer because they earn less than men in "hard skills" than because they earn less than bomber pilots.

An objection to higher military salaries in general was raised by the Bureau of the Budget in rejecting the Cordiner recommendations. The Bureau claimed that higher salaries would increase total Federal expenditures, thereby promoting inflation. The reasoning is naive. Higher pay would cost more if we were to fail to take advantage of its benefits. The important point is that the total defense budget could be reduced with no loss in combat capability if we would take advantage of the higher personnel retention rates and reduce the training establishment.

We could have a more powerful Air Force with fewer men and fewer aircraft if the men we had were more experienced and if, as a result, more of the aircraft were combat ready. The mistake of the Budget Bureau is to confuse aribtrary budget cutting with real economizing. Genuine economy in the Defense Establishment means the achievement of maximum combat capability or military worth at a stated budget level. The Budget Bureau has failed to distinguish between combat-ready aircraft and total aircraft and between fully trained manpower and total manpower.

One of the implications of the Cordiner proposals deserves special comment. Since the end of World War II, our Armed Forces have included large numbers of amateurs. Most of the young men entering since the war were either drafted or were induced to join by the presence of the draft. The majority of them have no intention of making the service a career. The very low first-term reenlistment rates are ample evidence of this. The fact that so many members of the services regard their membership as temporary and against their wills inevitably has a corrosive effect on morale in general. This amateurism conflicts with the mission of our Military Establishment as protector of the free world. Our national responsibilities are heavy, and they will be with us for many years. A task of such gravity and duration is not well performed by an amateur organization.

Furthermore, military technology is becoming more and more complex. Even the infantry uses radar now. The day of the amateur soldier, sailor, or airman is drawing to a close. Patriotism and enthusiasm are not substitutes for technical competence. In these circumstances, we need a truly professional Military Establishment which will operate with long-run military superiority at low cost as its goal. The Cordiner Committee has proposed a system of rational salary scales that are competitive with industry and which are designed to attract and hold a professional military force. If the United States is to maintain its military superiority in the long run at a reasonable cost, its reforms are essential.

Whether or not we might wish it otherwise, the services have serious competition for manpower. This competition is not a bad thing. On the contrary, competition has a logic of its own. It compels the efficient use of resources. If the price of technicians and executives is rising, it is because the demand for their services is increasing. This is a sign for all employers of these men to use them more sparingly. The appropriate behavior in a competitive situation is efficient behavior.

ADJOURNMENT TO MONDAY

Mr. BIBLE. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 22 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, January 13, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 9, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, whom we reverently worship and adore as the light of all that is true and the strength of all that is good, inspire us during this day with a splendor of faith and fortitude which nothing can ever eclipse or extinguish.

We pray that our President, our Speaker, and all the Members of this legislative body may be abundantly blessed with the sustaining and strengthening ministry of Thy spirit as they endeavor to find the most efficient and effective ways and means of defending and maintaining our heritage of freedom.

Grant that with all our plans and efforts to enlarge and expand our material resources we may never fail to see that it is our highest wisdom to cultivate a greater confidence in those moral and spiritual resources which Thou hast placed at our disposal.

May the ethic of good will and love, of justice and righteousness, of brotherhood and friendship, be the foundation stone upon which we are seeking to

build our Republic, a better world and an enduring civilization.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 231. Concurrent resolution providing for a joint session of Congress on Thursday, January 9, 1958.

RECESS

The SPEAKER. The House will stand in recess, subject to the call of the Chair.

Accordingly (at 12 o'clock and 2 minutes p. m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 15 minutes p. m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 231 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The SPEAKER of the House presided.

The Doorkeeper announced the Vice President and Members of the United States Senate who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints as members of the committee to escort the President of the United States into the Chamber the gentleman from Massachusetts, Mr. McCORMACK; the gentleman from Massachusetts, Mr. MARTIN; and the gentleman from Arkansas, Mr. MILLS.

The VICE PRESIDENT. On the part of the Senate, the Chair appoints as members of committee of escort the Senator from Texas, Mr. JOHNSON; the Senator from Arizona, Mr. HAYDEN; the Senator from Montana, Mr. MANSFIELD; the Senator from California, Mr. KNOWLAND; and the Senator from Illinois, Mr. DIRKSEN.

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 31 minutes p. m. the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States. [Applause, the Members rising.]

THE STATE OF THE UNION—ADDRESS OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 251)

The PRESIDENT. Mr. President, Mr. Speaker, Members of the 85th Congress, my fellow citizens, it is again my high privilege to extend personal greetings to the Members of the 85th Congress. Moreover, Mrs. Eisenhower would like to join me in wishing to you and your families a bright and prosperous New Year. [Applause, the Members rising.]

And because of the felicitous situation that the birth anniversaries of our Speaker and our Vice President occur this same week, I know all of us will join in wishing to both happy birthday. [Applause, the Members rising.]

My friends, honest men differ in their appraisal of America's material and intellectual strength, and the dangers that confront us. But all know these dangers are real.

The purpose of this message is to outline the measures that can give the American people a confidence—just as real—in their own security.

I am not here to justify the past, gloss over the problems of the present, or propose easy solutions for the future.

I am here to state what I believe to be right and what I believe to be wrong; and to propose action for correcting what I think wrong. [Applause.]

I

There are two tasks confronting us that so far outweigh all others that I shall devote this year's message entirely to them.

The first is to insure our safety through strength. [Applause.]

As to our strength I have repeatedly voiced this conviction: We now have a broadly based and efficient defensive strength including a great deterrent power, which is, for the present, our best guaranty against war; but, unless we act wisely and promptly, we could lose that capacity to deter attack or defend ourselves.

My profoundest conviction is that the American people will say, as one man: No matter what the exertions or the sacrifices, we shall maintain that necessary strength! [Applause.]

But we could make no more tragic mistake than merely to concentrate on military strength. [Applause.]

For if we did only this, the future would hold nothing for the world but an Age of Terror.

And so our second task is to do the constructive work of building a genuine peace. [Applause.] We must never become so preoccupied with our desire for military strength that we neglect those areas of economic development, trade, diplomacy, education, ideas and principles where the foundations of real peace must be laid. [Applause.]

II

The threat to our safety, and to the hope of a peaceful world, can be simply stated. It is Communist imperialism.

This threat is not something imagined by critics of the Soviets. Soviet spokesmen, from the beginning, have publicly and frequently declared their aim to expand their power, one way or another, throughout the world.

The threat has become increasingly serious as this expansionist aim has been reinforced by an advancing industrial, military and scientific establishment.

But what makes the Soviet threat unique in history is its all-inclusiveness. Every human activity is pressed into service as a weapon of expansion. Trade, economic development, military power, arts, science, education, the whole world of ideas—all are harnessed to this same chariot of expansion.

The Soviets are, in short, waging total cold war.

The only answer to a regime that wages total cold war is to wage total peace. [Applause.]

This means bringing to bear every asset of our personal and national lives upon the task of building the conditions in which security and peace can grow.

III

Among our assets, let us first briefly glance at our military power.

Military power serves the cause of security by making prohibitive the cost of any aggressive attack.

It serves the cause of peace by holding up a shield behind which the patient constructive work of peace can go on.

But it can serve neither cause if we make either of two mistakes. The one would be to overestimate our strength, and thus neglect crucially important actions in the period just ahead. The other would be to underestimate our strength. Thereby we might be tempted to become irresolute in our foreign relations, to dishearten our friends, and to lose our national poise and perspective in approaching the complex problems ahead.

Any orderly balance sheet of military strength must be in two parts. The first is the position as of today. The second is the position in the period ahead.

As of today, our defensive shield comprehends a vast complex of ground, sea, and air units, superbly equipped and strategically deployed around the world. The most powerful deterrent to war in the world today lies in the retaliatory power of our Strategic Air Command and the aircraft of our Navy. They present to any potential attacker who would unleash war upon the world the prospect of virtual annihilation of his own country.

Even if we assume a surprise attack on our bases, with a marked reduction in our striking power, our bombers would immediately be on their way in sufficient

strength to accomplish this mission of retaliation. Every informed government knows this. It is no secret.

Since the Korean armistice, the American people have spent $225 billion in maintaining and strengthening this overall defensive shield.

This is the position as of today.

Now, as to the period ahead: Every part of our Military Establishment must and will be equipped to do its defensive job with the most modern weapons and methods. But it is particularly important to our planning that we make a candid estimate of the effect of long-range ballistic missiles on the present deterrent power I have described.

At this moment, the consensus of opinion is that we are probably somewhat behind the Soviets in some areas of long-range ballistic missile development. But it is my conviction, based on close study of all relevant intelligence, with the best information that scientists can bring to me, that if we make the necessary effort, we will have the missiles, in the needed quantity and in time, to sustain and strengthen the deterrent power of our increasingly efficient bombers. [Applause.] One encouraging fact evidencing this ability is the rate of progress we have achieved since we began to concentrate on these missiles.

The intermediate ballistic missiles, Thor and Jupiter, have already been ordered into production. The parallel progress in the intercontinental ballistic missile effort will be advanced by new plans for acceleration. The development of the submarine-based Polaris missile system has progressed so well that its future procurement schedules are being moved forward markedly.

When it is remembered that our country has concentrated on the development of ballistic missiles for only about a third as long as the Soviets, these achievements show a rate of progress that speaks for itself. [Applause.] Only a brief time back, we were spending at the rate of only about $1 million a year on long range ballistic missiles. In 1957 we spent more than $1 billion on the Atlas, Titan, Thor, Jupiter, and Polaris programs. This is a rate of increase of 1,000 times.

But I repeat, gratifying though this rate of progress is, we must still do more.

Our real problem, then, is not our strength today; it is rather the vital necessity of action today to insure our strength tomorrow.

What I have just said applies to our strength as a single country. But we are not alone. I have returned from the recent NATO meeting with renewed conviction that, because we are a part of a worldwide community of free and peaceful nations, our own security is immeasurably increased. [Applause.]

By contrast, the Soviet Union has surrounded itself with captive and sullen nations. Like a crack in the crust of an uneasily sleeping volcano, the Hungarian uprising revealed the depth and intensity of the patriotic longing for liberty that still burns within these countries. [Applause.]

The world thinks of us as a country which is strong, but which will never start a war. The world also thinks of us as a land which has never enslaved anyone and which is animated by humane ideals. This friendship, based on common ideals, is one of our greatest sources of strength.

It cements into a cohesive security arrangement the aggregate of the spiritual, military, and economic strength of all those nations which, with us, are allied by treaties and agreements.

Up to this point I have talked almost solely about our military strength to deter a possible future war.

I now want to talk about the strength we need to win a different kind of a war—one that has already been launched against us.

It is the intensive economic offensive that has been mounted by the Communist imperialists against free nations.

The Communist imperialist regimes have for some time been largely frustrated in their attempts at expansion based directly on force. As a result, they have begun to concentrate heavily on economic penetration, particularly of newly developing countries, as a preliminary to political domination.

This nonmilitary drive, if underestimated, could defeat the free world regardless of our military strength. This danger is all the greater precisely because many of us fail or refuse to recognize it. Thus, some people may be tempted to finance our extra military effort by cutting economic assistance. But at the very time when the economic threat is assuming menacing proportions, to fail to strengthen our own effort would be nothing less than reckless folly. [Applause.]

Admittedly, most of us did not anticipate the intensity of the psychological impact upon the world of the launching of the first earth satellite. Let us not make the same kind of mistake in another field, by failing to anticipate the much more serious impact of the Soviet economic offensive.

As with our military potential, our economic assets are more than equal to the task. Our independent farmers produce an abundance of food and fiber. Our free workers are versatile, intelligent, and hard working. Our businessmen are imaginative and resourceful. The productivity, the adaptability of the American economy is the solid foundation stone of our whole security structure.

We have just concluded another prosperous year. Our output was once more the greatest in the Nation's history. In the latter part of the year, some decline in employment and output occurred, following the exceptionally rapid expansion of recent years. In a free economy, reflecting as it does the independent judgments of millions of people, growth typically moves forward unevenly. But the basic forces of growth remain unimpaired. There are solid grounds for confidence that economic growth will be resumed without an extended interruption. [Applause.] Moreover, the Federal Government, constantly alert to signs of weakening in any part of our economy, always stands ready, with its full power, to take any appropriate further action to promote renewed business expansion.

If our history teaches us anything, it is this lesson: So far as the economic potential of our Nation is concerned, the believers in the future of America have always been the realists. [Applause.]

I count myself as one of this company.

Our long-range problem, then, is not the stamina of our enormous engine of production. Our problem is to make sure that we use these vast economic forces confidently and creatively, not only in direct military defense efforts, but likewise in our foreign policy, through such activities as mutual economic aid and foreign trade.

In much the same way, we have tremendous potential resources on other nonmilitary fronts to help in countering the Soviet threat: Education, science, research, and, not least, the ideas and principles by which we live. And in all these cases the task ahead is to bring these resources more sharply to bear upon the new tasks of security and peace in a swiftly changing world.

IV

There are many items in the administration's program, of a kind frequently included in a state of the Union message. They will be the subjects of later messages to the Congress. Today I speak only about matters bearing directly upon our security and peace.

I now place before you an outline of action designed to focus our resources upon the two tasks of security and peace.

In this special category I list eight items requiring prompt action. They are not merely desirable. They are imperative.

1

DEFENSE REORGANIZATION

The first need is to assure ourselves that military organization facilitates rather than hinders the functioning of the Military Establishment in maintaining the security of the Nation. [Applause.]

Since World War II, the purpose of achieving maximum organizational efficiency in a modern Defense Establishment has several times occasioned action by the Congress and by the Executive.

The advent of revolutionary new devices, bringing with them the problem of overall continental defense, creates new difficulties, reminiscent of those attending the advent of the airplane more than a half century ago.

Some of the important new weapons which technology has produced do not fit into any existing service pattern. They cut across all services, involve all services, and transcend all services, at every stage from development to operation. In some instances they defy classification according to branch of service.

Unfortunately, the uncertainties resulting from such a situation, and the jurisdictional disputes attending upon it, tend to bewilder and confuse the public and create the impression that service differences are damaging the national interest.

Let us by all means proudly remember that the members of the Armed Forces give their basic allegiance solely to the United States. [Applause.] Of that fact all of us are certain. But pride of service and mistaken zeal in promoting particular doctrine has more than once occasioned the kind of difficulty of which I have just spoken.

I am not attempting today to pass judgment on the charge of harmful service rivalries. But one thing is sure. Whatever they are, America wants them stopped. [Applause.]

Recently I have had under special study, with the intimate association of Secretary McElroy, the never-ending problem of efficient organization, complicated as it is by new weapons. Soon my own conclusions will be finalized. I shall promptly take such Executive action as is necessary and, in a separate message, I shall present appropriate recommendations to the Congress.

Meanwhile, without anticipating the detailed form that a reorganization should take, I can state its main lines in terms of objectives:

A major purpose of military organization is to achieve real unity in the Defense Establishment in all the principal features of military activity. Of all these, one of the most important to our Nation's security is strategic planning and direction. This work must be done under unified direction.

The Defense Establishment must plan for a better integration of its defensive resources, particularly with respect to the newer weapons now building and under development. These obviously require full coordination in their development, production, and use. Good organization can help assure such coordination.

In recognition of the need for single control in some of our most advanced development projects, the Secretary of Defense has already decided to concentrate into one organization all the anti-missile and satellite technology undertaken within the Department of Defense.

Another requirement of military organization is a clear subordination of the military services to duly constituted civilian authority. [Applause.] This control must be real; not merely on the surface.

Next there must be assurance that an excessive number of compartments in organization will not create costly and confusing compartments in our scientific and industrial effort.

Finally, to end interservice disputes requires clear organization and decisive central direction, supported by the unstinted cooperation of every individual in the Defense Establishment, civilian and military.

2

ACCELERATED DEFENSE EFFORT

The second major action item is the acceleration of the defense effort in particular areas affected by the fast pace of scientific and technological advance.

Some of the points at which improved and increased effort are most essential are these:

We must have sure warning in case of any attack. The improvement of warning equipment is becoming increasingly important as we approach the period when long-range missiles will come into use.

We must protect and disperse our striking forces and increase their readiness for instant reaction. This means more base facilities and more standby crews.

We must maintain deterrent retaliatory power. This means, among other things, stepped-up, long-range missile programs; accelerated programs for other effective missile systems; and, for some years, more advanced aircraft.

We must maintain freedom of the seas. This means nuclear submarines and cruisers; improved antisubmarine weapons; missile ships; and the like.

We must maintain all necessary types of mobile forces to deal with local conflicts, should there be need. This means further improvements in equipment, mobility, tactics, and firepower.

Through increases in pay and incentive, we must maintain in the Armed Forces the skilled manpower modern military forces require. [Applause.]

We must be forward looking in our research and development to anticipate and achieve the unimagined weapons of the future.

With these and other improvements, we intend to assure that our vigilance, power, and technical excellence keep abreast of any realistic threat we face.

3

MUTUAL AID

Third. We must continue to strengthen our mutual-security efforts.

Most people now realize that our programs of military aid and defense support are an integral part of our own defense effort. If the foundations of the free world structure were progressively allowed to crumble under the pressure of Communist imperialism, the entire house of freedom would be in danger of collapse.

As for the mutual economic assistance program, the benefit to us is threefold: First, the countries receiving this aid become bulwarks against Communist encroachment as their military defenses and economies are strengthened. Nations that are conscious of a steady improvement in their industry, education, health, and standard of living are not apt to fall prey to the blandishments of Communist imperialists; second, these countries are helped to reach the point where mutually profitable trade can expand between them and us; third, the mutual confidence that comes from working together on constructive projects creates an atmosphere in which real understanding and peace can flourish.

To help bring these multiple benefits, our economic aid effort should be made more effective.

In proposals for future economic aid, I am stressing a greater use of repayable loans, through the development loan fund, through funds generated by sale of surplus farm products, and through the Export-Import Bank.

While some increase in Government funds will be required, it remains our objective to encourage shifting to the use of private capital sources as rapidly as possible. [Applause.]

One great obstacle to the economic aid program in the past has been, not a rational argument against it on the merits, but a catchword—"giveaway program."

The fact is that no investment we make in our own security and peace can pay us greater dividends than necessary amounts of economic aid to friendly nations.

This is no giveaway.

Let us stick to facts.

We cannot afford to have one of our most essential security programs shot down with a slogan. [Applause.]

4

MUTUAL TRADE

Fourth. Both in our national interest, and in the interest of world peace, we must have a 5-year extension of the Trade Agreements Act with broadened authority to negotiate. [Applause.]

World trade supports a significant segment of American industry and agriculture. It provides employment for 4½ million American workers. It helps supply our ever-increasing demand for raw materials. It provides the opportunity for American free enterprise to develop on a worldwide scale. It strengthens our friends and increases their desire to be friends. World trade helps to lay the groundwork for peace by making all free nations of the world stronger and more self-reliant.

America is today the world's greatest trading nation. If we use this great asset wisely to meet the expanding demands of the world, we shall not only provide future opportunities for our own business, agriculture, and labor, but in the process strengthen our security posture and other prospects for a prosperous, hormonious world. [Applause.]

As President McKinley said, as long ago as 1901:

Isolation is no longer possible or desirable. * * * The period of exclusiveness is past.

[Applause.]

5

SCIENTIFIC COOPERATION WITH OUR ALLIES

Fifth. It is of the highest importance that the Congress enact the necessary legislation to enable us to exchange appropriate scientific and technical information with friendly countries as part of our effort to achieve effective scientific cooperation.

It is wasteful in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved—all because of artificial barriers to sharing. We cannot afford to cut ourselves off from the brilliant talents and minds of scientists in friendly countries. The task ahead will be hard enough without handcuffs of our own making.

The groundwork for this kind of cooperation has already been laid in discussions among NATO countries. Promptness in following through with legislation will be the best possible evidence of American unity of purpose in cooperating with our friends. [Applause.]

6

EDUCATION AND RESEARCH

Sixth. In the area of education and research, I recommend a balanced program to improve our resources, involving an investment of about a billion dollars over a 4-year period. This involves new activities by the Department of Health, Education, and Welfare designed principally to encourage improved teaching quality and student opportunities in the interests of national security. It also provides a fivefold increase in sums available to the National Science Foundation for its special activities in stimulating and improving science education.

Scrupulous attention has been paid to maintaining local control of educational policy, spurring the maximum amount of local effort, and to avoiding undue stress on the physical sciences at the expense of other branches of learning. [Applause.]

In the field of research, I am asking for substantial increases in basic research funds, including a doubling of the funds available to the National Science Foundation for this purpose. [Applause.]

But Federal action can do only a part of the job. In both education and research, redoubled exertions will be necessary on the part of all Americans if we are to rise to the demands of our times. This means hard work on the part of State and local governments, private industry, schools and colleges, private organizations and foundations, teachers, parents, and—perhaps most important of all—the student himself, with his bag of books and his homework.

With this kind of all-inclusive campaign, I have no doubt that we can create the intellectual capital we need for the years ahead, invest it in the right places—and do all this, not as regimented pawns, but as free men and women. [Applause.]

7

SPENDING AND SAVING

Seventh. To provide for this extra effort for security, we must apply stern tests of priority to other expenditures, both military and civilian.

This extra effort involves, most immediately, the need for a supplemental defense appropriation of $1.3 billion for fiscal year 1958.

In the 1959 budget, increased expenditures for missiles, nuclear ships, atomic energy, research and development, science and education, a special contingency fund to deal with possible new technological discoveries, and increases in pay and incentives to obtain and retain competent manpower add up to a total increase over the comparable figures in the 1957 budget of about $4 billion.

I believe that, in spite of these necessary increases, we should strive to finance the 1959 security effort out of expected revenues. [Applause.] While we now believe that expected revenues and expenditures will roughly balance, our real purpose will be to achieve adequate security, but always with the utmost regard for efficiency and careful management.

This purpose will require the cooperation of Congress in making careful analysis of estimates presented, reducing expenditure on less essential military programs and installations, postponing some new civilian programs, transferring some to the States, and curtailing or eliminating others.

Such related matters as the national debt ceiling and tax revenues will be dealt with in later messages.

8

WORKS OF PEACE

My last call for action is not primarily addressed to the Congress and people of the United States. Rather, it is a message from the people of the United States to all other peoples, especially those of the Soviet Union.

This is the spirit of what we Americans would like to say:

"In the last analysis, there is only one solution to the grim problems that lie ahead. The world must stop the present plunge toward more and more destructive weapons of war, and turn the corner that will start our steps firmly on the path toward lasting peace.

"Our greatest hope for success lies in a universal fact: the people of the world, as people, have always wanted peace and want peace now. [Applause.]

"The problem, then, is to find a way of translating this universal desire into action.

"This will require more than words of peace. It requires works of peace."

Now, may I try to give you some concrete examples of the kind of works of peace that might make a beginning in the new direction.

For a start our people should learn to know each other better. Recent negotiations in Washington have provided a basis in principle for greater freedom of communication and exchange of people. I urge the Soviet Government to cooperate in turning principle into practice by prompt and tangible actions that will break down the unnatural barriers that have blocked the flow of thought and understanding between our peoples. [Applause.]

Another kind of work of peace is cooperation on projects of human welfare. For example, we now have it within our power to eradicate from the face of the earth that age-old scourge of mankind: malaria. We are embarking with other nations in an all-out 5-year campaign to blot out this curse forever. We invite the Soviets to join with us in this great work of humanity. [Applause.]

Indeed, we would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease. [Applause.]

If people can get together on such projects, is it not possible that we could then go on to a full-scale cooperative program of science for peace?

A program of science for peace might provide a means of funneling into one place the results of research from scientists everywhere and from there making it available to all parts of the world.

There is almost no limit to the human betterment that could result from such cooperation. Hunger and disease could increasingly be driven from the earth. The age-old dream of a good life for all could, at long last, be translated into reality. [Applause.]

But of all the works of peace, none is more needed now than a real first step toward disarmament. [Applause.]

Last August the United Nations General Assembly, by an overwhelming vote, approved a disarmament plan that we and our allies sincerely believed to be fair and practical. The Soviets have rejected both the plan and the negotiating procedure set up by the United Nations. As a result, negotiation on this supremely important issue is now at a standstill.

But the world cannot afford to stand still on disarmament. [Applause.] We must never give up the search for a basis of agreement.

Our allies from time to time develop differing ideas on how to proceed. We must concert these convictions among ourselves. Thereafter, any reasonable proposal that holds promise for disarmament and reduction of tension must be heard, discussed, and, if possible, negotiated. [Applause.]

There is one indispensable condition. A disarmament proposal, to hold real promise, must at the minimum have one feature: reliable means to insure compliance by all. It takes actions and demonstrated integrity on both sides to create and sustain confidence. And confidence in a genuine disarmament agreement is vital, not only to the signers of the agreement, but also to the millions of people all over the world who are weary of tensions and armaments.

I say once more, to all peoples, that we will always go the extra mile with anyone on earth if it will bring us nearer a genuine peace. [Applause.]

CONCLUSION

These, then, are the ways in which we must funnel our energies more efficiently into the task of advancing security and peace.

These actions demand and expect two things of the American people: sacrifice, and a high degree of understanding. For sacrifice to be effective it must be intelligent. Sacrifice must be made for the right purpose and in the right place—even if that place happens to come close to home.

After all, it is no good demanding sacrifice in general terms one day, and the next day, for local reasons, opposing the elimination of some unneeded Federal facility. [Applause.]

It is pointless to condemn Federal spending in general, and the next moment condemn just as strongly an effort to reduce the particular Federal grant that touches one's own interest.

And it makes no sense whatever to spend additional billions on military strength to deter a potential danger, and then, by cutting aid and trade programs, let the world succumb to a present danger in economic guise. [Applause.]

My friends of the Congress: The world is waiting to see how wisely and decisively a free representative government can and will now act.

I believe that this Congress possesses and will display the wisdom promptly to do its part in translating into law the

actions demanded by our Nation's interests. But, to make law effective, our kind of government needs the full voluntary support of millions of Americans for these actions.

I am fully confident that the response of the Congress and of the American people will make this time of test a time of honor. Mankind then will see more clearly than ever that the future belongs, not to the concept of the regimented atheistic state, but to the people—the God-fearing, peace-loving people of all the world. [Applause, the Members rising.]

At 1 o'clock and 17 minutes p. m. the President, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The members of the President's Cabinet.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Thereupon (at 1 o'clock and 20 minutes p. m.) the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

RECESS

The SPEAKER. The House will stand in recess until 2:30 p. m.

Thereupon (at 1 o'clock and 23 minutes p. m.) the House stood in recess until 2:30 p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 30 minutes p. m.

THE PRESIDENT'S MESSAGE

Mr. ALBERT. Mr. Speaker, I move that the message of the President be referred to the Committee of the Whole House on the state of the Union and ordered printed.

The motion was agreed to.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

QUESTION OF PRIVILEGE OF THE HOUSE

Mr. BROYHILL. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER. The gentlemen will state it.

Mr. BROYHILL. Mr. Speaker, I have been subpenaed to appear before the circuit court of the county of Arlington in the Commonwealth of Virginia to testify on Monday, January 13, 1958, at 10 a. m. in the case of the Commonwealth of Virginia against Marjorie Young Taylor. Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body.

Mr. Speaker, I send to the desk the subpena.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

THE COMMONWEALTH OF VIRGINIA.

To the SHERIFF OF THE COUNTY OF ARLINGTON, *Greetings:*

We command you, that you summon Hon. JOEL T. BROYHILL, 2551 North Vermont Street, Arlington, Va., to appear before the judge of our circuit court of the county of Arlington at the courthouse thereof, the 13th day of January 1958, at 10 o'clock a. m., to testify and the truth to say on behalf of the defendant in a certain matter of controversy in our said court before the said judge depending and undetermined between Commonwealth of Virginia, plaintiff, and Marjorie Young Taylor, defendant. And have then there this writ,

Witness, H. Bruce Green, clerk of our said court, at the courthouse, 7th the day of January 1958, and in the 182d year of the Commonwealth.

H. BRUCE GREEN, *Clerk.*

POSTAL SALARIES

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, I am today introducing a bill providing for the adjustment of the basic salaries of postal field service employees on a regional basis in accordance with prevailing wage rates.

The determination is left to the Postmaster General through a wage board or any other method of determining the wage rates which best serves the purpose.

It is my firm conviction that adequate pay will never be granted to the high living cost areas under our present system of setting a nationwide scale of pay.

It is also my firm conviction that the determination of wage rates by the Congress only results in making a political football out of the process and that the Congress does not have either the means or the facilities for adequately determining the wage rates in the various regions, either for the postal employees or for the classified civil service employees.

THE LATE CLAUDE U. STONE

Mr. MICHEL. 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 Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, it is with profound and unfeigned sorrow that I announce the recent passing of Judge Claude U. Stone, 78, former Congressman and onetime editor and publisher of the Peoria Star. He died November 13, 1957, in Peoria, Ill.

He had a long public career which began with election as superintendent of schools for Peoria County in 1902. He served in that office until 1910 when he was elected to Congress and continued to serve in the House of Representatives until 1917.

Upon completion of his third term in Congress, he was appointed Peoria postmaster by President Woodrow Wilson, who was his personal friend. After 3 years as postmaster, he resigned in October 1920, to practice law. He was associated with the firm of McGrath, Stone, Daily, & Michel which had offices in Peoria and Chicago.

In 1925, Judge Stone received the appointment of master in chancery from the three circuit judges of Peoria, Judges Joseph E. Daily, now member of the Illinois Supreme Court, T. N. Green, and John M. Niehaus. He served the next 16 years in that office, finally resigning to devote all of his time to the affairs of the Peoria Star.

From his boyhood in Menard County, where he was born near Middletown, May 11, 1879, he was interested in the Indians who had once roamed over the surrounding country. Later, he started an American Indian archaeology collection which he developed throughout his lifetime to outstanding quality.

He was elected president of the Illinois State Archaeological Society October 26, 1947, in Springfield. He was charter member of the society and previously had served as a director, treasurer, and vice president. He also served the Illinois State Academy of Science as a vice president and the Peoria Academy of Science as president. He was a member of numerous State archaeological societies beside the Society for American Archaeology.

Judge Stone was raised on the family farm and attended a one-room country school. His education was continued at Western Normal College at Bushnell, Ill. Afterward he studied law at the University of Michigan and at George Washington University.

