and H. R. 12505. My bills would accomplish the following:

(1) Lower the retirement age to 62 for men and women.

(2) Repeal the age limitation for disability insurance benefits.

(3) Clarify the meaning of the term "disability" in establishing entitlement to disability insurance benefits.

(4) Increase the amount of outside annual earnings from $1,200 to $1,800.

Mr. Chairman, by lowering the general retirement age from 65 to 62, we would be bringing the Social Security Act in line with other progressive government and private retirement plans. The retirement age provision in the Social Security Act is not a mandate to the individual to retire at that age. It is permissive only. Such an amendment, however, would permit some 4 million individuals in the 62–65 age group to enjoy the benefits of retirement, if they so desire, and it would also provide more employment opportunities for younger workers.

The 1956 amendment, which created the new benefit for totally and permanently disabled persons, is limited in application to such persons who are 50 years of age. Such a limitation is unrealistic. Illness or injury can come at any time, and the younger man needs this benefit for himself and his family every bit as much in his earlier years.

The strict administrative interpretation that has been given to the meaning of the term "disability" should be overcome. An individual who is totally and permanently disabled for his profession or trade may be denied benefits because he might be able to sell shoelaces on a street corner. There are instances in which an individual will be recognized as totally and permanently disabled for the purposes of some Federal or State statute but not under the Social Security Act. I recall a case in which a constituent of mine, 64 years of age, was accidentally shot in the right arm while deer hunting. Some of the muscles were torn out of his arm, and his right hand became paralyzed. His claim for disability insurance benefits under the Social Security Act was denied on the ground that he was capable of other employment, such as, a watchman. This individual's work experience was totally unrelated to watchman duties, and, to me, it seems unlikely that someone would hire as a watchman a person, 64 years of age, who had always been right handed but had now lost all use of his right hand.

I realize, of course, that a great step was taken in 1956 when Congress inaugurated the program of disability-insurance benefits. I believe, however, that the definition of the term "disability" should be amended, so that disability-insurance benefits will not be denied to such a person who is unable to engage in an occupation or employment that is the same or similar to that last performed by him. Likewise, an individual should be considered to be totally disabled and eligible for benefits under the act if he has furnished a formal declaration of his permanent and total disability, made by any other Federal or State agency.

The economic problems of retired workers receiving social-security benefits are becoming increasingly apparent. No one will dispute the fact that social-security benefits are inadequate to meet the minimum needs of retired workers and their dependents. Today's high living costs have forced many annuitants into supplemental, part-time employment to augment their social-security payments. The act presently limits the amount of such outside annual earnings to $1,200. My bill would increase this amount to $1,800, a modest amount when it is noted that the average monthly benefit is under $70. Moreover, those who are receiving additional income from rents, dividends, and other sources are not penalized for this unearned income, while those who are forced to supplement their benefits through employment are restricted in the amount they may earn.

Mr. Chairman, we have made great strides during the past 23 years in improving our social-security system and extending its coverage. It has become an accepted program, but the present system is far from adequate to meet the present needs of millions of our citizens. In studying the changes that are necessary at this time, I am hopeful that your committee will be able to recommend an increase in benefit amounts. I realize, of course, that any changes that are made should be on a sound actuarial basis, and I am confident that our people appreciate this policy. Within this limitation, I trust that the Congress can fulfill its obligation to our older citizens to see to it that they do not live out their lives in poverty without being able to purchase even the barest necessities.

SENATE

WEDNESDAY, JULY 2, 1958

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

God of our fathers, we give Thee thanks for the daring resolves and for the deathless words of the Founding Fathers who, after their labors in building our ship of state, snapped the bonds of tyranny and launched their noble experiment dedicated to the freely expressed will of all the people.

As sacred memories of those dark and doubtful days will again stir the Republic on the birthday of the Nation, give to those who through the treacherous seas of these days pilot the Nation's course a revealing remembrance of the altars at which the founders knelt, the ideals to which they were committed, the human rights to which they gave their fealty for freedom's greatest venture.

Make us, we pray, fit vessels to receive the glory and the good Thou desirest to give to us and, through us, to all the waste places of this stricken earth: In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 1, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 1, 1958, the President had approved and signed the act (S. 3342) to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1958, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to reconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; and

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1958, was referred to the Committee on the Judiciary, as follows:

Whereas the debate between Abraham Lincoln and Stephen A. Douglas at Freeport, Ill., in the Illinois senatorial contest of 1858 was one of the great and important events in the history of the United States; and

Whereas the centennial anniversary of the Lincoln-Douglas debate is to be appropriately commemorated at Freeport in August of 1958: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States joins the city of Freeport in commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858.

SEC. 2. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the Governor of Illinois, and the president of the Lincoln-Douglas Society, Freeport, Ill.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

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

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Waldemar J. Gallman, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Arab Union, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy:

John A. McCone, of California, to be a member of the Atomic Energy Commission, vice Lewis L. Strauss.

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

Arthur J. Stanley, Junior, of Kansas, to be United States district judge for the district of Kansas.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the executive calendar will be stated.

NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION

The Chief Clerk proceeded to read sundry nominations to the National Science Board, National Science Foundation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the name of Philip Ray Rodgers, of Maryland, to be a member of the National Labor Relations Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POST OFFICE DEPARTMENT ADVISORY BOARD

The Chief Clerk read the nomination of Ormond E. Hunt, of Michigan, to be a member of the Advisory Board for the Post Office Department.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Bligh A. Dodds, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N. Y.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON REVIEW OF ACTIVITIES OF CERTAIN INSTALLATIONS, DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of activities of naval ammunition depots and similar-type installations, Department of the Navy, dated June 1958 (with an accompanying report); to the Committee on Government Operations.

PARTICIPATION BY THE UNITED STATES IN INTERNATIONAL CRIMINAL POLICE ORGANIZATION

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of June 10, 1938, relating to participation by the United States in the International Criminal Police Organization (with accompanying papers); to the Committee on the Judiciary.

INTERNATIONAL AGREEMENT WITH EUROPEAN ATOMIC ENERGY COMMUNITY

A letter from the Chairman, United States Atomic Energy Commission, relating to a proposed international agreement between the United States of America and the European Atomic Energy Community, transmitted to the Senate on June 23, 1958, by the President of the United States (with accompanying papers); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A memorial signed by Mrs. John Gayer, and sundry other citizens of the United States, remonstrating against the enactment of legislation to change the east front of the Capitol Building in the District of Columbia; to the Committee on Public Works.

The petition of Mrs. Mary Plunkett, of West Covina, Calif., praying for the enactment of legislation to provide for the continuation of the improvement of the Big Dalton and San Dimas Washes in the State of California for flood-control purposes; to the Committee on Public Works.

A telegram in the nature of a petition from the Mayor and Board of Supervisors of the City and County of Honolulu, T. H., embodying a resolution adopted by that group, favoring the enactment of legislation providing statehood for Hawaii; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 3587. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada.

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

S. 3723. A bill to amend Public Law, 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.) (Rept. No. 1792).

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, without amendment:

S. 4051. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 1793).

By Mr. LONG, from the Committee on Foreign Relations, with amendments:

S. 3557. A bill to amend the International Claims Settlement Act of 1949, as amended (64 Stat. 12) (Rept. No. 1794).

By Mr. ELLENDER, from the Committee on Appropriations, with amendments:

H. R. 12858. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1796).

INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES—REPORT OF A COMMITTEE (S. REPT. NO. 1795)

Mr. ELLENDER, from the Committee on Agriculture and Forestry, reported an original bill to provide for the increased use of agricultural products for industrial purposes, and submitted a report thereon; which bill was read twice by its title, and placed on the calendar as follows:

S. 4100. A bill to provide for the increased use of agricultural products for industrial purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. NEUBERGER (for himself, Mr. MURRAY, Mr. CHURCH, Mr. MORSE, Mr. COTTON, and Mr. CASE of South Dakota):

S. 4097. A bill to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway; to the Committee on Public Works.

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

By Mr. MURRAY (by request):

S. 4098. A bill to provide for the disposition of surplus personal property to the Territorial government of Alaska until December 31, 1959; to the Committee on Interior and Insular Affairs.

By Mr. DIRKSEN (by request):

S. 4099. A bill for the relief of Tibor Grosz; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 4100. A bill to provide for the increased use of agricultural products for industrial purposes; placed on the calendar.

(See reference to the above bill when reported by Mr. ELLENDER from the Committee on Agriculture and Forestry, which appears under the heading "Reports of Committees."

By Mr. HUMPHREY:

S. 4101. A bill to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts; to the Committee on Finance.

S. 4102. A bill to make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict; to the Committee on Armed Services.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under separate headings.)

By Mr. KNOWLAND:

S. 4103. A bill to amend Veterans Regulation No. 1 (a) to provide that an aid and attendance allowance of $200 per month shall be paid to triple and quadruple amputees during periods in which they are not hospitalized at Government expense; to the Committee on Finance.

By Mr. ERVIN:

S. J. Res. 188. Joint resolution providing for the conveyance of certain real property of the United States situated in Philadelphia, Pa., to Paul & Beekman, Inc., Philadelphia, Pa.; to the Committee on Government Operations.

CONCURRENT RESOLUTION

Mr. HUMPHREY submitted a concurrent resolution (S. Con. Res. 99) relative to the designation of an International Health and Medical Research Year, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

RESOLUTIONS

Mr. MORSE submitted a resolution (S. Res. 320) to investigate the effect on domestic industries of importation of sound recordings on American picture films, which was referred to the Committee on Finance.

(See the above resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

Mr. CLARK (for himself, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. DOUGLAS, Mr. MONRONEY, and Mr. PROXMIRE) submitted a resolution (S. Res. 321) requesting the President to transmit a supplementary report to the Senate on the unemployment situation with recommendations for its improvement, which was referred to the Committee on Banking and Currency.

(See the above resolution printed in full when submitted by Mr. CLARK (for himself and other Senators), which appears under a separate heading.)

IMPROVEMENT OF ALASKA HIGHWAY

Mr. NEUBERGER. Mr. President, we have just completed action on the historic legislation that will take into the Union a great new State—a State larger in area than Texas, a State whose mountains include a higher peak than any in the present 48 States, a State with vast natural resources and with a growing population of splendid, patriotic Americans.

Now, let us make it possible for more Americans to get there.

I am introducing today a bill to authorize appropriations for paving the great Alaska Highway in Canada, with the cooperation of the Canadian Government.

The Alaska Highway extends from Dawson Creek, British Columbia, to Fairbanks, in the heart of Alaska. Some 300 miles of this highway, on Alaskan soil, are already hard-surfaced, but the remaining, more than 1,200 miles within the borders of Canada, are surfaced only with gravel. In addition, while not part of the Alaska Highway proper there is the so-called Haines Cutoff, which also should be improved into a hard-surfaced, all-weather road.

Certainly, there should be, and there will in time be, far better land communications between Alaska and the other States, which must be able to handle a greater flow of overland traffic at all times, and the bill I am introducing today is designed to initiate this action now. I am joined in introducing this bill by the senior Senator from Montana [Mr. MURRAY], the junior Senator from Idaho [Mr. CHURCH], my senior colleague from Oregon [Mr. MORSE], the junior Senator from New Hampshire [Mr. COTTON], and the junior Senator from South Dakota [Mr. CASE].

The terms of the bill itself are very simple. It authorizes appropriations of $11 million a year for the 6 fiscal years beginning with fiscal 1960 and ending with fiscal 1965, to be spent on the improvement of the Alaska Highway and the Haines Cutoff, on the condition that the Government of Canada participate equally in this program. Incidentally, the bill also provides that, in addition to sharing in the cost, the Government of Canada will agree to maintain the highway after its completion, and will make it accessible on free and nondiscriminatory terms to United States traffic with reciprocity in licensing, and so forth.

The size of this proposed appropriation is based upon an estimate of the cost of completing this work, which I understand has been prepared by the Bureau of Public Roads. This estimate is in the neighborhood of $125 million, including almost $15 million for making the 110-mile connection with Haines into a paved, all-weather route. Thus, it contemplates a United States expenditure of about one-half of this total cost over a period of 6 years.

Mr. President, I believe that the perfection of this single overland link between Alaska and her 48 sister States is well justified when we consider the analogy of the Inter-American Highway in Central America. Over 1,600 miles of this highway, from Laredo, Tex., through Mexico, have been completed by Mexico with its own funds. For the almost 1,600 additional miles which form the remainder of the connection between the United States and the Panama Canal Zone, going through the 6 independent republics of Central America, Congress has to date appropriated over $128 million. Only recently we increased the authorization for this highway by another $10 million. On the Inter-American Highway, the matching formula has been two-thirds United States and one-third local funds, and the Secretary of State has had the additional authority to waive the matching funds with respect to one-third of the authorized amount in any year if he found that this cost was beyond the capabilities of the Central American country involved.

I believe that the Inter-American Highway is a necessary and valuable project, and I support these expenditures for its completion. I refer to it only to show the relative magnitude and significance of the expenditures proposed, which would be substantially less under the 50-50 formula assumed in my bill for the paving of the Alaska Highway.

Mr. President, this problem and need of improving that great highway link across western Canada to Fairbanks, Alaska, are matters with which I am personally familiar. During World War II I served in the United States Army as aide-de-camp to the late Gen. James A. O'Connor of the Corps of Engineers, who was in charge of the construction of the Alcan Highway, which is now referred to as the Alaska Highway.

I have traveled many times from Fairbanks to Dawson, through measureless solitudes of pine forests and majestic mountains. I have made the pilgrimage in our Army command cars and in patrol vehicles of the famous Royal Canadian Mounted Police. And I know full well we will never have reliable land contract with Alaska until the Alaska Highway is paved, and until a railroad is thrust northward through Rocky Mountain trench, a project very close to the heart of the able senior Senator from Washington [Mr. MAGNUSON].

Senator MAGNUSON is, I believe, also vice chairman of the Alaska International Rail and Highway Commission, which was created by the Congress about

2 years ago to make a study of possible additional transportation routes in this vast and still largely trackless area, apart from the Alaska Highway itself. A bill to extend the life of this Commission, S. 2933, is now before the Senate Committee on Foreign Relations, and I trust that it will pass, so that the Commission can undertake the fundamental and thorough study of the economic needs and potentials upon which the development of these additional land communications will be based.

Mr. President, Mr. Theo Sneed, technical staff member of the Committee on Public Works, has prepared for me a short memorandum describing in more detail the background and present status of the Alaska Highway which it is proposed to improve. Mr. Sneed knows whereof he speaks, because I first met him when he was himself engaged in the construction of this great project during the war as a colonel in the United States Army Corps of Engineers. I ask unanimous consent that this brief, factual background memorandum by Colonel Sneed be printed in the RECORD at this point in my remarks.

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

MEMORANDUM ON THE ALASKA HIGHWAY

The Alaska Highway was completed under the supervision of the United States Army in 1943. A pilot road was pushed through the area by engineer troops from March to November 1942, being widened and relocated where necessary, to provide a 2-lane graveled surface, with drainage and bridges, by American and Canadian contractors working under the supervision of the Bureau of Public Roads during the 1942 and 1943 working seasons.

The Alaska Highway as then completed extended from the end of the railroad at Dawson Creek, British Columbia, Canada, to Fairbanks, Alaska, a distance of about 1,550 miles. From Dawson Creek the highway passes through Fort St. John, British Columbia, Fort Nelson, British Columbia, Watson Lake, British Columbia, Whitehorse, Yukon Territory, Northway, Alaska, Tanacross, Alaska, Big Delta, Alaska, and Fairbanks. A cutoff road was constructed from Haines, Alaska, on the coast, to the Alaska Highway 108 miles north of Whitehorse.

Extensive United States Army installations, including airfields, were constructed at Edmonton, Grande Prairie, Dawson Creek, Fort St. John, Fort Nelson, Watson Lake, Whitehorse, Northway, Tanacross, Big Delta, and Fairbanks. A telephone line extends along the Alaska Highway to Alaska, with a relay station about every hundred miles. A gasoline pipeline now extends from Haines, Alaska, on the coast along the Haines Cutoff and the Alaska Highway to Fairbanks. A major air base has been completed about 20 miles southeast of Fairbanks (Eilson Field), and the Arctic Testing Station of the Air Force is located at Big Delta, 95 miles southeast of Fairbanks.

Good highways extend from various points in the United States to Edmonton. From Glacier National Park in Montana through Calgary to Edmonton, 375 miles, and from Grand Forks, N. Dak., through Winnipeg, Manitoba, Regina and Saskatoon, Saskatchewan, to Edmonton, 1,100 miles.

From Dawson Creek to the Yukon-Alaska border on the Alaska Highway, 1,221 miles, will require improvement of the existing highway with respect to drainage, minor relocations, bridge and culvert replacement, slide removals and corrections, and surfacing.

The Haines Cutoff within Canada consists of 110 miles from the junction with the Alaska Highway to the British Columbia-Alaska border, and would require major reconstruction and relocation, including grading, drainage, structures, removal of slides, and surfacing.

The Alaska Highway is improved and has a bituminous plant mix surface course in Alaska from the Canadian border to Fairbanks. It connects with the Richardson Highway, about 95 miles from Fairbanks. The Richardson Highway extends southward to the coast at Valdez, with the Glenn Highway extending from the Richardson Highway westward to Anchorage. Thus Anchorage and Fairbanks, the major cities and defense centers in Alaska, are now connected by an improved highway. A cutoff road extends from the Richardson Highway at Gulkana northeastward to the Alaska Highway near Tanacross, about 100 miles east of Big Delta. Improved highways extend from Fairbanks to Circle, on the Yukon River (130 miles) and north to Livengood (95 miles).

The total length of highway proposed for improvement in Canada is 1,331 miles, at an estimated cost of about $125 million. It is proposed that the Canadian Government contribute 50 percent of the cost of construction and improvement of the highway, in addition to furnishing the necessary rights-of-way.

Mr. NEUBERGER. Mr. President, during the statehood debate some Senators were skeptical as to the future economic progress of Alaska as a State of the Union. The answer to that, of course, has always been that we should recognize our responsibility to make real continuing progress possible. This is a responsibility which our Government would have irrespective of whether the area and the people involved were organized as a Territory or as a State, just as it is a responsibility for our National Government as recognized and carried out throughout its existence for all the earlier areas and people to come under the United States flag. Of course, any of the States represented today in this body would reasonably feel handicapped in the economic advancement if they were tied to their neighbors in the Union only with a dirt or gravel road. I have no doubt that the development, not only of Alaska but of the intervening areas of western Canada—in Alberta and British Columbia and in the water-rich country of the southern Yukon Territory—holds a potential for economic development in our century which will be hastened by the development of an all-weather paved highway to the great benefit of both countries and all the people concerned. It is in this faith that I offer my proposal today.

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

The bill (S. 4097) to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

EXTENSION OF PERIOD FOR FILING CERTAIN CLAIMS RESULTING FROM RENEGOTIATION OF CONTRACTS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, proposed remedial legislation in connection with claims for refund resulting from renegotiation proceedings.

Section 105 (b) (8) of the Renegotiation Act of 1951 provides that in eliminating excessive profits in renegotiation proceedings the contractor shall be allowed "credit for Federal income and excess profits taxes as provided in section 3806 of the Internal Revenue Code" of 1939—section 1481 of Internal Revenue Code of 1954. Under those sections of the Internal Revenue Code the contractor is entitled to a credit against the amount of excessive profits to be refunded of the amount by which the Federal income tax for the year under renegotiation is reduced through the elimination of those excessive profits.

Thus, for example, let us assume that in renegotiation proceedings for the year 1953 it is determined that the amount of excessive profits to be refunded by a contractor to the Government is $1 million. Let us further assume that the contractor's taxable income for the year 1953 was $1 million, upon which it paid a tax of $500,000. By the elimination in renegotiation of $1 million of profits, the contractor's taxable income in 1953 is thereby reduced to zero, and his tax for 1953 is thereby reduced from $500,000 to zero. Accordingly, he has a tax credit of $500,000 to apply against the renegotiation refund of $1 million and the net refund to be made to the Government is $500,000.

Mr. President, the foregoing arrangement for credit works quite satisfactorily so long as the contractor has available for the year being renegotiated a tax credit at least equal to the tax payable on the amount of profits being eliminated in renegotiation. However, situations arise where, as a result of the elimination of excessive profits in renegotiation, the contractor sustains an operating loss for the year being renegotiated. In such circumstances he is entitled not only to a credit of the full tax paid by him for that year, but he also has a net operating loss carry-back which furnishes the basis for a claim for refund for overpayment of taxes paid in a prior year. Thus, for example, let us assume that in each of the years 1952 and 1953 the contractor had taxable income of $1 million. Let us further assume that in renegotiation proceedings for the year 1953 it was determined that the contractor had excessive profits to be eliminated of $1,500,000. The result is to give the contractor a credit for the full tax paid by him in 1953 and also to give a net operating loss carry-back of $500,000, which furnishes the basis of a claim for refund for overpayment of tax in 1952.

The difficulty with the foregoing provisions of the existing law is that very often the amount of excessive profits to be eliminated is determined in the renegotiation proceedings several years after

the year for which the renegotiation proceedings are being conducted. Accordingly, if a net operating loss carryback occurs as a result of the renegotiation determination, the period of limitations will, in all likelihood, have run with respect to the year for which the claim for refund is to be made. Under these circumstances, the claim for refund is barred and the contractor has no means of obtaining the benefit of the operating loss carryback to which he would otherwise have been entitled. Consequently, remedial legislation is required to keep open the period of time for filing such claims for refund until a reasonable period after such renegotiation determinations have been made.

That the events which result in a net operating loss carryback may not occur until a number of years after the close of the taxable year of the overpayment has already been recognized by Congress in the Tax Adjustment Act of 1945, wherein sections 322 (6) and (g) were added to the Internal Revenue Code of 1939. Those sections provide for a longer period of limitations for claims for refund in the case of net operating loss carryback than in other types of claim for refund and, in the words of the House report—No. 849, 79th Congress—are based on "recognition of the fact that the events which result in a net operating loss carryback or an unused excess profits credit carryback may not occur until a number of years after the close of the taxable year of the overpayment."

Sections 322 (6) and (g), however, do not afford relief in the renegotiation situation where the determination resulting in the net operating loss carryback occurs even beyond the limitation period provided for by sections 322 (6) and (g).

To correct this gap, it is proposed that section 322 of the Internal Revenue Code of 1939, and its equivalent section 6511 of the Internal Revenue Code of 1954, be amended by adding a provision substantially as follows:

If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback resulting from the elimination of excess profits in renegotiation proceedings, the special period of limitations for filing claims for credit or refund with respect to net operating loss carrybacks shall be extended to the close of the taxable year of the taxpayer following the year of agreement or order of the Renegotiation Board providing for the elimination of excessive profits in such renegotiation proceedings. The foregoing provision should be made effective as to claims for refund for taxable years ending in 1952 and succeeding years.

Mr. President, I send to the desk the bill which I have had drafted to accomplish this purpose. I ask unanimous consent that the bill be printed at this point in the RECORD.

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. 4101) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 6511 (d) (2) (A) of the Internal Revenue Code of 1954 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: ", except that if the net operating loss carryback results from the elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall be that period which ends with the close of the taxable year following the taxable year in which the agreement or order for the elimination of such excessive profits becomes final."

(b) Section 322 (b) (6) of the Internal Revenue Code of 1939 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: ", except that if the net operating loss carryback results from the elimination of excessive profits by a renegotiation (as defined in section 3806 (a) (1) (A)), the period shall be that period which ends with the close of the taxable year following the taxable year in which the agreement or order for the elimination of such excessive profits becomes final."

(c) The amendment made by subsection (a) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 6511 (d) (2) of the Internal Revenue Code of 1954 applies. The amendment made by subsection (b) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 322 (b) (6) of the Internal Revenue Code of 1939 applies, but only with respect to claims resulting from renegotiations for taxable years ending after December 31, 1952.

AVAILABILITY OF RETIREMENT BENEFITS TO CERTAIN MILITARY PERSONNEL

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to correct an inequity in present legislation governing retirement benefits extended to American military personnel serving this country in time of armed conflict. The purpose of this bill is to make the retirement benefits of the Army and Air Force Vitalization Act of 1948 available to certain persons who rendered active Federal service during the Korean war. Specifically, this bill extends retirement benefits to those men who were members of a Reserve component on or before August 15, 1945, and who did not perform active Federal service during either World Wars I or II, but did perform active duty other than for training during any portion of the Korean conflict, June 27, 1950 to July 27, 1953.

Since the 1948 act extends similar retirement benefits to qualified personnel who served in World Wars I and II, and since personnel serving in the Korean conflict were subjected to the same hardships as servicemen serving in the first two world wars, it is only fair that our Korean veterans receive comparable retirement benefits. To deny them such benefits would be to discriminate against those men who served our country so well during the Korean conflict.

In endorsing such extension of retirement benefits, the Defense Department estimates that the extension would be applicable to no more than 200 men, and thus would not impose a heavy financial obligation on this Government.

The bill which I introduce is a companion to H. R. 781, introduced in the House by Representative Marshall, from the State of Minnesota. The bill, as amended, was reported favorably by unanimous vote in the House Committee on Armed Services, and is presently on the Consent Calendar awaiting House action, which is scheduled for the 7th of July.

In view of the manifest fairness of this bill and of the inequitable nature of existing legislation, I hope for early action by this Chamber. Mr. President, to provide for further clarification as to the nature of this bill, I ask unanimous consent to have printed in the RECORD at this point excerpts from House Report No. 1984, issued by the House Committee on Armed Services to accompany H. R. 781 as amended.

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

EXPLANATION OF THE BILL

Existing law, as expressed in the third proviso of subsection 302 (a) of Public Law 810, 80th Congress, provides that no individual who was a member of a Reserve component prior to August 15, 1945, shall be eligible for retirement benefits under title III of that law unless he performed active duty during World War I or World War II. There are a small number of individuals who were members of the Reserve prior to August 1945 but did not serve in World War I or World War II. Usually these individuals held positions which were vital to the national security, safety, and welfare, and were considered to be more valuable in their civilian pursuits than if called to active duty. However, after the close of World War II they continued their membership in the Reserve, and following the outbreak of Korea either volunteered or were called to active duty and served honorably during the Korean conflict. Therefore, enactment of the bill would extend the benefits of the Reserve Retirement Act to members of the Reserve prior to August 14, 1945, who had served in the Korean conflict, on the same basis as members of the Reserve who served in World Wars I and II.

* * * * *

COST AND BUDGET DATA

It is difficult to estimate cost for this bill because without a thorough search of the records of all reservists who were called to active duty during Korea it is not known how many would fall into this category. However, it is estimated that there are less than 200 persons who would be covered by the bill, and there would not be any immediate fiscal effects. In the future, and depending on how many of these reservists qualify for retirement, the maximum cost of the bill would be $200,000 annually.

DEPARTMENT RECOMMENDATIONS

The Department of Defense favors enactment of the bill, and the Bureau of the Budget interposes no objection. The Department letter follows:

DEPARTMENT OF THE ARMY,
Washington, D. C., August 6, 1957.

Hon. CARL VINSON,
Chairman, Committee on Armed Services, House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 781, 85th Congress, a bill to

make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The purpose of the bill is to make eligible for retirement benefits under title III, Army and Air Force Vitalization and Retirement Equalization Act of 1948 (62 Stat. 1081 (now codified as ch. 67 of title 10, U. S. C.)), these otherwise qualified individuals who were members of a Reserve component on or before August 15, 1945, but did not perform active Federal service during any portion of either of two periods beginning April 6, 1917, and ending November 11, 1918 (World War I period), and beginning September 9, 1940, and ending December 31, 1946 (World War II period), but did perform active duty (other than for training) during any portion of the period beginning June 27, 1950, and ending July 27, 1953 (Korean conflict period).

The Department of the Army on behalf of the Department of Defense favors enactment of H. R. 781, 85th Congress.

Section 1331 (c) of title 10, United States Code (formerly subsec. 302 (a), Army and Air Force Vitalization and Retirement Equalization Act of 1948), provides that no individual who was a member of a Reserve component before August 16, 1945, shall be eligible for retirement benefits under chapter 67 of title 10, United States Code, unless he performed active duty during any portion of either of the World War I or World War II periods. The Department favors the extension of such retirement benefits to individuals who performed active duty for an extended period of time with the active forces during the period of the Korean conflict even though they were members of a Reserve component before August 16, 1945, but did not perform active duty during either the World War I or II periods. Entitling such individuals to these benefits is believed to be only fair and equitable since they would have been subject to the same hardships and dangers that confronted personnel who served during World War I and World War II.

H. R. 781 contains the changes recommended by the Department in its report to the committee dated March 23, 1955, on H. R. 138, 84th Congress. This bill, thus amended, passed the House of Representatives but failed of enactment by the Senate prior to adjournment of the 84th Congress.

In view of the foregoing, the Department of the Army on behalf of the Department of Defense favors the proposal contained in H. R. 781. A substitute draft reflecting the codification of laws affecting the Armed Forces is submitted herewith.

The fiscal effects of the enactment of this proposal are unknown and could not be determined without a physical review of the records of the thousands of reservists who were called to active duty during the period of the Korean conflict. It is believed, however, that the number of individuals who would be affected by enactment of this legislation would be relatively small.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report to Congress.

Sincerely yours,

CHARLES C. FINUCANE,
Acting Secretary of the Army.

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

The bill (S. 4102) to make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Armed Services.

INCREASED COMPENSATION OF OFFICERS AND EMPLOYEES IN POSTAL FIELD SERVICE—REREFERENCE OF BILL

Mr. JOHNSTON of South Carolina. Mr. President, the Senate has already disposed of a bill similar to the bill (S. 27) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, which is Calendar No. 716. Rather than have this bill carried on the calendar, day after day, I ask unanimous consent that it be taken from the calendar and referred to the Committee on Post Office and Civil Service.

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

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

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

By Mr. HUMPHREY:

Remarks by Senator HILL on presentation of a plaque to Surg. Gen. Leroy E. Burney, of the United States Public Health Service, July 1, 1958.

By Mr. YARBOROUGH:

Statements prepared by him regarding Senate bill 86, providing for an experimental research program, and House bill 7963, changing the Small Business Administration from a temporary agency to a permanent agency of the Government.

NOTICE OF CONSIDERATION BY FOREIGN RELATIONS COMMITTEE OF THE NOMINATION OF WALDEMAR J. GALLMAN TO BE AMBASSADOR TO THE ARAB UNION

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today from the President of the United States the nomination of Waldemar J. Gallman, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Union.

Notice is given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to this nomination.

NOTICE OF HEARINGS ON PROFESSIONAL TEAM SPORTS BILLS

Mr. KEFAUVER. Mr. President, on Wednesday, July 9, at 10 a. m., in room 318 of the Senate Office Building, the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary will begin hearings on H. R. 10378 and S. 4070. These are identical bills and would make inapplicable the antitrust laws to certain aspects of designated professional team sports. H. R. 10378 passed the House of Representatives on June 24, 1958, and was offered on the floor of the House as a substitute for the Celler bill by Congressmen WALTER, KEATING, MILLER, and HARRIS. S. 4070, identical to H. R. 10378, was introduced in the Senate on June 27, 1958, by one of the distinguished members of the Senate Antitrust and Monopoly Subcommittee, Senator THOMAS C. HENNINGS, JR., of Missouri. This bill has not as yet been referred to the Judiciary Committee and, in turn, to the Antitrust and Monopoly Subcommittee because, as I understand it, it is to remain on the desk through Monday, July 7, for the signatures of cosponsors. It is then expected that the bill will be, in turn, referred to the Senate Antitrust and Monopoly Subcommittee.

The subject matter of these bills is of tremendous public interest. These hearings are to be open hearings and all Senators and Congressmen wishing to express themselves are urged to attend and testify. Members of the public participating in the fields covered by these bills, or who are of the opinion that they possess particular information which would be of vital interest in considering the measure are urged to contact the Antitrust and Monopoly Subcommittee in order that a suitable appearance date might be arranged.

As everyone knows, on Tuesday, in the city of Baltimore, Md., the annual all-star baseball game is to be held. Because of the nearness of this game to the city of Washington and also due to the fact that no major league ball games are scheduled on Wednesday, the day following the contest, as a matter of convenience I have invited several of the outstanding ball players to appear before the Antitrust and Monopoly Subcommittee at its initial hearing on Wednesday morning, at 10 a. m. Players invited to appear and testify at this time are Mr. Ted Williams of the Boston Red Sox, Mr. Mickey Mantle of the New York Yankees, Mr. Stan Musial of the St. Louis Cardinals, Mr. Robin Roberts of the Philadelphia Phillies, who is the National League players' representative, and Mr. Edward Yost of the Washington Senators, the American League players' representative. In addition to these players, I have also invited Mr. Casey Stengel, the manager of the New York Yankees and this year's American League all-star manager.

The subcommittee expects to hear from representatives of the Department of Justice, the Federal Trade Commission and the Federal Communications Commission. The subcommittee also expects to hear from the commissioners and other representatives of organized baseball, football, basketball, and hockey. Also, the subcommittee expects to invite former Senators Edwin Johnson and A. B. "Happy" Chandler. Senator Johnson chaired the subcommittee of the Interstate and Foreign Commerce Committee which in 1953 considered a

bill respecting the broadcasting and televising of baseball games and should by virtue of his active background and experience in baseball have much to offer to the subcommittee. Senator Chandler, who is presently Governor of the Commonwealth of Kentucky, as everyone will remember, left this body to serve as commissioner of organized baseball.

The other members of the Antitrust and Monopoly Subcommittee are: Senators THOMAS C. HENNINGS, Democrat, of Missouri; JOSEPH C. O'MAHONEY, Democrat, of Wyoming; JOHN A. CARROLL, Democrat, of Colorado; WILLIAM LANGER, Republican, of North Dakota; EVERETT M. DIRKSEN, Republican, of Illinois; and ALEXANDER WILEY, Republican, of Wisconsin.

PICKETT'S CHARGE

Mr. ROBERTSON. Mr. President, 95 years ago the Battle of Gettysburg marked the turning point of the unfortunate War Between the States. Tomorrow will be the anniversary of the most memorable phase of that battle—the charge of Pickett's division.

Dr. Clifford Dowdey, of Richmond, Va., in his new book, Death of a Nation, quotes General Lee as saying on the fateful night of July 3, 1863:

> I never saw troops behave more magnificently than Pickett's division of Virginians did today in that grand charge upon the enemy. And if they had been supported as they were to have been—but, for some reason not yet explained to me, were not—we would have held the position and the day would have been ours.

The record of Pickett's men "is not graven only on stone over their native earth, but lives on far away without visible symbol, woven into the stuff of other men's lives."

As a tangible reminder of their irrefragable courage, however, I ask unanimous consent to have published at this point in the RECORD an eloquent address delivered by Maj. R. Taylor Scott, of Warrenton, Va., at the unveiling of a monument to the memory of Maj. Gen. George E. Pickett, in Hollywood Cemetery, Richmond, Va., on October 5, 1888.

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

ADDRESS AT THE UNVEILING OF THE MONUMENT IN HOLLYWOOD CEMETERY, OCTOBER 5, 1888, BY MAJ. R. TAYLOR SCOTT, OF WARRENTON, VA., MONUMENT TO THE MEMORY OF MAJ. GEN. GEORGE E. PICKETT AND HIS DIVISION

Surviving comrades of Pickett's Division: More than 27 years have passed since the war cloud broke upon this Commonwealth; more than 23 since the last gun's echo died away at Appomattox, and more than a quarter of a century has been added to the past, since, as a division, "Pickett's men" formed at the dawn of a July day and marched to their position upon the field to bear their part in one of the greatest battles of ancient or modern times. Why are we again assembled this October day in Hollywood, Richmond's beautiful "city of the dead"? Virginia's capital is decked in holiday garb and holds high carnival. Her great exposition, with its object lessons, tells us of the world's advance—what the genius of men has done and is doing in science, art, manufactures, and agriculture. "Historic relics" speak of the past and delight us with their beauty, and the surging masses come and go. Withdrawn from this hurly-burly, "Pickett's men" today unveil and dedicate a monument to the memory of their gallant commander and to the officers and men of Virginia's Division of the Army of Northern Virginia.

What are monuments? Why are they, and what do they mean? Monuments embody two ideas—the commemoration of the past and admonition to the future. They are landmarks of civilization, and write the history of the nations of the earth, mark their epochs, and hand down to posterity their illustrious dead. Egypt's solitary pyramids tell of the Pharaohs and of Israel's bondage and deliverance. Their presence—their tops gilded by the rising sun—inspired the great Napoleon, nerved his legions for battle and victory, and drew from him the ringing, stirring words, "Soldiers, consider that from the summit of those pyramids 40 centuries have their eyes fixed upon you."

The ruins of Thebes, Nineveh, Babylon, Troy, Jerusalem, "the buried cities," are monuments of the people who once ruled the world. Athens, the Acropolis, Mars' Hill, the temple ruins, are monuments to poets, painters, sculptors, statesmen, and philosophers. The Colosseum and Forum and "the classic ruins" of imperial Rome tell us of the rulers and the ruled. Paris, Brussels, Milan, Edinburgh, and London teem with monuments. Whose heart does not thrill, whose blood does not more quickly throb and pulse when he sees or reads of Westminster Abbey, England's grand mausoleum and monument? In the public square of your beautiful and growing city stand monuments, the pride and glory of this grand old State. They speak to us of devoted patriotism and heroic bravery; of judges, orators, statesmen, and soldiers. Ere long another will be raised to tell coming generations of the grandest man who has ever lived or died, Robert Edward Lee.

Consecrated by prayer, we unveil our monument, and dedicate it to the memory of Maj. Gen. George E. Pickett and his division. It will tell the old, old story—

> "The fittest place where man can die
> Is where he dies for man."

It will tell of the dark sad days of 1861, how we struggled to preserve our Union—the Union under the Federal Constitution, as we read it and the forefathers who made it taught us to construe it. How, when a sectional party elected a sectional President, who, disregarding his oath to support the Constitution, without the authority of Congress, declared war, and invaded with his armies the territory of sovereign States—States whose only offense was that they asserted and exercised rights and powers reserved to them, and never granted to the Federal Government, and in defense of their homes, of personal freedom, and civil liberty took up arms. Virginians, descended from Revolutionary sires, who, when the sound of musketry upon the plains of Lexington was borne to them upon the northern blast, sprang to arms, and rushed to the support of their brothers in the Colony of Massachusetts, could not have done otherwise.