At the age of 17, he became teacher of the Bee Grove rural school in Menard County and taught there for 1 year. After attending Western Normal, he took a position as principal of Brimfield public schools and served there for 2 years. He continued his work in education as county superintendent of schools. Later, he was awarded a master's degree at the age of 76 from Bradley University in June 1955.

He was a veteran of the Spanish-American War, having enlisted at Springfield. He went to Cuba with the American troops and served from May 1898 to May 1899. Also, as a young man, he taught a Sunday school class and

joined the Second Presbyterian Church in Peoria in 1902.

Judge Stone's membership in Masonic organizations covered half a century. His other affiliations included: Veterans of Foreign Wars; American Bar Association, Peoria; State, national and Mississippi Valley historical societies; Civil War Round Table of America; Bradley University Alumni Association; and two honorary fraternities, Phi Delta Kappa and Phi Alpha Theta.

He married Alma Poppen April 2, 1925. They had one son, Claude U. Stone, Jr. of Peoria. Besides Mrs. Stone and their son, he leaves a daughter, Mrs. Shielagh Day of Morton, Ill., 2 brothers, 2 sisters, and 2 grandchildren.

Judge Stone's philosophy of life is expressed in a statement which he made a part of his will.

It has been my belief always—

He wrote—

that the finest inheritance a man can give to his heirs is the legacy of a good name. If my son and daughter try to do right, as I have, I shall be content.

Mr. Speaker, Judge Stone lived a long and fruitful life. Even though he was elected to Congress as a Democrat, he turned to the Republican Party in recent years as being more representative of his thinking. As a matter of fact, I am proud to say he was one of my most ardent supporters for which I shall always be grateful. I will miss him greatly, and our entire Peoria community suffers great loss in his passing.

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 30 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER, Mr. MACDONALD, and Mr. POWELL (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. PORTER and to include extraneous matter.

Mrs. BOLTON.

Mr. HESELTON in two instances and to include extraneous matter.

Mr. DOOLEY.

Mr. CARNAHAN.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 2 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until Monday, January 13, 1958, 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:

1425. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to provide for the transfer of title to certain land at Sand Island, T. H., to the Territory of Hawaii, and for other purposes"; to the Committee on Armed Services.

1426. A letter from the Chairman, Interstate Commerce Commission, transmitting copies of the final valuations of properties of certain carriers, pursuant to section 19a of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1427. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to authorize acquisition by the Administrator of General Services of certain land and improvements thereon located within the area of New York Avenue and F Street and 17th and 18th Streets NW., in the District of Columbia"; to the Committee on Public Works.

1428. A letter from the Secretary of Commerce, transmitting the annual report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1957, together with the reports covering the operations during the same period of foreign-trade zones Nos. 1, 2, 3, and 5, located respectively at New York City, New Orleans, San Francisco, and Seattle, pursuant to Public Law 566, 81st Congress; to the Committee on Ways and Means.

1429. A letter from the Under Secretary of the Interior, transmitting a report on the advisability of establishing Fort Clatsop, located in Clatsop County, Oreg., as a national monument, pursuant to Public Law 590, 84th Congress; to the Committee on Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 9855. A bill to amend section 27 of the Merchant Marine Act of 1920; to the Committee on Merchant Marine and Fisheries.

By Mr. BARTLETT:

H. R. 9856. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H. R. 9857. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. DONOHUE:

H. R. 9858. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. FISHER:

H. R. 9859. A bill to extend for an additional 4-year period the provisions of the National Wool Act for 1954; to the Committee on Agriculture.

H. R. 9860. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction allowed a taxpayer for the expenses of providing for the care of certain dependents, and to allow such deduction without regard to the taxpayer's income; to the Committee on Ways and Means.

By Mrs. KNUTSON:

H. R. 9861. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. MERROW:

H. R. 9862. A bill to increase the debt limit of the United States; to the Committee on Ways and Means.

H. R. 9863. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

H. R. 9864. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H. R. 9865. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization; to the Committee on Interior and Insular Affairs.

By Mr. PORTER:

H. R. 9866. A bill to make an additional appropriation for the Hills Creek Dam, Willamette River Basin, Oreg., for the fiscal year ending June 30, 1958; to the Committee on Appropriations.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 9867. A bill to increase the annual income limitations governing the payment of pension to certain veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. SISK:

H. R. 9868. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization; to the Committee on Interior and Insular Affairs.

By Mr. THOMSON of Wyoming:

H. R. 9869. A bill to compute wheat acreage allotments on the basis of allotted acres; to the Committee on Agriculture.

By Mr. WIER:

H. R. 9870. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. WITHROW:

H. R. 9871. A bill to amend section 201 (c) of the Agricultural Act of 1949, as amended, relating to price supports on dairy products; to the Committee on Agriculture.

By Mr. YOUNGER:

H. R. 9872. A bill to provide for the adjustment of the basic salaries of postal field service employees on a regional basis in accordance with prevailing wage rates; to the Committee on Post Office and Civil Service.

By Mr. COAD:

H. R. 9873. A bill to establish a national emergency food storage and distribution program for the purpose of transforming Government-owned agricultural commodities into edible storables in order to provide subsistence for large numbers of the population of the United States who would be destitute in the event of a national or regional emergency or disaster; to the Committee on Armed Services.

By Mr. MACK of Washington:

H. R. 9874. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization; to the Committee on Interior and Insular Affairs.

H. R. 9875. A bill to provide for the removal of the naval magazine at Port Chicago, Calif., to a site on Willapa Harbor, Wash.; to the Committee on Armed Services.

By Mr. UTT:

H. R. 9876. A bill to amend section 4242 of the Internal Revenue Code of 1954 to exempt from the club dues tax certain charges made by nonprofit clubs for the use of facilities; to the Committee on Ways and Means.

By Mr. WILSON of California:

H. R. 9877. A bill to amend section 4242 of the Internal Revenue Code of 1954 to exempt from the club dues tax certain charges made by nonprofit clubs for the use of facilities; to the Committee on Ways and Means.

By Mr. DOLLINGER:

H. J. Res. 488. Joint resolution to establish the Hudson-Champlain Celebration Commission, and for other purposes; to the Committee on the Judiciary.

By Mr. FULTON:

H. J. Res. 489. Joint resolution establishing a Joint Committee on Earth Satellites and the Problems of Outer Space; to the Committee on Rules.

By Mr. WALTER:

H. Con. Res. 234. Concurrent resolution providing for the printing of additional copies of the staff consultation entitled "The Communist Mind"; to the Committee on House Administration.

H. Con. Res. 235. Concurrent resolution providing for the printing of additional copies of the staff consultations entitled "The Ideological Fallacies of Communism"; to the Committee on House Administration.

By Mr. FULTON:

H. Con. Res. 236. Concurrent resolution requesting the President to designate the year 1960 as "Visit U. S. A. Year"; to the Committee on the Judiciary.

By Mr. WALTER:

H. Res. 426. Resolution authorizing funds for the operation of the Committee on Un-American Activities; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. PATMAN: Memorial of the Legislature of the State of Texas memorializing the United States Congress to immediately adopt Senate bill 2014 and House bill 7574 to alleviate the present problems of the Armed Forces in retaining adequate personnel for the defense of our Nation; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 9878. A bill for the relief of Dora Thelma Andree; to the Committee on the Judiciary.

H. R. 9879. A bill for the relief of Mrs. Sode Hatta; to the Committee on the Judiciary.

H. R. 9880. A bill for the relief of Lilia Pandaraoan; to the Committee on the Judiciary.

H. R. 9881. A bill for the relief of Mitsuo Arita; to the Committee on the Judiciary.

By Mr. CARNAHAN:

H. R. 9882. A bill to authorize the expenditure of certain moneys for war rehabilitation work; to the Committee on the Judiciary.

By Mr. CUNNINGHAM of Iowa:

H. R. 9883. A bill for the relief of Nels Lund; to the Committee on the Judiciary.

By Mr. DELLAY:

H. R. 9884. A bill for the relief of the Aetna Casualty & Surety Co., New York, N. Y.; to the Commitee on the Judiciary.

By Mr. EBERHARTER:

H. R. 9885. A bill for the relief of Frank A. Gyescek; to the Committee on the Judiciary.

H. R. 9886. A bill for the relief of Louis DeStout; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 9887. A bill for the relief of John Flamos; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 9888. A bill for the relief of Giuseppa Lazzaro; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 9889. A bill for the relief of Mr. and Mrs. Edward R. Wortman; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 9890. A bill for the relief of Mrs. Carmela B. Iacovino; to the Committee on the Judiciary.

By Mr. MUMMA:

H. R. 9891. A bill for the relief of G. B. Grubb and W. B. Shartzer; to the Committee on the Judiciary.

By Mr. THOMPSON of Texas:

H. R. 9892. A bill for the relief of Dr. Te Yong Lou; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

355. Mr. MACK of Illinois presented a petition in support of standard time legislation which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

High Interest Rates and the Oregon Lumber Industry

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, January 9, 1958

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Oregon [Mr. NEUBERGER], I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by him and an editorial from the Oregonian, of Portland, Oreg.

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

STATEMENT BY SENATOR NEUBERGER ON HIGH INTEREST RATES AND THE OREGON LUMBER INDUSTRY

The State of Oregon has been desperately crippled economically by the so-called hard-money program and its adverse impact on housing. Relaxation of this policy is essential to Oregon's business revival, and some of us have been urging such a change in the management of our currency for the past 2 years.

On November 16, 1957, the Oregonian of Portland published an effective editorial entitled "Timely Credit Action." Motivation for the editorial was the lowering of the Federal Reserve discount rate at certain district banks from 3½ percent to 3 percent, a most mild and gingerly relaxation, indeed.

I should like to call special attention to one key sentence in the Oregonian's editorial. This is the sentence:

"The wood products industry of the Northwest is a prime example of an industry depressed by a building slowdown caused by high interest and diminished credit."

This one sentence epitomizes in a nutshell what has happened to Oregon's lumber economy due to the tight-money policies of the Republican national administration. Housing is the cream of the lumber market. When housing is down, lumber is down. Housing is an industry mainly reliant on credit. When credit is dried up or made scarce at the source, housing suffers accordingly—ergo, lumber likewise suffers.

[From the Portland Oregonian of November 16, 1957]

TIMELY CREDIT ACTION

The Federal Reserve Board, administrator of the Federal Reserve System of 12 Reserve banks and their 24 branches, and of all national banks and 1,800 State banks which are members, is supposed to be above politics. Operating in its fiscal tower, the Board attempts to immunize itself from the piteous wails of politicians that its policies are ruining industries and making fat cats out of lenders.

The Federal Reserve System, in the words of William McChesney Martin, Jr., Chairman, does what it can "at all times, to assure monetary and credit conditions that will foster high levels of business and employment, maintain the stability of the dollar, and promote sustainable growth in the economy," thus to "make a substantial contribution to raising the standards of the people as a whole."

In line with this, the Federal Reserve Board has been battling inflation on the credit front. In the past 3 years, it has raised the discount rate—the interest rate the Federal Reserve banks charge their member banks for loans—7 times.

Now, the Board has announced reduction of the discount rate at 4 of its 12 district banks from 3½ to 3 percent—a reduction which may be expected to reach the other 8 banks soon. The reason given: "It is recognition that inflation, at least temporarily, has ceased to be the dominant factor in the economy. * * * The inflationary pressure has cooled."

The assault on the Eisenhower administration's tight-money policy—a policy most influenced by the Federal Reserve System's fight to curb inflation— has emphasized for some time that there are soft spots in the economy. The wood-products industry of the Northwest is a prime example of an industry depressed by a building slowdown caused by high interest and diminished credit.

Thus, reversal of the interest trend under Federal Reserve policy should, in time, be reflected in easier credit, more building and stimulation of lumber sales. It should, that is, unless even this small relaxation of interest rates results in another upsurge of inflation. This seems doubtful—and is, at least, a risk which should be taken in view of the slowdown in the national economy and considerable unemployment.

Whether or not the political attacks on the Eisenhower administration echoed in the board room of the Federal Reserve System, the reduced interest order is welcome. The national economy is closely geared to liberal credit, and it is not only the politicians who believe that credit has been too severely restricted for the past 6 months.

Dedication of Sam Rayburn Memorial Library

EXTENSION OF REMARKS
OF
HON. LYNDON B. JOHNSON
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Thursday, January 9, 1958

Mr. JOHNSON of Texas. Mr. President, one of the most inspiring occasions of this past fall was the dedication of the Sam Rayburn Memorial Library in Bonham, Tex.

To that occasion came the leading figures of this country—without regard to partisan divisions. All of them joined in paying tribute to a great public servant.

One of those who was present was Mr. RAYBURN'S fellow Texan, Robert B. Anderson, the Secretary of the Treasury. Mr. Anderson delivered a speech in keeping with the high occasion, and I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

As the President himself noted earlier today, this is the week of SAM RAYBURN'S birthday. We all join in wishing him many more happy birthdays in the years that lie ahead.

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

REMARKS BY TREASURY SECRETARY ROBERT B. ANDERSON AT DEDICATION OF THE SAM RAYBURN MEMORIAL LIBRARY, BONHAM, TEX., OCTOBER 9, 1957

Out of the yesterdays, out of the life of SAM RAYBURN, we come to the present moment. We dedicate a library inspired by him; erected not for glorification but consecrated to stimulate and satisfy man's intellectual thirst for learning in the tomorrows. We would not be content and look backward; we would labor and look forward—for of such is the life of RAYBURN.

It is a proud moment. We are honored who are privileged to pay tribute to a personal friend and an outstanding American. He needs no monument. He is part and parcel of our generation. He has given his life in service to his country. His historic stewardship as Speaker of the House longer than any man before him attests to the genesis of fairness that is an essential ingredient of government by and for the people. His true memorial will abide in their hearts.

It is altogether fitting that the site of this citadel of history and progress should be in Bonham. The Speaker is rooted here in the rich black soil of Fannin County. Here he gained his strength and put on the mantle of simplicity and humility. Here he is part of the people—the cornerstone of his faith.

The affection, the confidence, and the respect of his neighbors are responsible for his 44 years in Congress. How appropriate that this library will be largely devoted to improving our knowledge and understanding of the Congress of the United States.

There the art of self-government is raised to one of its highest expressions. In this forum is heard the voice of the two great political parties of our time.

Oftentimes the debates may seem to lack specific direction, yet out of the crucible of discussion come the intellectual alloys of our collective thinking. These materials, utilized by the growing genius of the architects of our Government, become the pilings and pillars of the edifice of our political thinking. Upon this scaffolding will be laid the solid stones of our national decision.

Those of us who now and in the future behold the completed structure will know that, all unseen, it is supported by the perdurable framework created by the political artisans of our age, exemplified by men like SAM RAYBURN.

In a deeper sense, however, no building of national life is ever completed. The time never comes when we can say our work is done. No generation can claim the privilege of dwelling in the house of its father without accepting the responsibility of preserving and extending it for the generation to come.

But we dedicate today a house of books, of written records. How important they are to the past, the present, and the future. In 1835 Alexis de Tocqueville in Democracy in America wrote:

"The authority which public men possess in America is so brief and they are so soon commingled with the ever changing population of the country that the acts of a community frequently leave fewer traces than events in a private family. The public administration is, so to speak, oral and traditional. But little is committed to writing, and that little is soon wafted away forever, like the leaves of the sibyl, by the smallest breeze.

"The only historical remains in the United States are the newspapers; if a number be wanting, the chain of time is broken and the present is severed from the past. I am convinced that in 50 years it will be more difficult to collect authentic documents concerning the social condition of the Americans at the present day than it is to find remains of the administration of France during the Middle Ages; and if the United States were ever invaded by barbarians, it would be necessary to have recourse to the history of other nations in order to learn anything of the people who now inhabit them."

No book or record is an end unto itself. They must make the past useful to the present—the contemporary challenging to the future. Few ideas are new but old ideas are adaptable. That which was once regarded as imagination may find reality in a new day.

Experiences, when recorded, do not wear out. Mental creativeness, once inscribed, does not exhaust itself. In new fabrics of time they are constantly reappearing, guiding, directing—slowly but inscrutably moving each new age toward man's enlightenment and betterment of man.

In this use of books certain currents of optimism are discernible. I will mention only two. The first of these is the insistent belief that the present can be improved upon. No era need be happenstance. Here is evidence of man's faith that as an individual he can discern and use things of value about him. He persists in believing that his lone personal thoughts and meditation are worth recording. His experiences are spared condemnation as transitory and assume an air of deathless value. Yesterday, today, and tomorrow are coalesced into a oneness by the reposition of man's records.

A second discernible current of human optimism gleaned from libraries is the age-old belief that as a community man can best govern himself. Here is the root of our Constitution. This faith in our collective judgment is the basic support of our Congress—that magnificent instrument of our courageous resolve to be a government of law by people. Here we seek to keep the balance between the well-being of the many and the imperative creative need of the individual for the fullest freedom. Here is need for inherent fairness. Political parties contend and debate, but over the long run the distillations of combined judgments have proven sound. As our problems grow more and more complex the people of our Nation sense it and the Members of our deliberative bodies rise to the demands.

Not all the world is free. There are some nations whose leaders scorn the individual and the competence of communities to govern by the rule of law. They stifle freedom, curtail observation and meditation. They enforce totalitarianism and regimentation. They also burn books. They forbid the recordings of free thought. They prostitute history. They do not dedicate libraries of unfettered expression.

The role of records in man's affairs could go on interminably. They are one of our most palpable links with immortality. As such, they keep before us always the sobering realization that our decisions and our actions of the fleeting present are tomorrow's record of how we laid a restraining hand on man's march to a better condition, or gave him impetus.

Our separate books may be no more than records of the things that describe an individualistic pattern or thought experience. But brought together as the libraries of free men our books, like great citizens, transcend themselves. They become a part of what unites us. As libraries our books become like a twisted skein of many colored threads. In such a skein it may be next to impossible to trace the course or importance of any one thread. But dominant colors can be easily distinguished. So also can the main directions that those dominant strands follow.

Our libraries serve us in the same manner. From their massed records, and just because they preserve so much that is so different of man's thoughts, decisions and actions, we can see clearly a few main attributes and main directions.

Thus, we are enabled to find and assess our enduring characteristics. We are reassured that, whether slowly or in haste, at given times the human race has moved, in the main, steadily from disorganization toward organization, from scarcity toward plenty, from brutishness toward perception and appreciation, from ignorance toward knowledge and from knowledge toward wisdom, from fear toward security, from ceaseless tribal war toward ceaseless efforts to achieve peace.

Our libraries assure us man has a sense of direction, a lasting, dependable sense we may all safely take, as individuals and as nations, to guide our own conduct.

This is an important occasion. Most of what I have said relates to the library we dedicate.

But what of the man whose name it carries?

You, his neighbors, know his virtues well. He has the deep personal feeling for friendship. No friend is ever cast aside because it might be expedient. He has earned the respect of his associates in Government regardless of party.

When he speaks in Congress—which is rarely—the word passes quickly and every seat is filled. You expect him to speak plainly. He does. He is a master of simplicity and directness.

In every sense SAM RAYBURN is most unusual in his profession. He stands in the national spotlight representing courage and strength, character and patriotism—the type of rugged individualist with vision who has built the State and the United States to a pinnacle of world leadership.

It was Rudyard Kipling who spoke of one who could "walk with kings nor lose the common touch." Such a man we honor today.

SAM RAYBURN has always been close to the roots of his greatness. He is deeply close to his family, his friends, and his home. You haven't been around SAM RAYBURN very long, anywhere he might be, if you haven't heard

him talk about Bonham, his devoted friends in the old Fourth District, and Flag Springs, his home as a boy.

Not long ago, at a Texas dinner in Washington, Speaker RAYBURN said:

"We are all just slightly removed from Flag Springs. We all just missed being a tenant farmer or a hired hand or something. I just missed being a tenant farmer by a gnat's heel. But somebody was kind to me in my youth. Yes; I have come a long way from Flag Springs. But, then, I don't feel that I have ever been very far away from Flag Springs, either."

SAM RAYBURN is in the business of politics. In that business, issues and partisan differences breed differences of opinion. But although there may be those who differ with SAM RAYBURN on political issues, there are none who question his fairness or devotion to principle.

I remember an occasion a number of years ago when Speaker RAYBURN had passed the mark of holding the office of Speaker of the House longer than anyone previously in history.

On the occasion marking this record tenure as Speaker of the House, his Republican counterpart, House Minority Leader JOSEPH W. MARTIN, JR., of Massachusetts, rose from his chair.

"No man," his political adversary said, "could achieve such an unusual distinction unless he was a man of fine character, of extraordinary ability, great fairness, and a parliamentarian par excellence.

"Those are virtues which we have in our Speaker. In this hour of confusion—of uncertainty—we have a man who has the courage, we have a man who has the firmness to do that which is right, to the end that our country may emerge a better country."

If there is anything that is bipartisan in Washington it is a uniform respect and appreciation for SAM RAYBURN.

Speaker RAYBURN has risen above the things that divide us to the things that unite us in the same way that a library does, by combining in himself a keen awareness of the main currents of human effort and aspirations. In so doing, he has entered the small company of men who are recognizable landmarks along humanity's high roads, the men who have in themselves been keepers of humanity's sense of direction.

Mr. Speaker, here among your closest friends America salutes you.

We are grateful for the life you have so abundantly lived among us.

Any effort of mine to reduce to expression your contributions to our way of life and government would be to distort by simplicity that which is the imponderable measure of a man of history in the lives of all generations who feel the impact of his influence.

May it suffice here to say only that what you have been, what you have done, what you are, belong forever to the edifice of our society—to the inspiration of our Nation.

This building, bearing your name, we commend to the use of man—SAM RAYBURN we enshrine in the hearts of his countrymen.

LETTER READ BY TREASURY SECRETARY ROBERT B. ANDERSON AT DEDICATION OF THE SAM RAYBURN MEMORIAL LIBRARY, BONHAM, TEX., OCTOBER 9, 1957.

THE WHITE HOUSE,
Washington, October 7, 1957.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives, Bonham, Tex.

DEAR MR. SPEAKER: It is a pleasure to join your friends in the dedication of the SAM RAYBURN Memorial Library.

There are few citizens who can equal your knowledge of the House of Representatives, and none who has occupied the position of leadership of that body as long as you have. It is fitting, therefore, that this library stand as a lasting reminder of your guiding spirit and rich experience in that great institution of self-government.

My congratulations to you on this occasion that does honor to all the citizens of our land.

With warm regard,

Sincerely,

DWIGHT D. EISENHOWER.

Who's Confused?

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 9, 1958

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter which I mailed on January 10 to the Secretary of Defense:

Hon. NEIL H. MCELROY,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: I want to call your attention to certain Defense Department public relations policies and respectfully suggest that you consider appropriate changes.

On December 30, 1957, I made available to the press copies of a letter I had written to my colleague, CARL T. DURHAM, chairman of the Joint Committee on Atomic Energy. Two of my statements were based on what I was told not long before by your Assistant Secretary (Atomic Energy), Herbert B. Loper, and by the vice commander in chief of SAC, Lt. Gen. Francis H. Griswold. Those statements were not only challenged by the Defense Department, but they were scoffed at (according to the press) and I was said to have been confused.

Although I had carefully established my facts before my press conference on December 30, I checked later with both General Loper and General Griswold. They substantiated what I had said and I now ask for:

1. A retraction and an apology from the Defense Department, and

2. That the DOD widely and explicitly make known the facts regarding the two points under discussion; namely, that an accidental or unauthorized nuclear explosion is probable, not merely possible, and that SAC planes do not in normal routine training or ferrying operations carry nuclear weapons which could be armed by the crew without landing.

I also believe that the DOD public relations program should explain to the Nation and to the world the abundant safeguards taken to prevent an unauthorized or accidental explosion and to prevent the misinterpretation of such an explosion as a precursor of an all-out war.

Let me explain in more detail what the DOD should retract and why I think I deserve an apology.

First, let me say that no question of security has ever been raised on these particular matters and that I explicitly raised this point with both General Loper and General Griswold.

News services quoted both the DOD and General Loper as saying that "the possibility of a nuclear explosion was 1 in 3 billion," a figure General Loper used in our conversations both before and after the news stories but only to apply to an accident resulting from mechanical failure or inadvertence. He admitted to me that human frailties, such as drunkenness, misguided idealism, mental breakdown, and treason, would substantially change that proportion and that, all things considered, an accidental or unauthorized explosion was probable.

I recognize the communication difficulties inherent in the use of words such as "possible" and "probable." The word "likely" is better.

DOD agrees, in fact, that such an explosion is likely, not a remote possibility, so why doesn't DOD say so instead of issuing a misleading and unresponsive statement which confuses the issue raised by my statement that an accidental or unauthorized explosion is probable?

Now, let me detail the second point on which I believe DOD public relations policy is similarly evasive and unresponsive.

Do our SAC planes in fact carry nuclear weapons which can be armed without landing? Do we, in other words, delegate to a single crew the power to decide the fate of the world? General Griswold told me very explicitly on December 5, 1957, that we do not. Our planes carry the bombs, he said, but they will not be armed until word is received from the Joint Chiefs of Staff and the President.

Although General Griswold said this fact was not classified and that he personally believed it should be made more widely known, apparently some persons in the Pentagon want our citizens and the people in Britain, France, the U. S. S. R., and the rest of the world to believe that our planes are ready to drop their terrible bombs as they fly patrols all over the globe. This, in my opinion, makes us look trigger-happy and irresponsible.

We'd do better to trumpet the truth and show the world that we are alert and ready, yes, but taking all reasonable precautions against any one crew making a fatefully wrong decision.

I don't mind the DOD disagreeing with me. I do mind it muddying up the waters in connection with very clear information I have received from high Defense officials on important and unclassified matters. Far more important than my personal feelings, however, is my belief that DOD's public relations policy with respect to our handling of nuclear weapons should be more frank and positive with regard to the dangers and safeguards related to their use.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

H. R. 9882

EXTENSION OF REMARKS
OF
HON. A. S. J. CARNAHAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 9, 1958

Mr. CARNAHAN. Mr. Speaker, on January 9 I introduced H. R. 9882, a bill to fulfill the continuing trust responsibility of the Government growing out of an agreement entered into during World War II. This agreement involves $1,407,976.96 which was earned by civilian public-service workers doing work of national importance as provided under the draft law in lieu of military service. The money was to have been paid over to the National Service Board for Religious Objectors, the official non-Government liaison agency between the Selective Service System and 47 religious denominations, for war rehabilitation work.

Because the Comptroller General felt that this could not be done without enabling legislation by the Congress the fund was deposited in the United States Treasury where it remains in trust for the National Service Board for Religious Objectors. The money appropriated by this bill will be used for foreign rehabilitation and refugee relief and resettlement programs in accordance with the original agreement.

In order to insure adequate controlling of the programing of the money, the bill further provides that disbursement of the money would be made upon approval of the Director of Selective Service, and that in making this approval, the Director of Selective Service will have available the counsel of the Advisory Committee on Voluntary Foreign Aid, which is a Government agency in the International Cooperation Administration. I earnestly invite the attention of the membership of the House to this legislation which will complete an agreement which should not be permitted to continue unresolved.

Problems of Defense

EXTENSION OF REMARKS
OF
HON. HENRY M. JACKSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES

Thursday, January 9, 1958

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address and a statement concerning the problem of defense, which were made by me during the adjournment of Congress.

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

WE MUST CATCH UP

(Address by Senator HENRY M. JACKSON, member, Senate Armed Services Committee, chairman, Military Applications Subcommittee, Joint Committee on Atomic Energy, and chairman, special NATO Parliamentary Committee on Scientific and Technical Personnel, delivered before the dinner meeting of Washington Bankers Association, Ridpath Hotel, Spokane, Wash., October 10, 1957)

This is a week of shame and danger for America.

The Soviet Union, not the United States, has made man's first step into outer space.

Month after month, our newspapers and magazines have been filled with Government-inspired stories of progress in our American earth satellite program. And now, victory in the race for the step to the stars has gone to the Soviets.

The direct military significance of this first satellite is not great. Rather, it is a symbol—a symbol of enormous American complacency and enormous Soviet military and scientific progress.

Getting this first satellite into the air was a stunning technical achievement. This achievement should be taken as an ominous military warning, and an equally ominous scientific warning.

The question is not whether we are losing the race for the ICBM. We are losing it. We are behind and we are falling further and further behind. The problem is not how to stay ahead: it is how to catch up.

Consider the record: We were 4 years ahead of the Soviets in achieving the atomic bomb. The race for the hydrogen bomb was a virtual tie. Now, we are behind in the race for the ultimate weapon—the ICBM. For the first time, our country is losing a scientific and engineering race which we were determined to win.

The question is not whether we are also losing the race for overall scientific supremacy. We are losing it and we will continue to fall further and further behind unless something is immediately done.

Ten years ago, there was no question where the best scientists in the world could be found—here in the United States. Now each time Sputnik I passes over our cities we are reminded of Soviet scientific capacity. Dr. Edward Teller, the father of the H-bomb, has flatly stated he believes that 10 years from now the best scientists in the world will be found in Russia.

In this 20th century, military supremacy depends on technological supremacy, and technological supremacy depends in turn on scientific supremacy.

A continuation of today's trend will certainly mean that the Soviets will soon be first in science.

A continuation of today's trend will certainly mean that the Soviets will also be first in military power.

The true tragedy is that we are now voluntarily abdicating world leadership to the Soviet Union. There is no real reason why we should be losing the scientific and military race, as we are now losing it.

We are now the most advanced industrial nation in the world; the Soviets are barely one generation into the industrial age. The American people have a more abundant life than any other nation in the world; the Soviet people do not have the most elementary material comforts. We have the enormous advantage of freedom; the Soviets work under the ironhanded dictator.

Here in America we can keep world military and scientific leadership without making any serious material sacrifices.

This is no time for partisan charges and countercharges. This is no time for wringing our hands over past errors.

The question is not what we did or did not do in the past. The question is what should we do now.

The starting point must be humility. There should be an end to the amused talk about how we were not surprised by the earth satellite, and to the ridiculous statements that anybody can throw a hunk of iron into the air.

It is time for all of us, Republicans and Democrats alike, to wake up, to stop quarreling, and to start acting.

1. We should stop our boasting about American prowess in the missile field. So far, we have been doing almost all the talking, and the Soviets have been doing most of the acting.

2. We need an Admiral Rickover of ballistic missiles. To date, our missiles program, divided between the three services, has really been run by coordinating committees. No one man has been given the complete authority and the complete responsibility needed to get the job done.

The only postwar military development program in which we are now clearly ahead of the Soviets, naval nuclear propulsion, shows what can be done when one man is given the authority needed to force through a major developmental job, and then let alone to do it.

Almost 2 years have passed since I urged that our entire ballistic missile program be put under one top-level man. We still do not have that man.

3. We should immediately restore the budgetary cutbacks on the production side of our ICBM program. It is simply nonsense to say that more money will not speed our program. It will.

4. The President and the incoming Secretary of Defense should immediately assume personal responsibility for making sure our ballistic missile effort is speeded up. This is a life and death matter for our country and the Free World, and it should be so treated at the highest levels of our Government. Critical decisions must not be left to subordinates.

5. We should immediately restore the budgetary cuts for manned bombers, and then raise our production goals still further. In the ballistic missile field our own progress has been slower than expected, whereas Soviet progress has been faster than expected. This being the case, it is simply absurd to slow down bomber procurement as well.

6. We should immediately establish a major program to achieve submarine-launched intermediate range ballistic missiles. Our present program is little more than a token effort. An intermediate range ballistic missile launched from a nuclear submarine would have the same target coverage as an ICBM. These sea-based launching platforms would be almost impossible to find and destroy. We could tremendously increase our military deterrent power by getting this capability at an early date.

7. We should immediately abolish the arbitrary spending ceiling. We are the richest country in the world. We can easily afford the military and scientific effort required to keep the peace. I have always been opposed to unnecessary Government spending, but I have been more opposed to the philosophy that says we cannot afford an adequate national defense.

8. We should immediately start rebuilding the strength of our conventional Armed Forces. Every Soviet stride forward in weapons of mass destruction increases the probability of brush-fire wars. Particularly when the Russians are ahead of us in ballistic missiles, all the talk about massive retaliation is so much massive nonsense.

9. We should immediately step up our output of scientists and engineers and do everything possible to encourage more of our talented young people to embark on scientific careers. Over the long run, our failure to do this may prove our real military and technological Achilles heel.

10. We should immediately take steps to strengthen the bonds between us and our allies. More than ever it is now apparent we need their help and they need ours. In particular, the United States should initiate in NATO a bold program to help train and utilize the best talents of the entire NATO community in solving the common scientific problems.

STATEMENT ON POLARIS-ATOMIC SUBMARINE PROGRAM

(By Senator HENRY M. JACKSON, member, Senate Armed Services Committee, chairman, Military Applications Subcommittee, Joint Committee on Atomic Energy)

I have been deeply disturbed by recent official statements suggesting that the Navy's sea-launched ballistic missiles program is at last moving full speed ahead.

This is simply not so.

It is true that there have been important scientific breakthroughs on Polaris—the solid-propellant intermediate range missile which can be fired from a nuclear submarine.

However, a few laboratory-model Polaris missiles will by themselves contribute almost nothing to our deterrent strength. Polaris will not be a real weapon until it is married to its launching platform—a nuclear submarine which can safely travel within striking distance of enemy targets. And this weapons system—the missile plus

its launching platform—will in turn not really add to our defensive strength until we have produced operations weapons in large numbers and distributed them to our Armed Forces.

Side by side with this effort we should also be going all-out to cope with the threat posed by these underwater weapons in Soviet hands.

Here are just a few of the areas where we now lag:

1. Our present program for building an undersea satellite fleet is one more case of too little and too late. The exact number of these weapons systems we now plan to build is classified. I can flatly state, however, that the American people would be dismayed and bewildered if this figure was made public. It is shockingly small.

I am confident that the Soviet goal is to produce hundreds of these undersea satellites.

Yet our own program does not even begin to meet our true needs.

I recommend that we build at least 100 missile-launching submarines at the earliest possible date. This is a minimum number—a starting point.

2. Once we test fire our first Polaris missile, it is imperative that a large quantity of these weapons be wedded to launching platforms and allotted to our armed services as quickly as possible. In other words, we face three problems—the problem of developing an effective missile and launching platform, the problem of mass producing this weapons system, and the problem of military planning for its employment within our defensive forces. All three problems must be tackled in parallel.

But, today, we have scarcely begun to tackle the problems of mass production and military planning.

At the rate we are now going, we will have our first missile long before we can mass produce it or use it effectively.

We must cut down our lead time.

I recommend that we now accelerate our planning for mass production and military use of the undersea satellite.

3. Our research and development program for ballistic seapower is not now organized to get the job done as quickly as possible.

One person, Admiral Raborn, is now in effective charge of the Polaris missile. He reports directly to the Secretary of the Navy. But the job of keeping the missile on schedule keeps him busy around the clock.

The result is that no one person is actually in charge of the launching platform—the submarine hull, the propulsion machinery, and the nuclear powerplant. Responsibility for the platform is in fact now divided among several different groups in the Navy, with no one person really in command.

I recommend that one person immediately be given complete authority and responsibility for the launching platform, and that he also report directly to the Secretary of the Navy.

4. As surely as night follows day, we are now heading for a bitter service fight on the question of the role of ballistic seapower in our overall defense policy. Every revolutionary weapon—from the crossbow to the airplane—has always been resisted by the military diehards. The undersea satellite is no exception.

Let us be frank. Billions of dollars will be required for this program. Partisans of other weapons systems will, of course, resist these expenditures. We may concede their sincerity, but we cannot count on their objectivity.

The place of the undersea satellite in our defensive forces is simply too important for the future of the free world to be decided by bargaining and logrolling within and between the three services.

I recommend, as I have repeatedly recommended in the past, that the President and the Secretary of Defense immediately give this problem their personal and continuing attention, so that it will be resolved on the basis of the national interest, not service interests.

5. We are not doing nearly enough to develop our defense against Soviet ballistic seapower. The day is inevitably coming—and it will be sooner than most of us think—when Moscow will possess large numbers of nuclear submarines armed with 1,500-mile missiles.

Once such a ship leaves its home port the best and surest way to destroy it is with another nuclear submarine. Our Navy is now developing such an antisubmarine vessel—a hunter-killer submarine specifically designed to locate, track, and destroy hostile submarines.

Yet our present plans call for exactly one hunter-killer submarine to be operational in 1960.

Picture it: Today, right now, the Soviet underwater fleet already includes more than 500 vessels. Three years from now we will have precisely one killer-submarine arrayed against the entire might of the Soviet Navy. We will have one such up-to-date ship available for patroling the millions of square miles of the Atlantic, the Pacific, and the Arctic oceans.

I recommend that we drastically revise upward our programs for producing these hunter-killer submarines.

Science in National Security

EXTENSION OF REMARKS

OF

HON. JOHN W. HESELTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1958

Mr. HESELTON. Mr. Speaker, in his state of the Union message today, the President demonstrated again his marked qualities as a great leader.

He gave to all Americans reasons for confidence, courage, and rededication to the ideals of their country.

He gave to all the free people of the world reasons for renewed hope and rededication to the cause of an enduring peace.

He gave to each of us, as Members of Congress, a challenge which will be a supreme test.

In our consideration of this message and of the specific measures to implement it, he made two previous reports to the people of America which should be available with the text of his state of the Union message.

The first was the speech he made here in Washington on November 7, as follows:

My subject tonight is science in national security.

Originally this talk was to be part of one I intended to make in Oklahoma City next week. However, I found that I could not possibly deal with this subject in just one address. So tonight I shall concentrate on the most immediate aspects of this question of the relationship of science to the defense of our country.

Let me tell you plainly what I am going to do in this talk and those to follow.

I am going to lay the facts before you—the rough with the smooth. Some of these security facts are reassuring; others are not—they are sternly demanding. Some require that we resolutely continue lines of action now well begun. Others require new action, and still others new dimensions of effort. After putting these facts and requirements before you, I shall propose a program of action—a program that will demand the energetic support of not just the Government but every American, if we are to make it successful.

First, some facts about our present security posture. It is one of great strength, but by no means should this assurance satisfy any of us. Our defenses must be adequate not just today, but tomorrow and in all the years to come, until under the safety of these defenses, we shall have secured a durable and just peace for all the world.

As of now, the United States is strong. Our Nation has today, and has had for some years, enough power in its strategic retaliatory forces to bring near annihilation to the warmaking capabilities of any other country.

This position of present strength did not come about by accident. The Korean war had the effect of greatly expanding our peacetime defense forces. As we began the partial demobilization of these forces we undertook also an accelerated program of modernization.

As a first step, scientific surveys were instituted soon after the Korean armistice. The result was a decision to give a New Look to the Defense Establishment, depending for increased efficiency more upon modern science and less upon mere numbers of men.

In succeeding years there has been an across-the-board program to bring all units of our defense into line with the possibilities of modern technology. There has been, also, a high level of expenditure on research and development for defense—now running in the aggregate at something over $5 billion a year.

Later, scientific surveys focused attention and emphasis on long-range ballistic missiles. Development on this item got into high gear more than 2 years ago. We have since been spending a billion dollars a year on this item alone.

Before discussing some of the things we urgently need to do, I would like to give you a few samples of the things that have been done in recent years by our military forces, scientists, and engineers to put current scientific discovery at the service of your defense.

In our diversified family of missiles, we have weapons adapted to every kind of distance, launching, and use. There are now 38 different types either in operation or under development.

All combat vessels of the Navy built since 1955 have guided missiles in place of, or to supplement, guns. The Navy has in both oceans, submarines which can rise to the surface and launch, in a matter of minutes, a missile carrying a nuclear warhead, and submerge immediately—while the missile is guided to a target hundreds of miles away.

The Navy possesses an atomc depth bomb.

Since Korea, both the Army's and Navy's antiaircraft guns have been largely replaced by surface-to-air missiles. All of our new interceptor aircraft are armed with air-to-air missiles.

Many of the traditional functions of the Army's artillery and support aircraft have been taken over by guided missiles. For example, we have already produced, in various distance ranges, hundreds of Matador, Honest John, and Corporal missiles. To give you some idea of what this means in terms of explosive power: Four battalions of Corporal missiles alone are equivalent in firepower to all the artillery used in World War II.

Some of these missiles have their own built-in mechanisms for seeking out and destroying a target many miles away. Thus, the other day, a Bomarc missile, by itself, sought out a fast-moving, unmanned air-

plane 45 miles at sea and actually met it head on.

Except for a dwindling number of B–36's, there is hardly an airplane in the combat units of the Air Force that was in them even as late as the Korean conflict. The B–52 jet bomber, supported by its jet tankers, is standard in our Strategic Air Command. Again, to show you what this means in terms of power: One B–52 can carry as much destructive capacity as was delivered by all the bombers in all the years of World War II combined. But the B–52 will, in turn, be succeeded by the B–58, a supersonic bomber.

Atomic submarines have been developed. One ran almost 16 days without surfacing; another cruised under the polar ice cap for over 5 days.

A number of huge naval carriers are in operation, supplied with the most powerful nuclear weapons and bombers of great range to deliver them. Construction has started which will produce a carrier to be driven by atomic power.

Since 1956 we have developed nuclear explosives with radioactive fallout of less than 4 percent of the fallout of previous large weapons. This has obvious importance in developing nuclear defenses for use over our own territory.

In numbers, our stock of nuclear weapons is so large and so rapidly growing that we are able safely to disperse it to positions assuring its instant availability against attack, and still keep strong reserves. Our scientists assure me that we are well ahead of the Soviets in the nuclear field, both in quantity and in quality. We intend to stay ahead.

We have already shown that we can, with the precision to make it a useful military weapon, fire a large ballistic missile well over a thousand miles. Our ballistic missiles have had successful flights to as much as 3,500 miles. An intercontinental missile is required, and we have some of them in an advanced state of development. But, because of our many forward positions, for us an intermediate-range missile is for some purposes as good as an intercontinental one.

A different kind of missile, the air-breathing Snark, recently traveled over a guided course for 5,000 miles and was accurately placed on target.

We have fired three rockets to heights between 2,000 and 4,000 miles, and have received back much valuable information about outer space.

One difficult obstacle on the way to producing a useful long-range weapon is that of bringing a missile back from outer space without its burning up like a meteor because of friction with the earth's atmosphere.

Our scientists and engineers have solved that problem. This object here in my office is an experimental missile—a nose cone. It has been hundreds of miles to outer space and back. Here it is, completely intact.

These illustrations—which are, of course, only a small sample of our scientists' accomplishments—I give you merely to show that our strength is not static but is constantly moving forward with technological improvement.

Long-range ballistic missiles, as they exist today, do not cancel the destructive and deterrent power of our Strategic Air Force.

The Soviet launching of earth satellites is an achievement of the first importance, and the scientists who brought it about deserve full credit and recognition. Already, useful new facts on outer space have been produced, and more are on the way, as new satellites with added instruments are launched.

Earth satellites, in themselves, have no direct present effect upon the Nation's security. However, there is real military significance to these launchings, which I have previously mentioned publicly. Their current military significance lies in the advanced techniques and the competence in military technology they imply, evidenced, for example, by the powerful propulsion equipment necessarily used.

But in the main, the Soviets continue to concentrate on the development of war-making weapons and supporting industries. This, as well as their political attitude in all international affairs, serves to warn us that Soviet expansionist aims have not changed. The world has not forgotten the Soviet military invasions of such countries as Finland and Poland, their support of the war in Korea, or their use of force in their ruthless suppression of Hungarian freedom.

Eternal vigilance and increased free world military power, backed by our combined economic and spiritual strength, provide the only answer to this threat until the Soviet leaders themselves cease to consume their resources in warlike and expansionist purposes and turn them to the well-being of their own peoples.

We frankly recognize that the Soviets are building up types of power that could, if we were attacked, damage us seriously. This is because no defensive system today can possibly be airtight in preventing all breakthroughs of planes and weapons.

To aid in protecting against this, we in partnership with Canada, have long been constructing a continental defense system reaching from far out in the Pacific around the northern edge of this continent and across the Atlantic approaches. This is a complex system of early warning radars, communication lines, electronic computers, supersonic aircraft, and ground-to-air missiles, some with atomic warheads. This organization and equipment is under constant improvement; emphasis on this improvement must be increased.

In addition to retaliatory and continental defense forces, we and our allies maintain strong ground and naval units in strategic areas of the world. In the strength and readiness of all these varied kinds of power—retaliatory, defensive, and local—properly distributed and supported, lies the real deterrent to the outbreak of war. This fact brings home to all of us the tremendous importance to this country of our allies. Not only do they maintain large military forces as part of our combined security, but they provide vital bases and areas that permit the effective deployment of all our forces for defense.

It is my conviction, supported by trusted scientific and military advisers, that, although the Soviets are quite likely ahead in some missile and special areas, and are obviously ahead of us in satellite development, as of today the overall military strength of the free world is distinctly greater than that of the Communist countries.

We must see to it that whatever advantages they have, are temporary only.

The next question is: How about the future?

I must say to you, in all gravity, that in spite of both the present overall strength and the forward momentum of our defense, it is entirely possible that in the years ahead we could fall behind. I repeat: we could fall behind, unless we now face up to certain pressing requirements and set out to meet them at once.

I address myself to this problem knowing that for every American it surmounts any division among us of whatever kind. It reminds us once again that we are not partisans of any kind, we are Americans. We will close ranks as Americans, and get on with the job to be done.

According to my scientific friends, one of our greatest and most glaring deficiencies is the failure of us in this country to give high enough priority to scientific education and to the place of science in our national life.

Of course, these scientists properly assume that we shall continue to acquire the most modern weapons in adequate numbers as fast as they are produced; but their conviction does expose one great future danger that no amount of money or resources currently devoted to it can meet. Education requires time, incentive, and skilled teachers.

They believe that a second critical need is that of giving higher priority, both public and private, to basic research.

As to these long-range requirements, I shall have something to say next week.

Tonight I shall discuss two other factors, on which prompt action is possible.

The first is the tragic failure to secure the great benefits that would flow from mutual sharing of appropriate scientific information and effort among friendly countries.

Most great scientific advances of the world have been the product of free international exchange of ideas. There is hardly a nation that has not made some significant contribution to modern science.

There instantly comes to mind the contribution of Britain to jet propulsion, radar, infrared rays; Germany to rocketry, X-rays and sulfa drugs; Italy to wireless telegraphy; France to radioactivity; and Japan to magnetics.

In the free world, we all have a lot to give and a lot to gain in security through the pooling of scientific effort. Why should we deny to our friends information that we are sure the Soviets already have? Information our friends could use toward our mutual security.

Why, for want of the fullest practicable sharing, should we waste American research funds and talent struggling with technological problems already mastered by our friends?

Here is a way in which, at no cost, we can dramatically and quickly magnify the scientific resources at the disposal of the free world.

The second immediate requirement is that of greater concentration of effort and improved arrangements within the Government in the fields of science, technology, and missiles—including the continuing requirement for the closest kind of executive-legislative cooperation.

As to action: I report the following items to you tonight.

The first thing I have done is to make sure that the very best thought and advice that the scientific community can supply, heretofore provided to me on an informal basis, is now fully organized and formalized so that no gap can occur. The purpose is to make it possible for me, personally, whenever there appears to be any unnecessary delay in our development system, to act promptly and decisively.

To that end, I have created the office of Special Assistant to the President for Science and Technology. This man, who will be aided by a staff of scientists and a strong advisory group of outstanding experts reporting to him and to me, will have the active responsibility of helping me follow through on the program that I am partially outlining tonight and next week.

I am glad to be able to tell you that this position has been accepted by Dr. James R. Killian, president of the Massachusetts Institute of Technology. He is a man who enjoys my confidence, and the confidence of his colleagues in the scientific and engineering world, and in the Government.

Through him, I intend to be assured that the entire program is carried forward in closely integrated fashion, and that such things as alleged interservice competition or insufficient use of overtime shall not be allowed to create even the suspicion of harm to our scientific and development program. Moreover, Dr. Killian will see to it that those projects which experts judge have the highest potential shall advance with the utmost possible speed. He will make sure that our best talent and the full necessary resources are applied on certain high-priority top-secret items that, for security reasons, I know you will not expect me to enumerate.

In looking to Dr. Killian to discharge these responsibilities, I expect him to draw upon the full abilities of the scientists and engineers of our country.

Second. In the Defense Department is an official, directly responsible to the Secretary, in charge of missile development. I have directed that the Secretary make certain that the Guided Missile Director is clothed with all the authority that the Secretary himself possesses in this field, so that no administrative or interservice block can occur. Dr. Killian will, of course, work intimately with this official.

Third. The Secretary of Defense and I have agreed that any new missile or related program hereafter originated will, whenever practicable, be put under a single manager and administered without regard to the separate services.

Fourth. There will be laid before the Congress proposed legislation to remove legal barriers to the exchange of appropriate technological information with friendly countries.

Fifth. If the necessary authority is granted, I shall support, along the lines of the agreement reached with Prime Minister Macmillan, a scientific committee organized within NATO to carry on an enlarged Atlantic effort in research. Similar action in SEATO and comparable organizations will be studied. And, to help carry out these measures of mutual effort, the Secretary of State will appoint a science adviser to himself and science attachés in appropriate places abroad.

At any point in any of these actions where additional legal authority proves necessary, that authority will be asked of Congress at the outset of its next session. These matters will be discussed in my forthcoming bipartisan meeting with the leaders of Congress. They will be requested to consider every feasible step to hasten needed legislative action.

These, my friends, are the most immediate steps that are under way in scientific areas as they bear upon security.

Even in two talks I cannot, by any means, cover the entire subject of defense, but only selected questions of pressing and current importance. Accordingly, I am not at this time even alluding to a number of key items bearing strongly on defense, such as mutual aid and civil defense. Likewise I have not dwelt upon the urgent need for greater dispersal in the Strategic Air Command, or for providing all the means that will enable airplanes to take off in the shortest possible time after receipt of warning.

In this whole effort it is important to see that nothing is wasted on nonessentials. Defense today is expensive, and growing more so. We cannot afford waste.

It misses the whole point to say that we must now increase our expenditures of all kinds of military hardware and defense—as, for example, to heed demands recently made that we restore all personnel cuts made in the Armed Forces.

Certainly, we need to feel a high sense of urgency. But this does not mean that we should mount our charger and try to ride off in all directions at once.

We must clearly identify the exact and critical needs that have to be met. We must then apply our resources at that point as fully as the need demands. This means selectivity in national expenditures of all kinds. We cannot, on an unlimited scale, have both what we must have and what we would like to have.

We can have both a sound defense, and the sound economy on which it rests if we set our priorities and stick to them and if each of us is ready to carry his own share of the burden.

In conclusion, although for tonight's purposes I stress the influence of science on defense, I am not forgetting that there is much more to science than its function in strengthening our defense, and much more to our defense than the part played by science. The peaceful contributions of science—to healing, to enriching life, to freeing the spirit—these are the most important products of the conquest of nature's secrets. And the spiritual powers of a nation—its underlying religious faith, its self-reliance, its capacity for intelligent sacrifice—these are the most important stones in any defense structure.

Above all, let me say for all to hear that, so far as we are concerned, the amassing of military might never has been, and never will be, devoted to any other than defense and the preservation of a just peace.

What the world needs today even more than a giant leap into outer space, is a giant step toward peace. Time and again we have demonstrated our eagerness to take such a step. As a start in this direction, I urge the Soviets now to aline themselves with the practical and workable disarmament proposals, approved yesterday by a large majority in the United Nations.

Never shall we cease to hope and work for the coming of the day when enduring peace will take these military burdens from the back of mankind, and when the scientist can give his full attention, not to human destruction, but to human happiness and fulfillment.

Meet the Press Program Participated in by Senator Knowland

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 9, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the transcript of the Meet the Press program on which I appeared on Sunday evening, January 5.

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

MEET THE PRESS, PRODUCED BY LAWRENCE E. SPIVAK, JANUARY 5, 1958

(Moderator, Ned Brooks. Guest, Senator WILLIAM F. KNOWLAND, Republican of California. Panel, Jack Bell, Associated Press; James Reston, New York Times; Robert Hartmann, Los Angeles Times; and Lawrence E. Spivak.)

ANNOUNCER. Our guest, ladies and gentlemen, is Senator WILLIAM F. KNOWLAND, Republican leader in the Senate, and a member of two of the most powerful Senate committees. He will run for Governor of California this year.

In just a moment, Senator KNOWLAND will meet the press.

Now Meet the Press, the prize-winning program produced by Lawrence E. Spivak. Ready for this spontaneous unrehearsed conference are four of America's top reporters. Please remember, their questions do not necessarily reflect their point of view. It is their way of getting behind the headlines.

Here is the moderator of Meet the Press, Mr. Ned Brooks.

Mr. BROOKS. And welcome once again to Meet the Press.

The new session of Congress opens this week against a background of momentous problems at home and abroad. On Thursday, President Eisenhower will present the administration's legislative program.

Our guest on Meet the Press is Senator WILLIAM F. KNOWLAND, of California. As a Republican Senate leader, he will play an important part in shaping the legislative results of the new session. In prospect are some fiery debates on the military budget with its accent on missiles, on foreign policy, highlighted by the question of new peace negotiations with Russia.

Senator KNOWLAND is a member of three major committees, Foreign Relations, Appropriations, and Atomic Energy.

This being election year, the new session will have sharp overtones of the battle for control of Congress. Senator KNOWLAND will be winding up his Senate career. He will be a candidate for governor of California. It is a campaign which may have important reactions on the presidential race of 1960.

And now seated around the press table ready to interview Senator KNOWLAND are Jack Bell, of the Associated Press; James Reston, of the New York Times; Robert Hartmann, of the Los Angeles Times; and Lawrence E. Spivak, our regular member of the Meet the Press panel.

Now, Senator KNOWLAND, if you are ready we will start the questions with Mr. Spivak.

Mr. SPIVAK. Senator KNOWLAND, you published a Republican Achievement Report of the 84th Congress and in it you said this, and I quote: "Under Republican leadership there has been developed the largest and most powerful Armed Force this Nation has ever maintained in peacetime, and for the first time in our history, United States defense is geared for stability over a long period of time. It is ready for whatever might come."

Would you make that statement today?

Senator KNOWLAND. Yes; I think we have the largest peacetime force in the Nation's history, but a military force is not something that can be put into an icebox, so to speak. You have to constantly keep up with new developments and I think that we need to accentuate further our missile program.

Mr. SPIVAK. Well, do you think that today we are ready for whatever might come?

Senator KNOWLAND. Yes; I do. I think the Strategic Air Command is ready for whatever may come. I think that the United States Navy is ready for whatever may come. I think our Army is ready for whatever may come. I think that we need to augment our forces in being with the latest type of weapons but I don't believe this is the time to sell America short.

Mr. SPIVAK. Senator, most of the experts who have testified recently before the Senate committees suggest very strongly that we are not ready, that in fact the United States has lost supremacy in the military field.

Am I to understand that you don't believe any of that testimony?

Senator KNOWLAND. No; I did not say that. I think certainly in the satellite orbiting the earth, the Soviet Union gained a supremacy over us. I think in the missile field, they may have a slight lead in the long-range missiles and if we permitted them to continue to have that lead for a period of years, I think we would place our country in jeopardy, but as of today, I think we have with our atomic weapons, with our Strategic Air Command, with our Navy and our military forces—after all, the American people have appropriated and have made available to the Defense Department of this country over $300 billion since the close of World War II and we have a considerable amount of hardware as a result of those funds.

Mr. SPIVAK. Senator, you say we are behind in the satellites, we are behind in long-range missiles, and we are evidently behind in short-range ballistic missiles. We seem to be behind, from the testimony, on long-range bombers. There has been evidence that we are behind on submarines. The

Soviet Union has a larger armed force than we have.

Just where are we either equal to or ahead?

Senator KNOWLAND. I think in the various types of atomic weapons among other things.

Mr. SPIVAK. Like what, Senator?

Senator KNOWLAND. Like all types of atomic weapons. I think we have in supply, in being, a larger supply of atomic weapons than the Soviet Union; I think we have the means of delivering them.

Mr. HARTMANN. Senator, after the Paris NATO Conference, the President promised our allies that he would ask Congress when it reconvened to amend the atomic energy law to permit sharing of certain nuclear weapons data with our NATO allies.

Will you vote to give this discretionary authority to the President or do you believe that Congress should still keep some check on this type of material?

Senator KNOWLAND. I think the Congress will want to know precisely what is proposed to be done, but I think there are fields in the atomic activities that we can share with our allies. After all, prior to World War II, during World War II, we worked very closely with Great Britain and with Canada in this field, I think to a mutually advantageous course of action.

Mr. HARTMANN. In connection with these atomic weapons and their wider use beyond the three powers that now possess them, in the past I believe you have insisted we should remain free to act without foreign vetoes over our ability to take decisions, even to the extent of going to war, that are in our national interests.

Now, how would you deal with this rising demand on the part of the British and other NATO allies for a say, or veto in fact, in any decision involving the use of nuclear weapons?

Senator KNOWLAND. I would very much oppose a veto by any other nation on our Strategic Air Command, for example. I think this would be detrimental to the security of this Nation and detrimental to a free world of free men.

It is entirely possible and it may be from their point of view and ours, too, logical that a particular nation will not want planes to take off from their bases without a mutual agreement, but I do suggest that there ought to be agreed understandings in advance because if the British Government has to call a cabinet meeting or a meeting of the British Parliament before they can give their approval, a good deal of Europe could be overrun.

Mr. HARTMANN. Do you think there is any practical military advantage in putting nuclear-missile bases, and so forth, in countries where they are not now located, if we are going to get the consent of that government before we can fire the missile?

Senator KNOWLAND. I think that is one thing that our Joint Chiefs of Staff and the Defense Department and the President of the United States will very carefully have to weigh. It is quite possible that most of those countries will be prepared in advance to undertake to give their approval under a certain given set of circumstances.

Now, one thing I think we all must keep in mind, despite Soviet propaganda to the contrary notwithstanding, this Nation is not going to commit an act of aggressive warfare. We will only act in the interests of preserving the freedom of the world and in protection against Soviet aggression. And certainly if an act of aggression takes place against Western Germany, against any of the nations in the NATO Alliance, it seems to me the other nations should face up realistically to it that we can't have a debating society to determine whether or not we will react to such an act of aggression. And I am not in favor of giving them a veto so that our Strategic Air Command would be immobilized while they were debating the issue in Parliament or in any of the parliaments.

Mr. RESTON. Senator KNOWLAND, do we not now have an agreement with the British whereby those Strategic Air Command planes cannot actually take off from their bases without the approval of the British Cabinet?

Senator KNOWLAND. I think that there is an understanding that apparently was mentioned by Mr. Macmillan, but that does not cover the entire Strategic Air Command. If it covers anything it only covers those that are based on the British Isles.

Mr. RESTON. You are not objecting to that?

Senator KNOWLAND. No; I think if that is one of the requisites, but I don't think we should put all our eggs in one basket under those circumstances and I don't want the British Government either, of today or the one that might succeed it, to be in a position to veto the taking off of Strategic Air Command bombers from other areas of Europe, or North Africa.

Mr. RESTON. Senator, let me ask you about reaction in the country so far as you have seen it after your long trip through California. What do you estimate the feeling of the people to be to the world developments of the past few months? Is it surprise or anger or disappointment, or what is it?

Senator KNOWLAND. I think that it is a combination of factors. I think there has certainly been great concern, I think there has been a feeling of what we might almost call hurt pride, that some nation might get ahead of this country in any field of development in the technological field.

I think there has been some anger, but I also think there has been a good deal of old-fashioned American determination to face up to the facts and to cure the facts and put ourselves in a first-rate position in all fields.

Mr. RESTON. What do you think the political implications are of that feeling in the country so far as your party is concerned?

Senator KNOWLAND. I think as of the immediate time the party has been hurt somewhat on the facts that the public now knows, but I think when all the facts are developed and I think when the administration and the Government moves ahead and we no longer are in a position where they have an earth satellite orbiting and we do not, and when our missile program moves ahead, I think the country will react depending on the facts that exist in November 1958 rather than as they existed in December of 1957.

Mr. BELL. Senator, as of now you are taking on two man-sized jobs. One of them is running for Governor of California and the other one is——

Senator KNOWLAND. That is quite a job, I might say, too, Mr. Bell.