It will tell of Longstreet, Clarke, Ewell, Ambrose Powell Hill, and William R. Terry. How Kemper was wounded and left upon the field to die; how God spared his life, to be, when the war was over, Governor of this Commonwealth; of his regiments—the 1st, 3d, 7th, 11th, and 24th Virginia Volunteers; their ranks filled with the young manhood of Richmond, Petersburg, Portsmouth, and Norfolk, Washington city sending her contingent. From seaside and mountaintop they came when war's alarm sounded. Their battle flag floated from Bull Run to Appomattox. In the language of Kemper in his address to his men when forced to leave them, the men he loved so well and who had followed him so steadfastly:

"Stouter heroes have not trod the field of battle. In your torn flags, your scarred persons, your roll of gallant dead, you bear memories of a long succession of glorious conflicts; from the smoke and fire of not one of them have you emerged without honor." It will tell of Moore, Williams, Skinner, Patton, Garland, Pollock, Greiger.

> "On their transcendent deeds one long, fond glance we cast,
> And with unconquered hearts thank God we have a past."

It will tell of Gen. Montgomery D. Corse, and of the 15th, 17th, 29th, 30th, and 32d Virginia Regiments of Volunteers; of Manassas, Bethel, and Drewrys Bluff; of Fredericksburg, Sharpsburg, Five Forks, and Sailor's Creek; of Capt. John Quincy Marr, the first blood of the war, how he met the invaders at Fairfax Courthouse, and fell in defense of his native State; of Thomas P. August, John Stuart Walker, and Robert S. Chew; of William Dulany and his Fairfax men; of Jack Humphrey and Winston Carter, and the men of the 17th Virginia who fell at Williamsburg; of Morton Marye, Arthur Herbert Bryant, Charles U. Williams, and Hooe; of David Funsten, and George W. Brent; of the patient service and sturdy manhood of Virginia's sons—her jewels—whose blood made red every battlefield of the war.

> "Virginia, great alike in weal and woe,
> What splendors, like a halo, round thee gleam,
> What grandeur dwells within thy very name."

It will tell of Gen. Lewis Addison Armistead, Fauquier's noble and gallant son. Of the 19th, 14th, 38th, 53d, and 57th Virginia Regiments; of Hodges, Owens, Edmonds, Magruder, Cabell, Phillips, Martin, White, and Aylett; of Generals Barton and Stewart. Will tell how Armistead led his brigade, in the final charge at Gettysburg, and fell mortally wounded among the Federal guns upon the hilltop; of his cheery words to his men, how he bade them, "Remember, you are fighting for your liberties; strike for your homes, your wives, and your sweethearts—follow me." How this brigade was always found where honor called and duty led, was first in the advance and last in retreat.

It will tell of Gen. Richard Brooke Garnett, that noble heart and gallant soldier, whose body fills some unknown and unmarked grave upon the field at Gettysburg. Of the brave men of the 18th, 19th, 28th, and 56th Virginia Regiments. Of the old Eighth Virginia, and the boys from Loudoun, Prince William, Fairfax, and Fauquier; their baptism in fire at First Manassas; how they fought at Ball's Bluff, how they stood at Williamsburg, Second Manassas, and Antietam, how they charged at Gaines' Mill, and how at Gettysburg all "the field officers were killed or wounded, and of the 200 men and 21 officers who went in, not 'a baker's dozen' came out." Will tell of Grayson, the Berkeleys, and Hunton; of Seven Pines, Gaines' Mill, Frazer's Farm, and Cold Harbor. Of Col. Robert E. Withers, Robert T. Preston ("Old Bob," as the boys called him), and his quaint commands. Of Thrift, Carrington, Rust, Strange, Allen (Robert), and Watts; of Linthicum, "our fighting parson," tender as woman, and as gallant as "a knight of ye olden time." Of the only brigade that sent to headquarters a report after dread Gettysburg, and of the one-armed major commanding the 19th Virginia Regiment, Charles S. Peyton, who made this report. On every battlefield the banners of "the Game Cock Brigade" were unfurled, and the blood of its heroes flowed.

"Gashed with honorable scars,
Low in glory's lap they lie;
Tho' they fell, they fell like stars,
Streaming splendor thro' the sky."

It will tell of Maj. James Dearing and his battalion of artillery, how he was made a brigadier general of cavalry, and killed April 7, 1865; how he died as he had lived—every inch a hero. Of Blount, Caskie, Clopton, and Stribling, and their men; of private Kendall, an uneducated unknown boy from Fauquier, with a heart filled with noble promptings and heroic purpose, who, wounded at Malvern Hill and taken to the rear, called to his comrade who held the battery horses to take his place at the guns, and said, "Though I cannot fight, my arm will make a good hitching post for the horses." How he held the horses, and when the fight was over they found him stark and cold in death. His epitaph should be that of Latour D'Auvergne, the grenadier of France—"Died on the field of glory."

It will tell of the kindhearted, frank, generous, dashing, daring, and knightly George E. Pickett, beloved by his men, and their only commander, who from the spring of 1862 to the surrender at Appomattox, bore with them their hardships and shared their triumphs. Educated at West Point, he entered the Army of the United States at the beginning of the war with Mexico, and fought from Vera Cruz to the city of Mexico. At Cerro Gordo, Molino Del Roy, Contreras, Cherubusco, Chepultepec, and the assault upon the city, Lieutenant Pickett deported himself gallantly, was gazetted and promoted, and upon the island of San Juan—then Captain Pickett—defied the British fleet, and retained possession of that island. Who, in 1861, at the call of his mother State, resigned his commission and came to her, was made a colonel and assigned to duty upon the Rappahannock River. In the spring of 1862, was made a brigadier general, and assigned to the command of Cocke's brigade; was severely wounded June 27, 1862, at Gaines' Mill, rejoined his command as the army returned from Maryland, and promoted to the rank of major general, October 10, 1862.

General Pickett was highly esteemed by his superior officers, and in command of the department of Virginia and North Carolina exhibited decided executive ability; he participated and bore conspicuous part in most of the engagements which immortalized the army of northern Virginia, and commanded his division in their walk to death up the bloody steep of Cemetery Hill.

This monument will tell of Walter Harrison, his inspector general, and of Lewis, his chief surgeon, their duty done, their work on earth completed; of his men and officers who, though denied success—"on fame's eternal bead-roll, worthie to be fyled"—will tell of a division in the language of a sweet singer of my native town—

"Wherever field was to be held or won,
Or hardship borne, or right to be maintained,
Or danger met, or deed of valor done,
Or honor, glory gained!
Called to front death face to face,
There was its rightful place!"

We place our monument to Pickett and his men where rest the heroes of the "lost cause." Here sleep more than 7,000 nearby, with no stately marble nor enduring brass to mark the spot. Only a granite curb inscribed "Lt. Gen. A. P. Hill" is all that was mortal of the great soldier whose name was last upon the lips of Jackson and of Lee. But the words by them spoken, "Tell A. P. Hill to prepare for action," "Send for A. P. Hill," "Tell A. P. Hill to move on my right," will ring and echo down the corridors of time and survive the tablet of brass or the granite column. Here lies the chivalric, dashing, light-hearted commander of our cavalry corps, whose life was given at Yellow Tavern in defense of Richmond; and here are Smith, twice governor, crowned with civic and military wreaths; Wise, who, when the range of his guns was insufficient for the work, lessened the distance between his command and the enemy, whose voice in 1861 was for war, but war within the Union. Harris and Wheat:

"Soldiers, rest, thy warfare o'er,
Sleep the sleep that knows no breaking,
Dream of battlefields no more,
Days of danger, nights of waking."

Comrades, we indulge no vain regrets and harbor no rebellious thoughts. We claim to be worthy of our dead, honest men, loyal citizens of this great Republic, but loyal, too, to Virginia and the South. We believed, and today believe, the cause of Virginia and the South was just; the principles for which we fought, the foundation of civil liberty and self-government, the very cornerstone of the column, yea, the keystone of the arch upon which rests the Federal Union. Our construction of the Constitution was that of the men who made it, and with whose blood that instrument was baptized. We believe that eternal right, though all else fail, can never be made wrong, and that there is a divinity which shapes our ends, rough hew them as we will. We appealed to the sword, and by the judgment rendered we stand; stand true to our manhood, without apologies, and point to the past as a pledge of loyalty in the future.

From conflicts and years of continued wars, desolating, devastating, internecine, came united Germany, the fatherland. Great as was the great Frederick and his kingdom, greater, far greater, the German Empire its grand old Emperor William transmitted to his son, the patient, brave, suffering Frederick, and now ruled by the grandson. From baronial turmoils, the Wars of the Roses, and civil strife, imperial England and the United Kingdom of Great Britain was born. So may it please Him whose voice is the thunder and eye the lightning's flash, who rides upon the storm, and whose days are without number, to bring out of our strife and our war a better people and more enduring Government.

By this monument and these graves, and in the sight of this cloud of witnesses, we swear, if this be not the result, it will be no fault of ours.

"Out of the gloom future brightness is born,
As after the night looms the sunrise of morn;
And the graves of the dead, with grass overgrown,
May yet form the footstool of liberty's throne;
And each single wreck in the warpath of might,
Shall yet be a rock in the temple of right."

Soldiers of the Philadelphia Brigade, welcome to Virginia. Welcome to our capital city. We greet you as friends.

"Peace hath her victories,
No less renowned than war."

We meet as citizens, coequal citizens, of our common country. We have met before; the years that have passed have silvered our heads, furrowed our faces, and dimmed our eyes, but our hearts are honest and warm and true. Pickett's men remember "the bloody angle" and the "stonewall" upon Cemetery Hill. Your sturdy defense of the hill "at the angle," stubborn resistance and "Yankee-pluck," made your brigade immortal and you heroes. Coming generations, who read of Marathon, Thermopylae, Austerlitz, the Bridge of Lodi, Waterloo, and of Balaklava, will read also of Gettysburg—great as each; yea, greater than all. Thrice welcome to Virginia. We welcome your Governor. Welcome, each one and all of you. A personal welcome to the able, courteous, and patriotic editor of the Philadelphia Times—your guest.

Today, in "our father's house," Virginia and "the Old South," pledge with you allegiance to this Union—an indissoluble union of sovereign and indestructible States. The object and purpose of the Society of Cincinnatus is ours, "to preserve inviolate the rights and liberties for which we have contended, to promote and cherish national honor and union between the States, to maintain brotherly kindness to each other, and extend relief "to those who are in need."

EXPULSION OF HUNGARIAN DELEGATES FROM THE INTERNATIONAL LABOR ORGANIZATION

Mr. SMITH of New Jersey. Mr. President, at the recently concluded meeting of the International Labor Organization in Geneva, Switzerland, the United States delegation led the successful movement to expel the Hungarian delegates from the conference.

In particular, Secretary of Labor James P. Mitchell played a leading role in the debate which resulted in the rejection of the credentials of the Hungarian Government, employer, and worker delegates.

It is important that this action be emphasized, since the ILO thus became the first international organization to deny seating to the present regime in Hungary.

I ask unanimous consent that the statement by Secretary Mitchell, dated June 25, 1958, urging expulsion of Hungarian delegates from the 42d session of the International Labor Conference, be printed in the RECORD at the conclusion of my remarks.

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

STATEMENT BY SECRETARY OF LABOR JAMES P. MITCHELL URGING EXPULSION OF HUNGARIAN DELEGATES FROM THE 42D SESSION OF THE INTERNATIONAL LABOR CONFERENCE, GENEVA, SWITZERLAND

The reports of the credentials committee which are before us present a grave challenge to this conference; a challenge which must be faced squarely, analyzed with objectivity and overcome with courage and conviction. We have been asked by the majority of the credentials committee to reject the credentials presented to this conference by the employer, worker, and Government delegates of Hungary. This is a solemn recommendation. It must be treated as such.

The tragic events which have taken place in Hungary in the recent and not so recent past have become indelibly fixed in the public opinion of the world, and thus have become a matter of the utmost significance.

These events strike at the very basis of this organization—at that passion for human freedom and individual dignity to which Mr. MORSE so eloquently referred yesterday.

Therefore, would anyone contend here that the ILO should ignore these events because they have a political aspect? Would anyone say that these events should be forgotten by us, wiped from our minds and disregarded so that we might get on with our other work?

I hardly think any one of us would be so unmindful of the fundamental objectives of this organization to say that. No, we have

a question before us of overriding importance, which cannot be minimized or sidetracked.

Our first consideration, I believe, Mr. President, is the credentials of the Government delegates of Hungary, but in order to save the time of the Conference I wish to state that the United States delegation will vote for the majority report of the credentials committee not only in the case of the Government delegates, but also in the case of the employer and worker delegates from that country. As to the Government representatives from Hungary, my delegation will vote to reject their credentials for the following reasons:

The Special Committee of the United Nations which investigated the Hungarian uprising of 1956, established beyond doubt that the Soviet Union had crushed with armed might a legitimate popular national uprising of the Hungarian people and that the Soviet Union had imposed on the Hungarian people a government which was in no sense representative of the people or responsive to their will. Subsequently last September the General Assembly of the United Nations adopted a resolution, by a vote of 60 to 10, which stated that the Soviet Union had deprived Hungary of its liberty and political independence, and by armed might had imposed the present Hungarian regime on the Hungarian people. The resolution went on to call upon the Soviet Union to desist from repressive measures against that people and to respect their liberty and political independence.

Despite this solemn admonition by the General Assembly, the Soviet Union on June 17 announced the execution of Premier Imre Nagy, General Pal Maleter, and other legally appointed members of the Hungarian Government, and the imprisonment of a number of other Hungarian patriots, whose only crime was to seek greater freedom and independence for the Hungarian people. The Soviet-imposed Hungarian regime thus brazenly flouted the will of the United Nations General Assembly to the horror of the entire world. Furthermore, these acts of violence followed a formal assurance given to the Government of Yugoslavia, immediately before the arrest of Imre Nagy and certain of his colleagues, of safe conduct and an undertaking that they would not be punished for their past activities.

Recognizing the wave of revulsion which has swept the world as a result of these events, which constitute both a crime against humanity and a breach of international good faith, this Conference has no course but to give the fullest possible expression to its indignation against the present Hungarian regime.

I would recall for you the resolution adopted unanimously by this Conference just last week to mark the 10th anniversary of the universal declaration of human rights and pledging the continued cooperation of the ILO in the promotion of universal respect for and observance of human rights and fundamental freedom. Were these just idle words we voted for so enthusiastically, or were they ideals which must inspire our actions and enlighten our progress? I am sure we can agree they were the latter.

Now some will say: But this is for the United Nations to do, not the ILO. I would answer that this way: First of all, it is clear that in the execution of the Hungarian patriots which I have mentioned, the present Hungarian regime and/or the Soviet Union insulted the General Assembly of the United Nations by totally disregarding its solemn resolution. We are the first agency of the United Nations to meet since these tragic events took place. Therefore, it is our right and responsibility to act on behalf of the free peoples of the world in protest against this blatant disregard.

Second, the ILO is unique among international organizations. As Mr. MORSE said yesterday: "No international body reflects world currents of opinion so quickly and so fully as the International Labor Conference." This is plainly true and is as it should be, for in this Conference there are not only Government spokesmen but the representatives of workers and employers who are closely in touch with the currents of opinion in their respective countries. Their profound shock at the crimes of the present Hungarian regime reflects directly the opinions of all free people everywhere. Is it for us, the Government here, to smother their expression of this shock by overturning the majority report of the credentials committee? I think not.

Rather as free democratic governments I feel it is our responsibility to reflect this sense of indignation which has spread throughout our countries, to support the workers and the employers and to reject the credentials of the entire so-called Hungarian delegation to this Conference. The delegation in no sense represents the people of Hungary. It is in no sense responsive to their will or to their needs.

It is, according to an overwhelming majority of the nations of the world, representative only of a regime imposed by the armed might of a foreign power for the suppression of the Hungarian people.

INCREASED AUTHORIZATION FOR CERTAIN APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1800, House bill 12457, to increase the authorization for two projects of the Atomic Energy Commission.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12457) to further amend Public Law 85–162 and Public Law 84–141, to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

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

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

Mr. ANDERSON. Mr. President, this bill has been recommended unanimously by the Joint Committee on Atomic Energy, and was passed last week by the House of Representatives.

The bill will increase the authorization for appropriations to the Atomic Energy Commission for two worthwhile projects, funds for which have previously been authorized and appropriated by the Congress.

The bill increases the authorization for project 58–e–6, project Sherwood plant, from $7,750,000 to a new total of $10 million, or a net increase of $2,250,000. Project Sherwood is a very important research program to achieve a controlled thermonuclear reaction, or the harnessing of fusion energy. This authorization will be used to cover the new model C stellerator now under construction at Princeton, N. J.

This bill also increases the authorization for project 56–c–1, particle accelerator program, from $10 million to $19,406,000, or a net increase of $9,406,000. This will further the work on the two high-energy accelerators now being constructed by the Harvard-MIT group and the University of Pennsylvania-Princeton group. Further research in the high-energy field, through the use of these machines, is the cornerstone of our basic research program.

Mr. President, the bill was reported from the committee with unanimous support, and merely involves increased authorizations for two existing projects which are of high priority. The House of Representatives has passed the bill; and I ask that it be approved by the Senate, also.

The VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be submitted, the question is on the third reading of the bill.

The bill (H. R. 12457) was ordered to a third reading, read the third time, and passed.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the identical bill, Calendar No. 1782, S. 3786, which I introduced, be indefinitely postponed.

The VICE PRESIDENT. Without objection, Senate bill 3786 is indefinitely postponed.

ROBERT B. COOPER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1184, House bill 1804, for the relief of Robert B. Cooper.

The VICE PRESIDENT. Is there objection?

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

Mr. KNOWLAND. Mr. President, the purpose of the bill is to authorize and direct the Secretary of the Treasury to pay the sum of $10,000 to Robert B. Cooper, of Morro Bay, Calif., in full settlement of all his claims against the United States arising out of personal injuries inflicted upon him by an officer of the United States Navy.

I ask unanimous consent that a statement by the Judiciary Committee, in explanation of the bill, be printed at this point in the RECORD; it is an excerpt from the committee's report on the bill.

There being no objection, the excerpt from the report (No. 1151) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to which was referred the bill (H. R. 1804) for the relief of Robert B. Cooper, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to authorize and direct the Secretary of the Treasury to pay the sum of $10,000 to Robert B. Cooper, of Morro Bay, Calif., in full settlement of all his claims against the United States arising out of personal injuries inflicted upon him by an officer of the United States Navy.

STATEMENT

According to the report of the Department of the Navy, on March 15, 1944, a lieutenant in the Navy while on Southern Pacific Railroad train No. 75 en route pursuant to lawful orders from Los Angeles to San Francisco, Calif., was under the influence of in-

toxicating liquor. While in a state of intoxication he became abusive and quarrelsome and two pullman conductors, Frederick John Andrew and John B. Osborn, attempted to subdue him. Robert B. Cooper, a train conductor, came to the assistance of the two pullman conductors and in so doing was struck down twice by the naval officer who kicked and stomped him particularly kicking him in the right hip several times.

The naval officer was removed from the train at the next stop and turned over to the military police. He was tried by general court-martial on charges of drunkenness and conduct to the prejudice of good order and discipline and pleaded guilty to all charges, and such was the finding of the court.

An investigation disclosed that Mr. Cooper filed a suit against the Southern Pacific Co. in the superior court of the State of California seeking damages in the amount of $50,000. This suit was disposed of through compromise settlement by a payment to him of $5,500. He also received a cash settlement of $1,300 on a policy issued by the Brotherhood of American Trainmen.

The report of the Southern Pacific Co. shows that claimant was originally employed by the company as a brakeman on the Los Angeles division from April 26, 1920, to September 14, 1920, when he was promoted to conductor and that he continued in the service in that capacity until March 11, 1946, when he ceased work evidently as a result of his physical condition. The report indicates that Mr. Cooper filed application for and was awarded a disability annuity under section 2 (a) 4 of the Railroad Retirement Act of 1937 at the rate of $92.31 a month effective January 1, 1947, which amount was increased 20 percent July 1, 1948, and by an additional 15 percent effective as of November 1, 1951. The company states that trainmen are paid on the basis of mileage, etc., and do not receive a regular monthly salary. The timecard reports for the period January 1944 to March 1946, inclusive, indicate that the greatest amount earned by claimant during any month was $380.01 which after deductions resulted in net earning of $313.21. The gross earnings for January and February 1944, the 2 months preceding the injury, were $258.31 and $222.54, respectively, with net earnings of $218.97 and $192.03.

Mr. Cooper was unable to furnish evidence of medical and hospital expenses incurred on account of the alleged injury stating that he received very little treatment and that most of the expenses were those incurred for physical examinations and X-rays. Dr. Emil C. Oberson, who furnished a medical report to Mr. Cooper's attorneys, declined to furnish a statement as to Mr. Cooper's indebtedness. In the above-mentioned report this physician diagnosed the case as chronic degenerative osteoarthritis, following an injury.

Mr. Cooper was given a physical examination at the infirmary of the United States naval auxiliary air station, Monterey, Calif., on November 9, 1951, by a medical officer in the Navy. The report on that physical examination stated, in part, as follows:

"The nature and longstanding chronicity of Mr. Cooper's illness makes his disability at present relatively complete. His illness is undoubtedly aggravated by his age and obesity. Little or no improvement may be expected and any improvement resulting from therapy may well be of a temporary nature; although loss of weight should be undertaken and orthopedic consultation is recommended."

At the time of the incident Mr. Cooper was 54 years of age. Dr. Oberson in giving the history of the case stated that prior to March 15, 1944, Mr. Cooper had not noticed any difficulty, nor was he in any accident which might have injured his right hip. It is noted, however, that in the complaint filed by Mr. Cooper's attorneys in the suit against the Southern Pacific Co., above mentioned, the injury is described in paragraph VII as "severe injury in the region of the right hip with aggravation of previously existing senile coxitis, extreme pain and suffering and a severe shock to his nervous system."

The evidence available indicates that Mr. Cooper, while serving as a conductor on Southern Pacific train No. 75 on March 15, 1944, was in fact struck and kicked by a naval officer traveling on official orders who was intoxicated at the time, and this fact is conceded by the Department of the Navy. That Department, however, objects to favorable consideration of this claim and states, in part, as follows:

"In the instant case the naval officer concerned was traveling on a public conveyance and was not in the performance of any business for the Government in becoming intoxicated and assaulting employees of the railroad. To hold under such circumstances that the United States is liable for acts so performed would subject the Government to fantastic claims of liability having no relation to the doctrine of respondent superior as it is known and applied to determine the liability of private persons. Such liability was expressly denied by the United States Court of Appeals, Fifth Circuit, in *United States* v. *Campbell* (172 F. 2d 500) in holding that under the Federal Tort Claims Act the United States is not liable for injury sustained by plaintiff who was negligently run into by a sailor who was traveling under Government orders and who was running to catch a troop train notwithstanding the fact that the sailor may have been acting in line of duty."

The committee is constrained to disagree with the report of the Navy Department that this bill be not favorably considered. The Navy Department correctly holds that the serviceman who assaulted the claimant was not acting in the performance of any business for the Government, and ordinarily the committee would hold that because of this fact there would be no legal liability on the part of the United States. However, it is only by way of private relief legislation that a citizen who has been injured by a governmental employee may achieve relief. In the instant case, this claimant was severely injured by a serviceman and is unable to work because of the injuries resulting from this assault. It is within the power of the Congress to recognize a situation such as has occurred in this instance and, in view of the circumstances, the committee is of the opinion that some relief should be granted. Accordingly, the committee recommends favorable consideration of H. R. 1804, without amendment.

Attached hereto and made a part hereof is the report submitted by the Department of the Navy in connection with a similar bill of the 84th Congress, together with affidavits submitted in support of this claim.

The VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 1804) was ordered to a third reading, read the third time, and passed.

COMMUNITY SENTIMENT IN OREGON REGARDING KLAMATH RESERVATION PURCHASE BILL

Mr. NEUBERGER. Mr. President, on June 27, I addressed the Senate on the subject of the bill to amend the Klamath Indian Termination Act, S. 3051, which the Senate passed on May 8. My remarks at that time were directed at the continuing efforts of the National Lumber Manufacturers Association in attempting to kill this proposed legislation.

Yesterday I received a telegram from Lawrence E. Slater, mayor of the city of Klamath Falls, Oreg., and Charles H. Mack, judge of the Klamath County Court, in which these two outstanding community spokesmen express deep concern about the disastrous effect which Public Law 587, the Klamath Indian Termination Act, will have on Klamath Falls, Oreg., if amendatory legislation is not enacted at this session of the Congress.

Again, it is shown conclusively that the National Lumber Manufacturers Association does not speak for the vast majority of the people in the State of Oregon, who have such a vital stake in the outcome of the Klamath termination program.

Mr. President, I ask unanimous consent that the telegram to which I have just referred may be printed in the RECORD following my remarks.

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

KLAMATH FALLS, OREG., *June 30, 1958.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Many statements have been made about Public Law 587. Quite often these remarks, statements, or resolutions, have been made by persons or organizations far removed from the actual area involved. Unfortunately, the so-called experts have not taken into consideration that the most vitally affected governmental agencies, viz, the city of Klamath Falls and the Klamath County court have had little opportunity to state their position in this serious matter. Whether chaos reigns due to the abortive piece of legislation, or a stability of local economy through sound liquidation of resources, in either event, the agencies of local government will be charged with the responsibility and the destinies of this immediate area. Volumes have been written or given as testimony regarding the economic and social disaster that will prevail if Public Law 587 is carried out as now in effect. Rape of the timber resources at fire sale prices and the minimum of financial return to the principals involved, viz, the Klamath Indians are but a few of the problems that confront the area. The time has come for a statement from the city of Klamath Falls and Klamath County through its authorized legal body, the Klamath County court. Although these agencies had no voice in drafting or enacting Public Law 587 though they will be responsible for administering the aftermath of its debris, it can be stated that: The city of Klamath Falls and the Klamath County court, acting jointly, feel that the bill introduced by the Honorable Senator NEUBERGER (S. 3051), must be passed this session of Congress. The premise that the resources in the Klamath forests be harvested on a sustained yield program is of paramount importance. Private or Federal purchase, on a sustained yield program is the only practical method of liquidating the inventory. If this session cannot agree on S. 3051, we urge repeal of Public Law 587.

LAWRENCE E. SLATER,
Mayor, City of Klamath Falls.
CHARLES H. MACK,
Judge, Klamath County Court.

FORT MYERS AND LEE COUNTY, FLA.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1811, S. 3314.

The VICE PRESIDENT. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 3314) for the relief of the city of Fort Myers, Lee County, Fla., and the Intercounty Telephone & Telegraph Co., Fort Myers, Fla.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 1, line 7, to strike out "$139,395.32" and insert "$137,997.64"; on page 2, line 10, after the word "such", to strike out "amount been invested in United States bonds from the date such amount was paid to such city to the date of payment under this act" and insert "an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such city to the date of payment under this act"; in line 19, after the word "of", to strike out "$329,256.02" and insert "$209,538.99"; on page 3, line 7, after the word "such", to strike out "amount been invested in United States bonds from the date such amount was paid to such county to the date of payment under this act" and insert "an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such county to the date of payment under this section"; at the beginning of line 16, to strike out:

(c) to the Inter-County Telephone & Telegraph Co., Fort Myers, Fla., the sum of $38,757.43.

In line 19, after the name "Fort Myers", to insert "and"; in line 20, after the word "county", to strike out "and Tri-County Telephone & Telegraph Co."; and on page 4, line 2, after the word "act", to strike out "in excess of 10 percent thereof"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out any money in the Treasury not otherwise appropriated—

(a) to the city of Fort Myers, Fla., the sum of $137,997.64

(1) plus the interest payable on bonds issued by such city (for the purpose hereinafter stated) as of the date the next interest payment becomes due (following the date of the enactment of this act) which is attributable to the period commencing with the date on which the last interest payment became due and ending on the date of payment by the United States of this claim, and

(2) reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim ($174,838.41) would have earned (as determined by the Secretary of the Treasury) had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such city to the date of payment under this act.

(b) to Lee County, Fla., the sum of $209,538.99

(1) reduced by the amount of interest (as determined by the Secretary of the Treasury) remaining to be paid on bonds issued by such county (for the purpose hereinafter stated) attributable to the period beginning on the date of payment of this claim by the United States and ending on the date such bonds are payable in full, and

(2) further reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim ($174,838.42) would have earned (as determined by the Secretary of the Treasury) had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such county to the date of payment under this section.

SEC. 2. The payment of such sums shall be in full satisfaction of the claims of the city of Fort Myers, and Lee County, against the United States for compensation for expenses and obligations incurred in connection with the construction of the Buckingham Weapons Center project, Fort Myers, Fla., which project was abandoned by the United States Air Force subsequent to the time such expenditures and obligations were incurred: *Provided*, That no part of the amounts appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HOLLAND. Mr. President, I asked that this bill be brought up by motion rather than left on the Consent Calendar, not because there is any controversy about it whatsoever that is known to me, but because the amounts allowed are of such size that I believe it ought to be handled in this way.

This bill will repay to the city of Fort Myers and Lee County various sums advanced by them for the United States Government upon the request of the Air Force in acquiring a site for an authorized Air Force installation known as Buckingham Weapons Center project, Fort Myers, Fla. Unfortunately the Air Force abandoned its plans but admits its obligation, and there is no controversy known to me in connection with the matter. For Myers will receive $137,997.64 and Lee County, $209,538.99, with certain interest considerations appended in each case.

The Senate Judiciary Committee has amended the bill to conform to the recommendations of the Air Force and the Treasury Department, and the amendments have been agreed to by officials of the city of Fort Myers and Lee County. In the case of Fort Myers, the Air Force in its report disallowed claimed expenditures in the amount of $1,397.68, and in the case of Lee County, it disallowed claimed expenditures in the amount of $57,113.71. In each instance, local officials felt that they could make a good case for the disallowed items but because of the immediate need for the funds involved in the overall claim, they have agreed to the Air Force recommendations in order to expedite passage of the bill.

The Senate Judiciary Committee also amended the bill by striking language permitting payment of attorney's fees and this amendment has been agreed to by attorneys for both the city and the county, as well as the other local officials.

The bill was further amended to eliminate the Inter-County Telephone & Telegraph Co., of Fort Myers, Fla., without prejudice, and this claim has been separately presented in S. 3924, introduced by the two Florida Senators on May 29, 1958. The reason for this action was that there will be considerable controversy concerning this particular claim and the claimants agreed to this action in order to permit early payment to the city and the county through the enactment of a noncontroversial bill.

The only difference between the bill as reported by the Senate committee and the companion bill as reported by the House Judiciary Committee, and now on the House Calendar, will be found on page 3, lines 5 and 6. The Air Force stated in its report that in addition to the $174,838.42 refunded to the county that a further refund of $62,603.17 has also been made. This additional payment was reflected in the amount to be paid to the county, but it was not reflected in the section of the bill dealing with interest payments. This technical amendment is necessary to make the bill completely correct, and it will make the Senate-reported bill exactly like the House-reported bill.

I shall offer the amendment in a moment.

Mr. President, the Senate Judiciary Committee report gives a full and complete explanation of the bill, and I ask unanimous consent to have excerpts from Senate Report No. 1776 printed in the RECORD at this point in my remarks.

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

STATEMENT

The Department of the Air Force has no objection to the proposed legislation, as amended.

The Treasury Department has advised the committee that it has no information on which to base a recommendation on the merits of the claim but that it anticipates no administrative difficulty in carrying out the Treasury Department's function under the bill, if the bill is amended as proposed by the Treasury Department, which has been done.

The Department of the Air Force has informed the committee in a letter dated May 22, 1958, which is printed in full below, that in 1954 a requirement existed for the establishment of a second weapons employment center to afford training to the Department of the Air Force personnel in air-to-air gunnery. The act of July 15, 1955 (Public Law 161 of the 84th Cong.), authorized the Secretary of the Air Force to establish and develop the Buckingham Weapons Center, Fort Myers, Fla., for this purpose. Prior to the authorization, Lee County, Fla., had agreed to donate approximately 6,000 acres to establish the base.

Upon the enactment of Public Law 161 of the 84th Congress, the Corps of Engineers acting as agents for the Department of the Air Force, was requested to acquire by donation approximately 6,591.44 acres of land, drainage easements over 15.68 acres, and clearance easements over 440.50 acres. The cost of this acquisition was then estimated to be $600,000, of which Lee County agreed to provide $300,000 and Fort Myers $300,000. In September 1955, the Secretary

of the Air Force announced that the Air Force proposed to proceed as authorized by the Congress and initiate construction of the Buckingham Weapons Center as soon as the land was donated to the United States. Since it was proposed to begin this construction in November 1955 to provide a beneficial occupancy date by fiscal year 1957, the Secretary advised the county that title to the property was required by November 15, 1955. Because of the urgent need to acquire title to the land in time to meet the beneficial occupancy date, it was agreed that the city and the county would pay to the United States funds to cover the cost of the land acquisition and the Government would acquire the property. On December 15, 1955, the Department of the Air Force obtained possession of the land which consisted of a total of 7,048.24 acres.

In accordance with the agreement reached by the Government with Lee County and Fort Myers, the county and city deposited $550,000 in cash and provided the Government with a fidelity bond in the amount of $600,000 to insure payment of any deficiency judgments which might be rendered against the United States in connection with acquisition, by condemnation, of the land required for the Buckingham Weapons Center. In order to provide the money within the time limitation imposed by the Government which was prior to the sale of bonds, the city, and county arranged certain loans. Both the city and county, however, had secured a commitment from the Government that the base would be constructed if the local people supported the county's and city's plan for raising funds.

It is the usual practice of the Department of the Air Force, in the selection of sites for Air Force installations, to make a limited number of foundation borings to determine the suitability of the land for construction. These preliminary tests were not made at the Buckingham site as the Air Force believed that it had sufficient information on record to indicate that the foundation features were such that construction could be accomplished using normal foundation construction practices. On this basis it was determined to proceed with the Buckingham project.

Subsequently arrangements were made for detailed borings at each of the proposed building sites at Buckingham, and laboratory tests on samples of the foundation material. It was then found that subsurface material was considerably poorer from a foundation standpoint than the earlier information had indicated. These detailed tests indicated that excessive settlement might be expected, thus necessitating changing elevation or shifting of the runway facilities and the need for 50- to 75-foot long pilings for all major buildings to prevent structural damage. As the result of these findings in February 1956 land acquisition was suspended. Still further studies of soil conditions during the ensuing months confirmed that the Buckingham site would be unsuitable for the planned construction, and in April 1956 the appropriate committees of the Congress were advised of the necessity to find an alternate site. During the remainder of the calendar year 1956, efforts were made to find a suitable replacement site. However, by the end of the year, due to construction difficulties at the initial site, with the resultant delay in the beneficial occupancy date for the new installation, the Air Force determined to make more intensive use of existing facilities to satisfy the requirement for a weapons employment center, and appropriate local officials were advised in February 1957 that the Air Force no longer planned to build a base at this location.

The Air Force has advised the committee that immediately following the decision to withdraw from the Buckingham site the following actions were taken by the Air Force:

(1) Efforts were made to revest title where the United States had not completed acquisition.

(2) The city and county were requested to cancel the fidelity bond.

(3) All funds which had been furnished to the Government by the county and city and which were on hand were divided equally between the county and city.

(4) All petitions on condemnation on which acceptance terms could be reached were dismissed.

(5) Payments were made for rentals and damages, where substantiated, to all landowners whose property was in condemnation and was being returned to them.

(6) The county was advised to retain such property as had been acquired by them for the United States but which had not yet been conveyed to the Government.

The proposed legislation, as introduced in the Senate, would authorize and direct the Secretary of the Treasury to pay—

(1) To the city of Fort Myers, Fla., the sum of $139,395.32, plus the interest payable on bonds issued by the city as of the date the next interest payment becomes due, following the date of enactment of the proposed legislation, which is attributable to the period commencing with the date on which the last interest became due and ending on the date of payment by the United States on this claim; reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim ($174,838.41) would have earned (as determined by the Secretary of the Treasury) if such amount had been invested in United States bonds from the date of payment under this act.

(2) To Lee County, Fla., the sum of $329,256.02, reduced by the amount of interest (as determined by the Secretary of the Treasury) remaining to be paid on bonds issued by the county attributable to the period beginning on the date of payment of this claim by the United States and ending on the date such bonds are payable in full; and further reduced by the amount of interest which the sum of money heretofore paid by the United States on account of such claim ($174,838.42) would have earned (as determined by the Secretary of the Treasury) if such amount had been invested in United States bonds from the date such amount was paid to the county to the date of payment under this proposed legislation.

(3) To the Inter-County Telephone & Telegraph Co., Fort Myers, Fla., the sum of $38,757.43.

The Department of the Air Force has advised the committee that the claim of the city of Fort Myers is based on expenditures of $314,233.73 of which $312,836.05 was determined by the Air Force to be valid. Since a refund of $174,838.41 has been made to the city, the Air Force recommends that the claim of $139,395.32 be reduced to $137,997.64.

The proposed legislation has been amended in this respect as recommended by the Department of the Air Force.

The Department of the Air Force has advised the committee that the claim of Lee County is based on expenditures of $504,094.44, and refunds to the county by the United States of $174,838.42, and that the Air Force has determined that of the amount claimed as expenditures, $446,980.58 can be considered valid; and that further the total amount credited to the United States should be $237,441.59, since, in addition to the refund of $174,838.42, a further refund of $62,603.17 has been made to the county. Accordingly the Department recommends that the figure of $329,256.02 be revised to $209,538.99.

The proposed legislation has been amended in this respect as recommended by the Department of the Air Force.

The Department of the Air Force has further advised the committee that with respect to the claim of the Inter-County Telephone & Telegraph Co., in February 1957 the Air Force denied the claim for $38,757.43 for construction and engineering expenses incurred in connection with the proposed Buckingham Weapons Center which was submitted under contract AF 09(104)-237, dated July 14, 1950. This contract provides that effective July 1, 1950, until June 30, 1951, and thereafter until terminated by either party on 30 days' written notice, the Inter-County Telephone & Telegraph Co. will furnish commercial facilities and services normally offered to a customer and such special facilities and services as may from time to time be required by Government subject to the availability of these facilities and services. On September 6, 1955, the contract having been in effect, the Government dispatched two written orders for plans and cost estimates for construction of certain facilities at the base to be built at Fort Myers. One order requested plans and cost estimates for the installation of a 400-line automatic system. The other order requested plans and estimates for certain outside facilities. Both orders were for planning purposes. In June of 1957, the Armed Services Board of Contract Appeals reviewed this claim on an appeal by the Inter-County Telephone & Telegraph Co. It was the statement of the Government trial attorney that the Government did not order, request, direct, or otherwise authorize the telephone and telegraph company to begin any construction under the contract on any facilities related to the proposed Air Force base. It was further stated by the Government trial attorney that the major portion of the telephone company's costs was incurred in anticipation of a future contract, is outside the scope of the existing contract, is unauthorized and not reimbursable pursuant to the contract. The Government trial attorney did, however, find that $1,800 of the amount claimed could be allowed. The telephone company has suspended action on its appeal pending the outcome of the proposed legislation.

The sponsors of the proposed legislation, on May 29, 1958, introduced in the Senate a separate bill, S. 3924, for the relief of the Inter-County Telephone & Telegraph Co., of Fort Myers, Fla. The committee believes that the claim of the Inter-County Telephone & Telegraph Co. should properly be considered in its own right in a consideration of S. 3924, and accordingly without prejudicing the merits of the claim of the Inter-County Telephone & Telegraph Co., the committee has amended S. 3314, the subject of this report, to eliminate from S. 3314, any payment to the Inter-County Telephone & Telegraph Co.

The Department of the Air Force has commented that, with respect to the provisions in the proposed legislation relating to interest, it is assumed by the Department that these are designed to compensate the city and county for interest charges incurred by them, less the interest value of the various refunds made by the United States. The Office of the Secretary of the Treasury has recommended that the language of the bill in regard to interest be amended to provide that the measure of interest not be "had such amount been invested in United States bonds from the date such amount was paid to such city to the date of payment under this act" but that it be "had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such

amount was paid to such city to the date of payment under this act."

Similarly, in regard to the payment of interest to Lee County, Fla., the Office of the Secretary of the Treasury recommends that the measure of interest not be "had such amount been invested in United States bonds from the date such amount was paid to such county to the date of payment under this act" but that it be "had such an amount been invested at the average rate of interest on all marketable obligations of the United States on the last day of the month preceding such payment for the period from the date such amount was paid to such county to the date of payment under this section."

The committee has amended the bill accordingly in this respect as recommended by the Secretary of the Treasury.

The Department of the Air Force further advised the committee that as of May 1958, the status of the land at the location concerned is as follows:

1. The Government has been successful in revesting title in the former owners to 6,279.42 acres of the 7,048.24 acres acquired for this project.

2. Efforts are continuing to revest title in the former owners to the remaining 761.07 acres (exclusive of the 7.75 acres which were acquired by direct purchase), but little success is anticipated by the Department.

3. The value of the land to which title has not been revested (exclusive of the $5,630 for the 7.75 acres mentioned in (2) above) is $124,510.

4. It is proposed to complete acquisition of the unsettled 761.07 acres, and determine whether any need exists for this land within the Department of Defense. If none exists, the Air Force plans to secure approval of the Assistant Secretary of Defense (Properties and Installations) and the House and Senate Armed Services Committees for disposal.

The committee believes that the proposed legislation, as amended as proposed by the Department of the Air Force in regard to the amounts to be paid, and as amended as recommended by the Secretary of the Treasury in regard to language, is meritorious and recommends it favorably.

Mr. HOLLAND. Mr. President, I ask unanimous consent that when the bill is reprinted as passed by the Senate the name of the junior Senator from Florida [Mr. SMATHERS] be added as a cosponsor. My junior colleague and I have worked closely on this matter from the very beginning, but his name was inadvertently omitted when the bill was introduced.

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

Mr. HOLLAND. Mr. President, with reference to the amendment I intend to offer, I wish to say that a statement concerning it was prepared by the staff of the Senate Judiciary Committee; and the contents thereof were approved by the staff of the House committee, by the Air Force and by local authorities. Therefore, I want it to be in the RECORD.

The memorandum states in part:

In the bill as reported by the committee, on page 3, line 5 and 6, the parenthetical figure ($174,838.42) should be ($237,441.59) to reflect the actual amount which has been refunded to the county by the Government, and it is recommended that the bill be amended to reflect this change.

This is a technical, perfecting amendment which has been reviewed by the Air Force, by the staff of the Senate Committee on the Judiciary and by the staff of the House Committee on the Judiciary.

The amendment has been approved by all who have reviewed it, as well as by the local authorities in Florida.

Mr. President, the amendment, when adopted, will make the bill identical with the bill reported favorably by the House Committee on the Judiciary, which is now on the House Calendar.

Mr. President, I offer the amendment which I send to the desk.

Mr. DIRKSEN. Mr. President, the bill had thorough consideration by the Senate Committee on the Judiciary. The bill was considered at two different sessions of the committee. The inevitable problem was to make the city of Fort Myers, Fla., whole. Acting in good faith, the city had issued bonds to cooperate with the Air Force in establishing a site, which later was not used in its entirety. The bill has everything to commend it and represents a perfectly justifiable claim.

Mr. HOLLAND. Mr. President, I thank my distinguished friend, the acting minority leader. That is exactly the situation as I understand it. This is one of those unfortunate matters which occurs in the course of a great defense program. The plans of the Air Force, after they had submitted a request to the Congress which was enacted into law in an authorization bill and also in an appropriation bill, were changed because of the situation which came about as a result of a change in strategic plans, with which I am not fully familiar.

At any rate, after the Air Force asked the participation of local officials of Fort Myers and Lee County in acquiring the site, which was accomplished through the issuance of bonds, the Air Force decided not to go through with the project. The Air Force fully approves the refunding of the amounts included in the bill.

Mr. President, I ask that the amendments be agreed to and that the bill be passed.

The PRESIDING OFFICER. Without objection, the committee amendments will be considered en bloc.

The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. HOLLAND. Mr. President, I move that the amendment I have offered be agreed to.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, in lines 5 and 6, it is proposed to strike out "$174,838.42" and to insert in lieu thereof "$237,441.59."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The title was amended so as to read: "A bill for the relief of the city of Fort Myers, Fla., and Lee County, Fla."

Mr. HOLLAND. Mr. President, I thank the Presiding Officer and I thank the leadership on both sides of the aisle. As I previously stated, this is a meritorious bill, but I did not wish to have it passed on the consent calendar for the reasons already stated.

Mr. MANSFIELD. Mr. President, the Senator from Florida is to be commended for the sagacity he has shown and for his consideration as well.

Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

CONVEYANCE OF CERTAIN LANDS, YORK COUNTY, VA.

Mr. MANSFIELD. Mr. President, as a courtesy to the Senator from Virginia, I should like to ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1771, S. 2474, which I understand can be disposed of very shortly.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2474) directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va.

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

There being no objection, the Senate proceeded to consider the bill (S. 2474) directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va., which had been reported from the Committee on Armed Services, with amendments, on page 2, after line 9, to insert a new section, as follows:

SEC. 3. The cost of any surveys and appraisals necessary as an incident to the conveyance authorized herein shall be borne by the Board of Supervisors of York County, Va.

After line 13, to insert a new section, as follows:

SEC. 4. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

After line 16, to insert a new section, as follows:

SEC. 5. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for park and recreational purposes, and that if the Board of Supervisors of York County, Va., shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States.

After line 22, to insert a new section, as follows:

SEC. 6. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right to reenter upon the property and use the same or any part thereof, including

any and all improvements made thereon by the Board of Supervisors of York County, Va., for the duration of such state of war or of such emergency. Upon the termination of such state of war or such emergency plus 6 months, such property shall revert to the Board of Supervisors of York County, Va., together with all appurtenances and utilities belonging or appertaining thereto.

And on page 3, after line 14, to insert a new section, as follows:

SEC. 7. In executing the deed of conveyance authorized by this act, the Secretary of the Navy or his designee shall include specific provisions covering the reservations and conditions contained in sections 3, 4, 5, and 6 of this act.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to convey, by quitclaim deed, to the Board of Supervisors of York County, Va., for park and recreational purposes, all right, title, and interest of the United States in and to that tract of land situated in York County, Va., described as parcel No. 202 on the property map, United States Naval Construction Training Center, York and James City Counties, Va., and consisting of 300 acres more or less.

SEC. 2. The conveyance authorized by this act shall be conditional upon the Board of Supervisors of York County, Va., paying to the Secretary of the Navy, as consideration for the trace of land conveyed under the provisions of this act, an amount equal to 50 percent of its fair market value as determined by the Secretary of the Navy after appraisal of such tract.

SEC. 3. The cost of any surveys and appraisals necessary as an incident to the conveyance authorized herein shall be borne by the Board of Supervisors of York County, Va.

SEC. 4. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 5. The conveyance of the property authorized by this act shall be upon condition that such property shall be used for park and recreational purposes, and that if the Board of Supervisors of York County, Va., shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States.

SEC. 6. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the Board of Supervisors of York County, Va., for the duration of such state of war or of such emergency. Upon the termination of such state of war or such emergency plus 6 months, such property shall revert to the Board of Supervisors of York County, Va., together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 7. In executing the deed of conveyance authorized by this act, the Secretary of the Navy or his designee shall include specific provisions covering the reservations and conditions contained in sections 3, 4, 5, and 6 of this act.

Mr. ROBERTSON. Mr. President, on behalf of the senior Senator from Virginia [Mr. BYRD] and myself, joint sponsors of S. 2474, I desire to thank the acting majority leader for his kindness in bringing up the bill. We did not anticipate any difficulty in having the bill passed on the Consent Calendar, but because of the wonderful celebration last year of the 350th anniversary of the first permanent settlement at Jamestown, there has been a great influx of visitors to the Jamestown-Williamsburg-Yorktown area, and it becomes important to expedite action on a proposal to allow the Board of Supervisors of York County to buy 300 acres of the 9,849-acre tract used partially by the Navy, sometimes as a training area. The 300 acres are not needed by the Navy.

The board of supervisors will pay more than anybody else would pay under the conditions on which the land will be transferred, which include provisions that the board must pay for all the surveys and the board can only use the land for recreational and park purposes. If the land is used for any other purpose it will revert to the Government. Furthermore, all mineral rights are reserved, and in the event of war or national emergency declared by the President, the Navy, if it wanted to, could reoccupy the 300 acres in any way it pleased.

In other words, Mr. President, the Government is to get from a county in Virginia some money for property which the Government does not use, does not need, and probably never will need, but if the Government ever should need the property again it can get it without expense whatever.

Under those circumstances, Mr. President, we assume, of course, there will be no objection to the passage of the bill.

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

The amendments were agreed to.

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

Mr. ROBERTSON. I again thank the acting majority leader.

NEED FOR A REALISTIC FARM PROGRAM

Mr. PROXMIRE. Mr. President, is the Senate still in the morning hour?

The PRESIDING OFFICER. The Senate is in the morning hour.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 6 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and the Senator from Wisconsin may proceed.

Mr. PROXMIRE. Mr. President, this morning I was deeply disturbed by a report in the New York Times which started off with the following headline: "United States Expects Peak in Farm Subsidies—Cost of Program Now Put at 6 Billion, Up 1.4 Billion From Budget Figures."

Mr. President, this waste of the taxpayers' money is simply insane. How many times does the Secretary of Agriculture have to be hit on the head with the baseball bat of huge costs to the taxpayers and pitifully low farm income to recognize that the only way to increase farm income is to do what everyone else in the economy who is a nonfarmer does—limit production to what can be sold at a fair price?

The truth is, Mr. President, that the farm programs which worked relatively well for 20 years—with competent and and conscientious management—simply do not fit the realities of the present time.

Here is one single statistic which illustrates how outworn the farm programs have become:

In the first 20 years of operations by the Federal Government to support the prices of farm commodities, from 1933 through 1955, the total losses to the Government amounted to $1.2 billion.

In fiscal year 1957 alone, in one single 12-month program, the total losses to the Government on price-support operations totaled more than $1.2 billion.

Our farm programs, Mr. President, are not adequate for the realities of the present time. Their operations, under the management of the present Secretary of Agriculture, have steadily become more and more costly.

The present Secretary of Agriculture has failed on a fantastic scale. His failure has reached shocking proportions on three counts:

Farmers' prices and farm income have gone down disastrously. The depression in agriculture, which has been encouraged and prompted by the policies of the Secretary of Agriculture, has been very instrumental in causing the present unemployment emergency and business recession, which has cost so tragically much to our Nation in lost production, in wasted strength, and in human misery.

Food prices have gone up; the cost of living has been setting an all-time record high month after month for nearly two full years. Consumers have suffered.

The taxpayer has been battered for a heavier and heavier burden year after year under the present farm programs, until in the last year alone he has been compelled to pay for losses greater than in all the 20 years farm prices were protected—with far greater success from the standpoint of the farmers—by preceding administrations.

Mr. President, the present administration's farm policies are a colossal and stupendous three-stage "bust."

The United States cannot long afford to tolerate the blundering and wasteful conduct of our agricultural programs which has been characteristic of the past 5½ years. We have to come to our senses, and learn the lesson once and for all that the administration's farm theories do not work, that the administration's farm planners are failing to perform on their promises and their obligations, and that a realistic farm policy is imperative.

We must have a farm policy, Mr. President, which will give the same realistic recognition to the law of supply and demand in agriculture that is applied in every other important industry in our economy.

Farmers must be given an opportunity to adjust their output realistically in accordance with demand, just as every other industry in our economy does.

There is no other way to assure farm people of a reasonable return on their labor and capital. According to Department of Agriculture studies, dairy farmers in Wisconsin are getting only about 50 cents per hour for their labor. These dairy farmers, Mr. President, are the best and most efficient dairy producers in the world. But they receive returns that are a disgrace to our economy.

There is no other way either to remove the crushing burden of the present wasteful and senseless farm plans from the backs of the American taxpayer.

The first bill I introduced in the United States Senate was a comprehensive farm bill which would meet the failures of the present farm program head on. It would give the farmers of this Nation an opportunity—if they chose in a referendum to exercise it—to tailor their sales to what the Nation wants and needs, in order to protect their returns at a moderate and fair level.

It would provide for a school milk program that would provide for every school child in the United States—instead of the fraction of them who are able to participate today.

It would provide for a food-stamp plan that would make sensible use of our abundant food for feeding our low-income families—or old people on old-age assistance and social security, our needy blind and disabled, our dependent children, our dependent veterans, and others who do not now receive enough to eat to maintain good health.

And, Mr. President, it would save the taxpayers money.

It would permit all of the useful and necessary programs that are being carried on by the Department of Agriculture today to be maintained without change; it would permit us to establish a food-stamp program; it would permit us to provide equal treatment in respect to school milk for all schoolchildren in America, and it would enable our farmers to earn incomes that would reasonably approach parity with others in our economy.

It would do all this, Mr. President, and it would do it at a cost to the taxpayers of more than $800 million less than the present administration programs cost last year.

It is high time, Mr. President, that we take a long, hard, and sensible look at the present farm policies. It is high time that we quit believing in and depending on the assurances and the claims of our Government farm planners as to what their plans will accomplish.

The truth is that our family style farms are being destroyed economically. The present depression in agriculture is laying the groundwork for big-business domination over our farm people which will destroy their economic independence forever, if it is not reversed.

And this terrible injustice to our farm people—this dangerous economic revolution right at the roots of our American way of life—is occurring with blind indifference to the enormous costs to our taxpayers that have been characteristic of the past 5½ years of farm program administration.

Mr. President, I ask unanimous consent that the article from the front page of the New York Times of today be printed in the RECORD at this point as a part of my remarks.

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

UNITED STATES EXPECTS PEAK IN FARM SUBSIDIES—COST OF PROGRAM NOW PUT AT 6 BILLION, UP 1.4 BILLION FROM BUDGET FIGURES

(By Edwin L. Dale, Jr.)

WASHINGTON, July 1—Record farm subsidy payments—not defense or antirecession spending—are expected to push the Federal Government's expenditures to a peacetime peak in the 1959 fiscal year, which began today.

Government experts now estimate spending at about $78 billion, perhaps a little less. The budget deficit will depend on the course of the recession and with its impact on tax receipts.

If recovery is brisk, the deficit may be in the comparatively modest range of $6 billion to $8 billion instead of the $10 billion to $12 billion that has been forseen.

The irony is that the weather, not sputniks or unemployment, has been the chief cause of the upward revision in spending estimates.

The weather has produced good crops and hence the prospect of larger price support outlays by the Government.

Budget experts forecast today that the farm program would cost about $6 billion in the fiscal year, against $4,600,000,000 in the budget submitted in January.

This would be about $1 billion over the record set in the fiscal year that ended yesterday, when farm spending reached about $5 billion.

The previous peaks of peacetime spending was $74,300,000,000 in the fiscal year ended June 30, 1953.

The farm increase is easily the biggest single rise over the January estimates and will probably amount to more than all the antirecession measures together.

The rise is coming about despite constant, and generally successful, efforts of the administration to reduce price support levels on the basic crops. Farmers continue to grow record crops despite—or perhaps because of—the lower prices.

One fiscal official put it this way today:

"I never dreamed I would see the day when a Republican administration would be spending $6 billion on the farmers—and getting blamed at the same time for reducing farm prices."

SOIL BANK A FACTOR

Besides big crops, an enlarged Soil Bank and a new export subsidy program will contribute to the increase in farm spending over both the fiscal year just completed and the January estimates.

Elsewhere, there will be increases in defense spending (perhaps $500 million to a total of $40,800,000,000), highways, Government workers' pay, and several minor programs.

All the increases would add about $4 billion to the original estimated budget total of $73,900,000,000.

Few experts believe spending will reach $80 billion—the upper figure mentioned by the Secretary of the Treasury, Robert B. Anderson, and the Director of the Budget, Maurice H. Stans.

However, experts caution that projections at this stage involve a great amount of guesswork and that almost any figure is possible.

WARNING TO CONGRESS

Still, it is understood that a major motive of Mr. Anderson and Mr. Stans has been to ward off still further spending schemes pending in Congress. Thus, there has been a natural tendency to use the upper range of available estimates.

As for the deficit, there is a fair degree of confidence among the experts in various agencies that it can be handled without necessarily creating a serious inflationary problem.

Although there is concern about this problem, the potential inflationary effect can, at least in large part, be offset by appropriate Federal Reserve policy. This is a view taken in both the administration and the Federal Reserve.

Besides, it is generally felt that a deficit of the expected size would not be seriously inflationary at a time when the economy was operating well below its potential output.

The real issue, officials believe, will be whether appropriate anti-inflation policies are adopted once recovery gets well under way.

Several leading officials are much less worried about the deficit than about the new higher "plateau" of spending that the fiscal year beginning today is likely to establish.

Their reason is that such a level of spending—in the range of $78 billion and upward—will foreclose significant tax reduction for a long time.

Tax reduction is still viewed within the administration as essential to achieving more rapid economic growth. Hence the glum view of the spending prospects, even though the deficit may prove fully manageable.

Mr. SPARKMAN. Mr. President, somewhat along the line of the remarks of the distinguished Senator from Wisconsin, I invite attention to the fact that under the present agricultural program the cotton farmer is suffering badly. Within a very short time we shall have before us an agricultural bill which has been reported from the Senate Committee on Agriculture and Forestry. I earnestly hope that we may be able to devise a program which will help to relieve the cotton farmer from his present distressful condition.

Recently there appeared an article in the Wall Street Journal by Cal Brumley, under the heading "Cotton's Decline, Long Foreseen, Still Pains Many Dixie Farmers." I ask unanimous consent that this article be printed in the RECORD at this point as a part of my remarks.

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

[From the Wall Street Journal of June 18, 1958]

COTTON'S DECLINE, LONG FORESEEN, STILL PAINS MANY DIXIE FARMERS—SOME QUIT, WIND UP ON CITY RELIEF ROLLS; OTHERS FIND COSTS PINCH PROFITS HARDER

(By Cal Brumley)

"The old king was flogged by a chicken."

Talking is Tom Murray, executive vice president of the Georgia Cotton Ginners Association. His pithy phrase pretty well sums up the decline of King Cotton in Georgia; last year, the State's farmers made some $130 million selling broilers, more than twice their cash return on cotton.

The tale's similar in the Deep South's other major cotton-growing States. Cotton still is the leading cash crop in Mississippi, Alabama, and Louisiana, but in the latter two States other farm products are poised to shove cotton into the background.

Cotton's comedown in the South is hardly startling news; its economic fate has long been foreshadowed by the rise of the bigger-volume, lower-cost producers in Texas and other southwestern States. Indeed, the demise has been eagerly awaited by many in

Dixie anxious to see an end to the one-crop economy they feel has shackled the area's growth.

UNFORESEEN PROBLEMS

But now that cotton's grip is weakening, many farmers and townsfolk alike are experiencing pangs of remorse, for the trend is bringing unforeseen economic problems for many areas historically dependent on cotton growing and processing.

Focus, for example, on Talladega County, Ala., with 130,000 acres of cropland on the rolling, red-tinted plains and valleys in the southern Appalachian foothills. Here, a leisurely 90-minute drive southeast of Birmingham, the amount of land devoted to cotton has shrunk to only 13,000 acres from 24,000 as recently as 1952.

"I'm planting my 20-acre allotment this year," says grizzled George B. Hill, who lives on an 800-acre farm started by his great grandfather a century and a half ago. "But," he adds, "I still mess with cotton only so I can give my three tenants something to do." He says he has been forced by declining cotton income to let four tenant families go because he no longer can afford to pay their wages.

Many of the more unfortunate tenant farmers have left the land only to queue up for relief handouts in towns hereabouts.

JUST THE OPPOSITE

"My guess," says O. V. Bill, county agricultural agent, "is that 500 of our 2,414 farmers moved into town and onto relief this past winter." Adds Mr. Bill: "It used to be that when a man couldn't make a living in town he moved to the country, but now it's just the opposite."

Of the 60,000 people in the county, as many as 14,000 were receiving Government relief at one point this year, according to Presley Cleveland, Talladega supervisor for the Federal surplus commodity distribution program. "Most of them are families of displaced farmers."

People in Talladega County line up weekly at aid stations in Talladega, Sylacauca and Childersburg, where the Government doles out supplies of corn meal, cheese, rice, flour, and dried milk.

Even farmers who have escaped relief rolls are having difficult times, remarks grayhaired Warren Davis, one of the few Negroes in the county who owns his own farm. "I haven't got a dime of savings left. The last 2 years took all my savings of $2,000 to pay off the debt my cotton wouldn't take care of."

Creditors in the Talladega area are fretting over unpaid debts of cotton farmers.

Howard Parker, president of Sylacauga Fertilizer Co., for instance, reports that cotton farmers have been going deeper into the red since 1953. In that year, notes Mr. Parker, he extended $100,000 of credit to cotton growers for purchases of seed, fertilizer, other production expenses and even cash for groceries. By last year, he says, his credits had grown to $231,000, although the number of cotton farmers decreased steadily.

SQUEEZE ON MERCHANTS

Merchants and other businessmen in farm towns hereabouts are feeling the pinch.

"About all I have on my books now are debts farmers can't pay," says C. E. Nivens, Allis-Chalmers farm machinery dealer in Sylacauga. Mr. Nivens says his gross volume in 1957 dropped to less than $200,000 from an average of over $400,000 in the preceding 5 years.

CANCELLATION OF CERTAIN BONDS POSTED PURSUANT TO THE IMMIGRATION ACT OF 1924, AS AMENDED

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1654, House bill 8439.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8439) to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, after line 11, to strike out:

SEC. 3. The Secretary of the Treasury is hereby authorized and directed to refund out of funds not otherwise appropriated any sum or sums of moneys received by the Treasurer of the United States pursuant to the forfeiture of any bond posted in the case of a refugee as defined in sections 1 and 2 of this act whose status was adjusted as aforesaid on application by the person, persons, organization, or corporation, entitled to the refund, and if a person who would have been entitled to a refund is deceased the application shall be made in behalf of his estate. The payments made pursuant to this section shall be made by the Secretary of the Treasury directly to such person, or persons, or organization, or corporation entitled to the refund.

And, in lieu thereof, to insert:

SEC. 3. The Attorney General is hereby authorized and directed to refund any sum or sums of moneys received by the Treasury of the United States pursuant to the forfeiture of any bond posted in the case of a refugee as defined in sections 1 and 2 of this act, whose status has been adjusted, on application by the person, persons, organization, or corporation entitled to the refund, and if a person who would have been entitled to the refund is deceased, the application shall be made by, and payments made to, his estate. As used in this section, the term "entitled to the refund" refers to the person or persons, or organization, or corporation, who or which have paid the moneys upon the forfeiture of the bonds. There are hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to effect the refunds authorized by this section.

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

Mr. MANSFIELD. Mr. President, the proposed legislation provides that the Attorney General may cancel immigration bonds on behalf of refugees who entered the United States as immigrants after May 6, 1945, and prior to July 1, 1953, and had their immigration status adjusted to that of aliens admitted for permanent residence. The proposed legislation also provides that where an individual refugee would qualify under the terms of the bill, but where the proceeds of the bond have been paid into the Treasury, the person, organization, or corporation entitled to the refund shall be paid the amount of the bond.

The committee has amended the proposed legislation as it passed the House, to place the responsibility for the administration of the refund program in the Attorney General, rather than in the Treasury Department. Both the Department of Justice and the Treasury Department are in accord with this amendment.

The proposed legislation concerns only a limited class of refugees who originally entered the United States as nonimmigrants for temporary periods of stay and subsequently had their immigration status changed.

Mr. President, on behalf of the Senator from Nebraska [Mr. HRUSKA] I offer an amendment to the committee amendment. The committee amendment and an amendment I shall later offer to the text are satisfactory to all concerned.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 8, in the committee amendment, following the word "estate" it is proposed to strike out the period and insert the following:

Provided, however, That such application is made not later than 5 years after the date of enactment of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana, on behalf of the Senator from Nebraska [Mr. HRUSKA], to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. MANSFIELD. Mr. President, also on behalf of the Senator from Nebraska [Mr. HRUSKA], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, at the end of line 2, it is proposed to insert:

Provided, however, That such application is made not later than 5 years after the date of enactment of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana on behalf of the Senator from Nebraska [Mr. HRUSKA].

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, the purpose of these amendments is to provide a cutoff date for filing claims under this act so that such claims may be paid within a reasonable time by the United States Government. Good business practice requires such procedure.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill. The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

CLAUDIO GUILLEN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 803) for the relief of Claudio Guillen, which was, in line 4, strike out "31" and insert "315."

Mr. MANSFIELD. Mr. President, on March 6, 1958, the Senate passed S. 803, to enable the beneficiary to file a petition for naturalization notwithstanding the fact that he filed a claim of exemption from training or service in our Armed Forces during World War II.

When this bill was referred to the House of Representatives, there had been an error in printing the language of the bill, and on June 17, 1958, the House of Representatives passed S. 803 with an amendment to correct this printing error.

I move that the Senate concur in the House amendment to S. 803.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

ARMAS EDVIN JANSSON-VIIK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2168) for the relief of Armas Edvin Jansson-Viik, which was, in line 7, after "act" insert ": *Provided,* That nothing in this act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act."

Mr. MANSFIELD. Mr. President, on February 6, 1958, the Senate passed S. 2168, to grant the status of permanent residence in the United States to the beneficiary. On June 17, 1958, the House of Representatives passed S. 2168, with an amendment to provide that the beneficiary, who filed an exemption from training or service in our Armed Forces, may never be naturalized a citizen of the United States.

Although the language of the bill as it passed the Senate appeared to be sufficient, there is no objection to the addition of the proviso to the bill.

I move that the Senate concur in the House amendment to S. 2168.

The PRESIDING OFFICER (Mr. MORSE in the chair). The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

MANLEY FRANCIS BURTON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2251) for the relief of Manley Francis Burton, which was, in line 7, after "States" insert ": *Provided,* That the natural parents of Manley Francis Burton shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

Mr. MANSFIELD. Mr. President, on February 6, 1958, the Senate passed S. 2251, to grant to the minor child adopted by United States citizens the status of a nonquota immigrant. On June 17, 1958, the House of Representatives passed S. 2251, with an amendment to provide that the beneficiary's natural parents may not be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment is acceptable, and I move that the Senate concur in the House amendment to S. 2251.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

MARIA G. ASLANIS AND MRS. HERMINE MELAMED

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate the amendments of the House to S. 2493 and S. 2819.

MARIA G. ASLANIS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2493) for the relief of Maria G. Aslanis, which was, to strike out all after the enacting clause and insert "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds, which may have issued in the case of Maria G. Aslanis. From and after the date of the enactment of this act, the said Maria G. Aslanis shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrant and orders have issued."

MRS. HERMINE MELAMED

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2819) for the relief of Mrs. Hermine Melamed, which was, to strike out all after the enacting clause and insert "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds which may have issued in the case of Mrs. Hermine Melamed. From and after the date of the enactment of this act, the said Mrs. Hermine Melamed shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrant and orders have issued."

Mr. MANSFIELD. Mr. President, on March 6, 1958, the Senate passed S. 2493 and S. 2819, to grant the status of permanent residence in the United States to the beneficiaries. On June 17, 1958, the House of Representatives passed S. 2493 and S. 2819, each with an amendment to provide only for cancellation of outstanding deportation proceedings, thus permitting the beneficiaries to remain in the United States without giving them legal status.

I move that the Senate concur in the House amendments to S. 2493 and S. 2819.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the Senate concur in the amendments of the House to S. 2493 and S. 2819.

The motion was agreed to.

JOSEPH H. LYM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1745, S. 3894.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3894) for the relief of Joseph H. Lym, doing business as the Lym Engineering Co.

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

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

Mr. WATKINS. The bill was objected to when it was called on the calendar, and it went over for further consideration. I ask unanimous consent to have printed in the RECORD an explanation of the bill.

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

STATEMENT BY SENATOR WATKINS

When this matter was called up on June 23 during the call of the Consent Calendar, my colleagues on the other side of the aisle objected to it being considered as Unanimous Consent Calendar business, expressing concern that the matter should be taken up "at some future date. The bill should be explained more fully."

In Senate report No. 1711, on this bill, there is printed a copy of the opinion handed down by Judge Littleton for the Court of Claims. In that opinion Judge Littleton makes a statement of facts on this claim which most clearly sets out the full nature of the incident from which the court concluded that the claimant was entitled to recovery in the amount set forth in the pending bill. I would like to read to my colleagues Judge Littleton's statement of facts:

"During the course of World War II the plaintiff performed various contracts for the United States. On February 12, 1945, while plaintiff was completing war contracts for the United States in Utah and Wyoming, he submitted his bid in the amount of $130,041.36 to the Bureau of Reclamation for the construction of an irrigation project near Tucumcari, N. Mex. The purpose of the project was to irrigate certain arid lands in New Mexico for war food production. There was a long irrigation canal on the north and west side of Tucumcari and the work involved the building of laterals and sublaterals from the canal and running down through the area to be irrigated. The project required the building of headgates, siphons, flumes, and outlets over an area of approximately 24 square miles. On the usual building construction project, one supervisor can direct the work of 30 or 40 men. On the irrigation project in suit, however, it was necessary to use many small groups of laborers over a very wide area with a supervisor in charge of each small group. Plaintiff knew when he bid on the contract that he would need to employ a large force of skilled supervisory personnel if the project was to be completed August 1, 1945, in the 100 days alloted for completion and at the price bid. When plaintiff submitted his bid on February 12, 1945, he had then in his employ three permanent supervisors consisting of one superintendent and two supervisory foremen. Plaintiff also had in his employ some 60 skilled workmen capable of supervising the small groups of unskilled laborers which would be required on the new project. It was plaintiff's intention to take his supervisory force to the new project in New Mexico and to recruit from the Tucumcari area the required number of unskilled employees.

"On about February 15, 1945, 3 days after submitting his bid on the irrigation project, plaintiff completed the other Government war contracts he then had in progress. Under the then existing rules of the War Manpower Commission, an employer was required to release his skilled labor force upon the completion of a contract, but he had the right to reemploy such skilled employees at any time within 30 days. At the expiration of 30 days, the employer had no right to rehire such skilled laborers. The 30-day period within which the plaintiff could rehire his skilled employees expired on March 15, 1945, by which time the Tucumcari irrigation project contract had not yet been awarded to plaintiff. Knowing that his right to reemploy his skilled labor force would expire on March 15, 1945, plaintiff had made frequent inquiry of the Bureau of Reclamation as to the status of his bid. Under the terms of the invitation to bid, the Bureau had 60 days within which to accept or reject the bid. It appears likely that the Bureau would have accepted plaintiff's bid within the 30 days specified by the War Manpower regulations if it had not been for the circumstance that the Bureau required War Production Board approval for the project as an integral part of the war food program. The Tucumcari irrigation project had been first authorized in 1938. It was halted in 1942 by the War Production Board, and in April 1944 it was approved by WPB for continuation under the war food program until April 1, 1945. On March 13, 1945, the War Production Board extended the terminal date of approval from April 1, 1945, to March 31, 1946, for the Tucumcari project, and on March 19, 1945, the irrigation contract was awarded to the plaintiff. By this time, however, plaintiff had lost his right to reemploy the 60 skilled employees, and when plaintiff received his notice to proceed on April 23, 1945, he had available only his three permanent supervisors to aid him in recruiting and supervising the new labor force needed for the performance of the irrigation project in New Mexico.

"The contract provided that performance thereunder must be completed in 100 calendar days, making the completion date August 1, 1945. If plaintiff had been able to use the 60 skilled employees who had been in his employ just prior to the award of this contract, he could have completed the contract by August 1, 1945, at a cost of approximately 10 percent below the contract figure of $130,041.63. Because of plaintiff's inability to use his skilled supervisory force, and because of the poor quality of labor available in the Tucumcari area (all skilled labor in the vicinity of the Tucumcari project had been drafted for essential war activity elsewhere. As soon as plaintiff received the award in March 1945 he sent out calls to all union offices as far east as Amarillo, Tex., south to Alamogorda, N. Mex., west to Gallup, N. Mex., and north to Denver, Colo. The skilled employees sent to plaintiff were semiskilled workers operating on journeymen cards), and the high rate of turnover, plaintiff required 289 calendar days to complete performance and plaintiff's contract costs far exceeded those which would otherwise have been incurred. At the completion of the contract on February 6, 1946, the Government assessed liquidated damages against plaintiff for the 189 days of delay in the sum of $9,450.

"Shortly after commencing work on the project in April 1945, plaintiff realized that because of the poor quality of labor and the lack of a skilled supervisory force, his costs were running far in excess of estimates. Accordingly, plaintiff applied to the Bureau of Reclamation for an upward adjustment of his contract price. Under the provisions of the First War Powers Act, the Bureau had authority to make such an upward adjustment in the contract price without consideration if it determined that the conditions specified in that act warranted it. Plaintiff's application for First War Powers Act relief was not processed until after hostilities were terminated on August 14, 1945, and his application for relief was finally denied on the ground that it could no longer be said that such relief would aid the Government in the prosecution of the war.

"Upon completion of the contract, final payment was made. The plaintiff executed a release which was subject to plaintiff's claim to recover the $9,450 withheld for liquidated damages and also $189,484.95 for increased costs incurred by plaintiff under the contract without fault or negligence on plaintiff's part. The Bureau of Reclamation determined that part of the delay was due to an unforeseeable condition under article 9 of the contract, and remitted liquidated damages to the extent of $4,150, but it never paid this amount to the plaintiff because the voucher covering that amount was not executed by plaintiff. The balance of plaintiff's claim to the Bureau was rejected on the ground that it involved a claim for unliquidated damages which the Bureau was not authorized to award administratively.

"Plaintiff made a timely application to the Bureau of Reclamation for relief from losses incurred under the contract pursuant to the provisions of the act of August 7, 1946, title 41, United States Code, 1946 edition, section 106, note, known as the Lucas Act, which provided that Government departments might consider, adjust, and settle equitable claims of contractors for losses incurred between September 16, 1940, and August 14, 1945, on war contracts for work, supplies or services furnished between those dates, if the losses had not been the result of fault or negligence on the part of the contractor.

"On September 3, 1948, the Department of the Interior determined that plaintiff's losses were incurred without fault or negligence on the part of plaintiff, and plaintiff was reimbursed for those losses on the contract in suit which were incurred from the commencement of the contract in April 1945 up to and including August 14, 1945. The claim which is covered in the present reference is for losses incurred on the same contract from August 14, 1945, to the date of completion of the contract on February 6, 1946. Plaintiff concedes that the claim for losses incurred subsequent to August 14, 1945, is not covered by the Lucas Act. *T. Calvin Owens* v. *United States* (123 C. Cls. 1, 9).

"The trial commissioner found that the claimant's net losses incurred on the contract after August 14, 1945, were $111,080.60."

So let me summarize this claim.

The contract was completed. The benefit of the work has been accepted by the Government, and under the Lucas Act the Secretary of the Interior administratively determined that the additional cost of performing the work was incurred without the fault or negligence on the part of the contractor; and under the Lucas Act the Secretary determined that $62,049.25 was incurred prior to August 14, 1945.

The Department ran an audit of the contractor's books and deducted from this $62,049.25 figure, $14,080.93 which represents the profit he had made on the previous Government contracts. They further found that the contractor has from that day to this held no further Government contract work. As a matter of fact, the costs incurred on this project which the contractor honored bankrupted the contractor and a tax delinquency has been assessed against him.

Therefore, while the Interior Department has recognized an entitlement of $62,000 less $14,000, or $47,968.32, that money has not actually been paid over to him but is withheld as a set-off against his tax delinquency.

Furthermore, of the $111,000 which is being awarded to him by this bill, the Treasury Department also will take a healthy cut.

While it is not contained in the committee report, facts in the case will disclose that this $47,000 withheld from the claimant has been withheld by the Government while at the same time the claimant is being charged delinquent interest on the tax deficiency at the rate of 6 percent. It is impossible at this time to determine exactly how big a bite Uncle Sam will take out of this award of $111,000.

Mr. Lym has expressed to me, however, his prime interest is to satisfy the tax delinquency in order that he may again start out in the business of civil engineering and construction.

I hope that this explanation satisfies the questions raised by my colleagues and that the Senate can now pass this bill so that it may be considered by the House before adjournment.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph H. Lym, doing business as the Lym Engineering Co., the sum of $111,080.60 in accordance with the opinion and the findings of fact certified by the Court of Claims to the Congress pursuant to Senate Resolution 142, 84th Congress, 1st session: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

AUTOMOBILE DESIGN

Mr. POTTER. Mr. President, recently in the debate regarding extension of existing excise taxes some Members of this body expressed strong criticism of the automobile manufacturers' designs of their products. The criticisms are all according to one pattern, namely, that the cars of recent years' designs are too big, too shiny, too long, too wide, too low, too powerful, and too much alike. There are some who went so far as to blame the current recession on the failure of the automobile manufacturers in the past few years to design their cars more in accordance with the public's needs and tastes.

Today I wish to invite the attention of the Senate to this negative appraisal, which seems to me very hasty, and to review the shaky logic upon which it appears to rest. The attack on the auto industry presumes without further examination that the manufacturers are not making cars the public wants, which in turn is the cause of the current recession. This seems to be the series of apparently logical steps.

Perhaps the best place to begin an examination of the grounds for such a serious charge against the auto industry is to look at some of the facts. So we may begin by turning to an impartial statistical authority for the auto industry—Ward's Automotive Reports.