Mr. BELL. I can characterize it as a man-sized job. I think it is. And your other job is managing the President's legislative program in the Senate as the majority leader.

Which one of those jobs has priority?

Senator KNOWLAND. The job as majority leader of the Senate has priority. As a matter of fact, I do not expect to get out to California except for a very brief period of time, perhaps during the Easter recess, or perhaps over some week-end periods, until Congress adjourns, which I believe will be about the 30th of July, which actually will be after the California primary which comes on the third of June.

But I anticipate being there all of August, all of September, and all of October, up to the November election.

Mr. BELL. With these two jobs on your hands, Senator, when you get up to make a speech in the Senate, which particular job will you be representing there? Will it possibly be a combination of both? Will you be talking to the people of California as well as to the people in the Senate?

Senator KNOWLAND. No; I will be talking as a Senator of the United States with an interest not only in California but an interest in the entire Nation.

Mr. BELL. Well, now, do you think in that connection the fact that you have announced that you will not seek reelection will weaken any influence you may have with Republican Members of the Senate? Won't they be inclined to say, "Well, BILL KNOWLAND is on his way out, why should I take his advice?"

Senator KNOWLAND. No; I think not. They are always free to take the advice of anyone they want to, or to leave it, and that goes for anyone, but I shall continue to the best of my ability to give the best advice I can, based on 13 years of service here in the Senate of the United States.

Mr. BELL. Did you ever find one of them who would take your advice?

Senator KNOWLAND. I think a few of them have at times.

Mr. SPIVAK. Senator, to continue along the lines of Mr. Bell's question, just why do you want to continue as leader in view of the fact that you are voluntarily leaving the Senate?

Senator KNOWLAND. Because I have attempted to fulfill the contracts I have entered into in the past. I was elected by my Republican colleagues to succeed the late Senator Taft in the job of party leader, and I feel that I have a responsibility to carry out that job until my term has expired.

Mr. SPIVAK. Don't you think it might be better for the party if a new leader took over while you were still there and you could guide him?

Senator KNOWLAND. I rather doubt that, to throw the party into a situation of selecting a new floor leader, a new minority leader at this time in the middle of the session, would be in the best interests of the party.

Mr. SPIVAK. Senator Taft chose you as the leader—at least he designated you, designated the fact that he wanted you.

Do you have the job of choosing a leader when you leave?

Senator KNOWLAND. That decision will be made by the Congress elected in November 1958, and I feel the Republicans now in the Senate and those who will be in the Senate when the new Congress reconvenes are qualified to make that selection.

Mr. SPIVAK. Senator, in the last Congress you fought pretty strongly for a budget cut, isn't that right?

Senator KNOWLAND. I believe there was a necessity to have some budget reductions.

Mr. SPIVAK. Now this year the budget is certain to be a great deal higher. Will you again fight to cut it?

Senator KNOWLAND. I will in any place where I feel the budget can be properly cut, yes.

Mr. SPIVAK. I am talking about an overall picture. I believe last time you fought for a cut of about $3 billion or $5 billion.

Senator KNOWLAND. $3 billion.

Mr. SPIVAK. Now this year it is going to be a great deal higher. Are you still going to fight for an overall cut?

Senator KNOWLAND. I am going to support any reductions that I think can be made without detriment to the defense of the country and detriment to our activities which we continue to have to carry out.

I don't believe that the need for additional defense should be a wide-open avenue for everybody to come in under the tent of getting additional appropriations.

I think it is important that we maintain a solvent Federal Government. I think it is no less important now than it has been heretofore that we maintain a solvent Government.

Mr. SPIVAK. Last year, though, you were concerned with the size of the overall budget before you got into details. This year the budget is going to be considerably higher. Are you again concerned with the size?

Senator KNOWLAND. Yes, I am concerned with the size because I think it would be

a great mistake for our country to get into another period of 20 years of deficit financing, and running up the national debt maybe another $100 billion, with deficit financing.

I think the overall size of the budget is of importance, to be sure that we can keep it balanced.

Mr. SPIVAK. Do you disagree, then, with President Eisenhower's most recent statement in which he said "Our people will not sacrifice security to worship a balanced budget"?

Senator KNOWLAND. No; I don't think we have to sacrifice the security of this country to have a balanced budget. We are going to have a budget presumably in the neighborhood of from $73 billion to $74 billion, something in that general area.

Of that amount, approximately $39½ or $40 billion may represent the defense part of it. I think that is a very substantial sum of money in both categories.

Mr. HARTMANN. Senator, during the time you have represented California in the Senate, which is more than 12 years, you have been a consistent supporter of projects of flood control, reclamation, irrigation, river and harbor projects that would benefit your State.

Senator KNOWLAND. I have been interested in them that would benefit the country. I have not only been interested in them in relation to California.

Mr. HARTMANN. Now we hear that the Bureau of the Budget has sharply cut back those programs in order to make more room for defense spending without unbalancing the budget.

Do you think this is a proper alternative?

Senator KNOWLAND. I don't agree that is what the facts are. According to some of the newspaper reports, they are going to take a second look at so-called new starts. This doesn't mean that they will not go ahead and maybe at a faster rate and actually a more economic rate, of the projects which are now under construction.

Mr. RESTON. Senator, what is your position about the foreign aid request of the administration this time? Will you want to cut it again, as you did last year?

Senator KNOWLAND. I think it will depend on what the details of the foreign-aid program are. I have supported the foreign-aid program in the past. I believe in the military phases of it and I believe that there is justification for some economic aid.

I have opposed under the Truman administration, and I oppose under this administration, sending hundreds of millions and in fact over a total of a billion and a half to Marshal Tito. I think if we had spent that money on missiles both under the Truman administration and under the Eisenhower administration, our country's defenses would be better off today than they may be.

Mr. RESTON. Is your position in this next session likely to be the same as in the last, in opposition to aid to Tito and aid to Poland as well?

Senator KNOWLAND. Yes; I have not changed my views. I don't believe that the money of the American people should be taken to finance Communist regimes abroad. Either economically or militarily.

Mr. RESTON. And you have drawn no distinction between Poland and Yugoslavia in this matter?

Senator KNOWLAND. No; I do not draw any distinction. As a matter of fact, Mr. Tito's government has given aid and support to practically every foreign policy of the Soviet Union and they have just repeated it recently.

Mr. RESTON. What is your philosophy then, Senator, when you are in a position as the spokesman for the administration and the administration favors such programs? When you opposed them in the Senate?

Senator KNOWLAND. I did not surrender my conscience when I became the Republican leader of the Senate any more than Senator Taft did, or Senator Barkley did when he resigned at one time and was reelected by the Democrats in the Senate, because he also had a responsibility to represent the Senators who elected him.

I happen to believe that we have three great coordinate and coequal branches of the Government of the United States. I do not believe the Congress is subordinate to the Executive, be he a Democrat or a Republican, and I do not intend as far as I can have anything to say about it, to make the Congress of the United States subordinant to any Executive, Republican or Democrat. I think that a leader has to have a good batting average and I think while I have been the leader in the Senate I have had one. In the last session my percentage of support was 93 percent. There was no Senator with a higher percentage of support of the administration and only one who equaled it.

That was Senator DIRKSEN.

Mr. RESTON. What do you do about the practical problem, though, when a bill of that kind comes up, do you turn that over to someone else to argue the administration's case, or how do you deal with it?

Senator KNOWLAND. Yes; that would be done.

In the first place I have never misrepresented the views of the administration at our Republican conferences or our Republican Policy Committee. I give them as close and as factual a report as is possible, what the President's views are, what his interests are and the fact that he has a deep interest in that particular bill.

On most of them I am in a position to go along. In the few I have not been able to I tell them that for certain reasons which at least appeal to me and my conscientious convictions, I am not able to go along with it. In that case I would ask either our ranking member of the committee to take it on, or someone else in the leadership hierarchy to take it on and I see nothing inconsistent with that position because as I say I have a responsibility to my colleagues in the Senate as well as the administration.

Mr. BELL. Senator, last August when you reported on the record of Congress, you said "As Republicans, we are proud of the continuing prosperity of the country."

That was in August. In January, as a Republican, are you as proud of the continuing prosperity, or is it continuing?

Senator KNOWLAND. We have had some economic dislocations. There is no question about that. But I don't believe, again, that the American people should sell our country short.

I think that 1958 will turn out to be as good and perhaps a better year than 1957. I don't happen to subscribe to those who for political or for other purposes are preaching the doctrine of gloom and doom.

This country when we were much weaker than we are today, stood up against the mightiest empire of its time and I don't think this is any time to sell America short.

Mr. BELL. Well, Senator, you don't have to be a doomer or a gloomer to know that freightcar loadings are off, steel production is off, unemployment is increasing. A number of these very vital factors show that the economy is in a down dip.

Now is Congress going to do anything about this? Is the administration going to do anything about it, or is it just going to be let slide?

Senator KNOWLAND. No, I think the administration will do something about it. I think the fact that our defense spending may step up in and of itself will give a considerable stimulus to business activity.

Mr. BELL. Well, is this a new Republican method of pump-priming then to spend it on defense?

Senator KNOWLAND. No, I would not say that because we certainly are not going to let the other resources of the country go by default. We are still going to carry on flood control and reclamation and harbor development work in the country. We still have our highway program.

Mr. BELL. It is the same kind of pump-priming, though, that you condemned.

Senator KNOWLAND. I don't quite agree.

Mr. BROOKS. I am sorry, I am going to have to interrupt. I see that our time is up.

Thank you very much, Senator KNOWLAND, for being with us.

And now here is our announcer.

ANNOUNCER. Goodby Senator KNOWLAND and Meet the Press.

Effects of Alcoholism on Family Relationships and Stability

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, January 9, 1958

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Oregon [Mr. NEUBERGER], I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by him and an editorial from the Catholic Sentinel, of Portland, Oreg.

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

STATEMENT BY SENATOR NEUBERGER ON EFFECTS OF ALCOHOLISM ON FAMILY RELATIONSHIPS AND STABILITY

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a thoughtful and effective editorial from the Catholic Sentinel, of Portland, Oreg., entitled "Families Wrecked by Alcoholism."

This editorial cogently and movingly emphasizes how acute alcoholism can wreck and permanently impair sound and healthful family relationships. I approve of the editorial, because it stresses a theme of hope when it points out that "no one is willing to write off the frightfully large number of alcoholics in the United States as a dead loss."

All of us must work for the reformation and rehabilitation of these unfortunate people, as the editorial from the Sentinel rightfully declares. The Catholic Sentinel is published by the archdiocese of Portland in Oregon, of which the Most Reverend Edward D. Howard is the archbishop.

[From the Catholic Sentinel of Portland, Oreg.]

FAMILIES WRECKED BY ALCOHOLISM

In New York City, the most acute social problem is that of the city's 123,000 dependent children which, it is maintained, is very largely due to alcoholism. Statistics prove that one of every four families appealing to the city for assistance do so because the father is an alcoholic.

That 50 million persons in the United States use alcoholic beverages, that of these 3 million drink to excess and 750,000 are chronic alcoholics, who have the gravest need for assistance, was contained in a statement publicized in an eastern city nearly a decade ago.

Penologists, judges, clergymen, psychiatrists, editors and others were members of a committee which recommended State institutional care for chronic alcoholics, in an effort to treat and rehabilitate them.

TREATED LIKE CRIMINALS

Although varied and spasmodic efforts have been made during the past century, these have all failed to accomplish their purpose; one reason given for this failure was that the patients were treated more like criminals than like sick persons, in need of intelligent and sympathetic assistance.

The alcoholics problem has always been a baffling one. The organization known as Alcoholics Anonymous can point to some really worth while if not extraordinary results of their treatment of the problem.

TEMPERANCE EFFORTS FADED

However, one thing obviously evident is that while it may indeed be extremely difficult to effect a cure for those who have already gone the whole way, potential alcoholic wrecks can be saved if practical and timely precautions are taken. Prior to the unhappy passage of the 18th amendment, there were temperance societies in nearly every Catholic parish; in the large cities these commanded much attention and cooperation. Children were taught the evils of liquor and were influenced to take the pledge until they became 21. Imagine the beneficial effects which would now follow, did our teenagers of the present time have such a pledge and, for the greater part at least, fulfill it. What a vast amount of excessive drinking, crime, immorality would then be avoided. As far as Catholics are concerned, the influence of the home, of parish societies, the church, all these cooperate in bringing about the desirable result; that is, training youths in habits of temperance.

TOTAL ABSTINENCE

Consequently while no one is willing to write off the frightfully large number of alcoholics in the United States as a dead loss, while we all hopefully and prayerfully look forward to some solution of a problem of such great magnitude—this is no reasonable excuse for failing to endeavor to educate our youth; this does not mean to be moderate drinkers, which often is heresy of a pronounced type, but to adopt total abstinence as their standard. Mortification, self-denial, is one of the fundamental teachings of Christianity; the Divine Founder Himself warned His followers, "unless you do penance you will all likewise perish." This, together with the picture of broken homes, wrecked futures, ruined bodies and lost souls should be sufficiently striking and graphic to influence even the youth of today. Instead of being abashed and fearing to admit that they are total abstainers, our youth should take a justifiable pride in raising their heads and proudly saying: "No, thanks; I do not care for the poison."

The President's Message—A Call to Sacrifice and Action

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1958

Mrs. BOLTON. Mr. Speaker, the history of this great country of ours gives recurrent proof that whenever there is need her people rise to heights of sacrifice and action. The President's speech today calls upon us all to submerge ourselves once again in the country's need. I am sure those listening over the air waves rejoiced to hear him say:

I am not here to justify the past, gloss over the problems of the present, or propose easy solutions for the future.

I am here to state what I believe to be right and what I believe to be wrong; and to propose action for correcting what I think wrong.

It was good to hear him say:

My profoundest conviction is that the American people will say, as one man: No matter what the exertions or sacrifices, we shall maintain that necessary strength.

His brief picture of our military strength was gratifying, particularly because he made no secret of the fact that we must exert ourselves in all directions. It is the vital necessity of action today to insure our strength of tomorrow.

His emphasis upon the economic offensive launched by the Soviet Union is more than timely. Many of us have seen in our travels the encroachments made by this offensive against free nations. Once it is in the open here and we are all challenged as we were this morning, we can move into this area with courage and intelligent determination.

Again, as we sat in the House Chamber and listened, we found a very real relief in the strong emphasis he put upon the defense reorganization and accelerated defense effort.

At every point it was clear that the President trusts the people of this country, and expects an intelligent reaction to the program he submitted in eight categories, the details of which will come to us in other messages.

Particularly was I struck by the sentence, "Most people now realize that our programs of military aid and defense support are an integral part of our own defense effort."

To us in Ohio, it was particularly good to hear him quote President McKinley in the words he spoke in 1901, "Isolation is no longer possible or desirable. The period of exclusiveness is past," and from there he spoke with deep understanding and feeling of the need of scientific cooperation with our allies.

I was particularly struck that in the category of education and research he emphasized the need of a balanced program. Particularly heartening were his words:

Scrupulous attention has been paid to maintaining local control of educational policy, spurring the maximum amount of local effort, and to avoiding undue stress on the physical sciences at the expense of other branches of learning.

He made no secret of the increases necessary, though he noted his hope that even with these our budget might be balanced.

True to himself and to his firm conviction that the United States must hold high the torch of peace, the eighth category was devoted to this subject:

Our greatest hope for success lies in a universal fact: the people of the world, as people, have always wanted peace and want peace now.

The problem, then, is to find a way of translating this universal desire into action.

This will require more than words of peace. It requires works of peace.

Some of his concluding words bear repeating:

These actions demand and expect two things of the American people: sacrifice, and a high degree of understanding. For sacrifice to be effective it must be intelligent. Sacrifice must be made for the right purpose and in the right place—even if that place happens to come close to home.

My friends of the Congress: the world is waiting to see how wisely and decisively a free representative government will now act.

I believe that this Congress possesses and will display the wisdom promptly to do its part in translating into law the actions demanded by our Nation's interests. But, to make law effective, our kind of government needs the full voluntary support of millions of Americans for these actions.

I am fully confident that the response of the Congress and of the American people will make this time of test a time of honor. Mankind then will see more clearly than ever that the future belongs, not to the concept of the regimented atheistic state, but to the people—the God-fearing, peace-loving people of all the world.

Mr. Speaker, it is with humility and humbleness of heart that I say very simply, we are fortunate that in these days a leader has been raised up, and I pray with you that he may be given wisdom, increasing understanding, unfaltering courage, and that we, the people of the United States, may follow joyously behind him.

World Affairs

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, January 9, 1958

Mr. MARTIN of Iowa. Mr. President, it was my privilege to address the Western Grain & Feed Association in Des Moines, Iowa, on November 25, 1957. I ask unanimous consent that the text of my remarks be printed in the RECORD.

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

WORLD AFFAIRS

(Address by Senator THOS. E. MARTIN, Western Grain & Feed Association, Des Moines, Iowa, November 25, 1957)

It is with a feeling of great responsibility that I appear on your program today to discuss world affairs at this critical period. Your invitation to participate in this meeting was accepted last August.

There have been many challenging developments in our international relations since the Congress adjourned. I shall enumerate a few of the more significant ones. Soviet Russia fostered an artificial crisis involving Turkey and Syria as the General Assembly of the United Nations convened in New York. They launched two satellites into outer space, the sputnik and the muttnik. Within the Kremlin the game of Russian roulette continues with the demotion of Marshal Zhukov.

My service in Washington began in 1939, the year the Germans invaded Poland. World Affairs have dictated Congressional attitudes on domestic matters ever since. They determine the level of our Federal budget, the tax burdens of our people, and our freedom to operate our own economy.

Accordingly, I welcome this opportunity to review some of these more recent developments in a broader perspective and to suggest the course of action we should follow.

The conduct of foreign policy by any government requires an assessment of the aims and objectives of all other nations. Such an assessment must necessarily include an appraisal of each nation's capabilities in terms of available military and economic power to achieve its goals. Some countries are allied with us, and their probable position on any issue can be predicted with reasonable certainty. Other governments consistently pursue objectives which we regard with disfavor. There is a third group consisting of the many new nations in Asia and Africa who gained their independence since the end of World War II. They are generally intensely nationalistic. Economically underdeveloped, and uncommitted to either side in the cold war. They survey the positions taken by the two major power groupings, the nations of the free world alliance and the countries behind the Iron Curtain. They seek answers to the question uppermost in their minds, "where can we find future security and assistance for our economic development?"

The foreign office of every nation, including our own State Department, are now reassessing the world scene. Russia's development of an earth satellite may have no immediate military significance but we must not discount its tremendous propaganda value in winning the loyalties of the uncommitted nations.

In my opinion, Soviet scientific progress is our great challenge. I am confident that we can show the world that a free people can produce military strength as well as the economic goods desired by its citizens, without infringing on individual liberties and freedoms.

Regardless of public statements to the contrary, Kremlin policymakers know that no United States administration could ever take us into an offensive war. Our people want peace and have no interest in foreign conquests. We are willing to make any necessary sacrifices to maintain our security and the freedom of others who are willing to join us in assuming the burdens of defending our way of life.

Many years before I came to Congress I taught military science and tactics at the University of Iowa. Throughout World War II, I served on the Committee on Military Affairs of the House of Representatives. During this period I closely followed the military achievements of Marshal Zhukov. With the assistance of Marshal Sokolovsky, his chief of staff, he administered the first major defeat to the Nazis on the eastern front. He saved Moscow and later Stalingrad. It was Zhukov who led the Russian forces into Berlin. The present NATO commander of all ground forces between Switzerland and the Baltics is a West German, Lieutenant General Speidel. He was once chief of staff to General Rommel and fought the allied forces on both the east and west fronts during World War II. He has publicly stated that he considers Zhukov one of the three most brilliant leaders he opposed in that conflict. The others are Generals Bradley and Patton.

The demotion of Marshal Zhukov is a cause for considerable concern. He was a military hero and the idol of many Russians. Earlier this year the Russian propaganda magazine, U. S. S. R., printed in English for distribution in the United States, eulogized him. Incidentally, this magazine is distributed here in accordance with an agreement permitting us to distribute a magazine printed in Russian within the Soviet Union depicting life in the United States on a reciprocal basis. I believe our actions present a more consistent story to the Russians than they have given to us.

Marshal Zhukov, as a soldier, knows the capabilities of our military forces. President Eisenhower and Marshal Zhukov had a feeling of mutual respect for each other's abilities. Zhukov is just as tough as any other Russian, and he ruthlessly crushed the Hungarian freedom fighters a year ago, but he appreciated the dangers to human survival on this planet of a nuclear war. I know that as long as he was in command of the Russian military establishment, it would have been quite difficult to secure his consent for a military adventure which might start world war III. He exerted his influence within the Communist presidium to convince the party leadership that nuclear weapons were so dangerous that no nation could survive a general conflict.

The displacement of Zhukov also supplanted Marshal Sokolovsky. The appointment of the new Defense Minister, Marshal Malinovsky, who is assisted by Marshal Konev, elevates a pair who hate everything we stand for. Konev has been in charge of the Warsaw pact forces, Russia's anti-NATO group. Malinovsky was chief of all Soviet forces in the Far East, and played a leading part in Soviet machinations supporting the North Koreans throughout the unhappy period of the Korean war.

Zhukov's removal concentrates power in the hands of one man, Nikita Khrushchev. He, too, may desire peace and hopes to avoid war. Yet, it is far more difficult to predict the actions of a government dominated by one man than to forecast the actions of the millions of peaceloving people in our country who ultimately determine this Nations' policies.

The instability of the present Russian Government is only too apparent as we look back and account for those in positions of authority who have left the scene since the death of Stalin. His successors used Zhukov to curb Beria's secret police, and then executed Beria. After this, Malenkov, the Premier, was demoted. Next, Molotov, Kaganovich, and Shepilov, last year's Foreign Minister and former editor of Pravda, disappeared. Now we witness the demotion of Zhukov. We cannot help but wonder who will be next.

The policies of such a government are completely unpredictable. When its leaders have vast economic resources and able scientists at their disposal, they may easily develop delusions of grandeur. The history books are filled with tragic tales of human suffering caused by such men as Genghis Khan, Napoleon—and in our own generation: The Kaiser, Hitler, Mussolini, Tojo, and Stalin. The New York Times expert on Russia, Harrison E. Salisbury, expressed my sentiments in the editorial page of his paper on November 10. This is how he views the present Russian scene:

"But the earth satellites are not the source of the gravest concern. The true threat really springs from the fatal flaw in the Soviet system itself—its almost unbelievable political primitivism, once again revealed in the crisis over the dismissal of Marshal Georgi K. Zhukov as Defense Minister.

"When the stone-age Soviet political structure is harnessed to 21st century technology a combination is created that is calculated to frighten even the most sanguine.

"It is a little like seeing a 300-horsepower automobile speed down a crowded highway while 3 men in the front seat fight for the wheel and 2 in the rear seat poise ready to plunge a dagger into the back of the man who wins the front-seat struggle.

"The problem that confronts the world is not simply that of producing a faster automobile, a rocket that will fly farther, or a missile that will blow a bigger hunk off the earth's surface than any the Russians create.

"The problem is much more difficult. It is to try to prevent a Soviet internal political crisis from burning into a world disaster."

During the Truman administration our policy toward Russia was based on a theory of containment, developed by Ambassador Kennan. It was supposed to keep Russia from expanding by building up internal pressures and thus further a change in Soviet policy. Mr. Salisbury shows that this was an illusion. In the same editorial from which I just quoted, he said:

"Nor will 'roll-back' or 'liberation' fill today's needs. A creative new policy will have to be evolved, taking into account not alone the newly exposed strength of the Soviet Union but also its chronic and dangerous internal weaknesses.

"These weaknesses are largely political. They stem from two sources—Russian history and tradition and Communist Party theory and practice.

"In combination they add up to one thing. The Soviet Union has no viable structure of government. It is ruled today essentially as it was in the time of Ivan the Great. Today's Soviet state is not quite so advanced a governmental structure as was that of France under Louis XIV or England in the time of Charles I.

"There exists in the Soviet Union today no constitutional means for the transfer of power from one man to another, no method whereby the authority of one man may be legally constituted, no mechanism that enables one leader to supplant another peacefully.

"The law of the jungle is the only law that prevails within the Kremlin. Intrigue, plots, counter-plots, the eternal struggle of ambitious men for power—this was the Russian tradition long before Lenin and his Communists seized power in 1917. Forty years of Communist rule have done nothing to supplant the old Russian tradition of tyranny.

"Indeed, the conspiratorial quasi-military form of the Communist Party acts almost as a guaranty that a permanent struggle for power will rage at the heart of the Soviet state.

"It means that at the core of Soviet power there exists a flaw that at any time might have lethal consequences. There is the possibility that any moment an ambitious Soviet politician, locked in a fight for personal supremacy, may provoke a foreign crisis to serve his own political ends.

"Indeed, there is evidence to suggest that precisely this tactic lay behind the Syrian crisis and that the whole recent Middle East flareup had its origin somewhere in the political maneuvering of Nikita S. Khrushchev and Marshal Zhukov."

All our citizens must be aware of the potential hazards implicit in the downgrading of Zhukov. The acceptance of his demotion by the Russian people shows that they are still at the mercy of propaganda supplied by the ruling clique, whoever they may be.

Marshal Zhukov was charged with an attempt to rewrite the history of World War II and to take credit for the achievements of others in the liberation of Russia. I am sure that Russian history books now will be appropriately rewritten so as to minimize Marshal Zhukov's military accomplishments. Stalin started the process of rewriting history, and these revisions have continued ever since. I sometimes wonder how Russian children learn their history. The past changes with the present and the future.

We have been educated in a country where freedom of speech and of the press is the inherent constitutional right of every individual. Therefore, most of us find it difficult to understand how the Russian people can accept the myth of Stalin as the savior of mankind one day and shortly after his death learn that he was a tyrant

without losing faith in their self-appointed leaders.

A year ago the United Nations General Assembly concentrated its attention on the difficulties in the Middle East which originated with Egypt's nationalization of the Suez Canal. It condemned Soviet brutality in Hungary. Again, 82 nations are now meeting in New York for the 12th session of the General Assembly. The Suez Canal is reopened, but the issue of its nationalization has not been resolved. Oil from the Middle East is once more flowing to Western Europe. An uneasy peace has been maintained in the Middle East. Hungary is still under the Communist yoke. Hungary's tragic suffering, however, has disillusioned many potential Communist adherents. The U. N. General Assembly has once again condemned Russian interference in Hungary.

Last spring the Congress supported President Eisenhower's promise that we would provide military assistance for any nation in the Middle East threatened with invasion or the loss of its freedom by attack from any country under the control of international communism. Congress also authorized the use of additional funds for economic assistance to countries in the Middle East. Our efforts have contributed to an uneasy peace.

For the moment the tensions between Syria and Turkey have been eased. This is a danger spot of tremendous importance to all of us as Turkey has a common border with Russia, and is a member of the NATO alliance. If Russia should attack Turkey to support Syria, it would be extremely serious. President Eisenhower made our position very clear. His leadership was largely responsible for Syria's withdrawing the Turkish-Syrian dispute from the General Assembly's agenda. Recent statements by Khrushchev clearly show that the Russians continue to fish in troubled waters. I hope that the Syrian crisis is now permanently behind us, but we may expect other synthetic crises in the future.

Next month President Eisenhower will go to Paris to strengthen the NATO alliance. He is in a unique position to contribute to this effort because of his long service as commander of the NATO forces before he returned to the United States to assume the duties we have thrust upon him.

Our principal allies, Britain and France, have not yet recovered from the effects of last year's Suez crisis. France experienced a series of Cabinet crises and its military and economic strength have been sapped by its inability to bring peace in Algeria. The British economy, too, has been sorely strained. Prime Minister Macmillan is making every effort to support the forces of freedom without destroying Britain's economic structure.

President Eisenhower's participation in this NATO Conference will provide leadership for the free world at this historic meeting. It may make it possible for free nations to combine their efforts better. This could be accomplished by integrating the military programs of NATO, SEATO, and the signers of the Baghdad Pact. President Eisenhower also is seeking to develop a cooperative effort so that the free world may better pool its scientific resources.

In response to the announcement of President Eisenhower's decision to go to Paris, Russia demanded a new summit conference. At a special session of the supreme Soviet to honor the 40th anniversary of the Bolshevik revolution, Nikita Khrushchev again called for a high-level meeting of representatives of capitalist and Socialist countries so as to reach an agreement on excluding war as a means of solving political questions. In appraising this request, we naturally look back at the developments since President Eisenhower went to Geneva in the summer of 1955. The Russian representation at that conference included Molotov and Zhukov. They are no longer in power and have been repudiated, not by the Russian people, but by those now in control of the Communist Party. With whom can we meet? What assurance do we have that they will be in a position to carry out any commitments they may make?

The heads of state at the summit conference in 1955 agreed on the need for the reunification of Germany with free elections. A meeting of foreign ministers followed the summit conference. Secretary Dulles and other western diplomats met with Mr. Molotov, and we all know what happened. Exactly nothing.

I would certainly look askance at another summit conference until I know that the Russians are truly interested in working for peace. They must first achieve sufficient internal harmony within their own regime so that our leaders know that commitments made will be implemented in the future.

The world's most urgent need is an agreement to adopt practical and workable disarmament proposals. For many months we participated in the work of the United Nations Disarmament Commission in an effort to reach an acceptable plan which would provide security to both the Russians and the western allies. This fall the Russians withdrew from these discussions. The United Nations General Assembly, now meeting in New York, by an overwhelming majority adopted a resolution calling for the resumption of negotiations by the five-nation disarmament subcommittee. In my judgment the resumption of these negotiations, rather than a new dramatic summit conference will do much to assure the peace of the world.

President Eisenhower, in his address to the Nation on November 7, expressed my views when he said:

"What the world needs today even more than a giant leap into outer space is a giant step toward peace. Time and again we have demonstrated our eagerness to take such a step. As a start in this direction, I urge the Soviets now to aline themselves with the practical and workable disarmament proposals, approved yesterday by a large majority in the United Nations."

Russia's sudden decision to boycott future sessions of the disarmament conferences leads me to the conclusion that they are on the verge of additional important scientific developments. She believes these will give her greater leverage at subsequent disarmament meetings.