In an effort to measure what the American car-buying public think of simply equipped versus fully equipped cars and elaborate models versus plain cheaper models, Ward's Automotive Reports analyzed the prices of used 1957 cars in the spring of 1958. One of the charges against the industry is that the 1958 cars are much the same as the 1957's in appearance. Therefore, the difference in prices of 1957's in 1958 compared to original prices in 1957 should be indicative of the public's reaction to style, model, and equipment. The information they furnish may surprise the Senate. The table on page 198 of Ward's letter of June 21 is headed "Less Costly Models Depreciate Most Among 1957 Low-Price-Field Used Cars." The letter then goes on to state as follows:

A study of May used-car values revealed that the largest depreciations among 1957 model cars in the low-price field were shown by the least expensive series, and, conversely, the more expensive series depreciated the least.

The study was based on average retail values of 4-door sedans only in an 8-State area. (See table.)

The entire analysis is quite interesting, and I ask unanimous consent that it be printed as part of my remarks in the RECORD.

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

Less costly models depreciate most among 1957 low-price field used cars

DEPRECIATION OF 1957 MODEL LOW-PRICE CARS [1]

[As of May 1958]

	6-cylinder models				V-8 models			
	Model	Factory advertised delivered price [2]	Average retail [3]	Percent depreciation	Model	Factory advertised delivered price [2]	Average retail [3]	Percent depreciation
Chevrolet	150	$2,048	$1,430	30.2	150	$2,148	$1,525	29.0
	210	2,174	1,570	27.8	210	2,274	1,665	26.8
	Bel-Air	2,290	1,700	25.8	Bel-Air	2,390	1,785	25.3
Ford	Custom	2,042	1,385	32.2	Custom	2,142	1,510	29.5
	300	2,157	1,505	30.2	300	2,257	1,630	29.8
	Fairlane	2,286	1,605	29.8	Fairlane	2,386	1,710	28.3
Plymouth	Plaza	2,055	1,355	34.1	Plaza	2,155	1,470	31.8
	Savoy	2,194	1,495	31.9	Savoy	2,294	1,620	29.4
	Belvedere	2,310	1,635	29.2	Belvedere	2,410	1,775	26.3
Rambler	DeLuxe	1,961	1,380	29.6				
	Super	2,123	1,500	29.3	Super	2,253	1,585	29.6
	Custom	2,213	1,570	29.1	Custom	2,343	1,675	28.5
	Scotsman	1,826	1,390	23.9	Commander Custom	2,173	1,545	28.9
Studebaker	Champion	2,049	1,400	31.7	Commander DeLuxe	2,295	1,645	28.3
	Custom.							
	Champion DeLuxe.	2,171	1,500	30.9	President	2,407	1,780	26.0

[1] Data based on prices in 8 Midwestern States including Indiana, Kentucky, Michigan, Missouri, Ohio and portions of Illinois, Kansas, and Wisconsin.
[2] Fact. ADP is manufacturer's suggested advertised delivered price of 4-door sedans including standard equipment only. Includes provision for Federal excise tax, delivery and handling.
[3] Average retail are latest average retail values based on actual sales reports from new and used car dealers in the 8-State area and include radio and heater.
Source: NADA Official Used Car Guide.

Mr. POTTER. Mr. President, one footnote should be added to this table, namely, that the Studebaker Scotsman to which reference has been made was brought out 6 months later than the other cars used in this comparison, hence should be expected to have a somewhat lower depreciation rate at this time than other cars, because the average age of the Studebaker cars at the time of the analysis was less than that of the other four makes analyzed.

This analysis makes very clear how dubious is the argument that the American public does not want more elaborate cars equipped with the latest improvements. Regardless of what some Members of this body may desire in the way of personal transportation, the great majority of the American public prefers the better-equipped, more-expensive models, and the better equipped they are, the more popular they are. The used-car market demonstrates this fact conclusively.

The senior Senator from Michigan suggests to his respected friends that the real test of car design in a free society is preference by the consumer. If the consumer shows a preference for bigger, more powerful cars in his actual purchases, perhaps this fact ought to be more important to a manufacturer than the individual opinions of a few journalists or a few Congressmen, no matter how distinguished. I do not need to recall to your mind, Mr. President, that there are countries where a few persons of political eminence have undertaken to prescribe designs for automobiles. In such countries, the cars have been uniformly small, ugly and relatively uncomfortable, so far as the cars available to the general public have been concerned. Powerful political figures, on the other hand, have shown a marked preference for the larger, more luxurious and comfortable American-style cars when considering their own personal transportation.

I am sure my associates want nothing like such a condition in this country. Here in America, our ambition—car-wise—is to get every American into a Cadillac, a Lincoln, a Chrysler Imperial or a similar car of still another make. And we are coming close to it.

If we study the comparative specifications, such as weight, size, power, and factors contributing to ease and comfort, we may be astonished at what we find when we compare 1958 low-priced cars with high-priced models of only 6 years ago.

It has been called to my attention that there is a current Chevrolet model which is the equivalent in size, performance, and most of the other physical characteristics of the 1952 Cadillac—and sells for about $1,000 less. The same comparison can be made between 1958 Fords and 1952 Lincolns, and between 1958 Plymouths and 1952 Imperials with approximately the same results.

This means that the buyer of 1958 low-priced cars can get a car equivalent to the finest of only 6 years ago at a very substantially lower price. By upgrading quality, the automobile manufacturers have actually reduced the real cost of cars and increased the real value per dollar of price. So the complaint that the present low-priced cars are too big and too fancy simply resolves itself into, a contention that the great mass of the American public ought not own such luxurious cars. Are large cars then to be restricted only to Members of Congress? Certainly small cars have a limited place in the market, but it is inherent in their design that they cannot be both cheaper and still be as rugged and perform as well as larger cars. If anyone disputes this, I suggest that he borrow one of the low-powered imported cars, use it on crowded highways for a weekend, and decide for himself whether, if he were limited to only one car, the small car would be the car he would buy. I warrant that not one in ten would so choose.

The sales record, day to day, is the most severe test of car design. A national election on car design is taking place every day. There are large cars and there are smaller, very plain cars available. The smaller, very plain cars are priced lower.

But who is winning this daily national election? The vote of the people, as registered in the actual purchases of cars, is overwhelmingly on the side of the better equipped, more powerful, more comfortable American-made cars, in the ratio of over nine to one.

It is an interesting fact that in spite of the low level of employment generally in the automobile industry, men are actually working overtime building the Chevrolet Impala, the most expensive car in that line, and the Ford Thunderbird, a comparably high-priced car.

It is also an interesting commentary that used imported small cars, with one exception, show about the same rate of depreciation from original cost for the same age as the average of American cars.

I wish also to read into the record a description—written by the very able automobile editor of the New York Times, Mr. Joseph C. Ingraham—of the thoroughness with which the public desires are studied and surveyed before the shape of things to come in automobiles is decided:

An automobile is an assembled product of more than 13,000 parts. The forces that shape it are just as diverse, and, like the car itself, must be welded into a cohesive pattern 2 to 3 years ahead of introduction. Before the public, which is the key force in the whole business, gets a peek at a car, the

engineers, the sales force, the stylists, the color artists, the body design experts, the production managers and the top factory management all have had their say—and at length.

But the public is in the act from the start, too. Designing a new model begins with trying every kind of market-research technique to find out what the prospective customer says he wants. Microphones are planted in showroom displays to eavesdrop as he looks over current offerings; elaborate "dream cars" are displayed at auto shows; opinions are sought by door-to-door canvass; 6 million lengthy questionnaires are sent out each year.

About 2 million replies to these questionnaires come back. The information gleaned from them is classified, for competitive reasons, but it serves as the main springboard for designers' and engineers' future thinking.

Mr. President, I submit that the record of the automobile manufacturers of the United States in designing cars according to the public taste needs no defense by me. I think we will all agree that the record of success, of competitive keenness, in the auto industry is really fantastic. By designing a product so clearly in line with the public desire, they have turned what was originally a sportsman's toy into a necessity, integrated with the whole economy at every point.

Now as to the contention that the automobile industry caused the depression of 1958 by overselling the car market in 1955, a charge which has been made on the floor of the Senate on several occasions this year by Members of both parties, let us examine the evidence and judge whether there is any merit whatever to this contention. My source in this analysis is the Economic Indicators, published by the Council of Economic Advisers, the most authoritative economic information available to the Congress.

It was a sharp rise in automobile sales from 1954 to an alltime high in 1955 that did much to pull our economy out of the modest recession of 1954. New housing starts also rose to a new peak in 1955. By the end of 1955 expenditures for new plant and equipment also reached a new high, as did per capita disposable income, total disposable personal income and total gross national product.

But what happened in 1956? Automobile sales declined from a level of over 7 million in 1955 to slightly under 6 million in 1956, a level that was maintained throughout the 1957 model run. Housing starts also declined in 1956 from the peak of 1955 and continued to decline in 1957. Did the drop in automobile sales from 1955 to 1956 cause the drop in housing starts?

In spite of the drop in new housing starts and in automobile sales in 1956, all of the other major economic indicators reached progressively new highs in 1956 and 1957—gross national product, national income, disposable personal income, and per capita disposable income. Even farm income, which had been declining, rose above the 1955 level in 1956 and 1957. Gross private domestic investment and expenditures for new plant and equipment also reached new high levels in both years. In the face of this record, how can one say that the decline in automobile sales in the first quarter of 1958 caused the decline in expenditures for new plant equipment which began in the third quarter of 1957 or the decline in housing starts which had been going on consistently from 1955? To make such a charge is sheer nonsense. The decline in automobile sales did not begin until the very end of 1957, when many of the other series, particularly freight car loadings, had already declined. Clearly the decline in automobile sales this year is a result rather than a cause of the general decline which began earlier. All of the decline in automobile sales appears, furthermore, to have taken place in the few months from December 1957 to March of this year and I am advised by the automobile market analysts that there has been a slow but steady improvement in both new and used car sales since March.

What really happened in 1956 and 1957 that led to the present letdown in economic activity is clear. The country embarked on a capital-expansion boom in 1955 which continued into 1957. The Federal Reserve Board saw in that boom, to the extent that it was financed by bank credit, a threat to the stability of our economy and a feeding of inflation. They took strenuous measures to curtail that boom and made no bones of their fears, intentions, and actions to curtail it. They succeeded. In deflating a boom there is bound to be some unemployment. Now the Federal Reserve policy in this respect during this period was a highly controversial one. The Members of the Senate have themselves been at odds as to the wisdom of this policy, and the criticism of the Federal Reserve policy during this period has not followed party lines. There are those who insisted that the Federal Reserve had put the brakes on too sharply and kept them on too long.

I do not pretend to be an authority on these matters, and even the members of the Finance Committee are not in agreement on it.

Nevertheless, the fact remains that the automobile industry had nothing to do with the continued expansion of the economy in 1956 and 1957, was not a beneficiary in that expansion insofar as reaching new highs in production and employment while other industries did, and at the present time is a victim of the contraction which originated in the decline in the capital-goods boom. A spreading fear and caution was gradually produced in the buying public and was reflected especially in curtailed spending for large items in the family budget, such as houses and cars usually bought on long-term credit.

As one who has watched the dynamic auto industry from close up, and who has known the alert and keen workmen as well as the able executives of this industry, I have not found it to be a pleasant experience to see these men and this great Michigan industry made a scapegoat for our troubles. We are very proud of the automobile industry in Michigan. We welcome constructive criticism, based on facts; we are not very hospitable, I must say, to scapegoating, and loose, unsubstantiated charges.

It is my strong conviction that the present criticism in Congress of auto designs as well as auto production and sales planning is not in the public interest. Such curbstone conjectures serve rather to prevent our reaching the real source of our economic problems by obscuring our vision.

There seems to be little, indeed, to support the conjecture that the auto industry is at fault. And my mail from Michigan shows a steadily rising resentment at the attempt to make Michigan and the auto industry a national scapegoat.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article entitled "Detroit's Billion-Dollar Gamble," written by Joseph C. Ingraham, and published in the New York Times magazine of June 29, 1958.

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

DETROIT'S BILLION-DOLLAR GAMBLE

(By Joseph C. Ingraham)

Within 90 days the automobile industry will gamble more than a billion dollars on its new cars—the 1961 models that will not appear in dealers' showrooms until 27 months from now.

This calculated risk, representing cost of design, retooling, dies, and so on, is not to Detroit's liking but it has no choice, for one of the hard facts of automobile life is that buyers' preferences must be gaged 18 to 30 months before cars are ready for market. From the industry's point of view, the 1959 models are history, at least as far as style, shape and power plant go. Even the 1960 models are well underway, with only costly crash redesigning possible at this late stage.

Whether the 1959 cars—keyed to flash and fire power—will lift the industry out of its depressed state is something that only time will determine. At the moment, with sales down to the lowest point in 6 years; an increasingly vocal section of the public has been complaining that the familiar Detroit product is not what it wants, or will buy.

In self-defense, the auto makers point out that, bad as 1958 may be, they expect to sell 4,200,000 American-built cars this year, and that the plushiest cars with the fanciest trim and the extra-cost power and gadgets are the leaders in each line. But there is no doubt that if the 1959 models fail to win a big audience, and if inexpensive foreign models keep cutting into profits, Detroit will start building its own compact cars in another year or two. The tentative plans are there, the machinery is available, but the industry is unable to gear itself to faster change in response to shifts in public taste.

An automobile is an assembled product of more than 13,000 parts. The forces that shape it are just as diverse, and, like the car itself, must be welded into a cohesive pattern 2 to 3 years ahead of introduction. Before the public, which is the key force in the whole business, gets a peek at a car, the engineers, the sales force, the stylists, the color artists, the body design experts, the production managers, and the top factory management all have had their say—and at length.

But the public is in the act from the start, too. Designing a new model begins with trying every kind of market research technique to find out what the prospective customer says he wants. Microphones are planted in showroom displays to eavesdrop as he looks over current offerings; elaborate dream cars are displayed at auto shows; opinions are sought by door-to-door canvass;

6 million lengthy questionnaires are sent out each year.

About 2 million replies to these questionnaires come back. The information gleaned from them is classified, for competitive reasons, but it serves as the main springboard for designers' and engineers' future thinking. The industry concedes that the method is not infallible, for many persons answer one way and want the opposite. One of the big makers supplemented the standard questionnaire—asking the customer to check his preferences in order of importance—by asking, "What kind of car does your neighbor want?" For himself the customer said he wanted economy, durability, and simple, conservative styling. His neighbor wanted a powerful, flashy-looking vehicle. The company built the neighbor's car—and had highly successful sales.

Once consumer preferences are established, Detroit is ready to crystallize its new car designs. While the survey teams have been busy, so have the engineers and the advanced stylists. All work in a cloak-and-dagger atmosphere for the automobile business is a high-investment, high-risk enterprise.

The car must be vigorously competitive. The basic package must be set. How big or how small, how high or how wide is the new car to be? Performance (Detroit's new cover word for horsepower, which the industry has agreed not to mention in the interest of public safety) is discussed.

The paper program for the future model is put into a book crammed with infinite detail, down to such things as estimate of profit if the customer buys at the rate the forecasters expect. The company now knows everything about the new car except how it will look.

So far, the cost accountants and the engineers have been in the spotlight. Now it is time for the stylists and the sales force to move in. They have replaced the engineers as the kingpins of the industry, for it is eye appeal that sells cars, says Detroit. Everyone takes mechanical function for granted.

By definition, the stylist is a man (women, so far, specialize only in colors and interiors) who is dissatisfied with everything and restless for the arrival of the future. Styling means building cars out of ideas. But form must follow function and once the package is set changes can be costly. Thus, the stylist and the engineer are constantly at war. The former would like to wait until the day before a car appears before deciding its final silhouette, while the engineers and their allies, the body designers, who are responsible for what goes beneath the stylists' trim, would like to have years to perfect every part of the intricate machine. And crowding into the scene are sales managers, who may be weak on technical points, but are sure they know what will sell cars.

The stylists may personally cringe at chrome but they put it on lavishly—too lavishly for the private taste of many automobile executives, in fact. The public wants it, they say, and to prove their point they note that the 1958 leader in the medium-priced field is the metal-decked Oldsmobile, known throughout the industry as the king of chrome. Of course, chrome—jewelry to the stylists—does not always sell cars. Buick for example, which is almost as heavily chromed as Oldsmobile, is having its second poor year in a row. But the industry sticks to its precept that $10 worth of chrome does more for sales than $100 worth of engineering.

The stylist's role is so dominant that he often can compel engineering changes to gain eye appeal. Safety engineers, who naturally would like every piece of the car to be as safe as possible, fight a losing battle, too. They speak out against bomb-shaped bumper guards and sharp metal headlamp visors that can cause injuries, but, so far, the stylist has been soundly supported by top management, which makes the final decision.

The stylist works first with rough sketches, later with clay. The clay models start in three-eighths scale where basic flaws in proportion are spotted and corrected. Then full-size clay models are made, for as long as ideas are in clay they are flexible. Once the chief executives and their subordinates have resolved styling and engineering problems, they face two more knotty tasks before locking up the model. They have to find out if the concept can be translated into workable dies and tools, and if production facilities are equal to the job.

Once the design is locked up, the tortuous details of getting the new car ready for production move into full swing. Plastic mock-ups replace the clay models. These offer the first true picture of the finished product. Minor changes to make the car read right are still possible. If highlights, for example, which clay does not bring out, create a ragged appearance, alterations must be made. These changes are expensive, for by this stage wooden master dies for the major body parts have been carved to meet the long-lead timetable. Last year, the routine tool and die bill for the 1958 Chevrolet reportedly was in excess of $400 million.

Although the plastic mock-up expresses final style, the body designer must still make refinements, putting solid flesh on the skin (the outside shape). Panels must be braced, thousands of welds planned to tie the body together and to the frame.

As soon as the master dies start rolling to the supply companies that turn out steel production dies, accurate rumors of what the new car will look like begin circulating at a dizzy pace although the car still is 12 months away from introduction. But even before then, competitors know virtually everything about rival cars, for the spy system is as much a part of the industry as the assembly line. All of the best techniques of detective work are employed. In fact, every company has enough data in hand now to build its competitors' 1960 cars—if it wanted to go to the expense.

As late as 6 months before assembly lines start rolling, it is possible to make changes in what the industry calls soft trim—colors, ornaments, interior panels, and upholstery fabrics. But, barring a need for a crash redesign program to meet last-minute dramatic alterations by competitors, the final 9 months before introduction of a new model are a relatively calm period.

In a sense, however, car designing is a form of perpetual motion, and when a company is caught out on a sales limb with a drab model it must move fast to recoup. Chrysler managed the trick, in part, with hurriedly restyled 1955 models after its comfortable 1954 cars flopped because they were high and short, while longer and lower rivals enjoyed a sales boom. Then Chrysler took one of the industry's most sensational gambles and brought out its 1958 models a year ahead of schedule.

The company had to junk dies and tools at a cost of $200 million to do it but the result was the sweeping fins that made its 1957's a hit. Chrysler, as well as its competitors, believed that the forward look would survive a second year with only modest face-lifting. But sales this year are down, and Detroit, with hindsight, now finds in Chrysler's experience confirmation of its belief that the public demands dramatic annual change.

Auto life was much simpler in the days of the model T Ford. For 15 years it was the market leader—and unchanged. Styling to Henry Ford was about as easy as the decision he made—and stuck to—when an assistant (there were no stylists in those days) asked how much floor space should be put between the back and the front seats. "Just leave enough room for the farmer's milk cans," said Henry.

LANGUAGE COURSES AT ASSUMPTION COLLEGE, MASS.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from a letter which I have received from Monsignor Desautels, president of Assumption College in Massachusetts. This institution has long had a very great interest in public affairs and in educational pursuits which have important foreign and public implications. I feel the college has done a great service to the country in this respect, and that this letter is worth the attention of my colleagues, in view of the very important program which the college is to undertake.

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

I read in the New York Sunday Times of May 4, 1958: "The establishment of special centers at colleges and universities for study of foreign cultures and languages has been proposed to Congress by the Department of Health, Education, and Welfare. Secretary Marion B. Folsom noted that 3 million Americans are living, traveling and working abroad each year, and he suggested that they should have a basic understanding of the people with whom they deal."

You know how French is required of every student at Assumption and how the language must be learned through the direct method, without the use of English and without translation, with the help of an excellent language laboratory. All our religious teachers are prepared during 6 years of study in Europe, generally in France, sometimes in Belgium or in Rome; they spend their summers in Spain, in order to return to the United States trilingual.

Assumption sends to Paris a certain number of its juniors. Every year an oral examination in French is required from all and we teach through the medium of French not only French literature but also the course of History of Philosophy in the senior year as a crowning point of the language studies.

If you add to that the fact we are offering Spanish, Italian, German, Russian, and Arabic in our evening college, or in our adult education courses, it seems that we are in a position to render some of the services that are sponsored by the Government of the United States.

We therefore have a strong feeling that we are rendering a real service to the country and that we occupy an important place in the total picture of American education. All this in spite of the difficulties caused by the tornado and the moving of our complete college plant to a new location.

As a consequence, we feel it is our patriotic duty to start this coming September a new concentration in foreign affairs, which we believe will be the beginning of a complete school of foreign service, as we plan to add in the near future other concentrations in foreign trade and foreign transportation * * * To my knowledge, Assumption is the only college in New England to offer such a concentration to undergraduates, though I may be wrong in this assumption.

Mr. SALTONSTALL. Mr. President, I am particularly pleased to call this letter to the attention of my colleagues because I feel it demonstrates a fine interest on the part of one of our leading educational institutions. It also demonstrates an awareness of the need for improved foreign-language standards in our Foreign Service, as called for in a bill introduced by the Senator from Montana

[Mr. MANSFIELD] and myself, S. 3552, which is now pending before the Foreign Relations Committee.

Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

UNITED STATES PARTICIPATION AT BRUSSELS WORLD'S FAIR—REPORT BY GEORGE V. ALLEN

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD the text of the report submitted to the President by George V. Allen, Director of the United States Information Agency, concerning the United States participation at the Brussels World's Fair.

I think Mr. Allen's appraisal of the United States pavilion is very objective and very fair, and I wish to add my own word of appreciation to those whose dedication has meant so much toward the success of our exhibit at Brussels.

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

TEXT OF THE REPORT TO THE PRESIDENT BY GEORGE V. ALLEN, DIRECTOR OF THE UNITED STATES INFORMATION AGENCY

DEAR MR. PRESIDENT: In accordance with your oral instructions, I visited the Brussels World's Fair from June 19 to June 22, where I examined the United States exhibit and saw as many other exhibits as possible.

During the 3½ days in Brussels, I consulted with Commissioner General Howard S. Cullman, Deputy Commissioners James S. Plaut and Mrs. Catherine Howard, Executive Director Thurston Davies, and other members of the American staff, including a number of the young Americans serving as guides. I also talked with Ambassador Folger and members of his diplomatic and public-affairs staff, and made a courtesy call on the Belgian director general of the fair, Baron Moens de Fernig. In addition, I questioned various American and foreign visitors to our pavilion.

The following summarizes my impressions:

1. On balance, my reaction was favorable. While the general impression made by the interior of our pavilion can, as I indicate later, be improved in certain respects, our effort as a whole has a number of good points and several outstanding ones.

2. Some of the good points are:

1. The building itself. There are many fine structures at the fair, but our pavilion is regarded by everyone I talked to as the finest single building there. I heartily concur. From both an architectural and engineering point of view, it is brilliant.

2. The overall impression of our exhibit on Europeans, who make up more than 90 percent of the visitors, is good. Europeans are particularly impressed by the absence of heavy handed propaganda and by the fact that the United States, which they know to be powerful industrially and economically, has not attempted to overshadow the fair with a show of industrial might. The general air of our exhibit is one of friendliness, animation, and humanism.

3. Our guides are a fine representation of American youth. As you may know, the governor of each State was asked to nominate and sponsor candidates.

4. Circarama, which is a 360° film presentation, is not only a magnificent achievement in the cinema field but the film itself is a thrilling presentation of America. Unfortunately, not enough visitors can see it because of space limitations.

5. Certain of the technical exhibits, including the RCA color TV demonstration, the RAMAC electric-brain machine and the atomic energy show, are outstanding and have wide appeal.

6. The voting machines are a great hit and are attracting much favorable notice.

7. Performing arts. A high level of artistic talent has performed in our excellent theater, and many more are scheduled. Carousel, which was running while I was there, made a good impression. An American rodeo, showing in Brussels under private auspices, also adds to the picture of America.

8. My report would not be complete without reference to the many outstanding exhibits by American firms which are not connected with our pavilion, but which add notably to the overall impression of the United States at the fair.

Obviously, there are improvements which can be made in our official exhibit. I discussed certain of these with Mr. Cullman and believe he is ready to do what he can toward this end. Among these are:

1. A broadening of the problems to be considered in the exhibit on unfinished work. This might include an exhibit on public health, which is one of the important unfinished tasks of this country.

2. Wider diversification in the art exhibit. At present the modern part of this exhibit is heavily weighed on the side of abstract art.

3. A wider distribution of guidebooks and brochures. (USIA is contributing 300,000 copies of Window to America for this purpose.)

4. Clarification of several exhibit items by:

(a) Elimination of puzzling things such as mailboxes, sunglasses, odd shoes, football uniforms, etc. (I suggested to the Commissioner that some of them be replaced by the best handloom in the United States, which I understand is available. The inventor would operate it at the exhibit. Any machine being operated draws more interest than an exhibit not in active use. The latest handloom would tie in modern technical improvements with early American household handicrafts.)

(b) Review of all captions and explanations to see that they are clear to the average observer—captions to be added where needed, enlarged, or clarified for the running visitor.

5. The central hall of the pavilion is somewhat too sophisticated and impressionistic for the average visitor, who goes through on the run. As many performances as possible by choirs, glee clubs and college bands should be given there. I did not find the fashion show objectionable, but it should be added to by other events.

Several suggestions for additional exhibits are now being looked into, which I believe Mr. Cullman should consider if they prove feasible.

The fair as a whole is highly successful. The estimate for total attendance has been raised from 35 million to 50 million visitors. Many of the national exhibits are outstanding. We are making a good impact on visitors, notably through our building itself, and have an opportunity to make an even greater one.

You may wish to send the substance of this report to Mr. Cullman. He and his group have worked diligently, with full dedication. They deserve, in my view, high commendation.

Faithfully yours,

GEORGE V. ALLEN.

AMERICAN CINERAMA ROUTS SOVIET COMPETITION

Mr. KUCHEL. Mr. President, in recent weeks there has been public discussion of the quality of the exhibit entered in the Brussels World's Fair by the United States of America. Some visitors had brought back reports that the quality of the American exhibit was not worthy of our great country. Others found the exhibit very satisfactory, but criticism appeared to require that President Eisenhower receive a personal report on the situation. Accordingly, he sent the Director of the United States Information Agency, the highly capable George V. Allen, to the fair as his representative in order that he might have a factual evaluation of the American exhibit.

Many of us in the Senate, Mr. President, and the great majority of Americans, will not have an opportunity to see the World's Fair. But I believe the American public has been reassured by George Allen's statements since he made his trip to Brussels.

After reciting that the intent of the American exhibit is to give as favorable as possible an impression to the people of Europe, Mr. Allen reported to the President that this purpose has been well accomplished. He was able to say, for example, that the pavilion which was especially designed and constructed for the American exhibit is regarded as the "finest single building at the fair."

I think Mr. Allen's report has dispelled any fear on the part on the American public that our exhibit is not worthy. I was especially delighted to read in his statement that, apart from the main United States exhibit, the American entries "not connected with the pavilion, add notably to the overall impression of the United States at the fair."

One such exhibit, Mr. President, is that of the Stanley Warner Cinerama Corp. Not only is Cinerama one of the most popular attractions at the Brussels Fair, it is completely representative of American free enterprise. I do not begrudge a penny of the investment of the United States Government in our general exhibit at Brussels. I am satisfied that it is an excellent investment in international understanding and good will. At the same time, I am delighted that a great American organization has undertaken, on the basis of its own resources and its own initiative, to participate in the fair, and is giving, for all the world to see, an illustration of our system of free enterprise.

This is not the first occasion for using Cinerama for the purpose of taking the message of America into other lands. I am told that this artistic vehicle had the popularity at world's fairs in Damascus and Bangkok which it is now enjoying at Brussels. These, Mr. President, represent, at the least, three victorious skirmishes in the cold war which is waged continuously and relentlessly by international communism.

The triumph of Cinerama at Brussels is most obvious in comparison with a parallel entry called Panarama which was attempted by the Soviet Union. In the sixth week of the fair, Cinerama, charging an admission of $1.25, attracted audiences of such size as to produce gross ticket sales of $25,000, compared with less than $10,000 in the first week's run. The Russians charged only 20 cents for the privilege of viewing their

half-hour propaganda film. Yet, we are told by Variety, it has been driven into full retreat by Cinerama, as was the case at Damascus and Bangkok. The Russians have replaced Panarama with a ballet. The genius of American enterprise thus reigns supreme in this field at the fair.

Moreover, Mr. President, Cinerama has provided its own facilities at Brussels. It built its own theater. The undertaking is not Government-sponsored, nor is it Government-subsidized. Yet it has gone forward in an entertainment triumph over the Russian triple-projector process which tried to compete with it. Variety has said that "Cinerama has become the hit of the Brussels World's Fair, this on the basis of the business which the two entries in the depth-illusion medium have been doing since the fair opened." And the magazine evokes the provocative question: "Is Cinerama still Uncle Sam's best overseas envoy?"

I am happy to pay tribute to the Stanley Warner Cinerama organization in recognition of the success of this unique American enterprise. For the third successive time in world's fairs overseas, it has demonstrated a superior ability to make friends for the United States of America.

POLICY TOWARD CERTAIN LATIN AMERICAN COUNTRIES

Mr. JOHNSTON of South Carolina. Mr. President, on several occasions I have taken to task in the Senate those who have been crusading about our country in one way or another to undermine the governments of certain Latin American countries simply because they are not the same kind of governments as our own.

These so-called do-gooders have been bent on attacking these governments, despite the fact they are friendly to our country and support us in our universal fight against communism.

Long before the unfortunate visit of Vice President NIXON to South America, I had called for a reappraisal of our foreign policy toward Latin America, and asked that we give more consideration to our southern neighbors and promote friendship and the community spirit that once existed back when we had a good-neighbor policy.

But, as usual, I was met with sharp criticism from those who are more interested in overthrowing friendly dictators than they are in getting rid of conditions that serve the Soviet Communists in their conspiracy to divide us and take over the whole world.

Certain publications and prominent persons even support and condone the so-called revolution in Cuba by Castro, who is, even now, holding American servicemen and businessmen captive.

And there are those who would oust Trujillo, the head of the Dominican Republic, who was one of our close allies in the Carribean until the do-gooders alienated his friendship.

I am not in favor of dictators, as such. But some countries are not ready for our form of government or do not desire to change from a dictatorship. Some countries need a dictatorship in order to survive.

In the News and Courier of Charleston, S. C., on June 27, 1958, there appeared an editorial entitled "Dangerous Do-Gooders." The editorial almost completely expresses my feelings and opinions on the subject of our nosing into the internal affairs of other nations, with particular reference to the Dominican Republic.

I ask unanimous consent to have the editorial printed at this point in the RECORD, following my remarks. And I wish to take this opportunity to congratulate the editor of the News and Courier for having the courage to take his stand in the the face of all the commentary and criticism now emanating from certain liberals who are destroying our best friends in the Western Hemisphere and are helping to set the stage for Communist intrusion and troublemaking.

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

DANGEROUS DO-GOODERS

A method of expressing annoyance with the United States that is gaining favor with smaller nations is rejection of United States foreign aid. The Dominican Republic has taken itself off the United States payroll after hearing that the son of dictator Rafael Trujillo flunked his studies at a United States Army staff school.

Despite the action of the Dominican Republic, we do not believe that its rulers intend to use General Trujillo, Jr.'s scholastic troubles as a pretext for ending an era of good feeling. We see the refusal to accept further aid as a sign that the Dominican Republic is prosperous enough to get along without help from abroad.

Much more dangerous to relations between the Dominican Republic and the United States is the attitude of do-gooders who urge this country to conspire to root out dictators wherever they may be found.

We do not approve of government by dictatorship. We recognize it to be a fact of life in many nations of Latin America.

Americans are guilty of wishful thinking when they assume that every nation in the world is as well prepared for democracy as the United States. They should think less about how to get rid of strongmen in Latin America and more about how to keep them on our side.

CONFERENCE REPORT ON CONSTRUCTION OF SUPERLINER PASSENGER VESSELS

Mr. FREAR. Mr. President, in connection with consideration of the conference report on House bill 11451, which was adopted by the Senate yesterday, I should like to point out that because of urgent business in my State last evening, it was necessary for me to leave the Senate shortly before 6 o'clock, prior to the time when the conference report was brought up for consideration.

Yesterday's RECORD will show that I was listed as being against the report. Mr. President, I should like to make clear that I was not opposed to this legislation, which authorizes construction of a superliner passenger vessel similar to the steamship *United States* and another vessel of similar type for operation in the Pacific Ocean.

However, Mr. President, I was sympathetic with the amendment offered by the senior Senator from Delaware [Mr. WILLIAMS], which was the subject of extensive debate during consideration of the conference report. The two matters, however, are separate. I have tried to view each of them on the basis of their respective merits.

Thus, Mr. President, for the information and guidance of various persons who have written to or talked with me about this legislation, and in order that there may be no misunderstanding, I repeat that the conference report on House bill 11451 would have received my support, had I been present. But, by the same token, I would favor the objectives of the amendment whose adoption has been sought by my colleague from Delaware.

PLIGHT OF THE DOMESTIC OIL INDUSTRY—AMENDMENT TO THE TRADE AGREEMENTS EXTENSION ACT OF 1958

Mr. LONG. Mr. President, today I have submitted to House bill 12951, the Trade Agreements Extension Act of 1958, an amendment which is sponsored by me and 17 of my colleagues.

Mr. President, we are now holding hearings in the Senate Finance Committee on this important measure. For several years I have advocated and supported the principles of the trade agreements program. I am still in favor of this program. However, like any other program, it should be studied periodically and modified to meet changed conditions.

Originally, the trade program was designed to spur interchange of commodities between the various nations of the world.

Trade between nations has always been important and vital to the economic structure of our Nation. It will continue to be so—particularly as we continue in our role of world leadership.

Implicit in any program to expand and increase our world trade is our obligation not to permit certain basic and essential domestic industries to be sacrificed and weakened in the furtherance of world trade and diplomacy. This is especially true with respect to our industries which are vital to national security.

In this regard, I wish to quote from the statement which Secretary Dulles made to the Senate Finance Committee:

You may ask what is the proper relationship between the progress of the trade program and the interests of domestic procedures. Let me say this. Almost every national policy hurts some and benefits others. The form of our taxation; the nature of our defense purchases; the location of Government operations—all of these and many other national policies inevitably tip the scales of competition. Often, and certainly in the field of trade, the few who may be hurt, or fear that they may be, are more vocal than the many who may gain. That is their right. But the Congress has a duty—that is, to serve the overriding national interest.

My major concern in this area, Mr. President, is that in translating that statement into present practice, our Government is administering the program in a manner which permits importers to force a domestic industry steadily to reduce its production, which eventually may force it to quit business, so as to make room for expanded imports—all in the name of foreign-policy considerations. I agree with Mr. Dulles that it is the duty of Congress to determine what course will best serve the national interest.

That brings me to the purpose and basis of my amendment.

Mr. President, our Nation can ill afford to have only a few domestic industries carry the full brunt of increased foreign trade. Some commodities have more than the required protection from imports, while other industries and commodities have far too little. This has caused an unfair imbalance which has placed on certain industries the burden of absorbing an undue share of import competition.

With respect to commodities which our Nation does not produce—such as coffee, bananas, tin, and so forth—there is no problem. But when an essential domestic industry that is more than capable of producing our needs of today and those for the foreseeable future is required to give up to foreign imports an ever-increasing portion of our domestic market, it is time to look into the desirability of permitting such a result.

Mr. President, this situation is all the more aggravated when the industry which is asked to pull in its horns and take a smaller and smaller share of the home market is one which is absolutely fundamental to our Nation's defense.

Today, I am addressing myself to the problems of the petroleum industry. It is the prime example of an essential domestic industry that has consistently been forced to give up a larger and larger share of the United States markets to unpredictable foreign imports.

Even more important than the economic loss to domestic oil producers is the serious impact this trend is having on our national security. The problem is this simple: 65 percent of a domestic oil producer's gross income is reinvested in the search for development and expansion of additional petroleum supplies. Thus, for every dollar that goes overseas for foreign oil, we lose 65 cents which would be spent for exploration and development of oil within our own borders.

Mr. President, in the light of our experiences with submarines, the closing of the Suez Canal, the uncertainties in the Near East, and the strong Communist movement in Venezuela, I need not tell this body that there is no security in foreign oil.

Unfortunately, during 1957, as a result of curtailed exploration and drilling for petroleum in this country, largely due to excessive imports, our Nation for the first time since 1943 discovered less oil than it consumed. During the same year, the petroleum industry was faced with oil imports totaling $1.5 billion, which makes petroleum the No. 1 dollar import into this country. The dollar value of petroleum imports is even greater than the value of coffee imports, which had been No. 1 for many, many years.

Since 1934, petroleum imports climbed from ninth place to its first-place position reached last year.

This history raises an important question. In the United States today we have 3 million barrels daily shut in. This is about 35 percent of our oil-producing capacity. No industry can be expected to maintain that much idle capacity.

Yet we are permitting imports to take over more and more of our home market. Why should we permit imports of ever-increasing volume of a commodity which is in surplus supply?

Would we expect Brazil to shut down its coffee industry and use imported coffee, or Chile to use imported copper? Yet that is what the United States Government is asking the domestic petroleum industry to do.

Prudence dictates that sound trade should consist of imports of products which the receiving country does not produce in sufficient quantity—not products in surplus supply. Forced trade cannot lead to sound relations.

Mr. President, the petroleum industry recognizes the important role of international trade. The industry as a whole agrees that there is a proper place for imports which will supplement, but not supplant, domestic production. However, let us take a look at the relative position of oil in total trade for 1957, and compare this with 1934, the year the foreign trade agreements program was authorized.

At this point I ask unanimous consent to have printed in the RECORD a table comparing oil imports in 1957 with oil imports in 1934.

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

CHART 1.—*Comparing oil imports in 1957 (year of voluntary oil import program) with 1934 (1st year operation foreign trade agreements program)*

Year	Total oil imports	Oil as percentage of total imports
1934	$37,000,000	2.2
1957	1,500,000,000	12.0

CHART 2.—*Comparison of oil imports and exports, prewar and present*

Year	Oil exports as percentage of domestic production	Oil imports as percentage of domestic production
1935-39	13.9	4.8
January-June, 1958	4.0	24.1

Mr. LONG. In 1957, oil provided $1.5 billion, or 12 percent of total imports of all commodities. In 1934 these figures for petroleum imports were $37 million, or 2.2 percent of this Nation's import trade.

In contrast, many consuming nations of United States petroleum products have turned to other sources of supply to such an extent that domestic petroleum supplying this foreign market has steadily decreased from 13.9 percent of domestic crude oil production for the years 1935–39 to 7.8 percent for 1957, and the figures for this latter year included extraordinarily heavy exports to aid Europe during the Suez crisis. For the first 6 months of 1958, exports of petroleum will average only 4 percent of our domestic crude oil production.

Looking at the matter strictly on the basis of encouraging international trade, it is unfair to ask one industry, particularly one vital to national security, to contribute far more than its fair share in trade dollars.

Since World War II, more than three-fourths of all oil imported into the United States has come from four countries—Venezuela, Netherlands Antilles, Kuwait, and Saudi Arabia. The value of oil imports from these 4 countries in 1956 was almost 5 times the total value in 1947.

In contrast, total exports of United States merchandise to these same countries in 1956 was less than 50 percent higher than in 1947. This clearly shows that the amount of goods these countries buy from us is not directly related to or dependent on the amount of oil we import from them.

This heavy impact of foreign oil on the domestic industry is taking its toll, and the ability of this Nation to meet its oil needs both in peace and war is being seriously threatened.

Generally speaking, the number of new wells being drilled is a good barometer of the future status of the oil industry. The record shows that well completions are at a rate 13 percent below 1957 and 20 percent below 1956.

Rotary rigs active as of June 16, 1958, were down 26 percent from the same date last year and 35 percent from the same date in 1956. Although it is hard to believe, this is all taking place at a time when domestic consumption of petroleum is approximately the same as the levels for 1956 and 1957.

Mr. President, every Member of the Senate should be acquainted with the report of the President's Special Committee To Study Crude Oil Imports—released last July 29. In this report the committee stated:

> Unless a reasonable limitation of petroleum imports is brought about * * * (c) there will be a marked decline in domestic exploration and development.

As to that statement, it would appear that this Committee knew what it was talking about.

I could recite many pertinent statistics here today, but they all add up to one thing—the intent embodied in the Senate's adoption of section 7 of the Trade Act of 1955 has not been carried out.

Back in 1955 the Senate had before it certain proposals dealing with specific commodities essential to national defense. This covered such items as petroleum, lead and zinc, and fluorspar. In lieu of these proposals, one of which

would have placed a fixed quota limitation on petroleum imports, the Senate wrote into the trade bill the defense amendment.

When we took this action we had before us the report of the President's Advisory Committee on Energy Supplies and Resources Policy, which stated:

> The Committee believes that if the imports of crude and residual oils should exceed significantly the respective production of domestic crude oil in 1954, the domestic-fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply.
>
> The Committee recommends, however, that, if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

Had the intent of the defense amendment and the recommendations of the President's Fuels Committee been carried out, the ratio of petroleum imports to domestic production would today be 16.6 percent instead of almost 25 percent. Mr. President, this is more than a 50-percent increase in the few years since we adopted an amendment which was supposed to hold imports to a reasonable level. Looking back, I, for one, thought it would accomplish what we were seeking when we adopted this provision. I leave it to Senators to judge from the facts whether it has been effective.

In all fairness, Mr. President, I must state that almost a year ago the President of the United States, acting on the recommendations of ODM and a Cabinet Committee, instituted what is commonly called the voluntary oil-import program. So far as it goes it has been helpful, but, looking at the record, we see that it does not cover all petroleum-product imports. It splits this Nation up into regions for purposes of administration, to the end that what looks like an effective program is in fact not as good as it would appear at first blush.

First. The program is at the mercy of the importing companies for its success or failure. It is voluntary. It should be mandatory under the law.

Second. It places the United States Government in the position of pleading, of trying to persuade interested parties—the importing companies—to comply with a program which the President, his Cabinet, and Congress itself have said is necessary and essential to our Nation's security.

Third. It is already under court attack by one importing company, and may fall as a result.

Fourth. It does not cover the bulk of petroleum-product imports, which in many categories supplant more barrels of crude-oil production than the volume of product imported.

Fifth. It did not, even as to crude oil, start out to hold imports to their 1954 ratio as recommended by the President's Fuels Committee in 1955.

Can we consider that the intent of Congress in adopting the defense amendment has been carried out when total petroleum imports since its adoption have increased from 1,052,000 barrels per day in 1954 to an average of 1,560,000 barrels per day during the first 6 months of 1958?

I have some late figures based on data filed with the Texas Railroad Commission by the importing companies which show that imports of petroleum products will total for the third quarter of this year over 600,000 barrels daily. This is 40 percent above the imports of products for the like period in 1957 and 100 percent above the like period in 1954.

This large increase in petroleum product imports is attributable to two significant factors: One, existing import curbs which do not cover finished products; two, heavy expansion programs of overseas refining capacity.

The refining capacity of Western Hemisphere countries has increased by over 35 percent in the past 3 years. Cuba is now able to refine 10 times as much crude oil as it was in 1954. Venezuela has increased its capacity by 40 percent. Puerto Rico now has a refinery. By the end of 1958 our neighbors will have increased their refining capacity by another 15 percent.

In Europe the increase in refining capacity has been even more rapid. Both Great Britain and Germany will be able to refine about 45 percent more crude at the end of this year.

In contrast to this sharp expansion program in other countries, American refining capacity will increase by only 4 percent this year. Very soon our domestic refiners as well as our domestic producers will face critical foreign competition, as more and more petroleum products invade our market.

Mr. President, I have referred to the President's Special Committee To Investigate Crude Oil Imports, which is made up of six members of the President's Cabinet. I would like to quote what it said as to oil imports:

> Unless a reasonable limitation of petroleum imports is brought about, your Committee believes that:
>
> (a) Oil imports will flow into this country in ever-mounting quantities, entirely disproportionate to the quantities needed to supplement domestic supply.
>
> (b) There will be a resultant discouragement of, and decrease in, domestic production.
>
> (c) There will be a marked decline in domestic exploration and development.
>
> (d) In the event of a serious emergency, this Nation will find itself years away from attaining the level of petroleum production necessary to meet our national security needs.
>
> If we are to have enough oil to meet our national security needs, there must be a limitation on imports that will insure a proper balance between imports and domestic production.

This is what this important Committee concluded. I agree with these statements. That is why, Mr. President, I am placing before this body my amendment to the Trade Act.

The executive department has recognized the problem, but has failed to take adequate steps to meet it. As a matter of fact, the President has not invoked the defense amendment to meet this problem, other than by his acceptance of the ODM finding submitted on April 23, 1957, that the Director of the Office of Defense Mobilization "had reason to believe that crude oil is being imported into the United States in such quantities as to threaten to impair the national security."

Again, Mr. President, I return to my original premise that this Nation can ill afford to sacrifice, for purposes of foreign relations and foreign trade, an American industry which is vital to our security and to the security of the Free World. Had we not had the oil within our borders to meet the crisis in Europe caused by the closing of the Suez, the consequences to this Nation and its allies might have been disastrous.

As further evidence of the importance of a strong domestic petroleum industry I wish to state that on April 25, 1958, Rear Adm. E. C. Stephan in a letter to Hon. WILBUR D. MILLS, chairman of the Ways and Means Committee, said:

> Recent developments in the Middle East vividly demonstrate the folly of depending on foreign oil to supplement local supplies even in peacetime. It would obviously be extremely dangerous to rely on foreign sources of supply in time of war.

This policy declaration was made on behalf of the Department of Defense with the approval of the Bureau of the Budget.

This position is important to national security. Congress should assure its observance by a positive statement in the law.

What does this all add up to, Mr. President? It is simply this: The President and his experts agree that a proper balance between imports and domestic oil production must be maintained; the record was established before this body in 1955 that the proper balance was the 16.6 percent ratio existing in 1954. This goal is far from achievement under the present voluntary program and even this program could break down.

The answer is a firm and statutory directive by Congress that imports be held in proper balance with domestic production. This is exactly what my amendment would do.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point the text of the amendment, and a brief analysis of what it would do.

There being no objection, the text of the amendment and the analysis were ordered to be printed in the RECORD, as follows:

> On page 16, between line 11 and line 12, insert the following:
>
> "(1) (A) With respect to crude petroleum and any product, derivative, or residue of crude petroleum, imports for consumption in the United States (including imports for supplies for vessels or aircraft) in excess of the ratio in the year 1954 between such imports for consumption and domestic production are deemed to endanger national security and the President shall limit each of such imports for consumption in the United States to or below such ratio.
>
> "(B) The President may suspend such limitation established pursuant to this subsection during any period in which he finds that supplies of the articles, or directly competitive articles, are inadequate to meet current total domestic demand. The President may modify such limitation during any period in which he finds that supplies of any

specific article, or directly competitive articles, are inadequate to meet current demand in a particular area or region, to the extent necessary to assure an adequacy of supply in that area or region: *Provided*, That in any calendar year total petroleum imports for consumption in the United States shall not exceed the limitations as provided in paragraph (A) of this subsection.

"(C) In the interest of national security, the President may allocate among countries or areas which are the source of imports of crude petroleum or any product, derivative, or residue of crude petroleum, a proportionate part of the total amount of such imports within the quotas established pursuant to this subsection.

"(D) Upon determination of the quotas to be established on imports of crude petroleum or any product, derivative or residue of crude petroleum the President shall publish such quotas and request bids for licenses to import within such quotas and in accordance with such regulations as the President may prescribe licenses to import shall be awarded subject to approval by the President on the basis of the highest bids. In prescribing the regulations hereunder and in awarding licenses the President shall give due regard to the prevention of monopolistic practices and competitive inequities and to the preservation of small businesses.

"(E) Any action taken in administering this subsection shall be in conformity with the provisions of the Administrative Procedures Act shall be equitably consistent with the needs of parties affected and shall be in furtherance of principles of equal competitive opportunity with recognition for the development and well-being of small businesses.

"(2) The provisions of this section and import limitations established hereunder shall be effective notwithstanding any other provision of law or any foreign-trade agreement to which the United States is a party unless specifically repealed by act of Congress: *Provided, however*, That nothing contained in this act shall be interpreted or construed as approving any act, action or conduct which is, or has been, or may be in violation of the antitrust laws of the United States, nor shall anything contained in this act constitute a defense to any action, suit or proceedings pending or hereinafter instituted on account of any prohibited antitrust or monopolistic act, action or conduct."

ANALYSIS OF THE LONG AMENDMENT TO H. R. 12591, TRADE AGREEMENTS EXTENSION ACT OF 1958

The proposal would amend the existing defense amendment (19 U. S. C. 1352a) which was originally adopted in 1954 (Symington amendment) and substantially amended by section 7 of the Trade Agreements Extension Act of 1955. Under existing law, the defense amendment delegates to the President broad authority to take what action he deems necessary in order to prevent excessive imports of any commodity from impairing or threatening the national security. The Long amendment would implement the present law with respect to petroleum as follows:

1. Limit imports of both crude and all petroleum products to the ratio that such imports bore to domestic production in 1954, i. e., 16.6 percent. This ratio has grown steadily from a pre-World War II average of 4.9 percent to 24.1 percent during the first half of 1958.

2. Give the President complete authority to suspend or modify the quota during any period of threatened shortage of domestic supply to meet current demands.

3. Authorize the President, if deemed necessary in the interest of national security, to allocate import quotas among the countries or areas which are the source of oil imports. This would assure that low-cost sources, such as the Middle East, could not monopolize the quota.

4. Provide that such import quotas would be put up for bid. Licenses to import would be awarded, subject to approval by the President, on the basis of the highest bids. Requiring presidential approval would permit the President to "police" the program to insure that importing companies are treated fairly and that no one company or combination of companies be allowed to dominate the importation of foreign oil. In addition, the President is required to give due regard to the prevention of monopolistic practices, competitive inequities, and the preservation of small businesses. This licensing procedure provides a self-administering method of allocating the quota which eliminates the danger of Federal governmental control of domestic industry activities. It is preferable over a method which would leave to some governmental official or agency the responsibility of allocating the quota which may well lead to further governmental control over the domestic industry. Awarding of licenses on a bid basis would tend to eliminate the economic advantage enjoyed by foreign oil. It would function in the direction of placing each barrel of imported oil on a competitive equality with oil produced in the United States and also provide a substantial source of revenue to the Federal Government.

5. Provide that administrative actions under the amendment shall be in conformity with the Administrative Procedures Act and shall give full recognition to the needs and competitive opportunities of small businesses.

6. Provide that no action taken pursuant to the amendment shall, in any way, interfere with the antitrust laws.

7. Provide a firm law, with sufficient flexibility, that would assure a reasonable balance between imports and domestic production which would be fair both to the domestic producer and importing company.

Mr. LONG. Mr. President, I also ask unanimous consent to have printed in the RECORD immediately following my remarks a legislative history and expressions of Congressional intent surrounding the adoption of the defense amendment in 1955.

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

Senator HARRY F. BYRD, Virginia, commented as follows (vol. 101, pt. 4, p. 5293, CONGRESSIONAL RECORD, May 2, 1955):

"The committee believes that this amendment will provide a means for assistance to the various national-defense industries which would have been affected by the individual amendments presented.

* * * * *

"Congress can initiate and adopt such legislation as it might deem advisable should the action needed to protect these essential industries not be taken."

On May 2, Senator PRICE DANIEL, Texas, and Senator EUGENE MILLIKIN, Colorado, discussed the substitute amendment. This discussion, from volume 101, part 4, page 5299 of the CONGRESSIONAL RECORD of May 2, 1955, is as follows:

"Mr. DANIEL. Does the Senator feel that action would be taken if over an extended period imports should be in excess of the ratio which existed in 1954?

"Mr. MILLIKIN. I do; and while I do not propose to put a jinx on the processes we have recommended, if those processes do not work, I shall be among the first actively to support special measures.

"Mr. DANIEL. I thank the Senator. I am glad to have his statement. I know of the Senator's interest in this subject. I take it he believes that the national security should be protected, insofar as it would be adversely affected by imports of oil and other products mentioned in the committee report.

"Mr. MILLIKIN. That is my feeling. My own State of Colorado is an oil producer. It produces fluorspar; it produces coal; it produces many items which are essential to our national defense. If I did not think this amendment would protect us, I would be urging something else.

* * * * *

"I am convinced that the proposal can and will work. It grants to the President authority to take whatever action he deems necessary to adjust imports if they should threaten to impair the national security. He may use tariffs, quotas, import taxes, or other methods of import restriction. He is not limited as far as commodities are concerned except that they must be involved in our national security."

On May 3, Senator FRANK CARLSON, Kansas, commented further. His remarks, from volume 101, part 4, page 5389 of the CONGRESSIONAL RECORD of that date, are as follows:

"The Senate Finance Committee, in approving H. R. 1, specifically recognized the problem and inserted in its report a portion of the report of the President's Advisory Committee on Energy Supplies and Resources which had been submitted by the White House. In addition, the committee added section 7 delegating to the President specific authority to act with relation to the restriction of imports of certain commodities, which I understand to include petroleum. Under this provision the Director of Defense Mobilization, when he has reason to believe that any article is being imported in such quantities as to threaten or impair the national security, may so advise the President. Then, if the President agrees, he may cause an investigation to be made and, if the investigation supports the findings of the Director, the President is required to take such action as he deems necessary to adjust the imports of such article to a level which will not threaten to impair the national security.

"As a member of the Finance Committee, I supported this proposal as a substitute for various amendments providing limitations upon the importation of specific commodities, one of which amendments was the one which I had supported in regard to petroleum. I supported the proposal adopted by the committee because I was assured by those in the administration responsible for the administration of the trade-agreements program that if such amendment were adopted by the committee and by Congress action would immediately follow, and that imports of petroleum and its products would be definitely restricted.

"I was further assured that such restriction would be based upon the study previously made, to which reference was made by the committee; that the basis of the limitation would be in accordance with the recommendation of that study. This study indicated the necessity of limiting imports of petroleum and its products to an amount and in the relative position of the imports of petroleum in 1954 as related to domestic production of crude oil in 1954.

"I was further assured that the Director of Defense Mobilization would take the action indicated as necessary to adjust imports of petroleum and its products to the level and relationship of 1954.

"It is my judgment that, if these assurances can be supported by such further evidence as this body may think proper, we can all rely upon these assurances and that the importation of petroleum and its products will forthwith be limited to a relationship to our domestic production and in an amount equal to the 1954 position.

"Since the report of the Finance Committee, I have further explored this situation with administrative agencies charged with

the responsibility for the application of this program, and I can say to the Senate that again I have complete assurance of compliance of these agencies with the direction set forth in that amendment.

"Based on these assurances, I heartily support the report of the Finance Committee.

* * * * *

"There can be no doubt in my mind as to the intent of the committee, nor, do I believe, as to the intent of the Senate in regard to limiting the oil imports to the average daily imports of the year 1954, based on the report of the President's Commission on Energy Supplies and Resources Policy.

"I can assure the Senate that I would not have agreed to the amendment in H. R. 1, dealing with imports of commodities which are of national defense interest, had I not been assured that it would be the policy of those who administer the act to follow the intent of those who participated in preparing the report of the Advisory Committee.

* * * * *

"I think, as the senior Senator from Colorado [Mr. MILLIKIN], the ranking minority member of the Senate Finance Committee, stated yesterday, that we expect those in authority to administer this program on the basis of a limitation of imports; and if it develops, and we find that the program is not being so administered, then it will become the duty of the Senate Finance Committee, the House Ways and Means Committee, or individual Senators or Members of Congress to demand full compliance with this intent."

On the same date, Senator CLINTON ANDERSON, New Mexico, inquired of Senator CARLSON, as to the purposes of the substitute amendment. This discussion, from volume 101, part 4, page 5389 of the RECORD, is as follows:

"Mr. ANDERSON. As the Senator from Kansas knows, some oil is produced in my State, and the oil producers there are very anxious about this question of oil imports. At the same time I value the stand and the opinion of the Senator from Kansas very highly. Does he feel that the oil producers of my State would be justified in taking the assurances given as guaranties that the oil industry is not going to be disrupted by unusual and devastating amounts of oil imports?

"Mr. CARLSON. I am pleased to state to the distinguished Senator from New Mexico, who always follows closely the interests of not only the people of his own State, but of the people of the Nation, that had I not believed that the amendment we approved in committee, which was recommended by a very substantial vote, would protect the oil industry from ever-increasing imports, I certainly would not have voted to report the bill to the Senate, and I certainly would not be on the floor today stating I favored it and would vote for it.

"Mr. ANDERSON. I appreciate the statement of the Senator from Kansas, in whose State there have been oil operations of long standing. Some of us were somewhat worried by the situation, so far as reducing importations of fuel oil was concerned, because we felt it was crude oil which was causing a great deal of the trouble. At the same time, if there is only one amendment before the Senate, the easy and natural thing is to vote for the amendment, if it is in the interest and welfare of one's own State. With the proposal in the present language, I should like to ask the Senator from Kansas, for whom I have great respect, if he feels that, along with other Senators who come from oil-producing States, we are doing all we can be expected to do if we vote for this type of amendment.

"Mr. CARLSON. I will say to the Senator from New Mexico that I believe that this amendment will establish a standard on which we can rely; that it will limit oil imports, as recommended by the Advisory Committee on Energy Supplies and Resources Policy, to 13.6, and we expect that recommendation to be carried out.

"Mr. ANDERSON. I thank the Senator from Kansas for that information. It is reassuring to me."

On May 3, Senator Price Daniel, Texas, and FRANK CARLSON, Kansas, discussed the substitute amendment. Their discussion from volume 101, part 4, pages 5309 and 5391 of the RECORD, is as follows:

"Mr. DANIEL. * * * If imports are allowed to exceed the ratio they bore to market demand or production in 1954, the national security would be endangered. Is that not correct?

"Mr. CARLSON. I thoroughly agree with the distinguished Senator from Texas. It was for that reason that the junior Senator from Kansas and the junior Senator from Texas and many other Senators cosponsored an amendment making the limit 10 percent. I say very honestly and sincerely, had it not been that I was satisfied with the amendment adopted by the committee, after days and days of hard work and conferences, I would still have supported a limitation on oil imports of 10 percent.

* * * * *

"There is no question that excess importation will affect not only our national defense, but our economy, and it is important that we have an economy that is thriving and growing.

"Mr. DANIEL. Based on that evidence, is it the Senator's understanding that if oil imports should exceed the 1954 ratio, there would be injury to our national security?

"Mr. CARLSON. There can be no question about that.

"Mr. DANIEL. Was there any reason why the committee included the amendment at all, if the committee did not feel that the national security would suffer if oil imports were in excess of the 1954 ratio?

"Mr. CARLSON. As I said earlier in my remarks, the Finance Committee spent much time on this amendment and on other amendments dealing with quota imports and their effect on the national defense. We were seriously concerned about the matter. For that reason, we have assurances that those administering the act will act in accordance with the proposals submitted by the President's Advisory Committee on Energy Supplies and Resources Policy and the evidence submitted to our committee. I have no doubt of it.

"Mr. DANIEL. As a member of the committee, is it the opinion of the Senator from Kansas that a majority of the committee, which supported the amendment, intended that the necessary action be taken to keep imports from exceeding the 1954 ratio, which has been interpreted by the President's advisory committee as the ratio beyond which injury would be done to the national security?

"Mr. CARLSON. One reason why I say that is very definitely the opinion of the committee, or at least the intent of the committee, is the fact that the chairman of the Finance Committee included in the report of the committee a part of the Advisory Committee's report, which, after all, in my opinion, gives the intent of the Finance Committee.

* * * * *

"We expect the administrative agencies to carry out the intent of the Senate and of the Finance Committee; and I feel confident they will do so. In fact, I think I can say we had definite assurances that they intend to do so.

"Mr. DANIEL. A moment ago I understood the Senator from Kansas to say that, as a member of the committee, he has received such assurances.

"Mr. CARLSON. I have.

"Mr. DANIEL. I wish to say that I, also have today received such assurances. However, I think it is more important for us to consider the assurances made to the Senator from Kansas, who is a member of the Finance Committee. Further, he is a coauthor of the Neely amendment. Is that correct?

"Mr. CARLSON. That is correct.

"Mr. DANIEL Since the Senator from Kansas was an original coauthor of the Neely amendment, I thing his statement as to what the administrative official will do with the committee substitute for the Neely amendment is very important.

"I hope that action will be taken, and I am sure the Senator from Kansas will be one of the first to support enactment of a stronger provision requiring the reduction of excessive oil imports, if the administrative officials fail to carry out the intent of the amendment.

"Mr. CARLSON. There is no question about that.

"Mr. DANIEL. Does the Senator from Kansas understand that after the Cabinet report was issued, administrative officials expressed themselves to importing companies as feeling that the recommendations of the Cabinet committee should be followed, and that the importing companies should voluntarily cut their imports to the 1954 ratio?

"Mr. CARLSON. I think that is a very fair statement. As a matter of fact, during the hearings, when we had before us some of the presidents of and other witnesses representing the larger importing companies, I brought out the fact that I did not like to have imports limited by means of a rigid percentage basis, and that I hoped they would voluntarily make an effort to hold the imports within the limits set forth in the advisory committee's report. They assured us they would. So we are taking them on faith. If they do not do so, I assure the Senator from Texas that, insofar as I am concerned, I shall propose that action be taken to have them comply.

Mr. DANIEL. I should like to ask one more question, which may appear to be somewhat technical: As I understand, under the amendment the Director of the Office of Defense Mobilization would be the Government official who would report to the President that imports might be at such a ratio that they would endanger the national security.

"Mr. CARLSON. That is correct.

"Mr. DANIEL. Since the same official was on the Cabinet committee—as a matter of fact, he was chairman of the committee, was he not?

"Mr. CARLSON. He was.

"Mr. DANIEL. Since he was on that committee, and since his committee has already made one investigation and report as to a ratio of oil imports which would endanger the national security, is it the understanding of the Senator from Kansas that that official already has sufficient information to report to the President, and to justify action by the President under this amendment?

"Mr. CARLSON. Not only is it my understanding but it is most reasonable that should do so, and I so stated earlier in my remarks.

"Mr. DANIEL. In other words, there would be necessity now to make a further examination of the evidence, insofar as oil is concerned. If it continues to exceed the danger point there is no need for a new investigation.

"Mr. CARLSON. That is correct.

"Mr. DANIEL. I thank the Senator from Kansas."

On July 27, 1956, Senator Matthew M. Neely, West Virginia, and Senator FRANK CARLSON, Kansas, discussed the intent of Congress in adopting the defense amendment. The following excerpts are from the

CONGRESSIONAL RECORD, volume 102, part 2, pages 15022, 15023, and 15024:

"Mr. NEELY. * * * White House bill No. 1, to extend the authority of the President to enter into reciprocal trade agreements, was before the Senate or its Committee on Finance in the spring of 1955, I offered an amendment to the bill to restrict petroleum imports into the United States to 10 percent of the domesic petroleum demand for the corresponding quarter of the previous year.

"When the bill and the proposed amendments reached the floor of the Senate in May 1955, the bill was passed but my amendment, which was supported by 38 Members of this body on a rising vote, was defeated, upon assurances from spokesmen or friends of the administration that if voluntary action by the petroleum industry should prove ineffectual the President would take immediate action to restrict imports to the 1954 level.

* * * * *

"The solemn pledges of immediate and decisive action by the President were given in support of a substitute amendment to the bill mentioned which gave the President specific authority to impose and enforce limitations upon oil imports. That substitute amendment was accepted by the Senate and became a part of the House bill No. 1.

"No one can read the debate on that substitute amendment, particularly the statements of friends and spokesmen of the administration, without reaching the conclusion that it was not merely permissive but directive. Certainly not even the most vigorous advocate of unlimited oil imports can or will deny that it was the purpose of the Congress to place drastic restraints upon this flood of foreign oil.

"The positive assurances that the President would act immediately to keep oil imports at their 1954 levels were given to the Senate by two of the most illustrious Republican Members of this body, the Senator from Kansas [Mr. CARLSON] and the Senator from Colorado [Mr. Millikin].

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"Mr. CARLSON. I do not want to break into the excellent statement the Senator is making. It is a statement which should be made. I was one of the cosponsors of Resolution No. 1, which would have limited the importations of oil to 10 percent. I think it can be very definitely stated that the Senate Finance Committee, which considered that proposal, decided that if we could work out a program of voluntary reduction of imports, to keep it within the 16.6 percent of the 1954 domestic production, it would be much better than to tie the hands of the administration by enacting restrictive legislation.

"I share the views of the Senator from West Virginia. I want to commend him for calling this matter to the attention of the Senate. We are now importing oil to the extent of approximately 20 percent of domestic production. I can assure the Senator that when I made the statement that he has quoted, I had assurance then and still contend they will be carried out. There is no doubt in my mind as to the intent of the Senate Finance Committee, and the United States Senate felt that oil imports would be held to the 16.6-percent level as recommended by the Presidential Commission on Energy Supplies and Resources Policy. I say to the Senator I still stand on that statement.

* * * * *

"I call that to the attention of the Senator from West Virginia and to the Senate for the reason that I am in full accord that if this does not result in limiting imports to 16.6 percent of domestic production, on which we had an agreement, I shall in the next session be urging legislation that will restrict imports by legislative or Congressional enactment. Again, in view of my commitment to the Senate, that if oil imports are not voluntarily limited, I will press for enactment of legislation that will limit these imports."

PLIGHT OF THE OIL INDUSTRY

Mr. LONG. Mr. President, I ask unanimous consent that I may yield for a statement by the Senator from Wyoming [Mr. BARRETT].

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

Mr. BARRETT. Mr. President, I congratulate the senior Senator from Louisiana for his efforts on behalf of the domestic oil and coal industries of this country.

In recent years excessive imports of crude petroleum and residual fuel oil as well as oil products have seriously and adversely affected our domestic petroleum and coal industries. When the Senate considered the extension of the Reciprocal Trade Agreements Act 3 years ago, an amendmnet to limit oil imports to 10 percent of domestic demand was proposed. As a compromise, the Senate adopted an amendment to that act designed to limit imports of petroleum to the level established by the ratio imports bore to domestic production in 1954. In 1954 crude imports represented a little over 10 percent of our domestic production, whereas today it represents over 14 percent. In the case of residual oil, the 1954 ratio was 5.6 percent, compared to 9.4 percent today. The increase in oil products is even worse, from six-tenths of 1 percent in 1954 to 1.6 percent today. The oil industry in Texas can produce only 9 days a month. The industry in my State has been forced to cut down its production to a great extent. The oil business is one of the major industries in my State, and because of the cutback in production and exploration the economy of Wyoming has been adversely affected. The same is true about the coal industry. In 1952 about 128 million barrels of residual oil were imported into this country, which is equal to about 30 million tons of coal. In 1957 these imports increased to 164 million barrels of residual oil, or the equivalent of 39 million tons of coal. A considerable portion of the residual fuel oil imported into this country has been processed again in our refineries and is in competition with crude oil produced in this country. Thousands of men have been thrown out of employment in this country in both the coal and the oil industries as a result of these excessive imports.

I believe that we need an amendment to the Reciprocal Trade Act which will implement the voluntary program and make it possible to control imports in a more adequate fashion, particularly insofar as the importation of residual oil and oil products is concerned.

I commend the distinguished Senator from Louisiana for his leadership in this field. I hope he can prevail upon the Finance Committee of which he is a member to insert language in the bill which will achieve this objective.

Mr. LONG. I thank the Senator from Wyoming. Of course, he knows that the present program is not at all adequate. If the present tendency continues for another 15 years, there will not be any American oil industry. As the Senator knows, if the producing industry goes, it will not be long before the refineries, as well, are gone. As a matter of fact, the major companies are moving refineries to foreign countries—not that they are presently closing down refineries here, but they are building their new capacity overseas.

Mr. BARRETT. I agree with the Senator. Imports have not only caused the refineries to curtail their operations because of the cutback in domestic production but it has caused a decline in our reserves.

The drilling operations in 1957 dropped 7.4 percent which represented a decline of about 7,500 wells below the average for the past 10 years and, as a result, our petroleum reserves were not maintained because domestic exploration and drilling were discouraged. As a matter of fact, our reserves have dropped for the first time since World War II when we were producing to the limit in the war effort. That is a very discouraging factor confronting the industry today, and the country as well. So it seems to me that from the national security standpoint, something must be done to relieve the situation.

Mr. LONG. The Senator well knows that any nation, in order to be able to defend itself, and to fulfill defense commitments made to other nations, must be in a position to supply its requirements of fuel at all times. Any nation which must depend upon uncertain foreign sources is left without the ability to defend itself if those sources are cut off. This Nation has recognized that fact in the past.

It seems to me that it should not be necessary to rise on the floor of the Senate and demand that we protect and preserve our fuel industry, because the national defense requires that fuel be available at all times to supply our emergency needs for fuel; and the only way to have it available is to use it in peacetime as well as in wartime.

Mr. BARRETT. I believe the terrific increase in the importation of crude oil and oil products, as well as residual fuel oil, affects peculiarly that segment of the industry known as the small independents.

Last year about 13,500 wildcat wells were drilled of which about 80 percent were credited to independents. It is estimated that 75 percent of the oil discovered in this country has been found by these small independents who are the backbone of the American oil industry. The oil and gas business affects the well-being of more people than any other industry except those concerned with food and clothing. We need a strong and healthy oil industry not only to maintain a sound domestic economy but also, and even more important, for national security purposes.

Mr. LONG. I agree with the Senator.

Mr. SCHOEPPEL. Mr. President, first I wish to compliment the Senator from Louisiana on his fine statement. I am a cosponsor with him of the amendment he is discussing. It is a very important

amendment. The Senator from Louisiana will recall that it was a little more than 2 years ago that the distinguished and now departed Senator from West Virginia, Mr. Neely, offered an amendment to a measure to limit the importation to about 10 percent. Unfortunately, that amendment was not adopted, because there was a feeling the matter could be worked out on a voluntary basis. I am sure the Senator agrees with me that the reason he has offered the amendment, of which I am very happy to be a cosponsor, is that we could not and cannot rely strictly on a voluntary arrangement or agreement to effect what should be effected. Does the Senator concur in that statement?

Mr. LONG. I agree with the Senator. There are a number of major oil companies, with large installations in the State of Louisiana, which favor an increase in the importation of oil because they make great profits out of it. That is because they have large holdings in foreign countries. I am sure that an executive of any one of those companies, if he wanted to be fair, would be the first to admit that our country cannot depend on their companies, through their overseas refineries and overseas wells, to save the United States Government in the event that we have to go to war to fight for our survival, or if we have to undertake a major effort to fulfill defense requirements which we have made on a worldwide basis.

The Senator had some idea of the situation when he observed the great panic which struck France and England during the Suez crisis when they realized that their supply of oil had been cut off. Fortunately, they could look to the United States. If the United States were in a situation where it could not supply its own requirements, it would indeed be in a very desperate situation, and we would feel the same panic, and would be inclined to take the same kind of rash action that any nation in a desperate situation would take. So long as this nation can have available its own requirements of fuel, we can act with great confidence and strength in doing what we can to preserve peace and freedom throughout the world.

Mr. SCHOEPPEL. The Senator has stated the situation very well. Later in the day I shall speak further on this matter as a cosponsor of the amendment.

Mr. LONG. I thank the Senator.

Mr. MONRONEY. Mr. President, I wish to commend the Senator from Louisiana on the preparation and submission of his very important amendment, and his comments on it. Certainly all of us must be concerned with the problem of providing an adequate supply of petroleum products for the use of our Nation. We know that Russia has a large number of submarines. We know the difficult situation involved in bringing oil through the Suez Canal or around Africa. We know that in the event of war, it would be 10 times as difficult to ship oil by tanker than it was during World War II, even along our own eastern seaboard. We know of the great loss of shipping and the large number of casualties we suffered during the Second World War. They necessitated the construction of the Big Inch pipeline. We could not move oil even along our own coastline. We could not ship it to where it was needed during World War II because of the submarine threat. According to the information I have received, the submarine threat during the Second World War is only about one-third of what we would face today from Russian submarines, in the event we had to import oil into our country.

We all know that it is only when the independent oil producers have an adequate share of the domestic market—and it is largely the independents who find the oil and bring in new fields—can oil become available. It is only by these means that petroleum can be constantly made available to replace the supplies which are being exhausted. I believe the problem deserves serious and careful consideration by the Committee on Finance. I certainly compliment the distinguished Senator from Louisiana for the forthright manner in which he has brought the matter before the Senate.

Mr. LONG. I thank the Senator.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MARTIN of Pennsylvania. Mr. President, has the distinguished Senator from Louisiana given any consideration to the thought that we are probably doing a great injustice to many foreign countries which are producing oil, because we are taking what we might call the cream of the production? I come from the State in which oil was first produced. Many of the wells were abandoned after the cream of the oil had been taken out of them, instead of being allowed to continue to produce. There is still as much oil in the sands in those wells as when the wells were originally discovered and brought in. What I am wondering is whether the distinguished Senator has given any thought to the suggestion that we are probably being unfair to the foreign countries which are in flush production by taking off the cream. There will be a great deal of oil left in the sands, but it will never be utilized. In my own State we have a number of great oilfields where wells were abandoned, although geologists now tell us there is as much oil left in the sands as when oil was first taken out of them. However, they will never be operated again. I wonder whether the Senator has given any thought to that situation.

Mr. LONG. The Senator from Pennsylvania knows that we have had some testimony before the committee on that point, and that this Nation is one of a very few nations—with the exception of Canada, we may very well be the only Nation—which requires its oil to be developed with all proper precaution for conserving the resource. In most other nations, particularly those from which we import oil, the wells are being pulled so hard that most experts feel that the operations will tremendously reduce the ultimate recovery of oil from those sands. While I do not have the exact figures, I believe everyone will agree that it is definitely not in their best interests to produce oil in that fashion.

Mr. MARTIN of Pennsylvania. I believe that is a matter to which we, as Americans who are interested in the development of the natural resources of the world, and who do not want to see them wasted, should give serious thought. I wonder whether the Senator agrees with me.

Mr. LONG. We should certainly give some serious thought to it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. O'MAHONEY. I should like to compliment the Senator for the presentation he is making today of a very serious defense problem.

It is only necessary to remember that Lebanon is at this moment the center of strife which might easily spread into a conflict covering the entire Middle East. The city of Tripoli in Lebanon, in which there has been fighting between dissident factions, one of which is supported by Soviet Russia, is the terminus of a pipeline transporting oil from the northern part of the Middle East to the Mediterranean Sea.

It requires no imagination to realize what would happen to that pipeline if war were to break out in the Middle East. We also know that Soviet submarines have been able to sail through the Bosphorus into the Mediterranean.

Since Nasser has been in control of the Suez Canal, the submarines have also gone through the Suez Canal. Those submarines are known to our defense experts to be far more efficient and dangerous than the submarines of Hitler during the Second World War. During World War II, Hitler's submarines were able to torpedo many American tankers, and many tankers of other nations, too, I understand, which were transporting oil from South America to the Atlantic coast of the United States.

There is no doubt that if there should be a war, submarines could blockade the United States and prevent our receiving supplies of Middle East crude. Of course, it is very natural to expect the importing companies to realize, if they can, upon the profit which can be made by bringing in oil which can be produced at a low price and sold to meet the demand in the United States—and a great demand still exists in the United States. But that oil can be brought in to the United States in such a manner as seriously to handicap the domestic oil industry.

Predictions have been made for 30 years that the continental American sources of supply of petroleum were about exhausted. Those predictions were all wrong. Drilling has gone deeper and deeper and deeper. More oil has been discovered. But we now are at the time when the demand for oil in the United States is greater than it ever has been before. The reserves are not being built up so rapidly as they used to be built up.

It is highly important that we follow a policy which will stimulate the exploration for new oilfields in the continental United States, so that we will

not lose the expert know-how of the drillers for oil, the oilworkers, who, if they are subjected to the competition which will result under the voluntary plan, will go into other industries, thus depriving us of their know-how.

I am happy to have had the opportunity to associate myself with the junior Senator from Louisiana in the offering of the amendment which he has presented. I think it is worthwhile to note that 18 Senators have joined in the cosponsorship of the amendment. Nine of them are Democrats; nine are Republicans. So we have a perfect bipartisan amendment, sponsored by Senators who realize that the production of domestic oil is of great importance to the United States. I am happy to be associated with the Senator from Louisiana.

Mr. LONG. I thank the Senator from Wyoming.

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

Mr. LONG. I yield.

Mr. MONRONEY. I was not present when the Senator began his excellent speech; but as I understand the amendment he proposes the quotas which would be allocated to overseas production would not be frozen on a barrel basis. We would freeze the percentage of the market which existed at the time when the President's Committee on Fuel made a unanimous report finding that the ratio which existed in 1954 was the maximum which could be accepted from abroad without endangering the continuing discovery and development of our own petroleum resources.