Admiral Strauss, the Chairman of our Atomic Energy Commission, recently discussed Russia's rejection of the United States proposal advanced by Baruch to ban the use of atomic weapons in the United Nations Security Council in the late 1940's. He believed this decision was based on the fact that, at that time, they had already made considerable progress in the development of the atomic bomb. Admiral Strauss, a member of the Atomic Energy Commission under President Truman, was responsible for developing the monitoring system which enabled us to detect the first atomic explosion within Soviet Russia.

What is the real significance to America of sputnik and "muttnik." It lies in the fact that although we have contributed great scientific and engineering advances to mankind, we have foolishly underestimated Russian scientific capabilities. We assumed that their developments were the result of exploiting captured German scientists. Nothing could be further from the truth, although the Russians benefitted from their contributions.

The first scientific attempt to understand the elements and to indicate their atom structure was made by a Russian scientist, Mendeleef, in 1869. He gave the world the periodic table, the tool to begin our study of the atom. In aeronautics we are indebted to Igor Sikorsky (who fled to this country after the Bolshevik revolution) for his contributions in the development of the helicopter. They are proof of Russia's scientific brilliance.

We must remember also the policy of Russia as set out in the last will of Peter the Great, written in 1725, as follows:

"Endeavor, by every possible means, to bring in, from the neighboring civilized countries of Europe, officers in times of war, and learned men in times of peace, thus giving the Russian people the advantages enjoyed by other countries, without allowing them to lose any of their own self-respect."

The taking into Russia of the German scientists, following World War II, and making use of their skills no doubt helped Russia expedite her program for advancement in the sciences and in the development of her satellite and defense programs.

Again let me quote from Mr. Salisbury, who for many years has closely observed the Russian scene for the New York Times:

"The present technology is founded on Russian tradition. Russia's scientific history is as brilliant as any in Europe. Czarist Russia heavily subsidized pure science, research, and technology. Communist Russia inherited this tradition and superimposed one of its own.

"From the start, science, education, and technical advancement was the heart of the Communist program. So it was laid down by Lenin and so it was carried on by Stalin. Stalin broadened the scientific-technical program started by Lenin.

"Like his predecessors Ivan and Peter, Stalin was perfectly willing to pay any price in human sacrifice for industrial and technical achievement. The cost was enormous. But he got results.

"In large measure today's earth satellites are a monument to Stalin and his single-minded determination."

Any dictatorship can concentrate its available resources on a few limited products and achieve startling results. Our approach to the satellite program has been to cooperate in the advancement of science through participation in the International Geophysical Year, a scientific program sponsored by a meeting of the International Council of Scientific Unions held in Rome in October 1954. As President Eisenhower stated:

"Our satellite program has never been conducted as a race with other nations. Rather, it has been carefully scheduled as part of the scientific work of the International Geophysical Year.

"The United States satellite program has been designed from its inception for maximum results in scientific research. The scheduling of this program has been described to, and closely coordinated with, the International Geophysical Year scientists of all countries. As a result of passing full information on our project to the scientists of the world, immediate tracking of the United States satellite will be possible, and the world's scientists will know at once its orbit and the appropriate times for observation."

In spite of the fact that we have disclosed our progress to all other countries and have furnished them with complete information, the Russians did not give us the code to the signals transmitted by sputnik.

I never subscribed to a once popular theory that the Russians were incapable of making great scientific contributions, nor do I now join those who deprecate our own scientific achievements. When did Russia achieve its apparent lead over the United States in the field of rocketry? Dr. Werner von Braun, a German, who developed the V–2 rocket, and who is now a United States citizen and Director of the Development Operations Division of the Army's Redstone Arsenal, should know. In reply to the question, "How do you account for the U. S. S. R.'s apparent ability

to outstrip the United States in reaching into space?" he said:

"The main reason is that the United States had no ballistic-missile program worth mentioning between 1945 and 1951. * * * Thus, our present dilemma is not due to the fact that we are not working hard enough now, but that we did not work hard enough during the first 6 to 10 years after the war."

When the Congress reconvenes in January, many Members will propose vast new spending programs. It is my conviction that this is not the answer to our problem, and I am happy that I am supported in this view by Dr. von Braun. He was asked specifically whether money was a factor in the development of missiles and satellites at this time and whether more money was needed. He believes that we could, of course, use more money for fundamental research, but we do not have to adopt a great new spending program. We need knowledge, which cannot be bought in a hurry. Dr. von Braun said:

"I believe that, by and large, our five key ballistic-missile programs could not be speeded up appreciably by increases in funds. All these programs were subjected to some cutbacks a few months ago; but if the original budget figures are reinstated, it is my belief that much more money could not be intelligently spent on their development.

"In many fields we are virtually scraping the bottom of the reservoir of knowledge, and the efforts to refill that reservoir with adequate research funds have been limited.

"We don't need excessive amounts of extra money—we certainly don't have to double our present missile budget. But some additional funds for basic and applied research and developments for future growth potential would help tremendously in the long run."

The last Congress, which was under the control of the Democrat Party, refused to appropriate all the funds President Eisenhower requested for the Defense Department. I hope they will now give the President what he needs, but that they will not force unnecessary and unwanted billions of new appropriations upon him.

The great challenge from Russia's scientific advances is in the field of education. We have thousands of talented boys and girls in our country who could make great contributions as engineers and scientists. They are unable to follow scientific careers because they are inadequately prepared in mathematics and science in many of our high schools. To maintain our supremacy in the intellectual contest with the Russians requires a reexamination of the curriculum in all of our secondary schools. An engineering education cannot be secured from one of our great institutes of technology unless a mastery of mathematics, physics, and chemistry has first been achieved in high school.

The President, the Congress, and those charged with education at every level of government must meet Russia's bid for supremacy in technology. It represents, in my judgment, the real significance of sputnik and muttnik.

We should not be surprised at Russia's scientific achievements. A study published by the National Science Foundation in 1955, entitled, "Soviet Professional Manpower," was a warning to our educators. It showed that in recent years we were graduating approximately 24,000 engineers with bachelor's degrees, while Russia was graduating more than 50,000.

While our educators were concerned with progressive education and the deemphasis of grades for scholastic achievement, the Russians focused their attention on the improvement of educational standards.

The National Science Foundation's study included this significant statement on Russian secondary education:

"From 1931 to 1934 various decrees were issued which embodied this educational policy in specific terms, such, for example, as the establishment of regular class instruction, home assignments, required attendance, regular composition of class contingents, individual grading, restored authority of the teacher, etc. These measures were all aimed at raising the standards of learning and tightening discipline."

The curriculum in Russia's secondary schools provides a foundation for advanced scientific education in colleges and technical schools. The study of the National Science Foundation also said:

"It is important to stress that on several counts the Soviet curriculum is substantially different from that in American schools. Among the general education subjects, foreign language and geography are emphasized to a much greater extent than in this country. Mathematics and science courses are stressed extensively, especially in the upper grades, where almost 41 percent of all instruction time is devoted to these subjects. It is difficult to make a meaningful comparison of the time devoted to science and mathematics courses in the Soviet Union with the American curriculum because of the wide variation in the amount of time devoted to science and mathematics courses by American high schools. This becomes even more significant when it is considered that Soviet 10-year schools do not offer any optional or elective courses, which are usual in American secondary education. Despite the variations in the time allocated to science in American high schools, it is obvious that in most instances it is substantially less than in the Soviet case. In addition, because of the elective system, only a small portion of all students in American high schools ever take courses in science and mathematics at all. Of course the great concentration on science instruction in the Soviet Union may be at the expense of what many of our educators would consider essential subjects for a balanced general education. However great the latter sacrifice may be, the fact remains that the Soviet educational system offers much more than our own in the teaching of science at the secondary-school level."

A few weeks ago the United States Office of Education released the results of a 2-year study entitled "Education in the U. S. S. R." It clearly shows that the Russians have gained their present strength through their approach to the education of youth. This report stated that:

"The Soviet school child gets a much heavier program than his counterpart in the United States. He goes to school 6 days a week, has a rigid course of studies, and is under constant pressure to excel. Instead of the leisurely pace of American schools, there is a continuous drive for top performance.

"More attention is paid to the gifted child. He is singled out at an early age and given special instruction. Though many American schools have classes for superior children, in the Soviet Union there is a definite attempt to find gifted children, especially those with a scientific bent, and encourage them to work at full capacity.

"School teachers and college professors are the elite of Soviet society. They are encouraged to improve their professional status by attending conferences, reading academic journals and continuing with their studies. There is no teacher shortage in the Soviet Union. In the United States the shortage is serious."

Our first task is to improve the teaching of science and mathematics in our secondary schools. Russia has 350,000 trained teachers devoting their efforts to these fields, while we have only 140,000 in our Nation's high schools. This gap must be closed.

President Eisenhower has refocused our emphasis on science and technology. His appointment of Dr. Killian, the president of the Massachusetts Institute of Technology, as special assistant to the President for science and technology will have a far-reaching effect. No individual has done as much to further the training of scientists and engineers. Dr. Killian will enlist the support of able assistants, and the United States will meet this new challenge in an area in which we are naturally proficient.

My concern at this critical moment is to preserve the fundamental values of western civilization, our way of life, while developing the strength to defend freedom everywhere. The concepts of a free enterprise economy are inherent in the system of government laid down by our forefathers in the Constitution of the United States. For many years it has been attacked by Socialists around the world and by those within our own country who do not appreciate that political freedom is closely linked with economic freedom.

The underdeveloped countries are seeking to transform their economies in a matter of a few years from primitive agricultural societies to industrial nations. In this short time they hope to achieve what it has taken the United States more than a century and one-half to accomplish. They are impressed with Russia's great scientific and industrial developments in a period of 40 years. A swift passage from feudalism to scientific preeminence is an impressive record for any underdeveloped people.

How will we meet this challenge? For many years we have offered foreign-grant aid for technical assistance programs to other countries. They involve the expenditure of public funds. The President and most of us in Congress believe that we have no authority under the Constitution to expend your money unless it advances the welfare and security of the American people.

For a number of years a proposal has been under consideration by the United Nations to establish a development fund to be known as SUNFED. These initials stand for a special United Nations fund for economic development. Its sponsors believe that it should make low interest loans or supply free gifts to assist the industrialization of underdeveloped nations. Such a fund would assist both Communist and non-Communist countries. Those conducting the program would be drawn from all member nations which necessarily includes the Communist bloc. Under this proposal we would be using our resources to finance the work of Communist technicians in underdeveloped countries. I believe it is utterly unrealistic and not in the best interests of either the American people or the citizens of the underdeveloped nations. It has been supported in this country by Adlai Stevenson and by Walter Reuther. Mr. Reuther, in fact, has suggested that we pledge 2 percent of our gross national product to such a fund for a period of at least 25 years. This would in effect mean a contribution of at least $200 billion over this period.

Last summer the SUNFED proposal was on the agenda of the United Nations Economic and Social Council session at Geneva. The United States representative, Dr. Neil Jacoby, an eminent economist and former member of President Eisenhower's Council of Economic Advisors, expressed my sentiments when he said:

"We now have before us the final and supplementary reports of the Ad Hoc Committee on SUNFED. * * * A majority of nations whose replies were analyzed in the reports of the Ad Hoc Committee support the establishment of SUNFED in principle. We have noted, however, extremely few promises of financial support. Of those that have been made, many are conditional upon the participation of the major industrial countries. Even if these promises of support were fulfilled, what would they amount to in the aggregate? The prospect is that the assets of the fund would consist of a few

million dollars in the form of a heterogeneous assortment of currencies, and, possibly, some contributions in goods and services. Is it reasonable that a new international financing agency, charged with gigantic tasks, should be established with such pitifully meager resources? Can we pass lightly over all that is being done by private investors, by international lending agencies, and by the United States and other countries through bilateral programs to direct billions of dollars into economic development? In view of the vast scale of present international development financing, how can it be maintained that the establishment of a Lilliputian SUNFED is the nostrum which will obliterate poverty among millions of people in large parts of the world? So to believe, is surely to turn from reality to magic.

"It has been said that, if the United Nations should fail to proceed immediately to the establishment of SUNFED, its authority with the peoples of the world would suffer and its moral credit would be threatened with exhaustion. In our considered judgment, Mr. President, it is the adoption of the resolution now before us that would have this effect. To set up a SUNFED at this time with so little prospect of appreciable financial support, with so many issues unresolved relating to the purposes it should serve and the manner in which it should operate, would be to doom it to failure from the outset. The distinguished representative of the Netherlands has ventured the opinion that, if such an institution were established at this time, other countries including my own, without whose contributions SUNFED would lack resources to undertake a significant volume of operations, would soon become participants. Speaking for my own country, Mr. President, I see nothing to warrant this opinion. Indeed, if I correctly assess the temper of the American people and of our Congress, action to create SUNFED now without United States participation would more probably deter than attract subsequent participation."

In spite of our statement, the United Nations Economic and Social Council voted to recommend to the General Assembly that it proceed with the establishment of SUNFED. There were only three votes cast in opposition to this program: Those of the United States, the United Kingdom, and Canada. The General Assembly is now debating this difficult issue.

Congressman JUDD, a member of the House Committee on Foreign Affairs, is the member of the United States delegation to the United Nations responsible for our position on this item. He has recommended that the General Assembly establish a new $100 million technical assistance and economic development program to be financed by voluntary contributions. So that such a program can be established on a reasonable basis, the United States is recommending that it be given further study and be presented to the General Assembly next year.

If such a program is adopted, it would first become effective in 1959. Under existing legislation, the United States will not assume more than one-third of the cost of any United Nations assistance programs in 1959. Accordingly, this plan will provide an opportunity to see whether other countries are willing to match a United States contribution which would be limited to $33.3 million. If other nations will not supply the remaining $66.6 million, then it is idle to discuss further grandiose schemes such as SUNFED.

In a statement made in New York, Representative JUDD explained that the United States had consistently opposed SUNFED because "adequate funds were not available, the basic requirements for capital improvements were often missing, and it raised false hope while diverting attention from fundamentals. If we cannot agree on the United States proposal, how could we possibly reach agreements on SUNFED?"

The last session of the Congress authorized the establishment of our own United States development fund under the direction of the State Department. As the burdens of defense increase, the American people will expect the Congress to curtail other governmental programs so that at long last there may be some prospect of tax reduction for all our people.

I believe that we can effect economies without endangering the welfare of our friends. In fact, far more resources can be channeled to underdeveloped countries through the investment of private capital than can ever be secured through Congressional appropriations. Dr. Jacoby in his statement to the Economic and Social Council, from which I have already quoted, said:

"First, economic growth is a complex process involving people, as well as bricks, mortar, and machinery. Standards of living which have for centuries stagnated at low levels cannot be substantially raised simply by improving and multiplying the physical instruments of production. There must be accompanying changes in the institutions, the attitudes, the habits and customs of people which remove impediments to economic progress. By far the most valuable capital of any advanced country is the knowledge and skills of its citizens. When a less developed country increases these capacities of its citizens, it is making important economic progress, even though its progress is of a type that is not currently reflected in a production index. For this reason, current production indexes undoubtedly exaggerate the gap between the true rates of progress being made by less and more developed countries.

"Second, the primary responsibility for achieving economic development inescapably rests with the developing countries themselves. The policies of their Governments, and the energies and abilities of their peoples, are the factors upon which progress mainly depends.

"Third, economic progress can be accelerated if self-help is supplemented by outside help. Where most people live at subsistence level, a country has little margin of income for saving and capital formation. Without some inflow of capital from abroad, economic development may remain intolerably slow. Failure to appropriate the human and social aspects of the development process, however, often leads to exaggerated expectations of the rate at which such countries can absorb foreign capital and put it to constructive use. As economic development proceeds, however, both potential domestic savings and the capacity to use imported capital increase. Capital from abroad has hastened the development of many countries, including my own, which not so long ago were relatively undeveloped. This capital was almost entirely private in character. We in the United States have no doubt that, for reasons our representatives have stated many times in this council, private investment is the kind of development financing which is most valuable and effective.

"I wish to refer briefly to private financing of economic development.. The net direct investment by American business enterprises in other countries during 1956 was $2.6 billion—twice as large as during 1955. My delegation regards this as a major contribution to world economic development, and something more than a trickle. We dissent from views expressed during this debate, to the effect that this figure means little because much of the investment was made in one country—Canada—or in one industry—petroleum. The correct inference to be drawn from these facts is that United States private investment flows rapidly to industries experiencing a rising world demand for their products, and to countries which provide a hospitable climate for risk-taking enterprise. There is little that the government of a free economy can properly do to induce its nation to invest abroad or to channel investment along particular lines. This is largely a matter within the control of the people and the government of the capital-importing country."

Last month Vice President NIXON in San Francisco said that private investment abroad should be tripled in the next 10 years as foreign aid is decreased. He urged strengthening the economic sections of our embassies, a reduction of corporate taxes on the profits from foreign investment as soon as feasible, together with deferment of taxation on foreign income and profits until they return to the United States as dividends. He also suggested channeling "more of our Government financial operations abroad through private investment and enterprises." This will be accomplished under the extension of Public Law 480, which permits lending at least 25 percent of the foreign currency paid for United States agricultural surplus in any country to United States businesses operating there. The extension of Public Law 480 assists American farmers and grain dealers while furthering our foreign policy objectives.

Vice President NIXON is well aware that there is only so much our Government can do. I support the advice he gave to countries seeking capital. He said, "It can treat foreign capital as something between a public enemy and a necessary evil, or it can make the kind of rules under which private capital can do its best work.

I know that private-enterprise concepts can be applied in other countries and that they will raise living standards as they have here. We have no time to lose.

Carlos Romulo, the Philippine Ambassador to the United States, recently said:

"The struggle between the United States and the Soviet Union is going to depend on the evolution of new countries in Asia and Africa.

"I do not think it is too much of an oversimplification to say the major problem of our time is a problem essentially for Americans—the problem of creating and setting up channels of production, world development, and trade on a basis rooted in mutual respect and equality of status. I say this is a problem for Americans because it is the United States that stands primarily for the promise of an alternative to a new dark age of Communist totalitarianism."

Every one of us, whether as a member of the Government or in our private capacities, must constantly show our foreign friends the true virtues of our economic system and how it can benefit them if they will provide a hospitable investment climate.

During recent years I have been concerned with another development in our international affairs of particular concern to you. There are some who believe that the problem of establishing stable market prices for basic raw materials throughout the world can best be approached by a series of commodity agreements.

A few years ago there was a proposal before the United Nations Economic and Social Council, which I vigorously opposed, to establish parity between all manufactured goods and all raw materials on a worldwide basis. It included the establishment of a commission on international commodity trade whose terms of reference charged it with the task of establishing just and equable price relationships on a worldwide basis. This was an impossible task. The United States has refused to participate in the work of this commission. It is the only commission within the United Nations which we do not support.

This fall the American republics met in Buenos Aires to survey the possibilities for economic cooperation in this hemisphere.

Again, proposals were placed before the conference to proceed with stabilization schemes by government edict. I was delighted that our Assistant Secretary of State for Inter-American Affairs, Roy Rubottom, vigorously opposed them. Let me quote from his statement which I completely endorse:

"A subject on which there tends to be a common position among the Latin American countries is that relating to 'terms of trade,' and to the proposal that international commodity agreements be used to help maintain a favorable relationship between prices of the commodities they export and the prices of the products which they import. This is understandable in view of the fact that economic conditions in most of the Latin American countries are influenced to a large degree by the conditions under which a relatively few of their commodities are sold in international trade. For example, Bolivia is highly dependent on tin; Chile on nitrate and copper; Brazil, Equador, Colombia, El Salvador, and Guatemala on coffee; Urugua on meat and wool; Venezuela on petroleum; Mexico and Peru on lead and zinc; and Argentina upon wheat and meat.

"The state of the export trade in these few commodities has a large effect upon employment and economic activity generally within these countries. Representatives of such countries have often pointed out that the prices of their raw materials fluctuate widely in relation to the prices of the products they import.

"Among the measures most often mentioned for attempting to stabilize such commodity prices are intergovernmental commodity agreements. While the United States fully recognizes that many countries rely heavily upon exports of primary products and do face special problems in the form of relatively wide fluctuations in the world market prices for some of their major products, it does not believe that the cure is to be found in mechanisms for international price support or stabilization. In the view of the United States, there is too strong a probability that such a cure would be at least as harmful as the disease. In general, it is the conviction of the United States that maximum reliance upon competitive forces in free markets will best promote international price relationships conducive to optimum allocation of economic resources and advancement of economic welfare.

"It is sometimes alleged that the United States position on this matter is inconsistent with its programs which are aimed at supporting the prices of United States agricultural products in relation to the prices of products which United States farmers buy. It may be noted, however, in partial reply, that the experience which the United States has had with attempting to support agricultural prices domestically, instead of being a recommendation for an international price-support system, indicates strongly that such a system would, in all probability, be unwieldy and unworkable."

No discussion of world affairs would be complete without reference to the establishment of the European economic community, which includes a common market and a program for the peaceful development of atomic energy.

In my judgment this is a great step forward, as it will permit Western Europeans to enjoy the technological advantages which come with mass production and distribution. However, the establishment of a free trade area which may include Britain, the countries of Western Europe, and perhaps their overseas colonies could discriminate against American exporters. There are many who believe it is a violation of the General Agreement on Tariffs and Trade (GATT).

The Congress at its next session will be asked to extend the trade agreements program and to authorize United States participation in the proposed organization for trade cooperation. In the light of these new developments, we should not take these steps without first reexamining existing agreements, including GATT, which were negotiated prior to the formation of the European Economic Community.

In the brief time available to me, I have endeavored to cover recent developments in both military and economic areas. As a Member of the House of Representatives, it was my privilege to serve on both the Committee on Armed Services and the Committee on Ways and Means. As a Member of the United States Senate, I have been concerned with all issues of foreign policy. As you realize, the Senate must approve all treaties and confirm all nominations.

My day-to-day activities over a period of 19 years in these fields reinforce my conviction that we live under the only economic and political system which can provide the economic strength for the defense of the free world. Fortunately, it is also the only system which preserves freedom and human dignity.

We have the responsibility to show that we can impose self-discipline on ourselves so as to outthink and outproduce our adversaries. Each of you can start this task with the education of your children on the blessings that we enjoy as American citizens and by guiding them to seek knowledge which will make us strong.

Burma Celebrates 10th Anniversary of Independence, January 4, 1958

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 9, 1958

Mr. POWELL. Mr. Speaker, when I came back from the Asian-African Conference at Bandung, Indonesia, I announced that I would address from the floor of Congress each one of the participating countries, with the exception of the two Communist ones, Red China and North Vietnam, on the occasion of their independence celebrations. On January 4, 1958, Burma celebrated her 10th anniversary of independence. In recognition of this event, I wish to extend warm greetings to the people of Burma, Prime Minister U Ba Swe, and His Excellency U Win, Ambassador of Burma.

At various times in precolonial days, Burmese kingdoms extended well beyond the present borders. Although conquered eventually by a mighty power, the Burmese people continued their opposition. Demands for self-government persisted and reforms were introduced. But the reforms were not adequate to meet the political and economic situation of the times. Burma was therefore in a state of great unrest and agitation when World War II engulfed her.

The Burmese people possess the eternal qualities of self-reliance and resourcefulness. In Burma, character, courage, and self-reliance rank with national and individual honor—and the Burmese possess all of these qualities in abundance. Only a people of stern fiber could have overcome the discouraging obstacles which Burma faced after the Second World War.

Burma recognized that a new-found independence carries responsibilities as well as nationalistic prerogatives. Like a number of other countries, Burma had suffered enormous destruction. Her transportation system, industry, and economy were virtually shattered. The Government faced a succession of crises with disorders and insurrections in every region of the country, often fomented by the Communists. Burma appears to find her natural inclination to be anti-Communist and feels a continuing consciousness of the presence to the north of a potentially hostile force which could overwhelm her from anywhere along a 1,000-mile common border with Red China.

In the words of former Prime Minister U Nu:

What we had to deal with basically was not just an armed rebellion, but with underlying evils that had crept into our society and with the resulting psychological attitudes of large numbers of people.

This called for nothing less than a comprehensive program of nation building that involved religion, ethics, politics, health, education, and economic and social betterment.

I am firmly convinced that a major contribution to the restoration of stability in Burma was brought about by the fact that we in the Government stuck to the ways and procedures of democracy throughout. Fundamental freedoms and human rights were assured at all times.

All these measures have combined to bring home to the people the meaning of independence.

The progress in Burma since those early terrible days is a heartening and inspiring saga of determination, of courageous leadership, and of hard work. Free Burma is a young nation which has reason to be thankful for her achievement of freedom and for the many other accomplishments that stand to the credit of her people.

Report by Congressman Edwin B. Dooley, 26th District, New York, on His Inspection of Federal Highways, Harbors, Flood Areas, and Federal Buildings in Certain Sections of the United States and Hawaii

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 9, 1958

Mr. DOOLEY. Mr. Speaker, I am submitting the following report as one of a delegation of Representatives who are members of the House Committee on Public Works. The inspection covered a period from October 22 to November 20. Permission was requested and granted to reproduce the report in the CONGRESSIONAL RECORD.

Nothing herein should be regarded as representing the official viewpoint of the committee. The findings in this report

reflect my personal conclusions after studying the sites specified.

The official report of the committee, which I shall endorse, will be forthcoming at a later date.

My reason for accepting membership on the committee was twofold. First, I wanted to fulfill my obligations as a member of one of the most important committees of the House of Representatives by studying firsthand those projects for which Government money has been appropriated, or for which formal requests for funds have been made.

The second reason was equally important. I wanted to ascertain if the desire for statehood for Hawaii was founded on a valid basis. My conclusion is stated in the addendum to this report.

The entire inspection trip was made in close collaboration with the United States Army Corps of Engineers. This important segment of the Armed Forces proved constantly that it is performing with intelligence and dispatch a difficult function of public service which has been and will continue to be of invaluable benefit to the well-being of our country.

The itinerary was as follows:

October 17–18: Illinois road project (AASHO).

October 23: U. S. 101, San Francisco, Coyote Dam, Russian River projects.

October 24: U. S. 40 to Carquinez Bridge, Vallejo, Benicia and Martinez; public hearing at Martinez on Federal highway bill and related matters; Walnut Creek.

October 25: Stockton, Calif.; flood-control problems and island levees; meeting at port of Stockton.

October 28: Los Angeles; study of Santa Ana and San Diego Freeways; inspection of San Diego Harbor with United States engineers; meeting with San Diego Chamber of Commerce.

October 29: Inspection of State highways in San Diego area as far as Mexican border; inspection of United States customs and immigration buildings at San Ysidro; meeting at Tia Juana sponsored by United States customs officials.

October 30: Inspection of Riverside, Colton, and San Bernardino Freeways, and Riverside Board of Trade.

October 31: Inspection with United States engineers of Los Angeles and Long Beach Harbors; inspection of highways en route; meetings with members of Los Angeles Metropolitan Traffic Association, Automobile Club of Southern California, Los Angeles Chamber of Commerce, Los Angeles Board of Harbor Commissions, and Metropolitan Transportation Engineering Board.

November 1: Inspection of highways en route to Paso Robles via Castaic, Ventura, and Santa Barbara; meeting at Santa Barbara with chamber of commerce.

November 2: Inspection of highways at Salinas, Monterey, and Santa Cruz; meeting at Monterey with local business executives.

November 4: Boarded S. S. *Matsonia* for Hawaii.

November 9: Arrived at Hawaii.

November 9–19: Inspections and formal hearings on islands of Oahu, Hawaii, Kauai, Maui, and Molokai; inspection of navigation projects at Honolulu Harbor, Kahului Harbor and Breakwater, Hilo, Kalepolepo Harbor; inspection of flood projects at Iao Stream, Wailua River; inspection of Wailua Channel improvements, intraterritorial highways on Oahu, Hawaii, and Maui; beach erosion, Federal building at Wailuku, Maui, T. H.

FINDINGS

The Illinois road project being conducted at Ottawa, Ill., under the supervision of the American Association of State Highway Officials and the State of Illinois Road Commission is potentially of such far reaching consequence that it would take chapters to do the subject justice.

The enterprise is designed to study road building from all aspects and is implemented by ingenious devices which will ascertain with mathematical precision the centrifugal tire pull of heavy vehicles, the wear and tear caused by surface friction, the contraction and expansion of bridge supports, and so forth. These devices, a number of which were indigenous to the project, have been invented by the engineers of AASHO in collaboration with staff members of the Illinois Highway Department.

The project is being conducted in collaboration with the United States Army to ascertain certain fatigue factors.

With us on this inspection was Bertram Tallamy, the Federal Highway Administrator, who was most favorably impressed with the entire conduct of the project. The results of the undertaking are being awaited with interest not only by highway officials of our own country but by those of other areas throughout the world.

PUBLIC-WORKS PROGRAM

The overall program of the Public Works Committee pertaining to the development of our Federal interstate highway systems, the improvement and development of harbors, the elimination and control of floods in affected areas, and the construction and maintenance of Federal buildings is meritorious and far reaching, and deserves the continued support of the Congress of the United States.

Impressive results of the impact of the Defense Highway Act of 1956 on the economy of a given area was apparent in the State of California where intrastate freeways constructed with the aid of the 90 to 10 percent formula of Federal highway funds have been markedly affected. Areas hitherto devoid of commercial, social, and industrial development have appeared along the freeways. Needed routes of transport for areas where the ratio of persons per car is as low as 2.5 have proven incentives to the building of homes and the establishment of industries.

The same pattern holds for other States. The Defense Highway Act for interstate highways will eventually link virtually every capital city of our Nation and give incentive to our mobility and our economy. It is contemplated that 50,000 miles of interstate highways will eventually provide mediums of transportation for the swift and efficient movement of urban populations or military forces.

Never in world history has any construction program approached in dimensions or expenditures the highway program as envisioned under the Federal Defense Highway Act of 1956. By the time it is completed more than $50 billion will have been expended. Motorists will have easy access to cities far removed from their homes. Commerce and industry will be favorably affected. Our social habits will experience transformations. Our Nation will advance in many directions via wheels.

HAWAII

In cooperation with the Pacific division of the Army Corps of Engineers—Brig. Gen. Ellsworth I. Davis—a thorough investigation of Hawaii's roads, rivers and harbors, flood conditions, and Federal buildings was undertaken. The Corps of Engineers acting through the offices of Lt. Col. McGlachlin Hatch provided splendid cooperation at all times.