Mr. LONG. The Senator from Oklahoma is entirely correct. Three years ago I voted against an amendment which would have, at that time, frozen the amount of oil imports into this country at a fixed figure. Today I sponsor an amendment to accomplish a similar objective. I believe that anyone who has studied what has happened between those two dates will conclude that if we want to be a strong and secure Nation, it will be necessary to adopt an amendment which will protect the American oil industry now.

When the President appointed his committee, he did not appoint a committee from the oil-producing States; he appointed a committee from his own Cabinet, representing the entire Nation, to determine at what level of production the United States could afford to import oil without endangering the national security. That committee determined the level to be 16.6 percent.

Subsequently we are seeing the imports exceed that level by 50 percent, threatening not only to destroy the domestic oil industry, but also to undermine completley the defense capacity of the Nation itself.

I believe the facts which have been developed during the last 3 years prove that any Senator would in good conscience do what the Senator from Louisiana has done. If he was against such a provision before, he would yet support it today, because the facts which have developed demonstrate the need for it.

Mr. MONRONEY. Is it not true that the men who impartially studied the requirements of America and the military necessity for maintaining a defense base of petroleum supplies at that time did not come from the oil-producing States, but represented the consuming areas? To my knowledge, none represented the States which are the producers of a large part of our oil.

Mr. LONG. I have not analyzed the matter on that basis, but I feel certain that the majority of the committee came from consuming States.

Mr. MONRONEY. I think the Senator from Louisiana will agree that should the consumption of petroleum in the domestic market double in the next 10 years, then the number of barrels which could be imported into the United States compared with the 1954 base, would likewise double.

Mr. LONG. Yes.

Mr. MONRONEY. They will be given a percentage of the increasing share in the domestic market. So the proposal will not work unfairly. It will not result in a rigid ceiling beyond which imports cannot go. The amount will be held at a steady ratio, a ratio found after careful study to be the maximum penetration of the domestic market which can safely be yielded to overseas production.

Mr. LONG. The Senator is entirely correct.

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

Mr. LONG. I yield to the Senator from Kansas.

Mr. CARLSON. I desire to commend the Senator from Louisiana [Mr. LONG], together with several other Senators who have sponsored an amendment to further limit the importation of oil and oil products.

I did not cosponsor this amendment, but I am not only concerned about the ever-increasing oil imports, but am going to insist, during the consideration of the extension of the reciprocal trade agreements by the Finance Committee, that this industry, which is so important to our economy and our national defense, be given additional protection.

Extended hearings are being held on the bill to extend the Reciprocal Trade Agreements Act, as approved by the House of Representatives some weeks ago.

Three years ago, when the Reciprocal Trade Agreements Act was before the Senate Finance Committee, of which I am a member, for consideration, the committee wrote an amendment known as section 7—the defense amendment—which proposed the curtailment of oil imports. The amendment was approved by the Senate Finance Committee and the full Senate after careful deliberation.

It was approved after full assurances were given by those whose responsibility it would be to administer the act that this amendment would result in a reasonable balance between imports of these materials and domestic production.

These assurances were given to me by those in high places in the executive branch of government. On the basis of those assurances, I voted for the 1955 extension. I urged others to do the same, and I believe some acted on my advice based on the assurances I had received.

That was 3 years ago. Since that time the Government has recognized the specific problem of petroleum imports by establishing a voluntary oil import program. This program has resulted in reducing the amount of oil imported into the United States.

It has been reviewed four times in the past year, and in each instance the level of imports has either been reduced or the program has been expanded.

Under this voluntary program, progress has been made to limit the amount of crude oil imported into this country.

However, the program fails to go far enough, in that it has not carried out the intent of this body to limit petroleum imports to the ratio which they had in 1954 to domestic production.

At the time of the passage of the Trade Agreements Act extension in 1955, I had definite assurances that such imports would be held to that level, which, incidentally, was determined my the President's Advisory Committee on Energy Supplies and Resources as necessary for our national security.

I was assured that the Director of Defense Mobilization would take action necessary to adjust imports of petroleum and its products to their relationship of 1954.

During the discussion on the floor of the Senate 3 years ago I stated that, should the defense amendment not be administered so as to limit the flow of petroleum imports to the 1954 ratio, then it would become the duty of the Senate Finance Committee or individual Senators to demand full compliance with this intent of Congress.

That time has come. Petroleum imports have never been held to the 1954 ratio since that time, despite the actions taken by the administration to voluntarily hold down crude-oil imports. Not until last month was any effort made to limit the importation of petroleum products, and even this action which dealt with unfinished gasolines and unfinished oils covers only about 2 percent of total imports. This, of course, was not a cutback in the original quotas on crude oil permitted under the voluntary program, but was merely intended to serve as a plug in the trends toward circumvention of the voluntary program through importation of unfinished oils.

In spite of all that has been done by the Government, according to estimates furnished me which are based upon reports of the importing companies filed with the Texas Railroad Commission, the outlook for the third quarter of this year is that imports of petroleum products will exceed 600,000 barrels daily, which represents an increase of 40 percent over the third quarter of 1957 and an increase of 100 percent over the third quarter of 1954.

As a result of this rather alarming rate of increase, we are now being urged to write legislation that would establish quotas on product imports.

I wish to emphasize that, although there is a difference between the assurances given me and other Members of Congress at the time of the passage of the

defense amendment and the results achieved to date through the administration of that amendment, I do not in any way imply a reflection on the sincerity of those who made those assurances.

I felt then, and I still do, that those who told me that administration of the amendment would be such as to carry out the intent of the Congress as expressed in the report of the President's Advisory Committee were completely sincere.

I believe, however, that the practical job of carrying out that intent has been more difficult than they expected.

I recognize there are other considerations, such as American foreign policy and the effect imports limitations have on that policy. However, there is no consideration which overrides national security. If this Nation's strength is not grounded on a sound domestic petroleum industry, then in times of emergency there will be no strength.

We cannot allow ourselves to become dependent upon foreign sources of oil which, at best, are unreliable and, at worst, would be subverted against us. We need no other example of the need for a strong domestic petroleum industry than the Suez crisis of 1956 and 1957. Had Britain and France not been dependent upon Middle East oil, there would have been no reason for them to send troops against Egypt.

Had the United States been as dependent upon Middle East oil as Britain and France, American soldiers would have been involved. Because the United States had a dependable supply of petroleum which could be speedily furnished our allies in their time of need, they were free to break off the engagement and seek a more peaceful solution.

Those allies had the assurance of an ample supply of petroleum when needed. Had that supply not been available, it is possible world war III would have resulted.

I agree with the President of the United States on the importance of extending the existing authority of the trade agreements program. I believe this program can be endangered, however, by a lack of sufficient safeguards for our own industries.

Products essential to our national security can be treated differently and effectively within the trade agreements program to assure us that security which we must have.

We cannot as a nation take the risk of placing ourselves at any disadvantage in our struggle with those who would destroy us. To fail to assure ourselves of adequate supplies of petroleum at a time when those supplies would be needed most would be to jeopardize our entire security.

Of what value are the billions we appropriate for rockets, missiles, guns, and ships if we do not have the necessary fuel to operate and transport these defense materials to the needed areas of operation?

Of what value would the United States be to its allies if it were unable to maintain its own security? We have heard many times that the hope of the Free World lies within the strength of the United States. If we were unable to respond to our allies' needs because of a lack of fuel, that hope would wither and die like a flower in a dried-up riverbed.

Present law—the defense amendment—provides for this security as to petroleum. However, under its present administration, it obviously leaves responsibility for the success of the imports program—and thus our security—in the hands of individuals outside Government.

Section 7 of the Trade Agreements Act still lacks the necessary guides for clearly requiring that responsibility should be kept in the hands of the President. It must be strengthened so that the intent of Congress in 1955 will not be circumvented.

As I stated a few moments ago, the intent of the Congress in 1955 was that petroleum imports would be limited to the ratio which they bore to domestic production in 1954. That intent was supported by assurances from high administration officials that this would be done under the defense amendment.

To date it has not been done.

As a result, domestic oil exploration and production activity is depressed, with imports increasing at a faster rate than domestic operations.

In 1954, total United States crude oil production averaged 6,342,000 barrels daily. Total crude and refined product imports averaged 1,052,000 barrels daily, or 16.6 percent of domestic production.

By 1957 total imports had increased to 1,570,000 barrels daily, an increase of 49 percent over 1954, while crude production had increased only 13 percent to 7,169,000 barrels daily. The ratio of imports to production had increased to 21.9 percent in 1957.

The situation has grown considerably worse in 1958. It is now estimated that for the first 6 months of 1958, total imports will average 1,560,000 barrels per day and United States crude oil production 6,460,000 barrels per day. Compared with the year 1954, imports have increased 48 percent and production less than 2 percent. The ratio of imports to production, which I was assured would be maintained at the 1954 level, has increased from 16.6 to 24.1 percent.

In my own State of Kansas, domestic production in 1954 was 327,000 barrels daily. In 1957 that production was 333,000 barrels, or a mere 1.8 percent above the 1954 level.

Total well completions in 1954 were 4,722, whereas in 1957 this facet of oil production had declined to 4,232, a reduction of 10.4 percent.

For the United States as a whole, total well completions in 1954 were 53,930, compared to 53,838 in 1957. The number of exploratory crews active in the year on which the President's Advisory Committee based its recommendations for maintaining petroleum imports was 713. In 1957, this activity had declined to 580.

Although it is recognized there is no magic formula as to any one year, it is obvious, from the activity of the domestic petroleum industry since 1954 that the Advisory Committee recommendation was a sound one. This decline trend certainly emphasizes the effect excessive imports have on a domestic industry and makes imperative corrective action by Congress.

The present voluntary program which depends upon the cooperation of all the importing companies to limit their imports to the levels suggested by the Government, has been ably administered. In most cases that cooperation has been evident. In several instances, however, importing companies have not complied until some means of enforcement were placed in the program.

Now, I understand, action has been taken which clouds the entire program with doubt as to its legality. A suit has been filed by one of the importing companies after the Government refused shipment on a products contract because the company's compliance with the program was in doubt.

With this doubt now cast on the voluntary program as established under the authority of the defense amendment, it is imperative that the Senate Finance Committee take whatever action is necessary and write whatever language is needed to see that the intent of the defense amendment approved in the 1955 act be carried out in the best interests of the Nation.

Mr. SCHOEPPEL. Mr. President, I rise to speak in support of the amendment to the Trade Agreements Act, which earlier today was submitted by the Senator from Louisiana [Mr. LONG] on behalf of himself and 17 other Senators of whom I am one.

Recently the House of Representatives gave its approval to the President's request for a 5-year extension of his powers to enter into trade agreements.

At the outset, let me say that I agree with the objectives we are attempting to achieve through a reciprocal-trade program. But reciprocal trade is a two-way operation. Frankly, I am concerned with certain phases of this legislation and the effect this program has had on certain small businesses and other phases of our economic life.

Personally, I do not intend to ignore my obligations as a United States Senator and the responsibilities I have to protect what I consider to be the best interests of my country.

At a later date I shall have more to say about this matter. Today I desire to address myself only to the program as it relates to the oil industry.

I am in general agreement with those who advocate extension of this program in furtherance of our Nation's responsibility to seek a strong Free World and the defense of our country.

I believe with equal sincerity that we must constantly and jealously guard that responsibility and the strength to respond to it. In order to do this, however, we must maintain a defense force constantly vigilant and sufficiently able to defend our country.

Also, we must have sufficient economic strength to meet the needs of our allies and to carry out our commitments under the President's trade program. We can do neither if we are not secure in our natural resources.

I fear that in one area in particular—namely, the defense amendment—the program does not go far enough to pro-

vide affected domestic industries with the assurances they must have if they are to do the job necessary to be done in order to maintain our security and thereby help insure the security of the Free World.

Many of my colleagues will remember that when the Trade Act was before us in 1955, the Senate wrote into the trade law the defense amendment.

There were then many of us who felt that if we were to maintain our national security in the field of petroleum, it was necessary to hold crude oil and petroleum product imports to 10 percent of domestic production. However, with repeated assurances from those high in the executive branch of our Government that the defense amendment would be used to limit oil imports to the level established by the President's Advisory Committee on Energy Supplies and Resources Policy the year before, the measure was approved.

I did not believe then that a voluntary oil program would work; and time has proved me right.

I joined, therefore, with the late Senator Neely, who submitted an amendment to place a reasonable limit upon importations of foreign oil. I felt then that unless reasonable restrictions were imposed, our independent producers of oil—not the major companies, which own practically 90 percent of the foreign oil resources of the world—would suffer from foreign competition.

The President's Advisory Committee, composed of Cabinet members, gave long and serious consideration to the question of what was needed to maintain our national-defense base. As for petroleum, the Committee determined that crude oil and petroleum product imports in excess of the ratio which they bore to domestic production in 1954 would threaten our national-defense base.

That is the background and the basis of the Government's present voluntary program to limit imports of crude oil and a few petroleum products. This program represents a recognition by the executive branch that such imports can impair a national-defense industry.

This program has brought about a reduction in the level of imports, but it fails to carry out the intent of this body when it adopted the defense amendment to hold petroleum imports to their 1954 relationship.

Keeping in mind the fact that the primary purpose of the defense amendment is to maintain a strong domestic petroleum-producing industry, and not merely to limit imports, per se, to any one standard, let us look at what has happened to that industry since 1954, the year of the Advisory Committee's report.

In 1954, the domestic industry produced an average of 6,342,000 barrels of crude oil daily. Total imports during that year averaged 1,052,000 barrels daily. During the first half of this year, domestic crude-oil production averaged 6,460,000 barrels daily, and total imports averaged 1,560,000 barrels daily. In other words, while domestic production increased 118,000 barrels a day, imports increased more than 500,000 barrels a day.

Immediately the question comes to my mind, "Cannot the domestic petroleum industry produce enough to supply our domestic demands?"

The facts prove it can. During the first 6 months of this year the domestic petroleum industry was maintaining a shut-in producing capacity in excess of 3 million barrels a day. This is oil that cannot be produced, because there is no market available.

From 1943 to 1945, while I was Governor of Kansas, I was privileged to become Chairman of the Interstate Oil Compact Commission. This organization has as its primary concern the conservation of one of our basic natural resources, petroleum.

During that time I became familiar with the ramifications of the conservation practices adopted by the various States, including my own State of Kansas.

I was impressed with the sincerity of purpose of those people whose responsibility it is to see that this Nation maintains a continuing supply of petroleum. I was also impressed with the effect imports can have on those conservation practices.

In taking into consideration the avoidance of waste in the domestic industry, those conservationists must determine the total supply available to the United States as a whole, and what part of that total supply should come from domestic wells.

If oil from sources outside our own borders takes over an increasingly larger share of that total supply, then they necessarily must restrict domestic producers, in order not to contribute to wasteful conditions.

If these imports are left to the economic dictates of individual companies, then eventually the actions of the conservation commissions are nullified, and there is no more market for the domestic producers.

We have been told that some of our "friends" overseas are displeased with us because of the present "voluntary" limitations on oil imports. We have been warned to expect reprisals from those "friends" if further restrictions are made.

While our current production is restricted to a level of 118,000 barrels daily above the 1954 level, production in Venezuela, where our Vice President was attacked, increased in 1957 by 884,000 barrels a day over 1954.

During that same time production in the Middle East, on which our own Department of Defense has admitted we cannot rely even in peacetime, was increased 800,000 barrels a day over 1954.

As to our neighbors to the north, even before the "voluntary" program was put into effect last June, importing companies whose source of supply previously had been Canada, were switching from Canadian imports to Venezuela and Middle East oil.

When the Senate passed the defense amendment in 1955, it believed, after assurances from the executive department, that it was providing means for adequately assuring the domestic petroleum industry a sufficient share of its own market to encouraged it to continue to expand at a rate commensurate with the growth in demand for its products.

I repeat, this has not occurred. Thus, further action must be taken to attain this goal.

With conditions such as these prevalent in one segment of our economy, I do not wonder that I am continually reading of increasing concern over the path of our entire economy. In matters as grave as the economic well-being and security of the Nation, our actions must transcend partisanship in the interest of the Nation as a whole.

In closing, I want to commend the junior Senator from Louisiana [Mr. LONG] for submitting the amendment which he intends to offer to the important measure which the Senate will consider in the next few days. Hence, what I shall have to say will be in support of that amendment, as a cosponsor of it.

AMENDMENT OF SHIPPING ACT OF 1916

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar 1743, Senate bill 3916.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3916) to amend the Shipping Act of 1916.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 1, at the beginning of line 11, to strike out "this Act" and insert "this Act, unless and until such regulatory body disapproves, cancels, or modifies such arrangement in accordance with the standards set forth in section 15 of this Act", so as to make the bill read:

Be it enacted, etc., That section 14 of the Shipping Act, 1916, is amended by inserting at the end thereof the following: "*Provided*, That nothing in this section, or elsewhere in this act, shall be construed or applied to forbid or make unlawful any dual-rate contract arrangement in use by the members of a conference on the effective date of this amendment, which conference is organized under an agreement approved under section 15 of this act by the regulatory body administering this act, unless and until such regulatory body disapproves, cancels, or modifies such arrangement in accordance with the standards set forth in section 15 of this act. The term 'dual rate contract arrangement' as used herein means a practice whereby a conference establishes tariffs of rates at two levels, the lower of which will be charged to merchants who agree to ship their cargoes on vessels of members of the conference only and the higher of which shall be charged to merchants who do not so agree."

SEC. 2. This act shall be effective immediately upon enactment and shall cease to be effective on and after June 30, 1960.

Mr. MAGNUSON. Mr. President, this is a bill which requires some explanation for the RECORD. It involves a technical question. The bill itself is a temporary measure, designed to prevent the disruption of a shipping rate procedure which

has been in operation the world over for more than 60 years.

A suit was brought by one steamship company, and the Supreme Court, in a recent decision, stated that the practice under the Maritime Act and the confidences was technically illegal, but suggested that Congress amend the law. The Court went into great length in saying that this is a practice which has been going on in the maritime world for more than 60 years. So the pending measure is merely a temporary measure to maintain the situation in status quo until Congress can consider the question. Bills have been introduced in both the House and Senate, and hearings are to be held on the entire question.

It would seriously affect the operation of American vessels to abandon at this time the so-called dual-rate system, because the cost of American vessels averages from 2 to 4 times the cost of foreign vessels. Consequently our shipping would have two strikes against it if some kind of crazy-rate war were to occur.

The Supreme Court suggested that Congress amend the law. The decision was divided. The minority opinion goes into great detail. The purpose of the bill is only to create a moratorium for 2 years, until the committees of Congress can go into the entire question of maritime shipping and maritime rates, as well as the common practices which have been going on for more than half a century.

The bill has the unanimous approval of the Senate Committee on Interstate and Foreign Commerce. I understand that a similar bill has been reported from the House Committee on Merchant Marine and Fisheries with unanimous approval, and that it is on the House Calendar for early action. The bill before the Senate is a sort of emergency measure.

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

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a more complete explanation of the bill.

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

STATEMENT ON S. 3916, DUAL RATE STOPGAP BILL

S. 3916 is a temporary measure, designed to prevent disruption of the one proven procedure developed by the steamship conference of the world over the past half century to prevent ruinous freight-rate wars that would be particularly damaging to United States-flag shipping.

As Senators are aware, the cost of operating an American vessel averages 2 to 4 times costs of a competitive foreign vessel. Consequently, our shipping would have two strikes against it in any rate war. Our ships couldn't possibly compete, and survive, in such an event.

The situation caused by the Supreme Court's majority decision that one of the hundred-odd conferences is illegal, is of tremendous concern to the shipping industry, with its hundreds of millions of dollars presently invested, and other hundreds of millions firmly committed for the replacement of aging merchant fleets. Some of the largest exporting firms and industries, as well as many smaller firms, are greatly concerned as well.

For this reason this bill asks a moratorium of 2 years during which time the result of the Supreme Court's decision can be studied, hearings can be held, and procedures developed for meeting the situation. The dual-rate system has been in use for nearly half a century, and has won the approval of the Maritime authorities responsible under the 1936 act for fostering the development and maintenance of adequate shipping to serve the Nation's needs in peace and war.

Twice before, the Supreme Court has refused to strike down the dual-rate system. Certainly now, when our vessel operators see their vast investments threatened, it seems reasonable to permit continuance for 2 years of a system that for more than 40 years has gone almost unchallenged. To do otherwise may cause irreparable harm to this industry which is so important to America's prosperity and security.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3916) was ordered to be engrossed for a third reading, read the third time, and passed.

THE DISABLED AMERICAN VETERANS

Mr. JOHNSTON of South Carolina. Mr. President, as a life member of the DAV, I receive its national publication, the Disabled American Veterans Monthly, which is sent to all its members, to keep them informed about all developments which may affect the welfare of America's disabled war veterans and their dependents.

In a recent issue, I noted the statement made by Paul E. Frederick, Jr., national commander of the DAV, before the members of the House Committee on Veterans' Affairs. A wounded veteran of World War II, Commander Frederick emphasized the fact that only Americans who have been either wounded, gassed, injured, or disabled by reason of serving actively in the Armed Forces of the United States, or in those of some country allied with it, during time of war, are eligible for membership in the DAV. The DAV is, therefore, one of America's most exclusive organizations. It is the only organization whose membership is limited to Americans who have sacrificed parts of their bodies or their health on its behalf in its Armed Forces during time of war.

Formed in 1920, and Congressionally chartered in 1932, the DAV is a one-purpose organization which specializes in extending much needed rehabilitation service to, for, and by America's disabled war veterans. The DAV is recognized, in several laws enacted by the United States Congress, as the official voice for America's disabled defenders.

Commander Frederick emphasized the fact that during the last 10 years the full-time DAV national service officers, located in the regional, district, and central offices of the United States Veterans' Administration—which donates office space for their convenience—succeeded in procuring additional benefits for disabled veterans and their dependents in the total sum of more than $181 million, at a cost to the DAV of $12,197,648.51.

During that 10-year period, the DAV's nationwide staff of full-time national service officers reviewed 3,453,604 claim folders, made 1,382,863 appearances before rating boards, and obtained 537,367 favorable awards, including 99,054 for those with service-connected disabilities, and 225,493 compensation increases.

Such invaluable rehabilitation service was extended without any charge whatsoever to the disabled veterans who received benefits therefrom, although an estimated 85 percent of them were not DAV members. This is indeed a strange situation, particularly when we note that less than 10 percent of the approximately 2 million compensated disabled war veterans are members of the DAV. Moreover, all other compensated disabled veterans have also been very substantially benefited by reason of the DAV's many legislative attainments.

The DAV was the first veteran organization to go on record, at its 1941 national convention, urging Congress, first, to increase basic rates of compensation in accordance with increases in the cost of living, and second, to provide dependency allowances for all compensated disabled veterans—objectives which, at that time, were thought by most persons, to be unattainable. Nevertheless, a 15 percent increase in the then basic rate of $100 for permanent total disability was provided by Congress in 1944, with proportionate increases for disabled veterans with lower ratings. Since then, there have been four additional increases in the basic rates of compensation. Dependency allowances were finally provided for veterans who are disabled to the degree of 50 percent or more; but they have not yet been provided for those with lower ratings. Provision for the latter group is an important objective of the DAV under the direction of its national legislative director, Omer W. Clark, former Deputy Administrator of the Veterans Administration, and his busy assistant director, Elmer Freudenberger, also a former VA official, with offices in the DAV national service headquarters, 1701 18th Street NW., Washington 9, D. C.

The many legislative liberalizations, since World War I, in the benefits for service-disabled veterans, were enacted into law primarily by reason of the advocacy thereof by the DAV. In fact, some liberalizing legislation pertaining to disabled veterans or their dependents has been enacted by every session of the Congress since the termination of World War I.

Judging by what failed to happen following our wars prior to World War I, such liberalizing laws for improved benefits for our service-disabled veterans and their dependents would not have been enacted if the collective voices of the veterans had not been heard through the DAV.

It is very significant that following the Civil War, and again following the Spanish-American War, very little liberalizing legislation pertaining to the service-disabled veterans of those wars was then

enacted—probably because of the fact that there was then no organization composed exclusively of the war's wounded and disabled veterans.

Because of the distress of the increasing scores of thousands of such disabled veterans who were unable positively to prove the service connection of their disabilities, a general pension system was finally enacted about 25 years after the Civil War. It provided Civil War veterans with pensions on the basis of attained ages or degrees of disability, without regard to the service origin of their injuries. Because of a similar situation, similar legislation was enacted about 20 years after the Spanish-American War, for the benefit of the veterans of that war. Periodic liberalizations in the general pension rates soon made it advantageous for the veterans with service-connected disabilities to elect to shift to the general pension system.

This has not yet occurred in the case of disabled veterans of World War I and of World War II, probably largely because of the fact that Congress has been kept aware—by the DAV—of the fact that it is a primary obligation of the Federal Government first to provide adequately for Americans who have sacrificed parts of their bodies or their health in the service of their country in its Armed Forces in time of war. As the official voice of America's disabled defenders, the DAV, with the cooperation of its bigger brother veterans organizations, has played a leading role in this respect.

Although most of the more than 200,000 service-connected disabled veterans who now are Federal employees procured their positions under the Veterans Preference Act of 1944, in the enactment of which the DAV took a leading role, less than 10 percent of them are members of the DAV. Moreover, many more thousands of handicapped veterans are now gainfully employed primarily by reason of the preferential selective placements into suitable jobs which utilize their remaining abilities, in accordance with policies and procedures in all public employment offices, as required by the United States Employment Service, pursuant to many DAV suggestions.

One of these suggestions—by a DAV past national commander—resulted in the law which provides for the observance, during the first full week in October of each year, of the national Employ the Physically Handicapped Week. This, in turn, led to the formation, some 10 years ago, of the President's Committee on Employment of the Physically Handicapped, which functions on a year-round basis. Its chairman, Gen. Melvin J. Maas, is a past national commander of the DAV.

Hard working John W. Burris is the DAV national director of employment. He is also the custodian at the DAV national service headquarters.

Another unique development, following the formation of the DAV in 1920, has been the establishment of accredited national service officers—in lieu of the former pension attorneys, whose fees were generally 10 percent of all benefits procured. These national service officers furnish pertinent information, advice, counsel, and assistance to disabled veterans, in helping them to prove entitlement to various types of governmental benefits to which they may be equitably and lawfully entitled.

After starting—shortly following World War I—this system of providing free service to disabled veterans, in connection with their respective claims, the DAV has since then maintained the largest staff of full-time national service officers maintained by any veterans organization. The staff members are located in the regional, district, and central offices of the United States Veterans' Administration. As VA accredited attorneys-in-fact, they have access to the official claim folders of veteran claimants who have furnished them with powers of attorney. All these special advocates have gone through the experience of prosecuting such claims themselves.

More than 400 handicapped veterans of World War II were accorded intensive vocational training courses, under Public Law No. 16, inaugurated by the DAV, toward the objective of becoming full-time national service officers of the DAV. The Veterans' Administration probably expended more than $2 million in providing them with 6 months of academic training at the American University, in Washington, D. C., supplemented by 18 months of on-the-job placement training under each of 3 old-time experienced national service officers who had learned by long experience how technically to prove legal entitlement to benefits to which claimants were equitably entitled.

Because of lack of sufficient funds, the DAV has not given its national service officers salary increases proportionate to increases in the cost of living, to take care of their increased living costs for enlarging families, although the DAV has persuaded the Congress to grant such increases in the basic compensation rates for disabled veterans. Consequently, more and more resignations have occurred, so that now the DAV has a staff of only 138 full-time national service officers who serve under the conscientious national director of claims, Cicero F. Hogan, and his able assistant director, Chester A. Cash, also located at the DAV national service headquarters.

These national service officers are kept so busy in the regional offices that very few of them are able to spend any substantial time at the 173 Veterans Administration hospitals. So much more could be accomplished for so many more deserving disabled veterans if the DAV were enabled, financially, to establish a full-time national hospital contact service officer in each of such VA hospitals, and also as to each of the 28 physical evaluation boards maintained in the various Army, Navy, Air Force, and Marine Corps hospitals throughout the country.

The net income from the DAV's fully owned "indento tag" project—operated at DAV national headquarters, 5555 Ridge Avenue, Cincinnati 13, Ohio, under the supervision of the DAV national adjutant, Vivian D. Corbly—had enabled the DAV to maintain the largest staff of full-time service officers of any veterans organization. Nevertheless, much more net income is needed to enable the DAV to reexpand, on an adequate basis, its staff of national service officers, so as to have at least one serving in each of the 173 VA hospitals and the 28 physical evaluation boards. Increased donations from automobile owner recipients of "indento tags" would be helpful toward that end.

Also very helpful would be DAV membership by more and more of the some 2 million compensated disabled veterans. Most of them have been free riders—content to accept benefits which they have not helped obtain.

Evidently, most of these DAV eligibles are not aware of the real significance of the facts and factors involved.

As a Member of Congress, one may wonder why I believe in building up a strong voice for America's disabled defenders—through the DAV. Several very important reasons occur to me, as follows:

First. In our democracy, with its many complicated interrelationships, the better organized and stronger groups are more likely to be listened to by Congress and governmental officials than are the poorly organized and weaker groups; stronger groups consequently obtain more for themselves than do weaker groups. For instance, only 200 or 300 laws are enacted by each Congress from among the thousands of bills introduced.

Second. When more than 90 percent of the veterans eligible for DAV membership are not members, Members of Congress may come to assume that such veterans are not interested in the objectives of the DAV. In our dynamic society, benefits, as measured in dollars, will gradually become less valuable as living costs continue—with some interruptions—to rise, about doubling every 25 years. That means that static benefits will actually go downward, relatively. In other words, by doing nothing, much would be lost. So we must move ahead, just to keep even.

Third. Every compensated disabled veteran has been financially benefited by reason of attained DAV legislative objectives—many times over the amount of a DAV life membership fee of $100, and by membership in the DAV he would be helping it to help thousands of the distressed, disheartened, disabled veterans who need the expert technical assistance of a trained DAV national service officer to convince a VA rating agency that the veteran is lawfully entitled to service connection for his handicapping disability, on the basis of factual evidence procured. Certainly those who have been so helped should feel impelled to help the DAV to help others. When a handicapped veteran is helped—either to prove service connection, to obtain increased disability compensation, medical treatment, or vocational training, or to be placed in suitable employment—his improved situation also helps his family and his community.

In the final analysis, service extended to a handicapped veteran, or his dependents, is a patriotic, unselfish service extended to our beloved country. The provision of security for America's disabled defenders is an essential factor in the provision of security for America.

The extension of much-needed personalized rehabilitation services to, for, and by America's disabled defenders, collectively cooperating together through the DAV, is a patriotic service of such great value to the individuals directly affected, and also to their dependents and their communities, that it deserves the continued support of all of America's war wounded, injured, and disabled veterans by their life membership in the DAV.

Americans who help the DAV to procure adequate security for America's handicapped veterans and their dependents thereby help assure future security for America and for all other Americans.

Mr. President——

The PRESIDING OFFICER. The Senator from South Carolina.

WASTE IN MILITARY EXPENDITURES

Mr. JOHNSTON of South Carolina. Mr. President, I believe our country needs a new battle cry: "Billions for defense but not one cent for waste." Unless we are careful, we are going to plunge ourselves into national bankruptcy, and leading the parade to fiscal ruin are the military.

It is most jolting, indeed, to find that we have finished the fiscal year 1958 with a deficit of upward of $4 billion, and almost at the same moment to be told by Secretary of Defense McElroy that our missiles program is involving great waste. On Monday of this week, Secretary McElroy told the members of the Senate Armed Services Committee that the United States has produced too many missiles of some kinds and duplicated in a way that was wasteful of the taxpapers' money.

Secretary McElroy, at least, is to be credited for frankness, but his candor can hardly be allowed to cover up the deficiencies of the Defense Department's planning and operations. Seemingly, those in the Pentagon proceed on the assumption that the United States Treasury is a bottomless pit, that public funds are somehow conjured out of thin air, that a few billion dollars, more or less, do not make any difference.

How long is it going to take for the military to understand that each and every dollar of public funds must be raised from the taxpayers, from the working people and businesses of America; that every dollar spent for defense means that much less money for the normal development of business and investment, for the creation of payrolls and jobs? Is there no way we can drive home the lesson to the men in military uniforms that an equally important component of national defense is the economic strength of the Nation and the soundness of our dollar.

Surely in all their studies and special courses of study, which seem to last for years, they must have learned along the way that one of the prime objectives of the Kremlin is to conquer America by imposing such burdens on us that we will ruin our economy through excessive military spending.

Only a few days ago Columnist Drew Pearson pointed out that one of the main factors in the decline of the prestige and power of the West in relation to the deteriorating situation in the Middle East is that the world at large, and paricularly the Free World, has lost confidence in American military power. Only time will tell the incalculable harm done America and our allies and the cause of freedom by the psychological injury occasioned in the space race we are losing to the Soviets.

What is Secretary McElroy doing about this fiasco? I saw a brief report the other day that the Defense Department was going to "reevaluate the Vanguard program." Well, how long reevaluation? And what about the management of that whole program and the money that has literally gone up in smoke in the 5 failures out of 6 tries? The people are watching anxiously to see what decisions result from the announced "reevaluation."

Mr. President, the local newspapers here in the Nation's Capital have been stirred up the past several days, and rightly so, over the bungling which has attended the powder factory in nearby Maryland. Pleading economy, the military pursued a course of action that resulted in the loss of more than 2,000 jobs at this nearby installation.

It looked at first as if the brass had gone economy-minded in a big way. Then, of course, it came to light that the whole business was a fancy maneuver that had nothing to do with economy. It really was a "fast one" which, instead of realizing any savings, actually necessitated the spending of additional millions of dollars for new facilities on the west coast duplicating those being abandoned here. The remarkable part of it all is that the schemers were able to get as far as they did, and were successful even in deceiving such able, experienced, and dedicated men as those who look after such matters in the House.

For long months I have stood on this floor and labored this issue of the waste, extravagance, and loose management in our military affairs. I regret to say that for all practicable purposes it has been of little or no avail, so far as bringing about needed and desired results is concerned. I am encouraged, however, that the sunshine of truth and conscience is getting into the dark places in the vast, intricate and complex realm of the military.

It is encouraging to find Secretary McElroy, now making public admission of the situations to which I have been directing attention. Perhaps if we can get enough of this out into the open we can do something about it. We had better do so, or we will be flirting with the dangerous possibility that we will spend ourselves into ruin.

Secretary McElroy himself gave it as his opinion in the recent conference of the Nation's military leaders at Quantico that in the next decade our military budget may go to $70 billion or possibly $80 billion a year.

This prediction is something to have in mind as we go about the business of building our national defenses. We are aware that we are facing a continuing fight for survival—survival as a free people sustained by a free economy. We must be alert lest we lose what we most prize as we make ready adequate defenses. As I said in the beginning, our watchword should be "billions for defense but not one cent for waste."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the Washington Evening Star entitled "McElroy Sees Waste in Missiles Program."

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

MCELROY SEES WASTE IN MISSILES PROGRAM

Secretary of Defense McElroy told Senators today that this country has produced too many missiles of some kinds and duplicated in a way that was wasteful of the taxpayers' money.

The Pentagon civilian boss offered this testimony to the Senate Armed Services Committee as he appeared to ask greater authority to reorganize and streamline the multibillion-dollar defense programs.

RUSSELL DENIES FEUD

As Mr. McElroy made his second public appearance before the Senate group, Chairman RUSSELL, Democrat of Georgia, denied that they had been engaged in a feud about testimony by top Pentagon military leaders.

After the Secretary publicly criticized Senate testimony on the reorganization plan by Adm. Arleigh A. Burke, Chief of Naval Operations, Senator RUSSELL announced he would not call additional members of the Joint Chiefs of Staff until he had assurances from Mr. McElroy they could testify freely and frankly without reprisal.

After considerable negotiation, Mr. McElroy sent Senator RUSSELL a letter which apparently satisfied the Senate leader.

Senator RUSSELL told Mr. McElroy and a crowded committee session today he had been disturbed by references to this exchange as a feud.

Since the start of this Government, Senator RUSSELL said, there have been differences as to the respective authority of Congress and the Executive. He said he had acted "to protect which I regarded as the legislative functions of the Government."

QUESTIONS AUTHORITY

He raised questions about authority in the bill, already passed by the House, which would give the Secretary the right to transfer, reassign, or abolish military functions set up by Congress.

The Senate chairman asked if this did not amount to second veto?

His point was that a President could veto an act of Congress and then, if Congress overrode the veto, a Secretary could still block Congress' will.

Mr. McElroy said this is not the intent. He said there is a need for flexibility over the future because no one knows now what it may bring, other than change.

He said Congress would be notified in advance of any changes and these would not be made precipitately.

Mr. JOHNSTON of South Carolina. We must bear in mind, in dealing with the military, that we have a military man as President of the United States, and it almost a crime in the Senate or in the House of Representatives to vote against any appropriation for the military. I think it is time we began to look into the waste in some of our military installations. I think it is also time for us to be strong enough to cut appropriations, if necessary, where they should be cut.

Yes, it is nice to say "Be prepared." We all want to be prepared. I do not think anybody else has ever gone this far, but I want to warn the Nation at this time that it is possible for the United States to be classified by other nations of the world as Germany was classified for many, many years before Germany was almost wiped from the face of the earth. What was Germany classified as? Germany was classified as a militaristic nation. I do not want America to ever be classified in that way. I want our Nation to be prepared, but I do not want anybody to think that the military is running the United States.

ROY HENDRICKS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1557, H. R. 7718.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7718) for the relief of Roy Hendricks, of Mountain View, Alaska.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 7718) for the relief of Roy Hendricks of Mountain View, Alaska.

Mr. MANSFIELD. Mr. President, the purpose of the proposed legislation is to pay Roy Hendricks, of Mountain View, Alaska, the sum of $661.70 as reimbursement for towing services, repairs, and storage of 2 trucks seized in June 1952 under court process by the United States marshal's office, Anchorage, Alaska.

Mr. President, I ask unanimous consent that a statement regarding the bill be printed in the RECORD at this point.

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

In June 1952, judgment was recovered by private litigants in a civil action in the United States district court at Anchorage, Alaska, and a writ of execution was levied against two trucks, the property of the judgment debtor. The United States marshal requested the claimant in the proposed legislation to tow the trucks to his garage and store them there until such time as they could be sold in satisfaction of the judgment. Subsequently, the United States marshal's office requested the claimant to put the vehicles in condition for winter and in running condition in preparation for the sale. The work which the claimant did at the request of the United States marshal's office resulted in the creation of a mechanic's lien against the vehicles in the sum of $795. The vehicles were ultimately sold at public auction for $150. Of the $150 realized from the public auction the amount of $133.30 was paid to the claimant, leaving a balance of $661.70, the amount specified in the proposed legislation, as due on the lien. The claimant presented the claim for $661.70 to the General Accounting Office which disallowed it on the grounds that even though the claimant may have released the vehicles for sale upon the assurance from the Assistant United States Attorney that he would do everything possible to see that the expenses incurred at the request of the United States marshal would be paid, such indebtedness was incurred as the result of private litigation and the Assistant United States Attorney's promise to assist in the collection of the debt was in no way binding upon the United States.

Mr. E. L. BARTLETT, Delegate from Alaska, urges the favorable consideration of the proposed legislation on the grounds that the claimant acted in good faith, that he performed the service at the request of the United States marshal, that he had performed previous services for the United States marshal's office and for such previous services performed at the direction of the marshal or at the direction of one of his deputies he had always been paid, and that on this occasion he also anticipated businesslike dealings with the officials of the United States concerned.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 7718) was ordered to a third reading, read the third time, and passed.

MARY K. RYAN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1636, S. 489.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 489) for the relief of Mary K. Ryan.

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

There being no objection, the Senate proceeded to consider the bill (S. 489) for the relief of Mary K. Ryan, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding any statute of limitations or lapse of time, claims for credit or refund, exclusive of interest, of overpayments of income taxes for the taxable years 1949 and 1950 based on excludable cost of living allowance may be filed by Mary K. Ryan, and her former husband, William A. Boutwell, both of Albuquerque, N. Mex., at any time within 1 year after the date of the enactment of this act. The provisions of section 322 (b), 3774, and 3775 of the Internal Revenue Code of 1939 shall not apply to the refund or credit of any overpayment of tax for which a claim for credit or refund is filed under the authority of this act within such 1-year period.

Mr. MANSFIELD. Mr. President, this bill would simply waive the statute of limitations so as to permit the claimants to file a claim for refund of personal income tax erroneously paid by them in 1949 and 1950 by way of a joint return filed by them prior to their divorce.

Mr. President, I ask unanimous consent to have a statement in regard to the bill printed in the RECORD at this point.

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

At the time the returns were filed the claimants were working in Alaska and by virtue of an executive order of the President, followed by a regulation issued by the Treasury Department, both issued by authority of the 1939 Internal Revenue Code as amended by the Revenue Act of 1943, they were entitled to exclude from their taxable income amounts paid to them as "cost of living allowances." They did not learn of this executive order and regulation until they returned to the United States and although they then filed claim for refund, the 2 years in question were rejected because the 2 year statute of limitations for filing had expired. The Internal Revenue Service did give a refund on the 1951 return, as the statute had not run for that year.

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

The amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Mary K. Ryan and William A. Boutwell."

PROPOSED AMENDMENT OF THE RECIPROCAL TRADE AGREEMENTS ACT

Mr. JOHNSTON of South Carolina. Mr. President, I can well remember when those opposing the so-called Reciprocal Trade Agreements Act were as scarce in the United States Senate as the proverbial hens' teeth. Looking back over the past few years I feel even more justified in my position of opposing renewal of this legislation, and I am happy to see more and more Senators giving this program closer scrutiny. As each day goes by we can see that the original intent of this program as conceived by former Secretary of State Cordell Hull back in 1934 is being lost in a shower of internationalistic suicidal propaganda.

There is no longer anything reciprocal about the program. Once thought of as a program to stimulate sale of American-made goods abroad in a friendly market, the reciprocal trade program has become a monster that is destroying American business, American jobs, American markets and American influence abroad. Coupled with the foreign-aid programs, this lopsided trade program is doing more harm to America than anything short of military destruction.

Not only have we sent our dollars abroad to help put our friends back on their feet but after that we have supported their budgetary requirements with our tax dollars, subsidized foreign industries, and given trade concessions which today mock our claim to national sanity.

Products of foreign industries, sustained by American dollars, produced abroad at virtual slave-wage levels, in many instances, are replacing American-made goods in our domestic markets. Thus is created much unemployment, the fruit of our own mistaken generosity and ill-advised trade policy. Thousands upon thousands of Americans today are drawing unemployment benefits, running into millions of dollars, as a result of their jobs being abolished because of this foreign competition which is being subsidized with American tax dollars.

Mr. President, while this trade legislation is before the Senate Finance Committee, and before it is reported to the Senate, I want to make a few observations.

In 1934, in order to increase trade, the Congress enacted the Trade Agreements Act which authorized the President to lower or increase duties as much as 50 percent. In the period 1934–47, a number of bilateral trade agreements were made. In 1947, the General Agreements on Tariffs and Trade came into being and with it the Multilateral Trade Agreement came into being. With the advent of the Multilateral Trade Agreement, the most-favored-nation clause became international in scope, and concessions to one country became, excepting Communist countries, concessions to the world.

Since 1937, the United States has slashed its tariffs 78 percent. We now rank seventh from the bottom of the tariff scale. Our duty deductions were made under the guise of reciprocity, the United States sacrificing its duties in exchange for concessions from the foreign countries. Yet after 24 years of operation, we find the barriers of foreign nations to United States products greater than prior to the initiation of the tariff slashing program. In addition to duties, the following are some of the restrictions imposed on United States exports by foreign countries: 17 have import quotas, 33 require foreign-exchange licenses, and 62 require import licenses.

In 1951, Congress enacted a provision called the escape clause, which provided that the Tariff Commission make an investigation to determine if a tariff reduction has injured or threatens injury to an American industry. The Tariff Commission recommendation is then sent to the President who may accept, modify, or reject any action the Tariff Commission has found needed to prevent or remedy the injury to our American industry.

Congress, by this provision, intended to prevent any American industry or its workers from damage from imports. But the escape clause has not been administered as Congress intended. In 87 cases, the Tariff Commission has reported injury from imports in 30 cases; of these, the President has refused approval in 20 cases. In 10 cases, the recommendation of the Tariff Commission was approved or modified. Thus, the chance of success in an escape clause action is only 1 out of 3 even when the industry has established injury.

The problem of the American industries arises from the industrialization which has taken place in foreign countries since the war. This is a direct result of our foreign aid in European countries and military government programs, primarily in Japan. The low-wage foreign countries have been industralized, but their wages have not kept pace with the mechanization. The average hourly wage in 1956–57 in the United States was $2.08; this compares with average wage scales in West Germany of 55 cents; in Italy of 43 cents and in Japan of 22 cents.

Imports of a great number of products have increased tremendously in the past few years. Pottery, textiles, steel flatware, clothespins, plywood, and many other products are coming in from Japan in steadily increasing quantities. Plywood exports from Japan to the United States have increased 6,800 percent since 1951. Plywood imports took 52 percent of the United States market in 1957. Japan alone took 42 percent. The domestic hardwood plywood industry is sorely pressed to stay alive in face of the competition of the plywood from Japan. Employment has been reduced from 25 to 30 percent; take-home pay is down drastically and a full 40-hour week has been the exception rather than the rule.

In the June issue of the Carpenter, Earl Hartley, president, Western Council Lumber and Sawmill Workers, says:

> As closely as I have been able to figure, some 3,500 of our members are today displaced by imports of Japanese plywood and veneer. There is a good possibility that if the American market remains open and unrestricted that other wood items such as lumber, doors, sash, and so forth, will eventually feel the effects of ever-growing competition from low-wage Japanese products.

Bear in mind, this is in the three west coast States alone, Oregon, Washington, and California. This represents the loss of the smaller of the two labor organizations in the plants of those States.

According to recent figures that have been used before by the distinguished Senator from Maine [Mr. PAYNE], there are 345,000 textile workers unemployed due to imports.

The matter of forcing American workers to compete with wages of 15 or 20 cents an hour in Japan and some other countries should be of vital concern to all of our leaders in labor, industry, and in Government.

The competition from Japan is no longer from a "cottage industry" but from modern plants furnished with the finest machinery that money can buy, plus a low wage, long hours and no overtime. This is a combination the American worker cannot lick.

The President in 1955, assured American industry and labor that no industry would be put in jeopardy by the trade-agreements program. Positive evidence has been submitted to Congress and the President that injury from imports exists in many industries. Yet, in 20 cases, the President has refused to accept the findings of the Tariff Commission that an American industry was injured and a remedy was required.

I am gravely concerned over the welfare of our Nation's economy. We are headed down a road of unlimited spending, extravagance, waste and self-destruction. We must begin to tighten our economic belts and bring ourselves to realize that our primary task at this time is to return to a goal of self-preservation.

A good place to start is to kill this lopsided trade program.

JOHN J. SPRIGGS

Mr. O'MAHONEY. Mr. President, I have consulted with both the majority leader and the minority leader, and they have agreed to the request I am about to make, namely, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1624, Senate bill 2629.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2629) for the relief of John J. Spriggs.

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

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

Mr. O'MAHONEY. Mr. President, this bill was unanimously reported by the Judiciary Committee. It is a bill for the relief of John J. Spriggs, but only to the extent that it gives him the authority to pursue in the Federal court a claim which was disallowed in his first attempt on the ground that it was a claim against the United States and there was no jurisdiction in the court.

There is no objection to the bill. I hope it will be passed.

Mr. President, I ask unanimous consent that a statement explaining the bill be printed in the RECORD at this point.

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

JOHN J. SPRIGGS

This proposed legislation would waive the statute of limitations so as to confer jurisdiction on the United States District Court for the District of Wyoming to hear, determine, and adjudicate any claim of John J. Spriggs, of Lander, Wyo., against the United States relating to certain lands in the Wind River Indian Reservation.

The Department of the Interior expresses opposition to the legislation, and the Department of Justice opposes the legislation except as it applies to one allotment of land covered by the legislation.

Briefly, it would appear that the facts were developed in a suit brought by the claimant in the United States District Court for the District of Columbia against the Secretary of the Interior and others. The basis for the suit was an agreement with one Mary Candler, who was the widow of a William O'Neal, a member of the Shoshone Tribe of Indians. The claimant, Mr. Spriggs, was attorney for Mary Candler on the death of her husband, when his will was contested. The agreement between Mrs. Candler and the claimant was on a contingent-fee basis, consisting of one-half of the property she might obtain through his efforts. Mrs. Candler was successful in her suit to gain the property, and executed quitclaim deeds to the claimant.

When the quitclaim deeds were submitted to the Department of the Interior for transfer, the Indian Bureau notified Mrs. Candler that inasmuch as she was of one-fourth Indian blood and an enrolled member of the Shoshone Tribe, she could not make any valid contract without the approval of the Department of the Interior. The suit heretofore mentioned in the District Court for the District of Columbia was brought, judgment was entered in favor of the Government, and the Court of Appeals affirmed that judgment, stating as follows:

"As to allotment No. 950 * * *

"It is also conceded that a subsequent conveyance of this land by Mr. Spriggs to the United States at its request, in trust for Mary Candler, the same person as defendant Candler, after a conveyance by her to him, was upon the mistaken view that the land was restricted and that the earlier deed to him accordingly was invalid. The cloud which appears thus to have been cast upon his title

to this tract through mistake may no doubt be removed by legislation, or possibly by appropriate litigation."

As to the main suit, the court dismissed it as one lacking jurisdiction in the Federal courts.

Hearings were had upon this bill, and the contentions of the claimant and those of the Department of the Interior in relation to the different interests are in sharp disagreement. This bill would send the matter to the court in order to have a final adjudication of the interested parties.

The committee is of the opinion that this is the type of legislation which should be subjected to a court interpretation for the purpose of bringing it to complete finality and, for that reason, recommends that the bill, S. 2629, be favorably considered.

The PRESIDING OFFICER. The bill is open to amendment.

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

The bill (S. 2629) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding any statute of limitations or lapse of time, jurisdiction is hereby conferred upon the United States District Court for the District of Wyoming to hear, determine, and adjudicate any claim of John J. Spriggs of Lander, Wyo., against the United States relating to certain lands in the Wind River Indian Reservation, Wyo., conveyed to him by quitclaim deed by Mary Bradford O'Neal Candler on November 18, 1925. Suit upon any such claim may be instituted at any time within 1 year after the date of the enactment of this act: *Provided*, That nothing in this act shall be construed as an inference of liability on the part of the United States.

SHAREHOLDERS AND DEBENTURE NOTE HOLDERS OF GOSHEN VENEER CO.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 780, House bill 6282.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 6282) for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dow M. Gorham, administrator of the estate of Charles E. Gorham, the sum of $50,176.17; to Dow M. Gorham, administrator of the estate of Nellie A. Gorham, the sum of $8,858.66; to Elizabeth Dow Snoke, administrator of the estate of Ethel B. Dow, the sum of $82,639.91; to Elizabeth Dow Snoke, the sum of $32,468.66; to Barbara Dow Bowen, the sum of $32,468.66; and Dow M. Gorham, the sum of $88,542.42, former shareholders of the Goshen Veneer Co., an Indiana corporation, having its principal place of business at Goshen, Ind., in full settlement of their claims against the United States as a result of having lost their business by reason of an overexpansion of its facilities urged and encouraged by the War Department of the United States in anticipation of the requirements of the projected wartime wooden aircraft program and the subsequent abandonment of that program by the War Department before amortization could be effected: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. DIRKSEN. Mr. President, in connection with the bill just passed, I ask unanimous consent that a statement of the purpose of the bill and other pertinent material be printed at this point in the RECORD.

Mr. MANSFIELD. I join the acting majority leader in that request, Mr. President.

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

PURPOSE

The purpose of the proposed legislation, as amended, is to pay the former shareholders of the Goshen Veneer Co. a total sum of $295,154.47, in full settlement of their claims against the United States as a result of their having lost their business during the period 1942–44 by reason of overexpansion of the facilities of said business at the behest and urging of the United States War Department, in anticipation of the requirements of the projected wartime wooden-aircraft program and the subsequent abandonment by the War Department before amortization could be effected.

STATEMENT

A similar bill, H. R. 10092, as amended, was favorably reported to the Senate from the committee on July 20, 1956, and passed by the Senate on July 27, 1956, too late for further action by the House, as amended by the Senate.

The Goshen Veneer Co. was established in 1892 by Myron C. Dow and Charles E. Gorham and was operated as a partnership until it was incorporated in 1900. The ownership of the firm and all of its stock remained in the hands of the organizers or their families up to April 1944. Since its inception Goshen has engaged in the manufacture of hardwood veneer and plywood principally for the manufacture of furniture. It was among the first to develop the hot-press technique for cementing veneer with thermosetting resins. The average net sales for the years 1936 to 1941 were $558,200, with average net profits of $26,300 or 5 percent of sales. The incidents out of which this claim arises took place in the spring of 1942 through the summer of 1944. A number of the persons then having offices or other responsible positions in and about the Goshen Co. are now deceased.

On March 10, 1942, Mr. J. J. Snoke, general manager of Goshen, advised the Army Air Force's procurement officers by letter of Goshen's availability for plywood manufacture and offered its services in that regard. It is not clearly established whether this letter was a response to solicitations by such procurement officers to Goshen, or whether it was a voluntary act on the part of the corporate management. It is to be borne in mind, however, that this company was a small, family-owned corporation operated in a city in mid-America and, inasmuch as the officers and shareholders were all members of the community, the letter probably represented a genuine desire on their part to contribute toward the defense effort at this period in which the country was engaged in a world war.

On May 6, 1942, the company had prime or subcontracts with various agencies of the Government totaling $354,500 and a subcontract estimated at $600,000 was in the process of negotiation with the Bell Aircraft Co., which had a contract with the United States Army Air Forces. Goshen was contacted by representatives of the War Department during the summer of 1942 and the necessity of peak production for the war effort was stressed.

On May 22, 1942, Goshen entered into a V-loan agreement for $100,000 of revolving credit. It is to be noted that $100,000 of additional credit would not be an unusual financial transaction in view of the size of the company and its average of $500,000 gross business in the preceding years.

Following the first V-loan, Goshen received further subcontracts and about the 1st of August 1942 Lt. George E. Dilley, assistant to the district financial officer, contacted the company for the purpose of assisting it in obtaining an increased loan which Goshen had contemplated making as early as July 6, 1942. Further, on July 29, 1942, a letter was received by Goshen from a Major Lyon which contained several rather broad statements with regard to V-loans.

On August 7, 1942, the First Bank & Trust Company of South Bend, a fiscal agent for the War Department, which handled the first V-loan, applied to the Federal Reserve for a guaranty for a loan of $600,000, this being a consolidation with the first V-loan and an increase in credit of $500,000. The claimant contends that considerable pressure by procurement officers during the summer of 1942 had induced them to go ahead with continued expansion to handle war contracts which the Air Forces desired.

Specifically, the United States Air Forces at this time were interested in a program for producing plywood aircraft, thus saving on aluminum and other essential minerals. It was in connection with this plywood aircraft program that Goshen had been contacted.

On August 22, 1942, the bank consolidated the former loan and a loan was made in the amount of $600,000 for Goshen. In addition to the provisions securing repayment under the former agreement there was incorporated in the August 22 instrument the new loan contract provided, inter alia, that the bank, at its election could require separate accounts for funds advanced and the countersigning of checks, inspection of the books and records of Goshen, and the right to make advances in its sole discretion; also, monthly balance sheets certified by public accountants; approval by the bank of all contracts for over $25,000, and the acquisition of any fixed assets over $2,000 was required.

It is to be noted that the May 22 loan for a revolving fund of $100,000 provided for a mortgage of all real estate, equipment, materials, tools, machinery, and personal property except inventory; the assignment of the proceeds of all contracts with United States or various departments thereof; the subordination of outstanding debentures (in the extent of $26,064.70) to the loan; prohibition of the payment of any dividends during the period of the loan, for monthly balance sheets and accounting records certified by a CPA; the personal guaranty of J. J. Snoke and

Dow Gorham for the repayment of funds advanced, and an acceleration clause to be effective in case of a breach of any of the terms of the agreement.

The committee notes that the control of the company with the issuance of these two loans progressively passed from the existing management to the bank and the War Department. Further, the amount of the second loan was not thought to be desirable by the bank or the Federal Reserve, but which was acquiesced to by them at the insistence of the War Department officials, because it would be an excessively large loan for the size of the Goshen Co. and its previous operations. Briefly, the company took the second loan and expanded its operations in accordance with contracts with the Government. This amounted to what would be in normal business procedures an overextension of the company. However, the committee feels that it is to be noted that at the time the country was at war, that considerable pressure had been exerted on the company in connection with its plywood aircraft program.

The committee notes that under the Selective Service Act of 1940, the Goshen Veneer Co. could have been seized by the Government for war production if the company failed to cooperate with the Government in handling war contracts, but the committee does not feel that the company in a strict legal sense was forced to comply with the suggestions of the War Department. However, the committee does understand that, inasmuch as this was a family corporation, all of the members living in the town in which the plant was located, that had the family managed the corporation in such a manner as to compel Government seizure, they would have been practically compelled to leave town due to the wartime public feeling. The committee notes that had the families made such a Government seizure necessary they would not have sustained the loss which is the basis of the instant claim. Further, the committee appreciates that possibly in permitting this overextension, the company was possibly overzealous in its patriotic efforts to help the country during the war.

Following the expansion, the physical property of the plant was expanded. For example, the size of the work force, which was formerly 175 people, was increased to 575 with corresponding increases in the plant and equipment. In the fall of 1942 Goshen experienced difficulty in furnishing the bank with accounting and financial data as required under the loan agreement which would adequately inform the bank of the company's financial position. By November 10, 1942, outstanding notes under the revolving V-loan totaled $597,964.28. Some of the difficulty encountered by Goshen in presenting a reliable fiscal report as to its operations seems to have stemmed from the lack of a cost-accounting system adequate for the proper handling of the cost-plus-fixed-fees contractual arrangements which constituted the majority of their contracts.

In December 1942 the company's accountant advised the bank that his failure to submit the required statements for October and November was due to the necessity of building an entirely new financial accounting system beginning with the fiscal year of October 1941, in order to have proper cost accounting for the new Air Forces contracts. In December 1942 Mr. J. J. Snoke advised the bank of a proposed subcontract with Bell Aircraft Corp. having a minimum estimated value of $2,500,000, which would require additional operating capital. The bank at this time informed Goshen that they would install their own accountants in accordance with the terms of the loan if adequate financial data was not forthcoming. In January 1943 a firm of management engineers was employed to conduct a survey of Goshen's problems and attempted to remedy some of the difficulties which had been encountered. This firm, Stevenson, Jordan & Harriss, hereinafter referred to as SJH, was hired at the insistence of the bank. The actual selection of the firm, was made by company officials. The Federal Reserve is noted as finding that the hire of the management firm was not warranted at this time. In February the bank notified the management that all future advances made to Goshen would be deposited in a separate account from which withdrawals could be effected only when countersigned by an employee of the bank who would spend full time in the Goshen offices in connection with the revolving credit.

SJH submitted its report on February 25, 1943, which indicated that production, engineering, and quality of production were entirely satisfactory, but that Goshen was deficient in certain aspects of business management with respect to cost control and accounting. It was additionally noted in this report that management was overburdened by a mass of detail and that the situation was aggravated by the loss of key production men to the draft. The committee further notes that inasmuch as the plywood aircraft program was in a new field of aircraft manufacture that many of the contracts were experimental in nature and that considerable engineering problems were presented to the company in forming airfoils of plywood which has appreciable thickness as compared to airfoils of aluminum sheets which are of a thin gage, inasmuch as the aircraft industry and its research and engineering specifications were keyed to the aluminum airfoils.

On March 8, 1943, the bank filed a new application for a $1 million revolving-fund loan. This would incorporate the previous $600,000 V-loan. The loan agreement for this amount was executed on March 25, 1943. In addition to retaining the previous provisions to secure payment which had been set out under prior loans, the agreement provided, inter alia, that 51 percent of the outstanding voting shares of Goshen would be pledged to the bank; that Goshen would obtain management satisfactory to the bank, and after the date of the agreement Goshen would retain the services of SJH. At the time of this agreement the representatives of Goshen demurred giving a pledge of 51 percent of the voting stock, feeling that the bank might then be in a position to obtain control of the business. It was explained by the representatives of the Federal Reserve that collateral could not be foreclosed without the consent of the War Department and the War Department under no circumstances would be interested in depriving the owners of the business as long as the terms of the guaranty agreement were being fully complied with. It is noted that at this time the company's application for additional credit was the only feasible basis upon which it could continue in its overexpanded state and perform the contracts negotiated under the plywood aircraft program.

From this time on, while previously the bank had exercised considerable control, the management was completely in the hands of and controlled by the bank in its operations. In June of 1943 a complete reorganization was effected in which a nominee of the bank and a representative of SJH were present on the board of directors. The pledge of 51 percent of voting shares was transferred to the Federal Reserve as fiscal agents for the War Department with the provision that it might be voted at the discretion of the contracting officers attached to the Headquarters of the Army Air Forces. The new office of general manager-secretary-treasurer was made the principal executive office of the company and the representatives of SJH were elected to this office. Mr. Snoke, the former general manager, remained prominent in the operation of the business.

During the summer of 1943 the entire wooden-aircraft program, in anticipation of which Goshen had expanded, was decelerated sharply to the point of being completely stopped, and its impact on the company is indicated by the fact that by November 1943 the operations were only slightly larger than prewar.

The committee notes that the principal difficulties involved in this claim are represented in events which transpired prior to this time, to wit, the company at the insistence of officials of the War Department, and in its desire to assist in the war effort, was repeatedly (in a period of 6 to 8 months) overexpanded and then the defense program upon which the company relied for its overexpansion was, within a few months, completely dropped, allowing no time to amortize the massive loans secured by the company in anticipation of its operations therein. Subsequently, there was considerable shifting of personnel in the management of the company. The curtailment of the plywood aircraft program and cancellation of other defense contracts compelled a rapid reduction of the operations of the company and other difficulties were encountered. The committee believes that during this time the control of the company cannot be said to have resided in the former management. On April 18, 1944, the stockholders of the company signed over to the Federal Reserve Bank of Chicago, as fiscal agent of the War Department, all of the stock, common and preferred, and any other debentures of the Goshen Veneer Co. which they owned. The company was subsequently liquidated and the War Department was charged with a loss of $129,845.13 as a result of the transaction.

In the 81st Congress, a bill, S. 410, passed the Senate after extensive hearings, for the relief of the said shareholders of the Goshen Veneer Co. in the amount of $513,434.92. In the House of Representatives on August 25, 1940, the House by H. R. 814, referred the matter to the Court of Claims. On March 2, 1954, the United States Court of Claims entered a decision in compliance with said House resolution recommending the award to the said shareholders of an amount of $75,000. The recommendation of the Court of Claims was incorporated in H. R. 10092 of the 84th Congress in the amount of $75,000.

The committee points out that in connection with this recommendation certain considerations were involved in the previous award of $513,000 as recommended by the Senate in the first instance, should be considered. Among other things, testimony at the hearings then held tended to indicate that in the final settlement of the various defense contracts between Goshen and particularly Bell Aircraft, prime contractors for the Air Force, representatives of the War Department who then were in complete control of the Goshen contract, tended to favor Bell Aircraft in the settlement of such accounts and refrained from insisting on many of the claims which Goshen had with respect to the Bell contract. The committee was further persuaded by the actual testimony of the persons involved with respect to the allegations and recommendations made by War Department officials to Goshen, prior to the loan agreements.

In summary, the committee feels that the Goshen management was unwise in permitting the operations of their company to be expanded at the rate and to the size which they were expanded. The committee feels that possibly the urging and encouragement of the War Department with regard to this overexpansion does not amount to coercion or misrepresentation, but was to a degree, and in a manner, not calculated to reflect credit on the United States. It is to be borne in mind that during the time of war sacrifices are usually to be expected.

Many people permit their patriotism to override their better judgment with regard to their business capabilities, and it is particularly to be borne in mind that the company was a small, family-owned business in a small city and "they had to live with their neighbors." The committee feels that the curtailment and cancellation of the wooden aircraft program at a period very shortly after the company, at the insistence of the War Department, had rapidly expanded its facilities, prevented the amortization of loans incurred and immediately placed Goshen in a perilous financial condition. Further, the committee feels that after June of 1943 control of Goshen was practically out of the hands of the family which had formerly controlled it. Prior to that time the facts show that considerable control had been exerted by the bank over the operations of the company. The committee feels that the error of the former owners, which, although patriotically inspired, resulted in the overexpansion of the company, is sufficiently penalized by the loss of a 50-year-old going business and the goodwill and reputation attached thereto. The committee does not feel, in view of the Government's participation in this situation, that the shareholders should be penalized by complete loss of the values which the 2 families had labored through 2 generations to secure due to this 1 instance of poor judgment during the war.

Further, the committee feels that awarding a sum of $75,000 as recommended by the Court of Claims is inadequate compensation for the claimants, particularly in view of the fact that the final settlement of company assets and contractual rights were carried on by representatives of the War Department, the claimants not having any substantial voice in these transactions, after the War Department had completely taken over the company. The committee feels further that, particularly in view of the facts and attitude of the War Department with respect to $2 million contract with Bell, and in the settlement which took place, that the final accounting figure showing a loss of $129,000 to the War Department is not representative of the equities involved.

The company noted that a number of factors were apparently not considered by the court in making its recommendations and that other items were overlooked. The court's evaluation of assets appeared to be primarily based on the value of the stock alone as set out on page 19 of the House report. Therefore, the committee feels that, in arriving at a more acceptable amount, the following analysis of the items in the claim should be considered:

Analysis of items on Goshen Veneer claim

1. Book value of stock, June 30, 1943		$78,223.07
2. Add amount of debentures (owned by claimants)		20,064.70
(The court takes the book value of the stock as computed after the debentures are included in the liabilities. Obviously, the value of the debentures, a part of the equity of the claimants, should be added to the value of the company.)		
3. Add amount by which fixed assets undervalued on books:		
Appraised value Oct. 1, 1942	$338,085.99	
Less book value Sept. 30, 1942	164,574.65	
Undervaluation as of Sept. 30, 1942		173,511.34
(The court finds a sound value of the buildings and machinery of $338,085.99 (based on October 1942 appraisal). The book value of the stock is based on book value of buildings and machinery of $164,574.65, no adjustment having been made on the books to reflect true appraisal value.)		
4. Add amount of insurance claim later recovered but not carried on books		13,600.00
(It is undisputed (and the court consequently made no finding in regard thereto) that the company had an insurance claim which was not carried upon the books, but upon which the Government later received $13,600 in settlement. This is an unlisted asset that should be added in determining the value of the claimants' interest.)		
5. Add amount of tax refund later recovered but not carried on the books		7,156.00
(The company was entitled to an income-tax refund of prior years which, however, was not shown upon the books or in the balance sheet. It was subsequently paid to the Government in the amount of $7,156, and the court so found.)		
6. Add undervaluation of Michigan timberlands:		
Fair market value	$9,800.00	
Less book value	4,000.00	
	5,800.00	
Total		5,800.00
(The court found: "The company also owned a tract of timberland in Kalamazoo County, Mich., on which there was a stand of hard maple timber suitable for plywood." This was appraised as prime timber for plywood purposes at from $18,000 to $20,000, but was not shown in the balance sheet. The Government subsequently sold it as common lumber for $9,800. This timberland was carried on the books at cost of $4,000, which (taking the lower valuation of $18,000) results in an undervaluation of $14,000.)		
Total		297,355.11
7. Deduct net book accounts of petitioners due from officers and stockholders	$3,344.77	
Less amounts due stockholders	$241.24	
And less interest due debenture holders	902.89	
	1,144.13	
Net amount of book accounts		2,200.64
True value of petitioners' interest in Goshen Veneer Co. on June 30, 1943		295,154.47

The committee feels that, in view of the former recommendation of the committee and in view of all the records available to the committee that the total figure of $295,154.47 is a more correct value of claimants' loss, excluding the loss of a going business which is irreplaceable. The committee has amended the bill accordingly.

The reports of the Department of the Army and the Department of Justice may be found in Report 2946 of the House of Representatives, 81st Congress, which accompanies House Resolution 814 of that Congress. Also included is the loan agreement of March 1943, the balance sheet of the Goshen Veneer Co. as of July 31, 1942, and other pertinent documents.

The House report indicates that substantial legal services have been rendered in this claim and in view of the amount awarded, as amended, the bill has been amended to provide for a 10 percent attorney's fee.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CAPEHART. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

FEDERAL AID TO EDUCATION

Mr. CASE of New Jersey. Mr. President, last December and January, as this Congress prepared to begin a new session, Sputniks I and II dominated much of the discussion of legislative needs. Leaders in both major parties agreed that the chief significance of the whirling satellites was that the scientific and technological preeminence of our Nation had come under serious challenge. It was clear that most Americans wanted the United States to take giant steps to strengthen our scientific and educational effort.

Recognizing that scientific progress is only one aspect of the broad educational effort, many persons wisely pointed out that steps would be necessary to strengthen our educational system from top to bottom. A building is no stronger than its foundation. The identification and training of scientific and other aptitudes has to begin early and we cannot expect to nurture talent on any large scale in overcrowded and obsolete classrooms.

The distinguished majority leader, the Senator from Texas [Mr. JOHNSON], told the Senate on January 23:

> In our bicameral legislative system we do not always get everything we want, but I believe there is little doubt among those who are informed that had our colleagues in another body seen fit to have acted on an education bill, there would have been prompt action by this body. I predict such action in the present session of Congress, this year.

Such a specific statement by the majority leader is usually very significant. Senator JOHNSON's interest in outer space is well known. He sponsored creation of a special committee to study our national policies concerning it. In quick order, hearings were held, a report made, and the Senate acted to establish a special agency of government to deal with outer space.

Again, when the majority leader indicated his interest in achieving Senate action on the labor welfare pensions bill, the Senate was quickly given a chance to vote on this. Similarly, on the regulation of labor unions legislation, the Senate was given an opportunity to act.

But when it comes to our educational problems, despite the majority leader's interest, the Senate has come to the July 4 weekend without action on any major legislation assisting education.

As we all know, in an election year, such as this one, the July 4 weekend has particular significance. From here on out Members of Congress, and particularly those seeking reelection, will be anxious to get back home. Time is running short, especially for legislation on which a committee has not completed action.

Another leader of the Democratic Party, Adlai Stevenson, in a speech on January 31, expressed his sense of urgency about the need for education legislation. His words were:

> May I say that the urgency of our desire to export an article of American manufacture to the moon—important as that is—is no excuse for deleting and drastically reducing provisions in the national budget for the support of education. The need has not diminished. It has grown.

The Senate Committee on Labor and Public Welfare, prompted by the Congressional interest in assisting education,

began hearings on several educational bills on January 21, just 2 days before Senator JOHNSON's statement to the Senate.

A few weeks after Senator JOHNSON's statement and Governor Stevenson's statement, the Senator from Arkansas [Mr. FULBRIGHT], a former university president and now a distinguished Senator, addressed the Senate on the subject of education. On March 10, 1958, he said:

> Never has the need for such a program been so imperative as now. We must begin to place education in proper perspective, and the most significant step which Congress can take in this direction is to enact a Federal aid program.
>
> It is unfortunate that we do not have a school construction program in operation now * * * we must have Federal help to satisfy this urgent need and I urge that the Senate enact a workable Federal aid to education program at once.

This statement was made in the same week that the Senate Committee on Labor and Public Welfare completed its lengthy hearings on educational bills. In all, the committee hearings contained 1,602 pages on the subject and included testimony on at least 26 different bills. The hearings closed on March 13. Since then, the same Senate committee has completed its work on two major labor bills and made recommendations to the Senate and the Senate has acted. However, insofar as educational legislation is concerned, the committee has not been heard from for the past 3½ months.

Although the committee has been silent, there have been two reports issued to remind us that the problem of improving our educational system is still a major one.

The first of these reports was by the United States Commissioner of Education, Dr. Lawrence G. Derthick, chairman of a special 10-man Office of Education team, which studied education in Russia for a month. Dr. Derthick reported the following evidences of what he called a "total Soviet commitment to education":

> Classes are of reasonable size.
>
> Teachers are chosen on a highly selective basis—we saw no indication of any shortage.
>
> Foreign languages are widely taught.
>
> The educational process extends after school hours and during the summer under professional direction.
>
> Teachers and principals have an abundance of staff assistance: curriculum experts, doctors, nurses, laboratory assistants, and so forth.
>
> School money is available to do the job. We were told repeatedly, "A child can be born healthy, but he cannot be born educated."
>
> Responsibility for the conduct and achievement of their children rests with the parents, who participate regularly in school affairs.

Dr. Derthick concluded:

> These factors insure vigor and quality in any school system, whether in a communistic society or a democracy.

I urge my colleagues to ask themselves: How do we measure up on these points?

A part of the answer is suggested by the recent report by the Rockefeller Brothers Fund on United States education needs. The report states bluntly:

> Our schools are overcrowded, understaffed and ill equipped. In the fall of 1957, the shortage of public school classrooms stood at 142,000. There were 1,943,000 pupils in excess of normal classroom capacity. These pressures will become more severe in the years ahead.

The report also spoke of a tremendous increase impending in elementary school enrollments. The report predicts that—

> By 1969 high schools will be deluged with 50 to 70 percent more students than they can now accommodate; by 1975, our colleges and universities will face at least a doubling and in some cases a tripling of present enrollments. If we are to meet these pressures, our schools will need greatly increased public support and attention, and much more money. But they also need something besides money: an unsparing reexamination of current practices, patterns of organization, and objectives.

The proposed legislation which has been pending before the Senate Committee on Labor and Public Welfare for the past 6 months could do a great deal to overcome these shortages. The administration bill before the Committee would create 10,000 new Federal scholarships each year for 4 years; it would assist local schools in the development of better scientific and mathematics programs; it would assist in the development of more well-trained college teachers, encourage and improve the teaching of foreign languages, as well as provide better statistical data on American education so that proper steps may be taken as needed.

The school construction bill which the administration proposed in 1957, although defeated in the House that year, is still pending before the Senate committee. I believe that the need for this proposed legislation is still great. The effects of the shortage of classrooms go far beyond the 1,943,000 pupils in excess of normal classroom capacity, for it is not only the 10 or 15 too many pupils crowded into some classrooms that suffer—it is the whole class. Principals and teachers have been forced to strain existing facilities, establishing makeshift classrooms in basement boilerrooms, in school corridors, or even worse, in limiting classes to half sessions, in order to give some education to all students. The inevitable result has been a decline in quality.

Furthermore, as many school officials strive to meet the need for bricks and mortar in order to house students, they are, perforce, obliged to dedicate limited revenues for construction, rather than teachers' salaries.

In a recent issue of the Atlantic Monthly, Dr. Seymour E. Harris, of Harvard University, makes an interesting comparison of teachers' salaries with those of other skilled workers. He points out that the mean salary for truck and tractor drivers is $4,640 a year. The average salary of construction workers doing full-time work at union wages includes bricklayers at $7,240, carpenters at $6,260, electricians at $6,680, and plumbers at $6,700 a year. The average professional civil-service worker, even before the current increase, earns $6,136 a year. The average schoolteacher receives $4,285 a year. Yet, I submit that teaching is one of the most important and responsible tasks in our society. It requires substantial preparation, as well as a high quality of patience, understanding, and dedication.

Improving teachers' salaries and at the same time adding needed physical plant is beyond the capacity of many communities. Indeed, the provision of additional classrooms alone is more than many of them can accomplish with their own resources. The National Education Association reported recently that if Federal funds were made available, a minimum of 2,759 classrooms could be put under construction within a month, 16,325 within 3 months, and a cumulative total of 68,113 within 12 months. This would make a substantial dent in our continuing backlog of classrooms, estimated recently at more than 140,000.

The Senate has been meeting early and late on many pressing and important problems of the Nation. I would not argue the wisdom exercised in the scheduling of legislation. I would argue, emphatically, however, that our schoolchildren are being overlooked by the United States Senate. If we adjourn this session without substantial education legislation, we will have failed in a national emergency.

As I said last December, it is in the classroom that the brainpower will be developed which will sustain our Nation in the years to come. Even a decade of inadequate education for millions of youngsters will take its toll in the discoveries unmade and in services unrendered. We have already lost several years by failing to enact an emergency program of Federal assistance for school construction. In my own view, this program has become more urgent than ever, and action to provide such emergency aid should be a key point in the legislative program before the next session of Congress.

The provision of adequate schools and an adequate educational program is as essential to our defense as rockets and missiles. It is, in every respect, a national problem of the greatest importance and the highest urgency.

In this session:

The Senate has passed a highway construction bill, but has done nothing about schools.

The Senate has passed a housing bill, but has done nothing about schools.

The Senate has passed a rivers and harbors bill, but has done nothing about schools.

The Senate has increased the pay of service men and women, but has done nothing about schools.

The Senate has increased postal rates, but has done nothing about schools.

The Senate has increased the pay of postal and classified Government workers, but has done nothing about schools.

The Senate has given Alaska statehood, but has done nothing about schools.

Mr. President, in this session we have done many important and necessary things. Is it conceivable that we shall fail to do the one thing which, in the

long run, is the most important, the most necessary, of all?