Roads and harbors were studied at Honolulu, Oahu, Hilo, Hawaii, Maalaea, Maui, Kahului, Kaunakakai, Molokai, Nawiliili, and Kauai. Flood problems were surveyed at sites at Oahu, Maui, and Hawaii.

My conclusions after studying the roads and harbors may best be summed up in one word—inadequate. Hawaii's islands are handicapped by inadequate roads and by harbors too small and dangerous for the amount of traffic they are required to handle.

Only on Oahu are the roads as modern as they should be, and that is due to the fact that Honolulu is a modern city with a good government and an active chamber of commerce. But even on Oahu, roads are not sufficient in number or design to provide ready access for the military and citizens to certain parts of the island.

On the island of Hawaii, the roads—intraterritorial—are inadequate. The same is true on the other islands. However, around Wailuku on Maui, there are some excellent highways.

Hawaii does not participate in the Federal Defense Highway Act, and consequently the Federal contribution to its intraterritorial roads is on the customary 50–50 basis which prevails in the intrastate highways on the mainland. Were Hawaii included in the act, like any of the 48 States it would receive contributions on the 90–10 percent formula basis. This would prove a boon to Hawaii's highway program. With the Federal Government paying 90 cents on the dollar, Hawaii could advance its road building program rapidly.

Because of climatic conditions and the substance of the terrain, road building in most areas of the islands is less expensive than on the mainland. Tunneling, however, as through the Pali Pass on Oahu—$9 million—is an expensive operation.

It is the conviction of the writer that Hawaii, even though a Territory and not contiguous to the mainland, should—by a special amendment—have been included in the Defense Highway Act of 1956 and thus permitted to benefit by its provisions.

There are heavy concentrations of Air Force, Army, Navy and Marine personnel and materiel on the Island of Oahu, yet insufficient roads on that island hamper facile movement of military personnel.

To claim we should provide adequate roads only on the mainland is specious. The defense of the people of Hawaii is equally important to defense of people on the mainland.

The islands of Hawaii are in the Pacific Ocean, 2,200 miles from our Pacific coast. They lack harbors, despite their hundreds of miles of coastline. So small and dangerous are several of their main sheltered anchorages that when the wind reaches a velocity of 25 miles or more large ships cannot venture within the bounds of the seawall, but must remain outside. This is particularly true at Hilo, where there is a dangerous surge of the sea, and at Kahului Harbor at Maui.

By providing adequate harbors at Honolulu, Hilo, Kaunakakai—Molokai—and Kahului, and enhancing the small boat harbor at Maulaea, the potential of commerce would be immeasurably increased, and the danger to large vessels decreased.

The Public Works Committee has authorized construction work and improvements in certain harbors of Hawaii, but more and larger projects are in order.

The percentage increase in pleasure boating indicated in the last 5 years on the mainland has not been reflected in Hawaiian waters, due to the absence of sufficient sheltered anchorages. The rugged shoreline of the islands offers few places of refuge from sudden storms.

In order to offset this situation the people of Hawaii have voted to pool the refunds on marine gasoline and earmark the same for the development of planned boating harbors.

Floods take place on certain areas of the islands when sudden storms on the mountains pour torrents into low-lying villages. At Iao in Maui, at the confluence of two streams, the turbulent waters have raised havoc with the homes of hundreds of residents. At Kihii the water rolls over thousands of areas to flood the roads.

There is nothing unique about Hawaii's floods, but they are severe enough to warrant Federal aid in surmounting them. In Los Angeles, for example, where a great city has been plagued by flash floods from the mountains, huge culverts have been constructed to speed the water to the sea. Similar devices might be erected in modified form in the affected areas of Hawaii, when the threat of inundation to large segments of the population is imminent.

BUILDINGS

The federally owned building which the committee visited at Wailuku, Maui, is in a sad state of repair. Termites and dry rot have wrought destruction to the interior and the appearance is one of shameful neglect. The building should be replaced.

The post office on the island is also too small for the demands placed upon it. Consideration should be given to construction of a new Federal building on the federally owned lot on Maui, to house both the post office and the Government offices of the Internal Revenue Department.

RECOMMENDATIONS

The Hawaiian Islands are an integral part of the United States and should be given the same consideration as the separate States of the Union.

Consideration should be given to the enactment of an amendment to the Federal Highway Act of 1956 to include Hawaii on the same basis as a State, in order that it shall have the advantage of the provisions of the act.

Authorization for expansion of the harbor of Hawaii for reasons of safety and the development of commerce, is in order.

Impetus should be given to a road construction program for the islands.

Consideration should be given to the granting of a Federal subsidy for a ferry system from island to island—with adequate ferry slips being provided by the Federal Government so as to permit automobiles to be transported from island to island.

Incentive should be given to pleasure boating by the development of several small harbors like Maalaea on the island of Maui.

Flood-control projects should be undertaken on a greater scale at Maui.

The Federal buildings at Wailuku, Maui, should be replaced with a modern edifice.

ADDENDUM

The Hawaiian Islands constitute an invaluable bulwark of American strength in the Pacific Ocean. They constitute a bastion of democracy in a Polynesian setting. They provide a haven for our fleet and our Air Force where most needed.

The people of the islands, despite their differing origins—34 percent are Japanese—are intensely pro-American and Americans. During World War II there was no act of sabotage on the islands, even though the population is heterogeneous. When the Nisei battalion, which had won distinction for unusual heroism on the battlefields of Europe, was being formed a call went out for 1,500 men. No less than 9,000 responded.

Hawaii is ready for statehood. Its population is over 500,000. Its Territorial government is fashioned along the same lines as our county and town governments. The desire of the residents—as shown in a referendum less than a decade ago—is to gain recognition as a State.

The main obstacle to statehood is the fact that Hawaii is not contiguous to any other State of the Union. Yet in point of time and communication it is closer to Washington than was California at the time of its admission as a State.

To deny Hawaii statehood because it is an island segment or because of rumors that some of its citizens are ultra-liberal is shortsighted. We need Hawaii as a State and time will prove the validity of that viewpoint.

Portland Area Council of Boy Scouts and G. H. Oberteuffer

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, January 9, 1958

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Oregon [Mr. NEUBERGER], I ask uanimous consent to have printed in the CONGRESSIONAL RECORD a statement by him and an article from the Portland Sunday Journal of December 29, 1957.

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

STATEMENT BY SENATOR NEUBERGER ON PORTLAND AREA COUNCIL OF BOY SCOUTS AND G. H. OBERTEUFFER

Few organizations contribute so greatly to our Nation's future as the Boy Scouts of America. The Portland Area Council of the Scouts has been outstanding in the land, in terms of achievement and performance. I saw this for myself when I attended the vast Boy Scout Jamboree at Valley Forge, Pa., in the summer of 1957. One conspicuous reason for the fine record of the Portland Area Council has been its able executive, George Herman Oberteuffer, who has occupied that position since 1925.

On January 1, 1958, Mr. Oberteuffer was succeeded by Guy Miller of Eugene, Oreg. The Portland Sunday Journal of December 29, 1957, published a comprehensive story of Mr. Oberteuffer's distinguished career in scouting, under the byline of Miss Betty Ann Rettenmier. Title of this biographical article was "Retiring 'Obie' Leaves Mark on Portland-Area Scouting."

I know that many of my colleagues are interested in Boy Scouts, because they share my interest in conservation of natural resources, which is one of the cardinal principles of the scout organization. For this reason, Mr. President, I ask unanimous consent that Miss Rettenmier's tribute to George H. Oberteuffer be printed in the RECORD.

[From the Oregon Journal, Portland, Oreg., of December 29, 1957]

RETIRING "OBIE" LEAVES MARK ON PORTLAND AREA SCOUTING—EXECUTIVE SERVES 40 YEARS

(By Betty Ann Rettenmier)

"If I were doing an article on Obie's retirement, I'd begin in a satirical way," said a long-time volunteer Boy Scout worker.

"I'd say first that Obie did not personally lay all of the rails for the Oregon Trunk Railway when he was a young man. He did not own the wild horse of the reef of the well-known campfire story he tells. He was not present when the sailing ship *Struan* was wrecked near Camp Meriwether—all Boy Scout legends to the contrary. You know how he personalizes every story he tells."

The Scouter was talking about his friend, George Herman Oberteuffer, Boy Scouts of America executive of Portland area council since 1925.

Another of Obie's good friends, a former assistant, Guy Miller, of Eugene, will take his place behind the big desk in Boy Scout headquarters after January 1.

Obie, a tall, handsome horseman with broad shoulders, shrewd, gray eyes, a warm handshake, and a sense of humor to match, is not a retiring personality. His firm hold on the reins of a job in a profession noted for the policy of transfer for advancement

has made him unusual in the eyes of many professional Scouters throughout the country.

He has had many chances for higher pay in Scouting posts elsewhere, including executiveship of four of the largest councils in large eastern metropolitan cities. But as he once told job interviewers, in explaining his preference for the Northwest, "Please show me three things—a horse, a mountain, and a tree."

Obie's 40-year influence on the youth and adults of the Northwest cannot be measured. Statistically speaking, there were 2,061 boys and leaders registered with the Boy Scouts when he came to Portland in 1925. Total registration now is about 42,000.

One of the council's first summer camps, acquired after Obie came to Portland, was Meriwether, near Tillamook. Boys vied Tom Sawyer fashion for the honor of saddling Obie's horse, Skipper, and for other camp chores. Obie, his wife, the former Mildred Healy, daughter Georgie Ann, now Mrs. David Crockatt of Salem, and son Bill, spent most of 17 summers there.

The Council has grown from Multnomah County and part of Columbia County to its present 15,000 square miles, comprising 15 counties in Oregon and Washington. There now are 18 professional staff men and an office force of 15 to administer the Scouting program and direct training of volunteer leaders.

Scouting in his beloved Northwest has become much more imaginative under Obie's leadership than the cartoon type assistance of little ladies across the street and burning of fingers at camp fires. Portland area scouts can climb mountains, go on 100-mile horseback rides, travel by canoe down the Willamette, go winter camping in the snow, plant trees in the Tillamook burn, help in rescues and go scouting in Europe and the Far East.

There also are swim and first aid meets, the annual drive to collect for the Goodwill Industries, craft shows, circuses and the individual skill requirements which help a boy to be more resourceful.

Besides Meriwether, summer campers of today have a choice between Spirit Lake, Camp Baldwin on Mount Hood slopes, Camp Clark on the Meriwether Reservation and Camp Cooper near the Coast Range summit in Tillamook county.

There also is a Nanitch Point mountain lodge, Camp Millard in Clackamas County for weekend campers, a new Portland office building under erection, and a training center in the architectural style of a small timberline lodge on Mount Scott, where Obie rode his favorite horse as a boy.

"I hate to think that Obie will be retiring," recently wrote Kenneth A. Wells, one of Obie's first assistants in Portland and now national director of the Boy Scouts' research service in New Brunswick, N. J. "I know it is inevitable, he said, "but for me he is somewhat the eternal youth.

"My experiences with Obie were the richest ones of my life, and it is extremely difficult to put into words even a fragment of a proper expression of my feelings.

"I have always felt that he was a man with a most profound respect for the worth and dignity of others. His sense of what is right and just grows from his deep faith in all human beings.

"I have felt that he always and everlastingly sought for the truth without ever expecting to find it. I am sure that his personal hurt at a friend's failure was much keener than his personal pleasure at a friend's success.

"By my standards, he is one of the most deeply religious of men. I suppose if I were to try to phrase it in one sentence, I would have to say, 'He is the finest man I have ever known.'"

Obie, dubbed by many "the best friend a boy ever had," is in his best wisecracking form at staff meetings when his team sets goals, plans activities and training sessions and works on the highly detailed "keep-it-simple-make-it-fun" program of leadership and character-building for boys.

Here's a sample of his advice on getting along with the approximately 12,000 adult volunteers, "Tell 'em plainly what you think. Then smile."

The "aura" of Obie, the ability to inspire others to help boys and to make the growing up years memorable, has been compared to that of a well-known evangelist. And to Obie, as one of the custodians of a great idea, his profession has many of the elements of a childrens crusade. As Obie puts it, a successful Boy Scout executive is a cross between a preacher, college president and a little boy playing Indian.

It all began at McMinnville one evening in 1916, when Obie, then principal of the high school, was approached by three boys to head a scout troop, now No. 233. After several hours of persuasion, Obie consented. The trio left at midnight.

Obie caught the vision of Scouting during two summers as a camp counselor near Spokane and became a B. S. A. executive in 1918. First assignment was Spokane, where he remained until promoted to regional executive in 1924. He came to Portland the following year as council executive.

Says Wells: "He made numerous, rather drastic changes in the local council organization and I remember distinctly that a group of us who were then considered older Boy Scouts held a rather formal debate at one of the Portland schools, probably Sunnyside. I was the principal debater on the question, 'Resolved: That the changes being made by the new Scout executive are not desirable.' I took the affirmative side, namely that they were not desirable. As I remember it, my side won the debate."

Portland was a natural homing point for the Oberteuffers, and the new job meant less travel away from home. Obie's father, W. G. Oberteuffer, had moved his family there when Obie was 3 years old from Washington, D. C., to accept an office in the Army Quartermaster department. Obie went through Portland schools, then worked his way through the University of Oregon. His B. A. degree was in education, after a switch from pre-med.

While at Oregon he boarded with a sister, Mrs. E. R. Moller, now of Hood River, his freshman year, and lived at the Beta Theta Pi house for the rest of his college career.

A brother, Dr. Delbert Oberteuffer, chairman of the physical education department at Ohio State University, shares Obie's love of the out-of-doors. They once hiked from seaside to Portland and operated a scout camp near Spokane together.

Two other brothers, Robert K. and William G., live in California.

Obie was the first man in the Boy Scout movement to thumbs-down military style camping, with tents in rows and morning exercises. He changed it to informal groups of boys at a number of campsites.

From the time son Bill was a small boy "hiking" with Obie to Wahtum Lake, riding in a packsack on his father's shoulders, he also has been an outdoorsman. Bill, Georgie and Obie had many riding and hiking trips along the Pacific Crest trail during family activity years. In 1937, Obie accompanied his son and a group of scouts on horseback to Chico, Calif., part of the 1,300 mile way from Mt. Hood to Tijuana. In 1953, Obie hiked with Bill and his wife Margaret for 250 miles along the John Muir trail in California.

It was Bill, however, who introduced his father to trout fishing, deer hunting and mountain climbing. Obie climbed his first and only major peak at 59 with Bill and Margaret, experienced mountaineers, as guides. Bill and Margaret, incidentally, share another of Obie's enthusiasms. Both are Portland high school teachers.

Some of Obie's honors are a surprise when mentioned to his family because "he never talked about them at home." The "boss executive" is a member of the Clackamas County sheriff's posse, was on the national board of the Camp Fire Girls, president of the Oregon Social Workers and vice president of the Pacific Coast Camp Directors Association. He also has been president and master of the fox hunt of the Lake Oswego Hunt Club. Obie also was one of two organizers of the Boys and Girls Council, which was the forerunner of the group work and recreation division of the Council of Social Agencies.

When one of Portland's most active public figures retires, he has plans. One of them, broached to a field man on his staff, goes like this: "Say, how about a horse trek next summer to Crater Lake? I'll sign on as wrangler for $6 a day and grub."

Meet Senator Talmadge

EXTENSION OF REMARKS
OF
HON. RICHARD B. RUSSELL
OF GEORGIA
IN THE SENATE OF THE UNITED STATES

Thursday, January 9, 1958

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very able and informative article entitled "Meet Senator TALMADGE," published in the February 1958 edition of the American Mercury magazine. The article deals with the life and service of my distinguished colleague.

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

MEET SENATOR TALMADGE, THE NEW VOICE OF THE SOUTH

(By Harold Lord Varney)

An energetic and forceful new national spokesman for constitutional government and States rights has emerged, HERMAN TALMADGE, the junior Senator from Georgia. His emergence was chronicled recently by no less a respected statesman than Speaker of the House, SAM RAYBURN, of Texas, who said:

"HERMAN TALMADGE fooled a lot of people by turning out to be a student of government, a convincing speaker and not a hell-raiser as some of the critics had billed him. I don't know of a freshman Senator who ever got off to a finer start. He and RUSSELL (Georgia's senior Senator, RICHARD B. RUSSELL) did the South and their State a great service by acting in the civil-rights debate to prevent the voting of cloture. If they hadn't acted as they did against a doomed filibuster, the Senate would have passed a stronger and more restrictive bill, such as had already passed the House."

During his first year in the Senate, TALMADGE worked hard to earn recognition as a diligent researcher, a committee enthusiast and, above all, a champion of States rights and local self-government.

He did such a good job fighting the civil-rights bill, foreign giveaway programs and other evils, he has earned the role of spokesman for Americans seeking to stop Federal waste and intervention in local governmental affairs.

There are others to help, but TALMADGE excels at standing on his own feet and defending State and local government—and regional beliefs—before the vocal onslaughts

of the pseudoliberals. He has acquired in a short span of 44 years a store of political know-how, wisdom, and experience possessed by few men after a lifetime of public service. Such qualities make his opinions on public affairs, government administration, and political strategy respected, by people who know him best.

TALMADGE learned so quickly in the Senate that he received this tribute from LYNDON B. JOHNSON, of Texas, the Senate Democratic leader: "He has made a great impression on this body since he came here. He has served only a few months but he has already demonstrated that he is one of the most diligent and one of the best Senators in the Senate. We particularly appreciate the very fine relationship we have with him and the very efficient way he presides over the Senate."

Old-time Capitol observers say that never before in their experience have they seen a freshman Senator become a seasoned and effective statesman so quickly as TALMADGE has done.

From that day in July, 1953, when TALMADGE forecast the now too-real blunders of the Federal Government in a speech before the National Retail Hardware Association, in Miami, he became a spokesman for those who oppose present trends in Washington.

His first blast at national politics included a sharp blow at foreign aid: "We are fast coming to the realization that we can't buy lasting friendship from other nations," he warned. "Even the most foolhardy must now realize that there is a limit as to how much we can drain our national resources. We can no longer engage in a cat-and-mouse game with the Soviets, letting that regime force us to assume the role of the mouse." He called for an end to confusion and fear, urged a return to the fundamental American principles "of Washington, or Jefferson, or Monroe, or Jackson—or Teddy Roosevelt."

In this same Miami speech, 4 years ago, he said, "We should work in this country for strong, compact, Armed Forces with the best equipment available. Against the Communist hordes, we cannot expect to win victories with numbers of men alone." The statement was prophetic, as has been proved by the recent claims that Russia has outstripped the United States in the missiles race and in other fields of scientific progress.

Shortly after leaving the Governor's office in January of 1955, HERMAN TALMADGE was invited to address a joint session of the Alabama Legislature. It was in this neighboring State that he reaffirmed and consolidated his long-expressed and often-stated views on constitutional history, constitutional government, and the reserved rights of the States and the people. One is impressed today in reading these two addresses by their significance and foresight in spite of the fact that one of them was delivered 4½ years ago and the other was made nearly 3 years ago. Had the policies suggested at that time by Senator TALMADGE been the policies of our Republic, the national economy would be in far better condition today and our defense posture would have been much more secure.

To reach his stature as a spokesman for the masses, TALMADGE had as demanding a school as ever existed—Georgia politics. Born on a south Georgia farm to Eugene Talmadge and his wife, lovingly known as Miss Mitt, HERMAN EUGENE TALMADGE got early, practical experience.

When the younger TALMADGE was 15, his father—then State agriculture commissioner—moved his family to Atlanta from the farm near McRae. The boy began assimilating his political wisdom by listening to talk in the house.

Entering the University of Georgia, young TALMADGE soon became a leader on the campus. After he earned his degree in law, his father adjudged him a good enough politician to manage the elder's unsuccessful campaign for the Senate in 1938 and, later, his campaign for governer in 1940, when the father-and-son team won.

Soon after this HERMAN was commissioned as an ensign in the Navy, where he served for 52 months during World War II. During a leave before Pearl Harbor, he married attractive, blonde Betty Shingler, the daughter of a pioneer Georgia family. The first of two sons was born while he served overseas. Friends he made in the Navy still call on him at his white-columned farm home at Lovejoy and in Washington.

TALMADGE returned to Georgia in time for the 1946 gubernatorial campaign which he managed for his father.

He drafted that campaign's platform for his father, a sharp departure from the traditional Talmadge stand. Instead of confining his platform largely to an economy plank—the Talmadge custom in the past—the 1946 platform called for many new and expanded State services, including far-reaching new roadbuilding and an unprecedented educational program.

The story goes that the elder Talmadge called HERMAN into his office when he read the platform and asked, "You're taking me a little bit fast, aren't you, son?"

"With the overwhelming odds against us," young HERMAN said, "we have got to move fast to win this election." The platform was used and the elder Talmadge won again—the fourth time he had been elected governor. No man before or since has been so continuously reelected.

Eugene Talmadge died a few days before he was to have taken office. The Talmadge lawyers took the position that there had been a failure of election. Acting, however, under what appeared to be a clearcut provision of the 1945 State constitution—which seemingly authorized the general assembly to elect under such circumstances—the general assembly proceeded to elect HERMAN governor. But a majority of the Georgia Supreme Court, in a 5–2 decision, took a different view and ruled that incumbent Governor Ellis Arnall held over and that upon his resignation, proffered to take effect at the qualification of Lieutenant Governor M. E. Thompson, the executive authority then devolved upon the latter as Acting Governor, until the next general election, at which time a governor could be elected by the people.

Despite the bitter feud preceding the ruling, HERMAN TALMADGE moved his family out of the Governor's mansion within an hour after the court spoke. While the belongings were being removed, his mother had only this smiling comment for a reporter: "We'll be back!"

The road back began the next day. TALMADGE hammered away at the incumbent administration until he was elected overwhelmingly in 1948. He had been active in politics for 20 years, but this was his first elective public office.

The rest is history. TALMADGE was reelected governor in 1950. A majority of the State's daily newspapers had opposed both elections, but by the next year they began to praise him. When he ran for the Senate seat of retiring Senator, Walter F. George, in 1956, virtually every newspaper in the State endorsed his candidacy. He carried every one of Georgia's 159 counties.

At 44, TALMADGE is rapidly increasing in national popularity. Reporters have noted that he is one of the top Congressional mail receivers. Georgia groups ask him to make more speeches than he can deliver, but he still arranges 60 to 70 during the year.

One of the principal pledges TALMADGE made to the people of Georgia during his campaigns for election as Governor and, later, as Senator was that he would carry their fight for States rights and constitutional government to the people of the whole Nation. He has done that, primarily through the medium of television.

The Senator began earning a reputation on nationwide television interviews in 1952. He received 12,000 letters after appearing on a televised show just prior to the 1952 Democratic National Convention while trying to win the presidential nomination for Senator RUSSELL. The best of those letters are bound into volumes and stored in his library at Lovejoy. He has appeared on many different nationwide programs, making as many as four appearances on some.

Never declining an invitation to joust with reporters or critics, TALMADGE regards TV interviews as one of the most effective mediums for expressing the thoughts of public servants.

"It has been of invaluable assistance in allowing me to talk right to the people," he says. TALMADGE was quick to see that TV has changed the whole technique of effective political campaigns.

His relationships with the working press have been uniformly cordial and productive. Reporters who have covered him say: "Senator TALMADGE is honest with us and cooperative in every way. If you ask him a loaded question, he gives a full and frank reply right off. He knows we have deadlines to make and doesn't keep us waiting for hours on end. We appreciate the fact that he is available and takes us into his confidence."

The TALMADGE seen on the Senate floor in dark grey suit and somber tie resembles not at all the TALMADGE seen in Army fatigues and heavy workshoes on his Lovejoy farm. There is, however, the same tough fiber, the same incisive action, the same ability to analyze elections and national issues. He makes no pretense that he prefers legislative duty. He would rather be the executive officer. The time-consuming legislative functions conflict with his great energy. Nevertheless, he asked for the Senate job, winning an unprecedented majority in all Georgia's 159 counties in his race.

Left-wing columnists and magazines have long tried to smear him. Nationally syndicated columnist, Robert S. Allen said that "it was pretty generally anticipated that he would roar into town and 'run amuck,' so to speak; hootin' and tootin' and storming around all over the place * * *". But he has completely confounded them, just as he has very highly gratified a lot of other people who were hoping he would do exactly as he has done—conduct himself like a gentleman and an upstanding and conscientious public servant.

Even the principal political columnist and reporter for the Washington Post and Times Herald, Robert C. Albright, credited TALMADGE with "confounding some of his liberal critics." They were amazed, said Albright, because TALMADGE "chose as his maiden speech, not civil rights, but the nonsectional issue of President Eisenhower's Middle East Resolution."

This serves to emphasize that good Senators are interested in the Nation, not just the section from which they are elected. His first speech drew acclaim from Senators with divergent views. TALMADGE voted against the resolution as being too late to be useful and because it was coupled to foreign aid "giveaways" which he opposes.

Still, the columnists and analysts are building up new pressures against him. TALMADGE shrugs it off and continues to detail the rights of individuals as opposed to Federal regulation.

He visualizes the frequently heard declaration that a southerner cannot be elected President as "a self-serving fiction fostered by political opportunists" who manipulate minority votes in States where such blocs represent the balance of political power. "Their anti-South hate campaign is the sop they toss to their minorities," he says, "as their admission ticket to the banquet table of political success." Claiming that minorities in other sections should worry about

their own plight, he declares the real reason Southern leadership is unacceptable to the political bosses and to the party manipulators is "because of Southern belief in and adherence to fundamental constitutional government as established and practiced by the Founding Fathers of this Nation."

Because he is a lifelong Democrat—but not the same breed as HUMPHREY or DOUGLAS—TALMADGE pleads for the Democratic Party to accept "the greatest opportunity ever afforded any political party in the history of our Nation," and hopes to see his party gain greater national prestige.

His blueprint is simple: Get new leadership, develop new concepts based on observing constitutional guaranties rather than violating them, work out a new philosophy of world leadership and speak for all the people.

The American people, TALMADGE believes, are weary of bearing the burdens of a National Government which has ceased to be their servant, of tolerating regimentation from a sprawling bureaucracy which has ceased to be responsive to their will, of countenancing the extravagances of global planners who have no concern for the welfare of the people here at home; and of listening to the empty promises of false prophets who cry peace when there is no peace and plenty when there is no plenty.

TALMADGE is fully aware of the conflicts ahead in this second session of the 85th Congress. "Every action will have political overtones," he declares.

Senators already are offering many bills to gag Senate debate in that last home of completely free American speech. TALMADGE warns that if such a bill reaches the Senate floor, "A determined filibuster undoubtedly would ensue."

Thus, for the second time in this Congress, Senators have a fight on their hands to preserve unlimited debate. At the last session, conservative members wisely tracked down and killed the most vicious portions of the civil rights bill rather than engage in a futile filibuster which undoubtedly would have brought on a rule allowing debate to be cut off by a simple majority vote, rather than the two-thirds of the total membership now needed. This retained the good will of independent Senators from regions outside the South and cooled off hotheads intent on changing the cloture rule.

Both RUSSELL and TALMADGE won uniform praise for the high level of debate maintained in the bitter fight. The Atlanta Constitution commenting editorially said: "The fact that he (RUSSELL) and Senator TALMADGE were able to delete the vicious section III of the bill * * * was indeed a magnificent victory against overwhelming odds."

Meanwhile, the Atlanta Journal termed the action of both Senators "Victory with Honor," commending both of them for keeping their heads: "They did not sacrifice the section they represent for political opportunism. Commonsense and cool reason saved the field. Earlier victories were preserved. The South won its important points and has strength to fight another day."

In his memorable speech laying bare the dangers of the civil rights bill, TALMADGE expressed a wish as to how history will record the day. Said he, "I, for one, wish history to record that I stood in defense of the rights and liberties of the American people and the sacred Constitution of the American Republic."

Speaking recently in south Georgia, TALMADGE cautioned against any form of racial violence. He is hopeful that wiser heads on the national scene will come to the realization that if this great divisive issue is ever to be resolved it will be settled peacably and voluntarily by responsible leaders within the framework of laws and conditions as they exist in the States directly concerned and affected.

In his first year, TALMADGE quoted such different works on government as The Federalist Papers, obscure laws dating back to Reconstruction, and current national magazines and newspapers. These references point up an important factor in TALMADGE's value as a Senator. He researches any subject completely before he speaks. His staff is constantly busy checking facts.

He engaged Kenneth Turner, an experienced Washington newspaper correspondent, as his administrative assistant when he went to the Capitol. William Burson, a diligent reporter with outstanding wire-service experience, became his executive assistant. Walter Brooks, longtime aid, assists TALMADGE in research and in maintaining his Atlanta office to help his constituents. These three, plus a fine secretarial staff are constantly busy letting the folks back home know.

In keeping with his determination not to lose touch with the people of Georgia, TALMADGE began writing a series of weekly newspaper columns which he distributes to all the papers in his State and is making biweekly filmed television reports on his activities in the Senate.

Perhaps one of the most thorough investigative jobs he and his staff have done is on foreign aid—TALMADGE opposes any gifts which are not reasonably related to the defense of the United States. In his Senate speech on the subject, he made that point abundantly clear while citing several ridiculous examples of how the United States had spent $40 billion in economic aid overseas. His speech brought forth howls of anguish from the bureaucrats in the administration. Next day, Senator THEODORE FRANCIS GREEN, chairman of the Senate Committee on Foreign Relations, sought to refute some of the TALMADGE charges. Within the short space of 5 minutes TALMADGE was on his feet citing chapter and verse of substantiating data. He read into the CONGRESSIONAL RECORD copious authority from House and Senate committee findings, International Cooperation Administration reports, national magazines, newspaper and wire-service articles, and from other reliable sources.

Nothing further was heard from Senator GREEN.

As for the effects his foreign-aid views might have on national security, Senator TALMADGE feels: "A militarily impregnable America and an economically invincible America are the world's best and only hopes for peace. If we are to perpetuate our blood-won birthright for ourselves and for our posterity, the welfare of the American people and the solvency, safety, security, and sovereignty of our own country must be our primary concern. It is mine and I shall so vote."

TALMADGE credits Georgia's senior Senator, RICHARD B. RUSSELL, with much of his early Senate success. At a recent appreciation day for RUSSELL in his hometown, Winder, TALMADGE said: "Had Senator RUSSELL been my own father, he could not have been more kind, considerate, and helpful than he was during my first year of service in the Senate."

RUSSELL, himself a former governor, has praised the junior Senator repeatedly. "In my time no man has ever come into the Senate, taken over and handled so ably such difficult assignments, normally given to veterans, as has HERMAN TALMADGE." Many State organizations have applauded them as the best senatorial team in the United States.

HERMAN TALMADGE is a man of the people. He's down to earth. Speaking on the hustings in his senatorial campaign, he promised that, if elected Senator, "I will keep both feet firmly planted on Georgia ground." Thus he immunized himself against an illness commonly known as Potomac fever.

An Atlanta lawyer who went through college with the Senator and has closely observed him since told the writer that in all his business and legal experience in a practice that takes him in many countries, he had never seen anyone with a keener, more incisive mind.

"What does TALMADGE stand for?" you may ask.

The best answer to that question can be found in his Senate campaign platform. He favors curbing jurisdiction of the Supreme Court and minimum qualifications for Federal jurists. He is stanch in upholding State sovereignty and the free enterprise system. He opposes Federal meddling in purely local affairs.

A farmer himself, with a good understanding of agricultural problems, he favors rigid farm-price supports at 90 percent of parity and other legislation designed to aid the farmer achieve a fair share of the national income. He attacks Benson farm policies as "planned depression."

As for national defense, he opposes cuts but would give emphasis to the development of airpower, guided missiles, atomic and other new weapons. He speaks out for strong National Guard and Ready Reserve programs.

He supports a realistic foreign policy based upon the application of practical experience and commonsense. He advocates the Bricker amendment to safeguard the people against "treaty law" and takes a dim view of the status-of-forces agreements which subject American servicemen and their wives to harsh and unusual punishment under foreign laws and in foreign courts.

He accepts the dual responsibility of feeding hungry people and providing every possible means for our military defense. He asks elimination of purely economic foreign aid and demands a careful scrutiny of each military assistance project to insure that taxpayers get something in return for their money. Above all, he demands that the Federal Government cease doing for foreign nations what it does not or is unwilling to do for the people here at home.

Though supporting a favorable balance of trade, he insists that American workers and American industry be protected against cutthroat competition of foreign goods made by slave-wage labor.

In the field of fiscal affairs he calls for a systematic beginning on debt reduction, an end to deficit spending, better budgetary control, a reduction in Federal income tax rates and a halt to further encroachment by the Federal Government on the revenue sources of State and local governments.

And, as a jealous guardian of the rights of the people, TALMADGE stands at the forefront in the fight to preserve the hard-won gains which working men and women have earned in the last quarter century. He seeks a further strengthening of legislation governing public welfare assistance and veterans' benefits to make them more equitable and serviceable to the people.

That is his philosophy—simple, forthright, American. You don't have to guess where he stands on any issue. Anybody who wants to know his opinion on any current subject can find out simply by asking him.

A third party is one of the most controversial subjects in his home State today, but he will declare his outlook on the possibility: Both major parties are seeking the minority votes in other sections of the country and are striving with each other to see who can conduct the most punitive campaign against the South. This action may ultimately drive the Southern States into forming a third party for their own self protection.

TALMADGE opened his campaign for the Senate seat with a plea to the voters for a practically unanimous mandate to go to Congress as their champion in the fight for the restoration of constitutional government. When he got there he opened his civil-rights

speech with this statement: "Mr. President, as I rise to address myself to this bill I can say with full sincerity and in good conscience that I speak for the rank and file of Georgians of every color, race, faith, and national origin."

He wasn't boasting. More than 4 out of every 5 Georgia voters had asked him to speak for them.

The emergence of an important new national figure in Washington is always an event. When that man combines, as in the case of HERMAN TALMADGE, political incorruptibility and first-rate brains, the debut becomes a direction marker.

It has long been one of the paradoxes of American politics that, although States rights has all the logic and the force of American tradition, Federal bureaucracy has the most plausible and effective debaters. TALMADGE'S coming to Washington will do much to redress that disbalance. The Nation will hear much of the Georgia newcomer during the disturbed period ahead of us.

Sixty million Americans who live in the Southern States or who share southern viewpoints are today in deep need of articulate, outspoken leadership. Northern mass-circulation magazines and TV and radio networks seem deliberately engaged in building up opportunistic southerners who do not speak for actual southern viewpoints, as the voice of the South. This is spreading confusion and misinformation.

For this reason the appearance of such a refreshing figure as HERMAN TALMADGE on the national stage is a fact for rejoicing. In his first year in the Senate he has shown promise of a great career in Washington. Unfrightened by the smearpots, unaffected by the temptations of the Madison Avenue liberal publicists, TALMADGE goes his way calmly in the Senate, fighting for his convictions as he sees them. America has need of such men.

Security in the Scientific Age

EXTENSION OF REMARKS

OF

HON. JOHN W. HESELTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1958

Mr. HESELTON. Mr. Speaker, the second report to the people of America by the President, to which I have referred previously, was made at Oklahoma City on November 13, as follows:

First I want to extend my thanks to the people of Oklahoma for this chance to share in celebrating the 50th anniversary of Oklahoma's statehood. Born in the Lone Star State to your south, and reared in the Sunflower State just to the north, I have tonight a fine feeling of coming home again.

Last week I spoke of science in security; this evening I speak of security in a somewhat wider context.

We live in one of the great ages in the story of mankind.

For millions of people science has removed the burden of backbreaking toil.

For other millions the hope of a good life is being translated into definite promise.

In this wonderful age, we Americans have a special responsibility. We were given a fresh continent and opportunity to work out a modern dream of how men should work together, live together, and govern themselves.

Drawing on all the cultures of the past, and on the rapid growth of science, we worked out a way in which every person can be his own strong competitive self, and at the same time be a dedicated member of a harmonious community.

This week the Soviets are celebrating the 40th anniversary of their revolution. These four decades have seen them change from an agricultural to an industrial nation. We know of their rigorous educational system and their technological achievements.

But we see all this happening under a political philosophy that postpones again and again the promise to each man that he will be allowed to be himself, and to enjoy, according to his own desires, the fruits of his own toil.

We have long had evidence, recently very dramatic evidence, that even under such a system it is possible to produce some remarkable materialistic achievements. When such competence in things material is at the service of leaders who have so little regard for things human, and who command the power of an empire, there is danger ahead for free men everywhere. That, my friends, is the reason why the American people have been so aroused about the earth satellites.

WILL MEET CHALLENGE

Of course, free men are meeting and will meet this challenge.

Up to a point, this must be done on the Communists' own terms—outmatching them in military power, general technological advance, and specialized education and research.

But this is not all the story. The real strength with which the self-governing democracies have met the tests of history is something denied to dictatorships.

It is found in the quality of our life, the vigor of our ideals, and the ever-astonishing capacity of free men for voluntary heroism, sacrifice, and accomplishment when the chips are down.

This is the weapon which has meant eventual downfall for every dictator who has made the familiar mistake of thinking all democracies were soft.

It would be a grave error not to take this kind of threat literally. This theme has been Communist doctrine for 100 years.

You will recall that there was once a dictator named Hitler who also said he would bury us. He wrote a long, dull book telling precisely how he was going to do it. Not enough people took him at his word.

We shall not make that mistake again.

International communism has demonstrated repeatedly that its leaders are quite willing to launch aggression by violence upon the territory and people of other countries. They are even more ready to expand by propaganda and subversion, economic penetration and exploitation or by a combination of all three methods.

The free world must be alert to all.

Our military defenses have been largely reshaped over the years since World War II. I assure you, as I did last week, that for the conditions existing today they are both efficient and adequate. But if they are to remain so for the future, their design and power must keep pace with the increasing capabilities that science gives to both an aggressor and a defender. They must continue to perform four main tasks:

1. As a primary deterrent to war, maintain a nuclear retaliatory power of such capacity as to convince the Soviets that any attack on us and our Allies would result, regardless of damage to us, in their own nation's destruction.

2. In cooperation with our allies, provide a force structure so flexible that it can cope quickly with any form of aggression against the free world.

3. Keep our home defenses in a high state of efficiency.

4. Have the reserve strength to meet unforeseen emergency demands.

To provide this kind of defense requires tax money—lots of it. During the last 5 fiscal years we have spent $211 billion on our security—an average of over $42 billion a year—including our own armed services, mutual military aid, and the Atomic Energy Commission.

In my judgment, the Armed Forces and their scientific associates have, on the whole, used this money wisely and well.

Much of it has gone and is going into better and more powerful weapons.

A single B–52 bomber costs $8 million. The B–52 wing costs four times as much as the B–36 wing it replaces.

The Nike missile, which has largely replaced antiaircraft artillery, costs three times as much per battalion.

A new submarine costs $42.5 million—10 times the cost of a World War II submarine.

And so on, for our entire arsenal of weapons.

For some years increasing attention has been focused on the invention, development, and testing of even more advanced weapons for future use. The Defense Department has been spending over $5 billion a year on this kind of research and development.

There has been much discussion lately about whether Soviet technological breakthroughs in particular areas may have suddenly exposed us to immediate increased danger.

SOVIET COMPETENCE

As I pointed out last week, this is not the case. But these accomplishments have provided us all with renewed evidence of Soviet competence in science and techniques important to modern warfare. We must, and do, regard this as a time for another critical reexamination of our entire defense position.

The sputniks have inspired a wide variety of suggestions, ranging from acceleration of missile programs, to shooting a rocket around the moon, to an indiscriminate increase in every kind of military and scientific expenditure.

Commonsense demands that we put first things first.

The first of all firsts is our Nation's security.

Over the next 3 weeks I shall be personally making our annual review, with military and civilian authorities, of our national security activities for the coming year. Then, I shall meet the legislative leaders of Congress from both Houses and both parties, for conferences on policies, actions and expenditures.

In the meantime, I ask your sober consideration of some of the actions to which we must give our most urgent attention.

Today a principal deterrent to war is the retaliatory nuclear power of our Strategic Air Command and our Navy. We are adding missile power to these arms and to the Army as rapidly as possible. But it will be some time before either we or the Soviet forces will have a long-range missile capability equal to even a small fraction of the total destructive power of our present bomber force.

To continue, over the years just ahead, to maintain the Strategic Air Command in a state of maximum safety, strength and alert, as new kinds of threats develop, will entail additional costs.

This means accelerating the dispersal of Strategic Air Command to additional bases. This work, which has been going forward for some years, ought now to be speeded up.

Also, with missiles and faster bombers, warning times will grow shorter. Therefore, we have been providing facilities for quicker response to emergency alarm. This, too, should be speeded up—through standby combat crews, more runways, more fueling stations and more housing.

To achieve maximum possible warning of a future attack we must carry on additional improvements throughout our warning line that are now scientifically feasible.

Another need is to develop an active missile defense against missiles. This item is undergoing intensive research and development.

To maintain and increase retaliatory power, we shall be adding long-range missiles, both land and ship based, to our security forces. The technicians tell me that development of the long-range ballistic missile cannot be markedly accelerated by expenditure of more money. We are now spending more than $1 billion a year on their research and testing. But, of course, where needed, additional sums will be provided. Moreover, it is clear that production, deployment, and installation of missiles over the period ahead will be costly.

The military services are underpaid. We must be fair with them. Justice demands this, but also compelling is the factor of efficiency in our defense forces. We cannot obtain and retain the necessary level of technical proficiency unless officers and men, in sufficient numbers, will make the armed services their careers.

SATELLITE PROJECT

Now, let's turn briefly to our satellite projects:

It appears logical that, confronted with the essential requirements I have indicated for defense, we must adopt a clear formula to guide us in deciding what satellite and outer-space activity to undertake.

Certainly there should be two tests in the formula.

If the project is designed for scientific purposes, its size and cost must be tailored to the scientific job it is going to do.

If the project has some ultimate defense value, its urgency for this purpose is to be judged in comparison with the probable value of competing defense projects.

We intend to carry forward our programs in a way that will do credit to our scientific tradition and insure our security over the years ahead. This, again, will involve substantial costs.

Now, all these new costs, which in the aggregate will reach a very considerable figure, must be added to our current annual expenditures for security. There is no immediate prospect for any marked reduction in these recurring costs. Consequently, the first thing is to search for other places to cut expenditures.

We must once more go over military expenditures with redoubled determination to save every dime that can possibly be saved. We must make sure that we have no needless duplication or obsolete programs or facilities.

The answer does not lie in any misguided attempt to eliminate conventional forces and rely solely on retaliation. This course would be completely self-defeating.

And, most emphatically, the answer does not lie in cutting mutual defense funds overseas—another important part of our Nation's security. We are linked with 42 countries by military assistance agreements. We could not possibly station our troops all over the world to prevent the overflow of communism. It is much more economical and vastly more effective to follow and strengthen our system of collective security.

The same applies to economic aid. This kind of assistance helps others keep free of dependence upon Soviet help, which too often is the prelude to Soviet domination. It shows the free world's ability to develop its resources and increase its living standards. It helps allied economies support needed military units and remain sturdy partners in this worldwide struggle.

In the Federal Government's civilian activities, we shall have to make some tough choices.

Some programs, while desirable, are not absolutely essential. In this I have reached a clear conclusion. While some savings may still be squeezed out through the wringer method, savings of the kind we need can come about only through cutting out or deferring entire categories of activity. This will be one of the hardest and most distasteful tasks that the coming session of Congress must face.

By whatever amount savings fail to equal the additional costs of security, our total expenditures will go up. Our people will rightly demand it. They will not sacrifice security worshipping a balanced budget. But we do not forget, either, that over the long term a balanced budget is one indispensable aid in keeping our economy and therefore our total security strong.

MORE THAN MONEY, SECURITY

Now there is much more to the matter of security than spending money. There are also such things as the professional competence of our military leaders, the soundness and productivity of our economy, and above all, the spiritual strength of our Nation.

One thing that money cannot buy is time. Frequently time is a more valuable coin than is money.

It takes time for a tree to grow, for an idea to become an accomplishment, for a student to become a scientist.

Time is a big factor in two longer term problems: Strengthening our scientific education and our basic research.

The Soviet Union now has—in the combined category of scientists and engineers—a greater number than the United States. And the Soviets are producing graduates in these fields at a much faster rate.

Recent studies of the educational standards of the Soviet Union show that this gain in quantity can no longer be considered offset by lack of quality.

This trend is disturbing. Indeed, according to my scientific advisers, this is for the American people the most critical problem of all.

The Federal Government can deal with only part of this difficulty, but it must do its part. The task is a cooperative one.

Federal, State and local governments, and our entire citizenry must all do their share.

We should, among other things, have a system of nationwide testing of high school students; a system of incentives for high-aptitude students to pursue scientific or professional studies; a program to stimulate good-quality teaching of mathematics and science; provision of more laboratory facilities; and measures, including fellowships, to increase the output of qualified teachers.

The biggest part of the task is in the hands of you, as citizens. This is National Education Week. No matter how good your school is—and we have many excellent ones—I wish that every school board and every PTA would this week and this year make one single project their special order of business: to scrutinize your schools' curriculum and standards to see whether they meet the stern demands of the era we are entering.

As you do, remember that when a Russian graduates from high school he has had 5 years of physics, 4 years of chemistry, 1 year of astronomy, 5 years of biology, 10 years of mathematics through trigonometry, and 5 years of a foreign language.

You know, I think that many of us have been a little slow in realizing that it is possible for almost everybody to share in science and engineering as an adventure. If we start early enough in school with mathematics, and chemistry, and physics, and botany, and if our teachers can make our young pupils see the real satisfaction in working at science, then our young people, even if they do not become scientists or engineers, will experience a real excitement out of growing America.

Young people now in college must be equipped to live in the age of intercontinental ballistic missiles. However, what will then be needed is not just engineers and scientists, but a people who will keep their heads and, in every field, leaders who can meet intricate human problems with wisdom and courage. In short, we shall need not only Einsteins, but Washingtons, and Emersons.

Another long-term concern is for even greater concentration on basic research—that is, the kind that unlocks the secrets of nature and prepares the way for such great breakthroughs as atomic fission, electronics, and antibiotics.

At present, our basic research, compared with any other country's, is considerably greater in quantity and certainly equal in quality.

The world will witness future discoveries even more startling than the discovery of nuclear fission. Will we be the ones to make them?

WISE INVESTMENT NEEDED

Here again, money cannot do everything. You cannot say to a research worker, "Your salary is tripled; now produce three times as many basic discoveries."

But wise investment in such facilities as laboratories and high-energy accelerators can greatly increase the efficiency of our scientists.

The Government is stepping up its basic research programs. But, with 70 percent of research expenditure, the biggest share of the job is in the hands of industry and private organizations.

Right here in Oklahoma you have established a superb mechanism for the mobilization of needed resources to strengthen our pursuit of basic scientific knowledge. It is the frontier of science foundation. You have reason to be proud of it. I hope other States will follow your example.

One final word. The goal we seek is peace with justice. This can come to our Nation only as it comes to all. The world's hope is that the Soviets will cooperate with all the rest of us in achieving this goal. Our defense effort, large as it is, goes only far enough to deter and defeat attack.

We will never be an aggressor. We want adequate security. We want no more than adequacy. We will accept nothing less.

It has always been my faith that eventual triumph of decency and freedom in this world is inevitable.

But, as a wise American once observed, it takes a lot of hard work and sacrifice by a lot of people to bring about the inevitable.

Submerged Oil Land Profits Urged for Education

EXTENSION OF REMARKS

OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 9, 1958

Mr. MACDONALD. Mr. Speaker, I have today introduced a bill which provides a fund of more than $6 billion of nontax revenue for educational purposes. The bill amends Public Law 212, 83d Congress, which gave the Federal Government jurisdiction over the submerged oil properties along the coasts of the Gulf of Mexico and of the Pacific. My bill provides that all money received by the United States Government from the lease of these oil lands are to be used as grants-in-aid for education.

I have been advised by the Department of the Interior that already $338,531,728 has accrued to the Federal Treasury from the development of the offshore oil lands. This includes the amounts paid for drilling rights, rents, and royalties. I understand that $1 million is now coming in every month and the Department of the Interior is predicting that the revenues will eventually exceed $6 billion. This $338 million that has already come into the Treasury and the revenues that will follow should be earmarked and used to support elementary, secondary, and higher education in this country.

I want to emphasize that the money would be provided by revenue from the Nation's undersea oil and gas found in our offshore deposits and not from our already burdened taxpayers. The money would be used for financial relief for our elementary and secondary schools; to provide for more and better paid and better trained teachers, and to build desperately needed classrooms. The bill is also designed to relieve financial difficulties of our colleges and universities, medical schools, dental schools, nursing schools, scientific and technological schools, and research institutions with scholarships and grants-in-aid for specific training and research projects. The measure provides not only for scientific, engineering, and mathematical training, but also training in the humanities.

Mr. Speaker, the bill would create an Advisory Council on Education for National Security to draw a plan for the allocation of the educational grants. This Advisory Council would be composed of 12 persons appointed by the President with regard to their experience in the relationship of education to national defense and national security. Six of the members of the Council must be from the fields of education and research in the natural and social sciences. The Council would be required to allocate grants to meet not only the immediate but also long-range requirements of education relating to national defense and national security.

I am sure that every Member of Congress is conscious of the fact that our education system today faces the greatest crisis in history. The measures which we have taken to meet this crisis have not been adequate. Our schools are certainly inadequate in number and are suffering from progressive dilapidation. The school population is increasing at an overwhelming rate. Our elementary grades are filled to overflowing and the war babies are now overrunning our high schools.

We all know that our underpaid teachers are leaving their professions by the thousands for employment that will enable them to maintain themselves and their families in accordance with reasonable living standards. Because of the low prospective salaries, few people are in training to become teachers. We must prevent this exodus. It seems to me that there are at least two essential conditions for attracting and holding able teachers. First, the prestige and status of teaching must be comparable to other professions in the eyes of the community, the teachers themselves, and the able young people who are choosing careers. Secondly, the salary structure must be high enough and flexible enough to compete effectively with other fields bidding for quality manpower. Teaching must be made a financially comfortable profession. My proposal if enacted into law would give our teachers the recognition and financial security they deserve.

We are likewise facing a critical situation in the field of higher education. Almost twice as many babies were born in the United States in 1956 as in 1936. Yet these born in the late thirties are already straining our post-high-school educational resources to the limit of capacity. In the next 15 years the number of young people between the ages of 18 and 24 will rise by more than 10 million. The percent of high-school graduates entering college is steadily increasing. Enrollments in colleges and universities have increased from 1.1 million in 1930 to nearly 3.2 million in 1956. By 1970 enrollments in institutions of higher education are expected to double, and may go higher. Nearly all of our colleges are in financial trouble. This is occurring when the Nation's future strength and security demands the training of more scientific and professional manpower—more scientists, more engineers, more physicists, more chemists, more doctors, more business and professional leaders, more agriculturists, and more skilled workers. This condition must be changed. My bill would meet this challenge without imposing one additional dollar on the tax burden of our already heavily taxed citizens or on our heavily taxed communities in the 48 States.

This whole idea of dedicating Federal land resources to the support of education is one of the oldest and wisest of our national policies. As you know, the ordinances of 1783 and 1787, the Morrill Act of 1862, and other laws, taken together, have dedicated millions of acres of public lands for the establishment and operation of educational institutions, at all levels. And the Nation has derived immense benefits from these Federal land grants for educational purposes.

Mr. Speaker, our main objective is to build a world in which all men may live together in peace. But, if we are to build the peace, we must first be able to survive. We know that our ability to survive in this era of aggression rests upon our ability to marshal superior brainpower against the brawn of overwhelming numbers. And our edge is slipping away as our education system falls further and further behind in the quality and quantity of its product while Russia is pushing her educational efforts to unprecedented heights. One field in which this is clearly apparent is that of the training of engineers and scientists. Russia's victory in the race into space confirms this fact.

With these facts in mind I do hope the Congress will enact my bill into law at the earliest possible moment, as I feel that the nontax revenues from the development of the resources of our outer Continental Shelf can contribute importantly to meeting the needs of American education and to building the strength and security of our Nation. I am firmly convinced that the development of every American boy and girl to the fullest extent of his or her capabilities will add overwhelmingly to the strength of our democracy.

Correcting the Inequities in Our Tax Structure

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, January 9, 1958

Mr. MULTER. Mr. Speaker, today it was my privilege to appear before the House Ways and Means Committee in support of legislation which I have introduced and which I believe will help remove the blatant inequities in our tax structure. Following is my testimony before the committee in support of my bill:

Mr. MILLS. The first witness this morning is our friend, the Honorable ABRAHAM J. MULTER, a Member of Congress from New York. Mr. MULTER, although we know you quite well and favorably, for the purposes of the record will you please give your name and your address and the capacity in which you appear.

STATEMENT OF THE HONORABLE ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. Thank you, Mr. Chairman. I am ABRAHAM J. MULTER, a Member of the House of Representatives from the 13th District of New York.

I appear this morning as a Member of the House who is very much interested in the legislation you are considering, and I would like to address you briefly in support of several bills I have introduced on the subject. Before I conclude, however, I would like to indicate generally my support of bills that have been introduced by other Members.

Mr. Chairman, will you permit me to take a moment to extend my hearty congratulations to the new chairman of this committee, the Honorable WILBUR MILLS, and to extend to him my very best wishes for what I know will be an extension of his very able and distinguished service. At the same time permit me to echo the beautiful sentiments that he and our other colleagues expressed upon the grievous loss that all of us sustained by the death of our very good friend and colleague, the Honorable Jere Cooper.

I welcome this opportunity to discuss before your committee various proposals for revising the internal-revenue laws. These proposals are presented in the interest of helping your committee achieve its goal of revising the tax laws in order to obtain a revenue system which is fairer and more equitable.

I have a prepared statement, copies of which have been submitted to your clerk for distribution among the members. If you believe it will save time, I will submit the statement for your record and then briefly summarize each of the proposals that I have advocated in my formal statement.

Mr. MILLS. Without objection, your statement will appear in the record at this point.

(The statement is as follows:)

"STATEMENT OF REPRESENTATIVE ABRAHAM J. MULTER, OF NEW YORK, BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS, JANUARY 9, 1958

"Mr. Chairman and members of the distinguished House Ways and Means Committee, before proceeding with my statement, permit me to take a moment to extend my very hearty congratulations to the new chairman of this committee, the Honorable WILBUR MILLS, and to extend to him my very best wishes for what I know will be an extension of his very able and distinguished service.

"At the same time, permit me to echo the beautiful sentiments that he and our other colleagues expressed upon the grievous loss we all have sustained by the death of our very good friend and colleague, the Honorable Jere Cooper.

"I welcome this opportunity to discuss before your committee various proposals for revising the internal revenue laws. These proposals are presented in the interest of helping your committee achieve its goal of revising the tax laws in order to obtain a revenue system which is fairer and more equitable. I will discuss separately each of my proposals, and conclude with a brief summary of them.

"Removal of tax exemption of interest on certain local bonds, H. R. 801

"In connection with tax-exempt municipal bonds, let me turn to a section of our tax laws which has led to abuse by certain local governments. The practice to which I refer is that the local governments issuing tax-exempt municipal revenue bonds, which are used to finance building of industrial plants, and which do not pledge the full faith and credit of the issuing authority for the payment of principal and interest.

"Although the principle of State sovereignty may be sufficient justification to allow tax exemption of State and local bonds, I believe the practice of some of these governments is perverting this principle. The exemption is unfair to private business which must provide its own capital, its own tax-paying plant, etc., in competition with a plant provided by government which can make up its losses through taxation and is exempt from local taxes. The widespread use of this device to attract relocation of industry from other States into their own local areas could result in the deterioration or destruction of established industrial areas.

"On several earlier occasions the State and local governments have gotten into financial difficulty by attempting to promote industry in this way. Such a difficulty was experienced as a result of the post-Civil War subsidies to railroads financed through State and local bonds. Another was the experience of municipalities in loaning credit for real estate development in the 1920's. Default on such bonds dangerously impairs the credit of municipalities concerned.

"Permit me to make clear that my bill does not seek to take away tax exemption from all State and local bonds. It is directed only against bonds issued in connection with private enterprise which is privately owned and which is not secured by the general credit of the issuing governmental unit. Today, many localities are issuing bonds for private purposes without pledging governmental credit in connection therewith. The only obligation of the locality in connection with those bonds is to pay to the bondholders principal and interest only as, if, and when the principal and interest is paid to the locality by the private enterprise. This is an evasion, if not an actual perversion, of the intent of the law.

"Liberalization of the deduction for child-care expenses, H. R. 802

"When the tax laws were completely revised in 1954, some recognition was given the working women and working widowers who incurred expenses for the care of a child while working. That liberalization of the law allows the working parent to deduct up to $600 a year for child-care expenses if they are incurred to allow the parent to work. Expenses in excess of $600 are not allowed. This limitation is imposed regardless of the number of dependents for whom the child care is furnished. A widow who has 3 children under 12 years of age is limited to a deduction of only $11.54 a week. In many cases that may only amount to one-third of the cost of caring for the children. Even worse is the fact that an $11.54 deduction will amount to a tax saving of less than $3 a week. I propose that the limitation to the deduction be more realistically set at $2,500 or 50 percent of the working parent's income from salaries or wages or from a trade or business, whichever is less.

"Tax-exemption of compensation of Armed Forces serving outside the United States, H. R. 803

"Many of our young men are making great sacrifices by protecting our military interests outside the continental United States. They are separated from their families for extended periods of time while they serve their country. Some recognition should be given them by exempting part of their income from taxation. Specifically, I propose that up to $2,000 of compensation received by members of the United States Armed Forces for services performed outside the United States should be exempt from taxation.

"It doesn't seem fair when we consider that a civilian employed by private industry who works overseas pays no Federal income tax on his salary, up to $20,000 a year, if he remains in that foreign country for a period of 17 months out of 18; but a member of the Armed Forces, whose earnings are usually much less than civilians employed overseas, must pay tax on his income. I realize that for part of the time since 1950 compensation to the Armed Forces in a combat zone was tax-exempt. This bill would extend this principle to all overseas service of the Armed Forces.

"Exclusion of interest on veterans loans bearing no more than 3½ percent interest, H. R. 804

"It is a generally known fact that the veteran home-loan program has been on a decline for some time. Few people would quarrel with the statement that a basic reason for this decline is that lenders are not willing to loan at the rate of 4½ percent interest. In many cases lenders' margin of profit on loans at this rate would be too low to maintain a sound financial business.

"If we are going to assure the veterans that they will be able to derive the benefits which were designed for them through legislation which set up the home-loan guaranty program, we must provide to the financial institution some incentive to lend money to veterans at a low rate of interest. An incentive could be created by allowing tax-exemption to the lenders on the interest earned on these loans. However, with this liberal treatment of the interest, I believe that we should expect many financial institutions to lend at 3½ percent interest and still make an adequate profit on operations. Therefore, I would restrict the tax exemption to loans which bear interest at a rate which does not exceed 3½ percent.

"This bill is identical in form to that which was introduced by our very distinguished colleague from New York, Mr. KEOGH, who is also an able and active member of this important committee.

"Restrictions on markings, etc., on mail to taxpayers, H. R. 805

"This proposal, which I shall now outline, will not affect the revenues of the Government nor change our basic tax structure, but will assure the taxpayer that the personal nature of his income or tax liability will not be violated through correspondence sent to the taxpayer by the Government. My proposal specifically provides that communications relating to the income tax which are mailed to the taxpayer shall not bear on the outer covering any markings which would disclose information concerning the taxpayer's income or tax liability. This will eliminate, for example, any possibility of duplicating our experience several years ago in regard to the income tax returns mailed to the taxpayers. These returns were mailed in a package which bore various colored stripes on the outside. These colors indicated generally the income level of the taxpayer. Although this was innocently done by the Internal Revenue Service for processing control purposes, it shows how certain undesirable features can creep into our tax system inadvertently. This is the type of occurrence that my proposal will prevent in the future.

"The fact that the Internal Revenue Service has discontinued this obnoxious practice should not deter you from writing into the tax law the prohibition contemplated by my bill. It has been done once, it may be done again, and the Congress should make certain that there will be no repetition.

"Statement of transportation charge and tax to be furnished by the seller of property to the purchaser, H. R. 806

"This proposal for tax revision is concerned with transactions in which the seller of property collects from the purchaser charges for transportation of the property and the tax thereon. In such a case I propose that the Internal Revenue Code be revised so as to require the seller to furnish the purchaser a statement showing the amount of transportation charges subject to the transportation tax and also the amount of tax imposed. Special provisions should be made to enable the buyer of the property to collect treble damages if the seller charges him more than the actual transportation costs plus tax. The Federal Government may sue for treble amount plus $500 costs if the buyer does not do so within 2 years.

"Exemption of pension payments received by retired United States Government employees, H. R. 807

"It has long been believed that most people should retire at 65 years of age. However, every day more and more people eligible for retirement refuse to quit because they find that their pension will be inadequate to live on. Especially is this true for the Government employee who finds that his small annuity is further reduced by income taxes.

"Anyone who retires on a pension or annuity of $3,000, $4,000, or $5,000 will usually be forced to live on an income considerably less than his former income. Steadily rising living costs and the depreciation of the dollar will make life in the late years of life an even more unpleasant prospect. Therefore, the Government should not place further obstacles in the way by taxing the small income of these people during the declining years of their lives when their expenses are especially high. Rather, the Government should encourage its people to retire and take steps to insure financial independence in their old age. Exemption of Government employees' pension payments from the income tax will provide a long step in the right direction.

"I do not urge here that the Congress should restore to all annuitants the same purchasing power they once had, but it can and should allow them the same tax benefits that it allows others who draw pensions from the Federal Treasury. For example, pensions paid under the railroad-retirement and social-security programs are exempt from all Federal income taxes. As an illustration of how this discriminates against the retired Federal Government employee, I call

attention to the fact that while a retired railway worker enjoys this tax relief for his pension, the retired railway postal employee who may have worked right beside him, enjoys no such relief. This discrimination cannot be justified. Therefore, my proposal is introduced to promote equity where there is need for it.

"Tax deduction for certain educational expenditures, H. R. 808

"In recent months we have been hearing increasingly alarming discussions of our failure to compete with the Soviets in the training of scientists and engineers. Not only do we face a continuing shortage in these fields, but we face possible deterioration of education in other fields, including the humanities and the teaching profession—fields which a cultured country like ours cannot neglect. This crisis calls for an improvement in the financial condition of our educational system.

"At the present time, over half of the qualified high-school graduates are not enrolling in college. Although various reasons contribute to the failure of some of these high-school graduates to enter college, the majority of them are held back by a lack of funds.

"Most parents, unless they are in a very high income class, know only too well the financial drain and burden of the cost of sending their children to college. The average cost of sending a child to college today is estimated at about $1,500 a year. This means that an expenditure of about $6,000 is necessary to provide one child a 4-year college education. Still worse, the taxpayer must earmark an even greater amount of gross earnings for this purpose, because this $6,000 must come from income after taxes. How then can we expect parents to send their children to school when we realize that the average family income is only about $5,000 a year? Some of these parents of average family income may be able to save, through self-sacrifice, enough in a lifetime to send one child through college, but how about the parent who has more than one child?

"That is why I believe we should allow a deduction to parents for educational expenses incurred, in excess of the $600 personal exemption (or the $800 as I propose in my bill, H. R. 809), for children they are sending to a college or university. That certainly is not giving a taxpayer something for nothing, but rather extending a helping hand to some parent who is trying to give his child an education to enable him to compete in the world and to contribute his share to our advancement of knowledge, whether it be in the sciences, in business, or in teaching.

"For the average taxpayer who earns $5,000 and spends $1,500 a year on his son's college education, the Treasury would lose $180 for the year if personal exemptions remain at $600 and only $140 if the personal exemptions are raised to $800. This temporary loss in revenue will be more than offset by taxation of higher earnings of the child later in life and by the enhanced contribution he or she will make to our scientific and cultural advancement.

"Increase in personal exemptions, H. R. 809

"An increase in the present $600 deduction allowed for personal exemptions would add considerably to the degree of fairness and equity of our tax system. The Federal income tax has long been recognized as potentially the fairest tax to impose, because with its progressivity features the burden of taxes is placed in accordance with the taxpayer's financial ability to pay the taxes. However, when personal exemptions are so low that the burden of taxation falls upon persons whose incomes are below a level capable of supporting a minimum standard of living, the tax ceases to be fairly imposed.

"The results of a survey conducted about 6 years ago by the United States Department of Labor showed that an urban family of 4 required from $3,812 to $4,454 to maintain an adequate standard of living. With an increased cost of living since that time, that income must be considered inadequate today. Nevertheless, our income tax begins to operate on incomes far below these levels. For example, before the family of 4 reaches an income of $75 a week the Government takes a cut. In fact, this family, with average deductions, pays the Government $222 a year in income taxes. A tax structure which imposes such a burden on a family with less than $4,000 a year income certainly is not in accordance with financial capacity.

"The situation is even more acute when we realize that the same family must pay a proportion of his income in other Federal, State, and local taxes.

"Besides benefiting the low-income groups the increase in personal exemptions will have a beneficial effect on the Government and the general economy. By releasing millions of low-income taxpayers from the tax rolls, administrative work in the Internal Revenue Service will be reduced and a number of employees who would otherwise process these returns will be able to devote more time to the returns based on the large incomes.

"The general economy will be benefited because a large part of the tax savings to individuals will go into the hands of the income groups who spend virtually all of their income. This additional spending by these groups will stimulate the economy generally and help those segments of the economy which are burdened by excess inventories—thereby alleviating one of the prime causes of a recession or depression. With the present slackening in the economy, this stimulation would unquestionably be timely.

"The argument that millions of Americans will no longer feel that they have a personal interest in their country's Government unless they pay a tax dissolves in the light of realism. The American people are profoundly patriotic. They are aware of the purpose of their Government, the needs of their Government, and that neither can be fulfilled without tax money. Furthermore, even with such a waiver of income-tax payments to the Federal Government, they will still be bearing their share of other taxes levied on all levels. For the great majority of these people, this will mean more than just a removal from the tax rolls. It will be an opportunity to acquire a few more of the necessities of life.

"As a final point, I wish to state that we must not consider the savings to the individuals as a result of this increase in personal exemptions as an equivalent loss in revenue to the Treasury. As a result of additional spending created by these savings to individuals, more business and jobs will be created, thereby increasing the base on which the existing taxes can be imposed. This will prove beneficial to the Treasury.

"Tax-exemption of interest on series E bonds, H. R. 2481

"In the face of a decline in individuals' holdings of series E bonds largely as a result of a high rate of redemption of the bonds, the Congress increased the interest rates on series E bonds in April 1957. The new interest rate on the bonds held to maturity was raised to 3¼ percent. Now, contrast that yield with the nearly 4-percent rate on large blocks of refunding issues of United States marketable securities last year (1957). Or contrast it with the 4½-percent yield on prime corporate bonds. Furthermore, the interest rate on these series E bonds is less than that on many of the State and local bonds, on which the interest is tax exempt. The average interest yield of a representative group of tax-exempt State and local bonds in November 1957 was about 3¾ percent. Savings in many of the savings and loan associations are earning 4 percent interest and more.

"We cannot expect that the sales of series E bonds will be able to compete with other tax-exempt bonds yielding as much or more than the series E bonds, or with other Government securities yielding in many cases 4 percent, or with other higher yielding forms of investment or saving. We must give some incentive to potential purchasers of these bonds if we expect them to hold on to the bonds. One very effective way to do this would be to allow the taxpayer a tax exemption on the interest earned on the bonds.

"I would suggest, however, that if the bonds are redeemed prior to maturity date, the interest would be taxable. This would reduce the high rate of redemption of series E bonds and save the Treasury Department millions of dollars through reduction of clerical work and costs of printing the bonds and through reduced payments to the banks for their handling costs.

"The members of this committee may recall that when you were considering legislation on this subject, I testified urging a higher interest rate on series E bonds than was advocated by the Secretary of the Treasury. This committee in its judgment followed the recommendation of the Secretary of the Treasury.

"I am in the unhappy position of being able to say to you today, 'I told you so.' I predicted that the increase of interest rate advocated by the Secretary of the Treasury would not increase the sale of E-bonds and would not be a sufficient incentive to cause the holders of those bonds to retain them rather than cash them in. At that time, the redemption of E-bonds was exceeding the amount of sales. Since the increase in the interest rate, the situation has gotten worse and today the redemption of E-bonds is far greater, both in aggregate amount and in percentage, than it was prior to the increase of rates, and it is even far greater today than it was then, in relation to the sale of E-bonds.

"The one thing all economists agree upon is that savings are the greatest bulwark against inflation. Historically, Government savings bonds always paid an interest rate higher than otherwise available to the prospective saver. That was the incentive which caused millions of Americans to put their money into savings bonds and to leave it there. If we expect the American people to resume that type of saving, the Congress must give them the incentive. In my opinion, one of the best means of accomplishing that purpose is to grant tax exemption to those earnings, if the bonds are held until maturity.

"Tax relief for small business, H. R. 5631

"My final suggestion might easily be considered the most important.

"In the light of the current rate of failures of small business and the general slump in our economy, there is great urgency that the inequitable burden of taxation presently levied on small businesses be mitigated.

"This conclusion emerges from studies conducted by the Small Business Committees of both Houses of Congress. I am certain that the experience of the members of this committee is no different from that of the members of the House Small Business Committee on which it has been my pleasure to serve for many years. Our committee has received considerable testimony on this subject. We have been in every part of the country. The cry is persistent and gets stronger and stronger for this relief. The testimony indicating its requirement is overwhelming.

"On November 22, 1957, our committee met in executive session in Washington and again considered this important subject. There was almost a full attendance at that meeting and after we arrived at our decision the absentees were contacted and they, too, agreed to our determination. I can

therefore say to this committee that it was, and I believe it still is, the unanimous opinion of the House Small Business Committee that this Congress enact legislation granting tax relief to small business.

"It was further agreed at that time that we would try to work out a bill which every member of the committee would support, taking as a basis for our consideration H. R. 5631, introduced by the ranking minority member of our committee, the Honorable WILLIAM S. HILL, of Colorado. The final draft of that bill has not yet been submitted. I, for one, and I believe most, if not all, of my Democratic colleagues on that committee are prepared to support Mr. HILL's bill, H. R. 5631, and urge its enactment. The Hill bill went a little further than the recommendations of the President's Cabinet Committee. If we can't get the Hill bill, then I urge as a minimum the recommendations of the President's Cabinet Committee. It is unimportant whose recommendations we take or follow. What is important is that small business looks to us for relief, without which it cannot survive.

"This tax relief will not only right an unfair tax structure, it will reinvigorate competition and strengthen our free enterprise system. It constitutes one positive step in halting the present trend toward giantism in our economy.

"Summary

"In conclusion I would like to summarize the various proposals I have made here today in the interest of a more equitable income-tax structure for the American taxpayers:

"1. Deny exemption to interest on State and local bonds issued in connection with acquisition, etc., of property which is operated by a nonpublic enterprise if the obligation is not secured by the general credit of the governmental unit issuing it. H. R. 801.

"2. Liberalize the tax deduction allowed a woman or a widower for the care of dependent children to enable the parent to work. The present limitation of $600 deduction should be increased to $2,500 or 50 percent of the income of the taxpayer, whichever is lower. H. R. 802.

"3. Exempt from taxation the first $2,000 of compensation received by members of the United States Armed Forces for active services performed outside the continental United States. H. R. 803.

"4. Exclude from gross income the interest on veterans loans on which the interest does not exceed 3½ percent. H. R. 804.

"5. Prohibit any markings, etc., on communications relating to income tax which are mailed to a taxpayer which disclose information concerning the income or tax liability of the taxpayer. H. R. 805.

"6. Require seller of property to furnish purchaser a statement of transportation charge and tax sought to be collected by seller. H. R. 806.

"7. Exempt from income tax, the retirement, annuity, and pension payments by the United States Government to its employees. H. R. 807.

"8. Allow a deduction by the taxpayer for expenses incurred on behalf of a dependent for educational expenses while attending a college or university. The expenses should be deductible to the extent they exceed the personal exemption allowed the taxpayer on behalf of the dependent. H. R. 808.

"9. Increase from $600 to $800 the personal exemptions allowed the taxpayer for himself, his spouse, and dependents. H. R. 809.

"10. Exclude from taxable income the interest on all series E bonds held to maturity. H. R. 2481.

"11. Grant tax relief to small business in order to minimize his tax burdens and give him a fairer opportunity to compete with big business. H. R. 5631.

"Mr. Chairman, I thank you for this opportunity to appear before your committee and give you my views on this important legislation."

Mr. MULTER. The bills that I refer to, Mr. Chairman and members of the committee, are not necessarily in the order of their importance but for convenience in the order in which they have been introduced and numbered consecutively by bill number.

The first of these bills is H. R. 801. That bill seeks to deny exemption to interest on State and local bonds issued in connection with the acquisition of property which is operated for a nonpublic purpose by a nonpublic enterprise. It is limited to those instances where the credit of the State or municipality is not pledged for the payment of the principal or the interest.

I know this committee has considered this problem once before, and on representations that it was likely to interfere with the issuance of bonds of public authorities, that provision was eliminated from the bill that was being considered at that time.

I would like to make clear that this bill is not intended to affect any public purpose, or any authority, agency, State, or locality. It is intended solely to eliminate the tax exemption feature of a bond, which is issued as a bond in form only, of a municipality or locality, and which is not actually a bond for municipal purposes.

There are many instances throughout the country where bonds are being issued presumably guaranteed by the municipality and thus get tax exemption. The obligation of the municipality is limited to collecting and paying whatever it may receive. In other words, they will bring a commercial enterprise into the community and in order to bring the enterprise in they will underwrite the bond of the private enterprise, but only to the extent of undertaking to be the collector of the amortization and interest as, if and when the private enterprise may earn it and pay it to the municipality, and then they pay it over to the bondholders. That is an evasion of the intent of the law, I think, rather than in accordance with the intent of Congress.

Mr. FORAND. I believe what you are referring to are these cases where some of the States have been luring some of our textile plants out of New England.

Mr. MULTER. Yes, sir.

Mr. FORAND. And I understand your problem and I agree with you.

Mr. MULTER. It is happening throughout the country where industry is lured into a community and the general public is given the idea that they are buying a municipal bond, when, in fact, they are buying nothing but a bond which provides that if and when something is paid to the municipality, it will be paid over to the bondholder.

The second of the bills I will refer to is H. R. 802. There I seek to liberalize the tax deduction allowed a woman or a widower for the care of dependent children, money spent in order to enable the parent to work. Now, you have already covered that by granting a $600 deduction by present law. I seek to increase that.

Mr. REED. May I ask a question there? I was going to interrupt a little earlier when you were speaking about your industries moving from the North to the South. It will not be long before they will be luring the industries from the South into the foreign countries, on account of the labor differentials and many other advantages. I just want to bring that in, because just as sure as I sit here that will be done.

Mr. MULTER. What you say, sir, is true.

I think the second of the bills I referred to needs no further explanation. I urge that the $600 deduction now allowed to a widow or widower where they must bring in help to take care of small children, minor children, while they seek a livelihood for themselves and the children, should be increased so as to be made a realistic sum more commensurate with what they must actually pay. I believe you will all agree it is impossible to employ a caretaker for children for $600 a year. That deduction is hardly enough to take care of the item which must be paid out by the widow or widower who must work to support and maintain the home for himself or herself and their children.

The third of my bills is 803, and there I seek to grant exemption from taxation for the first $2,000 of compensation received by members of the Armed Forces while serving abroad. I think that you will agree that it is quite unfair that a businessman can go abroad and if he stays abroad for 17 out of 18 months, his earnings outside of the country are tax exempt, while the member of the Armed Forces, who we send and who has no choice as to where he will go, does not have that same advantage. The advantage to the businessman is limited to $20,000. My bill is much more modest. It exempts only the first $2,000.

H. R. 804 seeks to exclude from gross income the interest on veterans' loans on which the interest does not exceed 3½ percent. Our very distinguished colleague [Mr. KEOGH] joined me in introducing that bill in the last Congress, and we introduced it again in this Congress. The purpose is to give an incentive to mortgage lenders to make more loans to the veterans. The loss in revenue will be very small.

If we enact a bill such as this, the veteran will get the benefit of a 3½ percent interest mortgage, and a lender will make it because the income of that 3½ percent would be tax exempt. Now, I do not suggest that if the veterans' mortgage bears 4 or 4½ or more percent that you then exempt the first 3½ percent. I say if he makes a 3½ percent mortgage, then that income should be tax exempt. The lenders can thrive with that net income, and at the same time we can bring back into the mortgage market a goodly sum that is needed. The veterans, more than anyone else, are suffering by lack of mortgage money, by being deprived of the opportunity to buy homes.

This, I think, would go a long way toward bringing more money into the mortgage market for veterans, and it would not cost the Government much money.

Next is 805. You might think that is no longer necessary. It would prohibit the Internal Revenue Service from placing any markings on envelopes addressed to taxpayers. You will remember that entirely in good faith 2 years ago, the Internal Revenue Service put markings on the envelopes which indicated what the average income of the taxpayer was who was receiving that communication from the department. There was quite a rumpus raised by Members of the House and of the Senate and the Internal Revenue Service stopped doing that. Because they stopped doing it, does not mean that somebody in the future in the same department may not come up with that bright idea again. So I say let us be sure that there is no repetition of that and write into the internal-revenue law a provision prohibiting any such markings on any communication from the department to the taxpayer which would indicate anything about the contents of the envelope or the nature of his income or the amount thereof.

H. R. 806. I believe, you have considered at a prior hearing. That concerns the transportation tax. This bill would require anyone seeking to collect the transportation tax to give a statement thereof to the person from whom they collect that transportation tax. As you probably know, today the railroads will collect the tax in some instances, but in many instances the burden is on the seller of the goods to collect the tax and remit it to the Government, and as often

as not, they make a charge in excess of the tax to be paid and retain the difference.

This bill would require them to deliver a statement of the charge of the tax to be collected to the person from whom they are collecting it. If they don't pay that tax to the Government, or don't pay the whole tax, it provides a remedy by which either the taxpayer or the Government can collect the difference, with a penalty, so as to stop this practice where they are charging the public sums that are not actually taxes but collecting it as though it were a tax and not paying it to the Federal Government.

H. R. 807 would exempt from income tax the retirement annuity and pension payment by the United States Government to its employees. We have this situation today: A man who is in the railroad retirement system, when he retires, receives his annuities and pension money free of tax, but the man working side by side as an employee of the Post Office Department in the Railway Mail Service doing almost the same kind of work, when he retires, because he is in the United States Government pension system, his pension is subject to tax. I think that inequity should be removed by granting him the same kind of tax exemption as we do to the others.

H. R. 808 would allow a deduction by the taxpayer for expenses incurred on behalf of a dependent for educational expenses while attending a college or university. The expenses, I say, should be deductible to the extent that they exceed the personal exemption now allowed the taxpayer on behalf of the dependent.

As you know, we now allow them $600. I am sure all of you have had the experience and have the knowledge that you could not send a boy or girl to college today for $600 a year. The Library of Congress tells me the average is $1,500 a year. From my own experience, it is closer to $2,500 a year. I think that you will agree that this tax deduction should be made more realistic and should be a sum more equal to the amount that is required to be paid. If we do that, I think we can make possible the financial aid that these boys and girls need in order to be able to attend our colleges and universities.

H. R. 809 would increase the personal tax exemptions of all of our taxpayers from $600 to $800. I don't think that I need to elaborate upon that. A tax deduction if it is possible at all, I think, ought to start with increasing the personal exemptions of all of our taxpayers. That will apply to them all, rich and poor alike.

H. R. 2481 would exclude from taxable income the interest on all series E bonds held to maturity. I am sure the members of this distinguished committee will remember that when the Secretary of the Treasury appeared before it last year, in support of authority to increase the interest rate on E-bonds. I, too, appeared. I said to you then that the increase in rate which he was advocating was not realistic; that it would not bring about the desired result of getting more people to buy and to hold their E-bonds.

The history since has shown that he was wrong and I was right, I am sorry to say. At that time E-bonds were being cashed in to a much larger extent than E-bonds were being sold. Despite the slight increase of the interest rate on the E-bonds, the amount of redemption has continued to increase and in comparison to the sales of E-bonds, it has far exceeded the amount that we are selling. Most economists agree that the strongest bulwark against inflation is savings, and savings that will be put away and kept in the savings accounts—the purpose of the E-bond is just that. It is to get the man or woman to put his or her money into savings and retain them there for 10 years or more.

Mr. MASON. What rate of interest do you suggest?

Mr. MULTER. I am suggesting that we do not increase the interest rate but that we give tax exemption to the interest earned, provided that the bond is retained until maturity. I think that would be a great incentive to these people to hold their bonds and to buy more of them. Traditionally, our E-bonds always paid a larger rate of interest than savings accounts and other bonds. That was done in order to give the taxpayer or the citizen an incentive to put his money into these bonds and keep it there.

Today your E-bond is paying less than other bonds, less than Government bonds, less than tax-exempt bonds, and less than one can get from savings accounts. There are savings and loan associations and savings banks throughout the country that are paying 4 and 4½ percent interest, and the money can be withdrawn at any time on demand. Why should an American citizen put his money into an E-bond and immobilize it for 10 years, and then get the 3¼ percent, when he can put it into a bank and hold it there or take it out at any time he wants to, with 4 or 4½ percent interest as it accrues?

If we give them this additional incentive, I think there will be more bonds sold and more bonds will be retained.

Now finally, and this might very well be the most important part of my presentation, that is the granting of tax relief to small business. You have already heard much on the subject. The House Small Business Committee, wherever they go in this country and whenever they conduct a public hearing, no matter what the announced subject may be, one or more persons representing small business will come before the committee and say, "The only way you can help us is to give us tax relief."

I believe it is the unanimous opinion of the Small Business Committees of both Houses of Congress that we must do something for small business by way of tax relief.

On November 22 of 1957, we had an executive session of the House Small Business Committee and at that time it was unanimously agreed—those few that were absent subsequently indicated their agreement, too—that we should urge upon the Congress the enactment of a bill granting tax relief to small business. At that time we had before us H. R. 5631 which had been introduced by the ranking minority member of our committee, the distinguished gentleman from Colorado [Mr. HILL]. We agreed we would take his bill as the basis for our discussions, and try to come up with a bill which would meet the approval of all of the Members.

The bill, I think, is just about ready for submission to us and will be introduced within the next few days. Whether it is that bill or the Hill bill, or any other bill, I urge as strongly as I can, as vigorously as I can, that some such legislation be brought forth by this committee. Whether you take the Hill bill which goes slightly further than the recommendation of the President's Cabinet Committee, or you take the recommendations of the President's Cabinet Committee or some modification of that, I urge you as strongly as I can that we should bring forth a bill which will grant tax relief of some measure that will help the small-business man of this country.

I have said many times, I think, to this committee, that I have no pride of authorship in any of the bills that I have introduced or that I have supported. I am sure that after these hearings are concluded, this committee will bring forth a composite bill which will be the best thinking of this committee on the subject. I do hope that in that bill you will cover many of the things I have urged upon you today, and more particularly do not overlook, please, tax relief for small business.

I should not conclude without saying a word in favor of the bill that has been before you so many times, introduced by our distinguished colleague from New York [Mr. KEOGH] which would postpone the payment of taxes on those moneys which an individual earns and puts into an annuity which he buys for himself, having in mind the self-employed, the man in business for himself, and the professional man, who does not have the privilege or the benefit of building up a pension account or a pension fund so as to enable him to retire. All that bill seeks is merely to postpone the taxation for a time so they can build up a fund on which they, too, can retire in their later years.

Mr. Chairman and gentlemen, I appreciate the opportunity of being here. If I can answer any questions, I will be glad to do so.

Mr. MILLS. Mr. EBERHARTER has a question.

Mr. EBERHARTER. Mr. MULTER, you spoke of many propositions with respect to taxes. All of them have a very great appeal, and the one I particularly want to mention is the one referring to bonds. However, every other proposition you mentioned would result in depletion of revenues. They all have appeal, but do you think that this is the proper time for the Congress to deplete revenues?

Mr. MULTER. Mr. EBERHARTER, I sincerely urge that this is the time to do it.

Mr. EBERHARTER. What do you say there?

Mr. MULTER. This is the time to do it. I am not fearful that the cuts urged will cause a loss of revenue which will not be offset by additional revenues. You must bear in mind that most of these tax cuts will put additional money in the hands of those taxpayers who spend almost every dollar they earn. You take the man or woman who is earning, whether out of his own business or because of employment, up to $5,000 a year. He spends every dollar he gets for the necessities of life. If you give him a little more money, by the tax savings of a few hundred dollars a year, that money is not going to stay with him. It is going to go right back into the economy. Every dollar that he spends will turn over as many as 10 times.

When he buys wearing apparel and when he buys food, or even when he buys some of the luxuries, the man who gets it does not keep it. It goes right back into the economy again.

If ever we need a stimulus to our economy, it is today, when all of the signs seem to be pointing toward a holding back of consumer buying. This is the time to stimulate that, and get these excess inventories moving into trade so that we then can produce more.

I think every one of these tax cuts that I have recommended will put more money into the market so that the ultimate end will be a greater gross national product and a greater gross national income. As that goes up, and as the overall income goes up in every segment of the economy, we have a larger base on which to collect the tax. When we get through with it, while I cannot give you any figures, because none are available—this is something we can know about only by testing it. I am sure that we will gain at least as much as we lose. If we do have some small loss of revenue it is going to be made up by the overall economy being made more firm and more prosperous. I think that is also important.

Mr. EBERHARTER. That is a very logical and persuasive argument, Mr. MULTER. I wish that you could convince the Department of the Treasury as to the soundness of your views on this, because they take the opposite view. We have never been able to convince them of the other side of the question as you have presented it. Thank you very much.

Mr. MULTER. May I just make this observation with reference to that: The very strength

of our American system of government is the division of powers, and if this Legislature and this committee does not follow too closely the recommendations of the Treasury Department in that respect then we will be better off. Their desire is to build up more revenues and take in more. It is your duty and it is our duty as the Members of Congress to make sure that we are going to continue to move forward. Let us lead for a change instead of following the Treasury Department.

Mr. MILLS. Mr. KEOGH has a question.

Mr. KEOGH. I have no question to put to my distinguished colleague, but I would be remiss were I not to commend him for his obviously studied and comprehensive legislative program, and to say to him again, and in public, that it is a source of continuing comfort to me, and I am sure to the other colleagues of ours from New York, to know that his very broad and mature judgment and experience are always generously available to us in the solving and facing of our legislative problems. I commend those fortunate people in that part of Brooklyn from which Mr. MULTER comes.

Mr. MULTER. Thank you very much.

Mr. MILLS. Are there any further questions?

Mr. MULTER, we appreciate your coming to the committee and discussing the several bills that you have introduced, and referred to the committee, giving us the benefit of your advice and recommendations on the bills. We appreciate it very much. Thank you very much.

SENATE

MONDAY, JANUARY 13, 1958

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

Eternal God, our Father, hallowed be Thy name. In this historic Chamber, with its cloud of witnesses out of the past, with the anxious gaze of vast hosts under all skies fixed upon this forum in the anguished present; before our human voices are lifted we would first of all listen to Thee; as we beseech, speak, Lord, for Thy servant heareth. It is our kinship with Thee, our God, which lifts us out of our poor, petty selfhood to be heirs of Thy eternal kingdom.

By national and global tasks too difficult for us, we are driven unto Thee for strength to face what must be faced if freedom is to live, and for wisdom to rightly interpret the signs of these trying times. May these spokesmen for the people, serving in the ministry of public affairs, by their dedication strengthen the cause of our free land and of our common humanity, and so help to build the city of God on the ruined wastes of this disturbed and disordered world. We ask it in that Name whose is the kingdom and the power of the glory. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 9, 1958, was dispensed with.

ATTENDANCE OF A SENATOR

ARTHUR V. WATKINS, a Senator from the State of Utah, appeared in his seat today.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

COMMITTEE MEETINGS DURING THE SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Preparedness Investigating Subcommittee of the Committee on Armed Services was authorized to meet today, during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Surface Transportation of the Committee on Interstate and Foreign Commerce was authorized to meet during the session of the Senate today.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Thursday next.

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

LIMITATION ON STATEMENTS DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the morning hour, during which Senators may present petitions and memorials, introduce bills, and transact other routine business, statements be subject to a 3-minute limitation.

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

CALL OF THE CALENDAR AND CONSIDERATION OF THE UNFINISHED BUSINESS DISPENSED WITH

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, pursuant to rule VII, be dispensed with, and that the unfinished business not be laid before the Senate for consideration today.

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

MEMORIAL SERVICES

Mr. JOHNSON of Texas. Mr. President, I desire to announce that at the conclusion of the usual routine business today, we plan to have a period for memorial services for the late Senator Kenneth McKellar and Representative Jere Cooper. All Senators should be on notice that at the conclusion of the routine business today, when bills are introduced and petitions and other matters are submitted there will be such a memorial period.

EXECUTIVE COMMUNICATIONS, ETC.

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

PLANS FOR CERTAIN WORKS OF IMPROVEMENT UNDER WATERSHED PROTECTION AND FLOOD PREVENTION ACT

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement under the Watershed Protection and Flood Prevention Act, in the States of Alabama, Colorado, North Carolina, and Texas (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON AGRICULTURAL CONSERVATION PROGRAM SERVICE

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report of that Department on the Agricultural Conservation Program Service, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, on the overobligations of appropriations in that Department; to the Committee on Appropriations.

DEVELOPMENT OF CERTAIN INSTALLATIONS FOR NATIONAL SECURITY

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize the Secretary of the Air Force to establish and develop certain installations for the national security, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT ON STOCKPILING PROGRAM

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on the stockpiling program, for the period from January 1 to June 30, 1957 (with an accompanynig report); to the Committee on Armed Services.

REPORT ON FLIGHT PAY OF OFFICERS OF THE ARMY, AIR FORCE, AND COAST GUARD

A letter from the Acting Secretary of the Treasury, reporting, pursuant to law, on the number of officers receiving flight pay in the Army, Air Force, and Coast Guard, during the 6-month period preceding January 6, 1958; to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS, FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions by that Administration, for the quarter ending September 30, 1957; to the Committee on Armed Services.

REPORT ON SELECTIVE SERVICE SYSTEM

A letter from the Director, Selective Service System, Washington, D. C., transmitting, pursuant to law, his report on the operations of that Department, for the fiscal year 1957