However shining its record may be in other respects, the 85th Congress will go down in history as one which shamefully failed our country if, for whatever reason, we do not take adequate action to strengthen American education.

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

Mr. CASE of New Jersey. I yield.

Mr. CLARK. I commend the Senator from New Jersey for the keen interest he has taken in the educational program and for his courage in pointing out the fact that we in the Senate have done nothing about schools. I should like to add my voice to his in expressing the hope that before Congress adjourns sine die, something significant will have been done about schools, not only with respect to scholarships, but also with respect to school construction.

I know, as do so many of my colleagues, the racial and religious problems which make it very difficult, indeed, either to bring out of committee or to pass on the floor an adequate bill relating to schools. But I think we have the obligation, in view of the critical situation in which we find ourselves, to face up to these problems and to do something about them.

I have in my hand an editorial entitled "Hollow Echoes, No Clarion Call," published in the Harrisburg (Pa.) Evening News of June 26, 1958. The editorial suggests that perhaps Congress is lagging because the country is lagging, but that this is the time for leadership.

I wonder if the Senator from New Jersey will indulge me so that I may ask unanimous consent to have the editorial printed in the RECORD at the conclusion of his remarks. The editorial is a recognition by one of Pennsylvania's great newspapers of the need for the type of legislation about which the Senator from New Jersey has been speaking.

Mr. CASE of New Jersey. Of course I shall be glad to have that done. I thank the Senator from Pennsylvania for his comments, and I welcome his assistance, because I have known for a long time of his great interest in this difficult and important problem.

Of course, there are difficulties in getting action by this body and by Congress on this question. All of us, I think, understand what they are. But however great the difficulties, the need is greater; and no matter at what cost, we must take action at this session of Congress.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield?

Mr. CASE of New Jersey. I yield.

Mr. MANSFIELD. At any time the committee will report such a bill, the Senator from New Jersey can rest assured it will receive prompt action, so far as the Democratic Policy Committee is concerned. There is no way whereby a committee can be forced to report a bill. We are just as much concerned, I am sure, as the Senator from New Jersey has expressed himself to be, about having the matter brought to the floor. Certainly we are in accord with what the Senator from Pennsylvania has said, namely, that action should be taken and a school bill passed by Congress this year.

It is my further understanding that the House Committee on Education and Labor, by a vote or 23 to 2, today ordered a bill reported. I hope the Senate may take some action on that bill shortly.

Mr. CLARK. I thank the Senator from Montana.

I ask unanimous consent that the editorial to which I have referred may be printed at this point in the RECORD.

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

HOLLOW ECHOES, NO CLARION CALL

Where are the ringing words and majority action out of Washington here? Where are the overwhelming demands from out in the Nation?

Listen to this:

"Education has always been essential to achievement of our political and moral objectives. It has emerged as a necessary ingredient in our technological advancement. And now events have underscored its value in terms of sheer survival."

This is from the recent Rockefeller Brothers Fund report, "The Pursuit of Excellence: Education and the Future of America." The same thing has been said since last October and even before by many other Americans, from President Eisenhower on down.

"It will not be enough to meet the problem grudgingly or with a little more money. The Nation's need for good education is immediate; and good education is expensive. That is a fact which the American people have never been quite prepared to face."

In 1955, when the gross national product ran $391 billion, total expenditures on formal education in the United States were just under $14 billion. That's 3.6 percent of the gross national product. It's probably about the same today. A lot of money—and more every year? In total dollars; yes. But in 1930, when the United States had plunged into the worst depression of its history, Americans were spending 3.5 percent of their gross national product on education. That percentage has held fairly constant these past 28 years. The increase in total dollars hasn't kept pace with the ever-rising enrollment of students, and each year there has been a proportionately smaller expenditure of the GNP per pupil.

"At stake is nothing less than our national greatness and our aspirations for the dignity of the individual. If the public is not prepared for this, then responsible educators, business leaders, political leaders, unions, and civic organizations must join in a national campaign to prepare them."

It is time that Americans dedicate themselves to this campaign. There is no great leadership being displayed on this front at Washington. The President of the United States and the majority of Congressmen just can't quite bring themselves to rock the boat.

It looked a lot better back in January. Somewhere around 1,000 bills to advance education went into the Congressional hopper. Of that number, only about three major ones are still politically "alive."

Back in January, a call to action still echoed from nationwide addresses President Eisenhower just had made on the overwhelming importance of education and how we all had to do something about it. Yet, when it came time to send his education program to Congress, the President proposed less Federal Government effort and help this year than he and his administration had urged the year previous.

Even this "too little" program seems to be going no place in Congress. In neither House nor Senate is major education legislation cleared and ready for priority action. And time is running out on this session.

It well can be argued that the reluctant White House and Congressional attitude on education is but a reasonable reflection of majority public opinion.

In years past, in more leisurely and far less complex times, this would not have especially mattered.

It matters tremendously now.

This is a time when America needs courageous leadership. Leaders who are not afraid to get out in front of the public instead of seeking out the safety and applause of the crowd.

This is a time when our men in national public life should have their sights set on the American future—not just on next November.

Yet the cause of education, the pursuit of excellence and concern for the American future, still are getting only lipservice at Washington. And precious little of that.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until 12 o'clock noon tomorrow.

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

DEATH OF HONORE J. PROVENCAL

Mr. MARTIN of Iowa. On occasion, Mr. President, each of us is suddenly brought up short by the passing of one whom we regard as a true friend, one who in his life has sought only to serve and assist us and who has sought nothing for himself, in return, save the satisfaction of having helped a fellowman. There are few people in this life who truly qualify as having sought nothing for themselves except the sense of well-being which results from serving and assisting others.

One such man was "Pete" Provencal. I can add little to the many words spoken in this Chamber yesterday in honor and respect to his memory, and to the cheerful and devoted service he rendered for so many years not only to his boss, the Vice President, but to every one of us in the Senate, to thousands of visitors to the Capitol, and to the cause of a selfless love of his beloved America.

His untiring enthusiasm and cheery demeanor when he showed visitors the Vice President's formal office, and discussed knowingly and at length its furnishings and other treasures, has help to instill in the minds of untold thousands a greater respect and admiration for our national traditions, our Government, and our American way of life. His own humble awe and high regard for these institutions was so patently sincere and deep-rooted, that it could not fail to strengthen similar feelings in the minds of those who heard his impromptu but heartfelt discourses.

"Pete" had another attribute possessed by relatively few persons—the knack of making everyone feel he was their friend. Innumerable of my fellow Iowans have written me letters asking that I give their regards to "Pete" and thank him for having devoted so much time and attention to showing them around the Senate. And I am sure that

every other Member of the Senate has had the same experience, whatever his home State and whatever his political affiliation. He was a friend to each and every one of us.

Like other Senators, I am proud that "Pete" Provencal made himself a part of that circle of fellow men whom I regard as close personal friends. I join my colleagues in sincerely mourning his passing, and in expressing my heartfelt sympathy for Mrs. Provencal and other members of his family. Theirs is a deep personal loss; but because of "Pete's" unfailingly gracious desire to help others, his death also is a deep personal loss to all of us who have known him during our service in the Senate.

POLITICAL IMMORALITY

Mr. CLARK obtained the floor.

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

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the senior Senator from Oregon without losing my right to the floor.

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

Mr. MORSE. Mr. President, I deeply appreciate the courtesy of my friend from Pennsylvania. It is typical of the friendship he has accorded to me ever since he has been in the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD, as an introduction to my speech, an editorial entitled "Adams Responsible to United States Through Ike," published in the Long Beach, Calif., Independent and Press-Telegram of June 29, 1958.

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

ADAMS RESPONSIBLE TO UNITED STATES THROUGH IKE

In the Letter of the Week, printed in the Forum department on this page today, reader F. E. Callaghan asserts that the big issue underlined by the Adams-Goldfine case is the possession of broad powers by a man who was not elected by the people and has not been accountable to them.

"This situation demands investigation far more than the revelations of personal gain."

Most people will agree that the President of a Nation of 170,000,000 population must depend on a personal staff to help carry out his administrative duties. And he must select a person to direct that staff. In the Eisenhower administration Sherman Adams serves as the staff director.

If this is not a desirable system, and if the people want to change it, the obvious alternative is to elect the Vice President to carry out the duties now discharged by the "assistant President."

The question is one of responsibility, and there is a line of responsibility.

Who should get the credit or the blame for the conduct of Mr. Sherman Adams?

President Eisenhower, of course. When you talk about Adams, you are talking about Ike. He is Ike's man. He is accountable to Ike, and Ike is accountable to the country. If the retention of Mr. Adams in the service of the United States Government is a mistake, it is Ike's mistake.

To say that Adams was imprudent is an understatement. He accepted payment of his hotel bill by a man who has dealings with the Government in which Mr. Adams is a powerful and influential figure. Whether Mr. Adams is guilty of the even more serious charges made by ex-publisher John Fox remains to be seen; the White House has flatly called these accusations falsehoods. Here, again, it is the integrity of the Eisenhower administration which is in question.

Mr. Eisenhower was elected in a crusade to clean up Government, which had become pretty cluttered up with deep-freezers, five-percenters, and that ilk. He made the Nation conscious of morality. This same Nation now is applying Ike's own standards to the Adams case.

Mr. Adams is a czar unaccountable for his actions only if the President permits him to be.

Mr. MORSE. Mr. President, I shall use this editorial as a foundation for my remarks on the real meaning of the case of Sherman Adams. When all the veneer is stripped away from the shaky case of Sherman Adams and Goldfine, and after all the apologists are through, four salient points will still remain.

First, President Eisenhower said, about 2 years ago:

> If anyone ever comes to any part of the Government and claiming some privilege for even as low as an introduction to an official he wants to meet on the basis that he is part of my family or of my friends, that he has any connection with the White House, he is to be thrown out instantly. * * * I can't believe that anybody on my staff would ever be guilty of an indiscretion. But if ever anything came to my attention of that kind, any part of this Government, that individual would be gone.

I ask the President: Do you need Sherman Adams? You told the American people you need him.

Mr. President, does Adams meet the language of the quotation from the President, or does he not? The sad fact is that President Eisenhower double-talked to the American people on this issue, as he has on so many others.

Goldfine had Sherman Adams obtain for him a special entree to the Federal Trade Commission. Adams committed what is supposed to have been the unpardonable sin in this administration. The President defends him.

It is interesting, is it not, to remember the hound's tooth comment by the President in 1952. General Eisenhower rode into office on the white charger of political morality, but now the American people have discovered that it was really a painted horse. It was a typical symbol of misrepresentation by the Eisenhower administration. The American people at long last are beginning to see that what appears on the surface of the Eisenhower administration, covers up the political immorality that lies underneath.

Second, Mr. President, when all the veneer is stripped from the Adams case, this will still stand out: It is absolutely improper for a Government official—be he a mail clerk, a stenographer, an official or employee of the Bureau of Indian Affairs—to accept favors and gifts from persons who have business with the Government.

Mr. CLARK. Will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. MORSE. I yield.

Mr. CLARK. I notice that my good friend, the Senator from Oregon, has referred to those in the Government service, from the top of the hierarchy—the President of the United States—down to an employee in the Bureau of Indian Affairs. I certainly agree with everything the Senator from Oregon has had to say. I wonder whether I might call to his attention an editorial entitled "More Blessed To Receive," which was published in the Washington Post, and has to do with the position taken by the Vice President in this regard. Let me ask whether the Senator from Oregon has read the editorial.

Mr. MORSE. No, I have not; and I shall be delighted to have the Senator from Pennsylvania submit the editorial, for printing in the RECORD.

Mr. CLARK. Then, Mr. President, I ask unanimous consent to have the editorial printed at this point in the RECORD. I shall say nothing more, other than to thank my friend, the Senator from Oregon, for yielding.

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

[From the Washington Post of July 2, 1958]

MORE BLESSED TO RECEIVE

Vice President NIXON's defense of Sherman Adams does more credit to his party loyalty than to his political morality. In a television interview on Sunday, the Vice President exculpated the assistant to the President because, as he put it, there has been no proof in Mr. Adams' case that "any favor was granted to the individual who was the gift giver that would not have been granted under the normal circumstances in the administrative process." Mr. NIXON apparently takes the view that it is perfectly all right for a public official to accept favors so long as he does nothing to deserve them. The moral appears to be that it is more blessed to receive than to give.

Overlooking the improbability that, in the absence of aid from Mr. Adams, Bernard Goldfine could have obtained a personal interview about his case from the Chairman of the Federal Trade Commission, Mr. NIXON's philosophy seems highly questionable. This is precisely the rationalization that was offered by some White House staff members in the Truman administration for their acceptance of free hotel rooms and home freezers. Mr. NIXON did not embrace it then; he excoriated it. And the Senate subcommittee investigating irregularities in the Truman administration—a subcommittee in a Democratic Congress under the chairmanship of Senator FULBRIGHT—declared in its report:

"Except for the President and his family, any public official who accepts a gratuity, even if he thinks it is not a quid pro quo, makes a serious mistake * * * he is not getting the gift because the donor likes the color of his eyes. * * * The * * * solution * * * is to refuse * * * any gratuities from businessmen or others who may do business with the Government."

This seems to us the only conscientious conclusion. It is dictated alike by public and by private considerations. Men who occupy high positions of public trust can retain the confidence of the people only if they zealously avoid so much as a semblance of favoritism. And they can be worthy of trust only if they are fastidious enough to resent gratuities from any private source as demeaning to themselves and to their public offices. It is dismaying that the Vice President should be unable to recognize the impropriety of Mr. Adams' conduct or its similarity to the conduct of some of President Truman's aides. Perhaps it is because

of the similarity to his own acceptance, as disclosed in the election campaign of 1952, of a very considerable gratuity from a group of California admirers.

Mr. MORSE. Mr. President, the higher one goes in the Government service, the more rigid should be the rule that gifts and favors will not be accepted. No Goldfine is going to offer a clerk $2,000 in hotel room expenses without casting suspicion over his motives.

The top officials—including Sherman Adams, let me say—will find themselves in a position where this matter will not be ended, because there are no ethical grounds on which Adams actions can be justified. Mr. Adams receives a salary of $22,500, and receives travel expenses and a per diem when he is traveling on official Government business. If he needs a vacation, he can do what the rest of the people in the Government service do, namely, spend his vacation at a place where he can afford to stay, and pay—out of his own pocket—all the expenses in that connection, and enjoy a vacation without sullying the White House.

Third, Mr. President, when all the veneer is stripped away, Mr. Adams, along with all the others who have been guilty of gross violations of section 10 of the Federal Trade Commission Act, are going to discover that the American people will hold them responsible for their political immorality.

That is why I pointed out, the other day, on the floor of the Senate, the violation of section 10 of that act by Mr. Howrey. That is why I sent to the Attorney General of the United States a letter in which I asked that the Department of Justice see to it that an investigation is made of Howrey and Adams, and that our governmental agencies follow the principle of uniform application of the law to all persons, regardless of rank or position, whether high or low.

Mr. President, I do not believe in a high road for some, in connection with the administration of justice, and a low road for others.

Fourth, Mr. President, we find that apparently Mr. Goldfine improperly deducted his gifts to Sherman Adams as legitimate business expenses. If they were, in fact, business expenses, what did Adams do for Goldfine? If they were truly gifts, Goldfine has violated the Internal Revenue Act. I point out that it is illegal to make gifts or bribes to Government officials to secure contracts or services.

Mr. Adams and Mr. Eisenhower will be judged at the bar of public opinion. In fact, they are being judged now. The only question we have to ask is, "What should be the conduct of a man who is the President's first assistant?" Would we think it all right for him to accept vicuna coats and $2,000 worth of hotel-room expenses? I think not. Would we think it all right for him to violate the President's confidence by introducing Mr. Goldfine to a Federal Trade Commissioner? I think not. Would we think it right or proper for him to give out information in violation of an act of Congress? I think not.

Mr. President, these are the big questions. They are the key issues so far.

It may be that before the Harris committee is through, the list of indiscretions will be longer. But the cardinal point which has been brought out to date still is the lack of high principles and ethical conduct on the part of such self-righteous crusaders. It will long be remembered in the political history of our country.

It was candidate Eisenhower who, on September 2, 1952, said it will be "my purpose to clean out every vestige of crookedness from every nook and cranny of the Federal Government."

In view of the fact that candidate Eisenhower made that statement, today he should be using a scoop shovel, not a whitewash brush, on Mr. Adams. The President cannot wash Mr. Adams clean. Neither can the present administration. As a Member of this body, I warned the American people, beginning on inauguration day in 1953, that this administration was going to be honeycombed with conflicts of interest, because on inauguration day in 1953, Dwight D. Eisenhower started to appoint a Cabinet which was too full of men who evidently were tarred with a conflict-of-interest brush. As I said once before in regard to this matter, that is why on inauguration day in 1953, I protested the appointment of Talbot; and that is why, during the historic debate which followed, when I blocked confirmation of the Cabinet on inauguration day in 1953, we brought out, here on the floor of the Senate, the failings of members of that Cabinet in regard to the matter of conflict of interest.

Therefore, Mr. President, it should not be a surprise to anyone to see this kind of rooster come home to roost at the White House, because this administration has been honeycombed with conflicts of interest and political immorality from its very beginning.

Mr. President, when crookedness and corruption have been found in the Eisenhower administration, the President should approach the malefactor in the way that a golfer would approach a ball that was stuck in a sand trap. Instead, the President has used a putter in an attempt to get out. But he is going to discover that this is no golf game. He is going to discover that he is being brought before the bar of public opinion; and the political pronouncements, in terms of political expediency and double-talk of which he has been guilty so frequently during his administration, are going to be evaluated now by the American people.

Although in recent days I have been castigated from coast to coast by reactionary editors who profess to be shocked because I have stated on the floor of the Senate that in my opinion history will record the Eisenhower administration as the most corrupt to date in the history of our Republic, I repeat the statement today.

Mr. President, I close by asking this question: "Mr. President, do you still need Adams? The people do not, and it is about time for you to get rid of him."

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks on this matter an article entitled "The Government's Slip Is Showing," written by Joseph Alsop, and published in the Washington Post of June 29, and an article entitled "Again, It's Up to Adams," also written by Joseph Alsop, and published in the Washington Post of July 2, 1958.

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

[From the Washington Post of June 29, 1958]

THE GOVERNMENT'S SLIP IS SHOWING

(By Joseph Alsop)

In close to a quarter-century of Government-watching, this reporter has never seen the Government of the United States in such disarray as it is today. That is the thought which crowds out every other, after the first alarming look at what may be called post-Goldfine Washington.

The worst moments of Franklin Roosevelt's and Harry Truman's administrations were not like this, possibly because neither Mr. Roosevelt nor Mr. Truman ever enjoyed the prolonged, almost universal adulation that President Eisenhower enjoyed in his first term.

Very soon after the famous Hundred Days, the opposition to President Roosevelt became vocal and sometimes even vicious. Mr. Truman, too, had only a short honeymoon period, after which he had to fight strong and determined enemies on every side. Maybe a determined opposition is a good thing for an administration, as exercise is good for the body.

In any case, the Roosevelt and Truman administrations got over their rough patches without any of the symptoms of near-demoralization which meet the eye in Washington today. There was never any sense of the whole show being out of control. There was never any feeling that the man in the White House would not or could not rally his troops and fight back, giving his enemies as good as he got.

In Washington today, however, you get just that sense and just that feeling. They have grown up by stages, and now they have begun to be pretty overpowering. First there were the sputniks, which destroyed confidence in the President's defense program. Then there was the recession, and the long uncertainty of the administration's post-recession economic policy.

Now, there is the curious case of Sherman Adams, which has somehow been much the worst of all. This case is the sort of thing that is bound to happen from time to time in modern government, which has such enormous favors to dispense to private interests. The mistake that was made is a mistake that officials can easily and often innocently wander into, if they are excessively easy-going, like Harry Truman's Harry Vaughan, or passionately parsimonious, like Dwight Eisenhower's Sherman Adams.

Yet Adams' vicuna coat has been a much more deadly blow than Harry Vaughan's deep freezes. The reason was summed up in this poignant sentence of the President: "I need him." No President has ever depended upon a subordinate as the President depends upon Adams. Some of those who should know even argue that the President's health will not stand the added strain, if the still-developing story of Bernard Goldfine and his friends finally forces Adams out of the White House.

Right there, of course, is the central human tragedy of this whole sorry business. President Eisenhower did not wish to seek a second term after the sharp warning of his heart attack. He was persuaded to seek a second term by those around him, with Sherman Adams in the lead; by those in his party who had not rallied to his side, and

by his adulators in the press who are now bitterly attacking him.

If the President had followed his own inclinations, laying down his heavy burden in 1956, he might have gone off to his farm in Gettysburg in a golden blaze of glory. But he yielded to the persuasions that came from so many sides. He carried the burden into another term. His luck ran out. And for reasons that one can easily deduce from those three poignant words—"I need him"—the President seems to be unable to respond to the harsh challenge of his new situation.

The old Hagerty-planned gestures are made. Some of them are pretty appalling gestures, like the contrived visit to George Washington's sword of honor, which was also a "gift." In any case, whether good or bad, the Hagerty gestures no longer have the old effect. And yet there is no substitute for them.

Nor is this, alas, the end of the story. Anyone who has seen the Lebanese crisis at first hand can predict with certainty that the challenges which will confront the President today are far milder than the challenges which will confront him tomorrow or the day after.

With our defense exposed as terrifyingly inadequate, with our economy still in mid-slump, with Sherman Adams still in the White House, the whole long-established system of American foreign relations also looks like it is coming apart at the seams. So still worse disarray must be expected in the future.

[From the Washington Post of July 2, 1958]

AGAIN, IT'S UP TO ADAMS

(By Joseph Alsop)

President Eisenhower is leaving the Adams case to be handled by the same man who has spared the President the burden of handling so many other cases: namely, Sherman Adams.

On the one hand he has left Adams to manage his own defense. This has necessarily meant that his defense has been badly managed, although Adams and his subordinates of the White House staff have taken certain defensive measures of an important kind.

The White House staff, for instance, successfully imposed Roger Robb as the chief legal adviser of that artist in friendship, Bernard Goldfine. When Goldfine makes his grand appearance before the Harris committee he will therefore be guided (to the extent he can be guided) by the man Adm. Lewis Strauss chose as chief prosecutor of Robert Oppenheimer. Again, the White House staff has had no difficulty in producing a counterfire of news stories about Government favors asked for constituents by Democratic Members of Congress.

But there are other things Adams and his subordinates have not been able to do. Above all, Adams has not been able to pass his own case in review with the Republican leadership in Congress and in the country. He has not been able to ask men like Senator WILLIAM KNOWLAND to stand by the President when the issue at stake was the President's wish to stand by Adams himself.

It never seems to have occurred to the President that if he was going to stand by Sherman Adams he alone could rally the Republican party's lieutenant generals and major generals in support of their general-in-chief. This, he seems to have felt, was just another matter for his staff to take care of. As a result Vice President RICHARD NIXON is just about the only Republican of any eminence, outside the White House, who has spoken up for the President. And it is known that NIXON did so on his own motion.

On the other hand, the President has not merely left Sherman Adams to manage his own defense. He has further asked Adams to sit in judgment on himself in just the way that Adams sat in judgment on Harold Talbott and all the other officials of the Eisenhower administration who have been charged with excessive imprudence or actual impropriety.

In one sense it was inevitable that Dwight D. Eisenhower should leave Sherman Adams to decide whether he would go or stay. In the long months of the President's serious illness, when Eisenhower was first entirely incapacitated and then only partly able to carry the burden of the Presidency, it was Adams who boldly and efficiently took the burden on his own shoulders.

An obligation was created in those months—an obligation which the President deeply and rightly feels. He could not ask Adams to go because of the imprudence which Adams has admitted. He could only ask him to go if a showing of impropriety were added to the showing of imprudence.

But despite these limitations on the President's action, he could still have sat in judgment on Adams himself. He could have said, in short, that the decision in this case involving Adams was not up to Adams, but was up to the President alone. He could have told Adams to carry on with his regular business and forget about the Adams case, which he, the President, would take in his sole charge.

This the President has not done, with the result that Adams himself has had to agonize over the key question: Whether his usefulness as the President's chief-of-staff has been or has not been fatally impaired. This is primarily a practical question. An automobile may be orchid-colored and have gilded door handles, but it is still useless if it will not run. A public official may have acted from the most innocent motives, but he is still useless if his actions prevent him from doing his allotted job. But this question about a man's continuing usefulness is not a question which the man himself can easily answer.

It is a melancholy picture that one gets—the picture of Adams barricaded in his White House office, working all day on his own case and sitting in judgment all day on his own case, with precious little help from anyone except James Hagerty and the other able Deweyite on the staff, Thomas Stephens.

But it is also a picture that evokes some concern. For the sake of the good conduct of the Government, one must pray the case will be disposed of, one way or another, just as speedily as possible.

INVESTIGATION OF EFFECT ON DOMESTIC INDUSTRIES OF IMPORTATION OF SOUND RECORDINGS FOR AMERICAN FILMS

Mr. MORSE. Mr. President, I submit a resolution, and ask for its appropriate reference.

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

The resolution (S. Res. 320) to investigate the effect on domestic industries of importation of sound recordings or developed picture film, was referred to the Committee on Finance, as follows:

Resolved, That the Committee on Finance, or any duly authorized subcommittee thereof, is authorized and directed 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 the effect on domestic industries, and on domestic employment of performing artists and musicians, of—

(1) the importation for commercial use in the United States of sound recordings and exposed or developed picture film at the rates of duty prescribed by the existing tariff laws of the United States (as modified by applicable foreign-trade agreements entered into by the United States); and

(2) the importation for commercial use in the United States of sound recordings and exposed or developed picture film produced or manufactured in foreign countries by American interests in order to take advantage of beneficial tax consequences of such foreign production or manufacture under the tax laws of the United States;

for the purpose of determining what changes, if any, should be made in such laws in order to protect the domestic industries, and to alleviate any problems of unemployment created by the importation of such sound recordings and such exposed or developed picture film.

SEC. 2. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1959, inclusive, is authorized (1) to make such expenditures as it deems advisable, and (2) to employ on a temporary basis technical, clerical, and other assistants and consultants.

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

SEC. 4. The 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.

Mr. MORSE. Mr. President, at the request of Mr. Herman D. Kenin, president of the American Federation of Musicians, I have submitted a Senate resolution to investigate and report on the tragic loss of employment for American musicians resulting from the wholesale importation and use of foreign-made music recordings by American producers of filmed entertainment.

Mr. Kenin tells me that fully half of the 264,000 members of the union can no longer find bread-and-butter jobs in their profession. I have known Mr. Kenin personally for a number of years. He is not the kind of labor leader who cries "wolf." When he tells me that foreign-made music on tape, film, and records is being substituted almost wholly for American musicians in the production of the Nation's filmed entertainment I am convinced that corrective measures must be taken, and soon.

Therefore, I have demanded a Congressional inquiry to develop the facts and determine to what degree the immigration statute which was enacted to protect the American instrumentalist from cutrate competition by the unregulated entry of alien musicians is now being nullified, in effect, by an inanimate foreign musician that now occupies his chair without even going on the producer's payroll. It occurs to me that this robot creation of the electronic tube is a much worse bargain for all of us than the live foreign musician who, when he comes to our shores, must pay for living accommodations, patronize our restaurants and leave with us some of the wages he collects.

Mr. Kenin tells me that of some 125 televised shows being produced on film, less than a dozen now give employment to American musicians; the rest use for-

eign-made music track. A week ago this count stood at less than a half dozen shows, but Mr. Kenin succeeded only recently in improving somewhat the sorry balance sheet.

I want to make it perfectly clear that neither Mr. Kenin nor I seek by this investigation to impose any limitations on the free exchange and trade of musical products. On the contrary, it is our desire to make available to the American public the artistic creations of our friends throughout the world and to acquaint them with our own great cultural achievements.

Specifically, there is and there can be no valid objection to the importation of foreign motion-picture film or the recordings of great orchestras and bands of other lands. These are forthright, honest expressions of the creative genius of the countries where they are made, and their importation to our shores both enriches our own lives and furthers international good will and understanding.

What the American Federation of Musicians does complain about, and justly so, may be fairly described as a species of fraud being perpetrated upon the American public by many American producers of filmed entertainment. The overwhelming bulk of the filmed television shows which each night come into the homes of American citizens are in every visible and audible respect a wholly American-made product. These shows tell American stories written by American writers, enacted by American actors, staged by American stagehands, and, I repeat, in all other respects, are marketed as an American-made product. But with increasing regularity, the accompanying music, so essential to the success of the film, even when composed for the particular film by an American composer, is being scored abroad where musicians are employed at a much lesser rate. And this fact is never disclosed to the public whose patronage ultimately pays for the film.

Nor does this begin to tell the whole sordid story. Frequently, not even foreign musicians are employed to score the music of an American film. Instead, music that had long since been recorded for an entirely different purpose—most often for a foreign-made motion-picture film—has been separated from the outdated movie, imported into this country, and stored in vast libraries that are easily and cheaply available to American TV film makers. This music in can is then put into the uncreative hands of a kind of cut-up-and-paste technician whose composing tools are a glue pot and pair of shears. This artificial product is palmed off as an integral part of an allegedly original creation for the entertainment of the American public.

It seems to me self-evident that the practices I have described would be subject to the strongest condemnation if they were followed by the owners of a private industry built by their own resources and investments. How much more so when it is the prevailing practice of the broadcasting industry—one that has been created and which prospers by the generous gift of a freely licensed monopoly of the air waves. It does this without regard to its statutory obligations to promote the fullest free expression of our native talents.

I cannot conclude these remarks without mentioning what is going on at this very moment with respect to a strike of the American Federation of Musicians against the major motion-picture producers in Hollywood, Calif. This strike grows out of a lawful labor dispute. It is being conducted in a manner entirely consistent with all statutory and common-law requirements. It began, as most strikes do, because of an honest difference of opinion around the collective-bargaining table. But, in this instance, the fundamental right to strike is a vague abstraction and its exercise an almost hopeless undertaking. Why? Because American film makers have seen fit to shop around the world for the lowest-priced services of foreign musicians who are willing to attempt to break the lawful strike of their fellow musicians in this country.

It is an intolerable condition when American producers of a widely labeled American-made entertainment product are permitted to deny jobs to American musicians and to break their lawful strikes through the use of inexpensively imported foreign-made substitutions for our vaunted American skills and services.

It is not fair. It is not decent. It is not American. A prompt and full investigation is, in my judgment, an immediate and imperative must.

Because my resolution deals with the jurisdiction of the Committee on Finance, it must necessarily go to that committee. I plead with the Finance Committee to conduct this investigation quickly.

I want to say that as a member of the Committee on Labor and Public Welfare, so far as the labor aspects of the problem are concerned, I intend to press for action by that committee as well.

LIMITATION OF APPELLATE JURISDICTION OF SUPREME COURT

Mr. CLARK. Mr. President, on June 12, 1958, at the Midwest regional meeting of the American Bar Association held in St. Louis, Dean Jefferson B. Fordham, of the University of Pennsylvania Law School, delivered an excellent and most provocative address in opposition to the limitation of the appellate jurisdiction of the Supreme Court of the United States.

A few days ago my good friend, the junior Senator from Georgia [Mr. TALMADGE], placed in the RECORD an address delivered by Judge Charles J. Bloch in favor of the so-called Jenner-Butler bill, S. 2646—a bill which I hope will never receive the dignity of being brought, by motion, to the floor of the Senate for consideration.

There have been so many speeches either filed in the RECORD or made on the floor of the Senate in support of this, to my way of thinking, totally inappropriate bill, that I request unanimous consent to have printed in the RECORD at this point in my remarks Dean Fordham's closely reasoned and very clear statement of why the Jenner-Butler bill does not deserve the serious consideration of the Senate.

I also ask unanimous consent to have printed at this point in the RECORD a resolution adopted by the board of governors of the Philadelphia Bar Association at a meeting on June 23, 1958, expressing opposition to section 1 of the Jenner-Butler bill, the section which proposes to remove the appellate jurisdiction of the Supreme Court in bar admission cases.

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

MIDWEST REGIONAL MEETING, AMERICAN BAR ASSOCIATION, JUNE 12, 1958

(Remarks of Jefferson B. Fordham in opposition to limitation or more specific declaration of the appellate jurisdiction of the Supreme Court)

While I am in the posture of taking the negative side in a debate on the question "Whether the appellate power of the Supreme Court should be limited or more expressly declared," I want to make it perfectly plain at the otuset that I am not on the defensive. I am not here to defend the Supreme Court. On the contrary, I am here to express appreciation of the unique services which the Court, in recent years, has performed within our constitutional framework in the cause of human rights. As I have said on another occasion, the Court has, in my judgment, achieved a high level of performance in its historical role, which has not been matched by either of the other branches of the National Government. It has shown the highest fidelity to the rule of law.

I have found it almost incredible that lawyers on the Senate Committee on the Judiciary could bring themselves to support the kind of measure, in relation to the Supreme Court of the United States, which we find in the so-called Jenner-Butler bill. In a word, the proposal is so bad that it does not merit more than momentary attention. I have, thus, been greatly heartened by a report in yesterday's New York Times to the effect that the bill looks like a dead duck for this session of Congress. As a lawyer and a citizen, I fervently hope that we can soon put the matter entirely aside as simply an unhappy memory. Meanwhile, we are here to discuss more broadly the question of limitation of the appellate jurisdiction of the Supreme Court or more specific declaration of that power.

We should approach this discussion in adequate context. Insofar as we are talking about the Court's role in constitutional interpretation, we must bear in mind that the Constitution of the United States is, in a just sense, a political instrument. It is a charter of government, one of the most striking features of which is the substantive and procedural safeguards of the Bill of Rights and the post-Civil War amendments designed to protect the individual against the arbitrary exercise of governmental authority.

The interpretation of a politico-legal instrument is necessarily, in a substantial sense, a political process. This is patently the case in a Federal system such as ours, under which problems of interpretation arise with respect to the distribution of powers within the Federal Government, as well as to the distribution of powers between the Federal Government and the States. We are all aware, of course, that in some democratic countries, such as the United Kingdom and France, the courts do not have the power of judicial review with respect to constitutional questions. In France this is so even though that country has a written constitution.

There is no occasion here, however, to reexamine the question whether judicial review of legislation on constitutional grounds is indispensable or highly desirable in our system. I have heard no challenge to that long-established judicial power which is so much a part of our scheme of things.

I will simply add, in passing, that I agree with Mr. Justice Holmes that the Union would be imperiled if the Supreme Court could not declare State laws void as in conflict with the Constitution. I will have more to say about this with specific reference to the appellate jurisdiction of the Court.

Another important general consideration is that the work of the Supreme Court should be viewed in terms of its institutional role and its operative processes as distinguished from preoccupation with particular decisions. Any branch of the Government can reach decisions which are disapproved by a great many of our people. In the case of the Supreme Court the matters which finally come to a decision on the merits by the Court are particularly likely, as all lawyers know, to be quite controversial and open to important differences of opinion. There is no escaping dissatisfaction in some quarters with decisions in such matters.

To take power away from a primary organ of Government because of what some people think is an erroneous decision or line of decisions is to attack the institution and the processes by which it works. Unhappily, in recent years, we have seen manifestation of this kind of thing with respect to each of the three departments of the Federal Government. Philosophically, the "curb the Court" attitude is cut from the same cloth as the Bricker amendment attack upon the treaty power and the Reed-Dirksen attack upon the taxing power of Congress. In each instance the philosophy is negative and, carried to an extreme, could be utterly nihilistic. It has depressed me beyond words that this kind of self-defeating point of view is as widely embraced as it is in a land of freemen who should have faith in their institutions and should be dedicated to a positive approach to the resolution of human problems.

The proposition I have just stated is conspicuously sound with respect to the judicial branch of the Government in view of the recognized essentiality of independence of judgment. I think that it would be intolerable to have the work of the Supreme Court continually overhung with the threat of Congressional limitation of appellate jurisdiction. Congress would be in the ridiculous posture of trying to keep the Court in line.

The fact that the legislative branch of the National Government has often enacted measures which did not pass the constitutional test and has been particularly aggressive recently in reaching over into the executive branch is no justification for proposing constitutional amendments to curb the Congress. The President has reacted properly against measures which would violate the separation of powers by giving Congressional committees a veto over executive action. In the long run, strength and firmness in the several branches will tend to maintain a tolerable balance.

I can dispose of the question whether the appellate power of the Supreme Court should be more expressly declared very briefly—at least to my own satisfaction. Some years ago a proposed constitutional amendment, which took the name in popular parlance of one of the Senators who is now bent upon curbing the Court, and which was designed to protect the independence of the Supreme Court and fortify the quality of its membership, gained strong support in the profession. A principal feature of this proposal was a provision expressly giving the Court appellate jurisdiction as to law and fact in all cases arising under the Constitution, and removing this jurisdiction entirely from Congressional control. The proposal was ably supported by the Association of the Bar of the City of New York and by such distinguished individual lawyers as the late Owen J. Roberts.

As I have previously publicly declared, I do not embrace that proposal. I think that in the complex and delicate system of checks and balances in our political scheme of things we have achieved and maintained a notable degree of independence for the Court at the same time that we have left the Congress free to make change in the pattern of appellate court review, as the total interests of the country might indicate. In spite of the intemperate character of the current attack on the Court, I continue to oppose constitutional change. This is a period in which Congress is in the ascendancy in the political branches of the Government, but that does not mean that it will embrace an ad hoc emotional attack upon the Supreme Court.

I think it is fair to say at this juncture that my opposition to the so-called Butler amendment, which was designed to protect the appellate jurisdiction of the Supreme Court in constitutional cases, places me in a strong moral position to insist on legislative restraint and mature responsibility in the exercise of Congressional power over the appellate jurisdiction of the Court.

I am far from envious of the position of those who are seeking to limit the Court's jurisdiction. A review of the decisions which have been most under attack discloses that nearly all of them have been concerned in one way or another with the meaning and application of the rule of law in the relationship of the individual with government. All under fire in the Jenner-Butler bill have involved some aspect of loyalty or security. They are illustrative of the fact that in this day the focus of the problem of preserving ordered liberty is the clash of security measures with individual freedom. I think that the sensitivity of the Court to individual human values in these cases is an ennobling and invigorating feature of our contemporary America, of which we should all be justly proud. Those who attack the Court are arrayed on the side of governmental authority and against human rights. Their moral position is extremely vulnerable. We hear endless talk about States rights and national security without even a passing apology for the way State authority has been exercised deliberately to deny equal treatment under the law to Negro citizens. I will mention one example. The continuing efforts of southern legislatures to disenfranchise Negro citizens is a mockery which shames me as a native of that region.

This brings me to my next point—States rights argumentation does not assist us in the present discussion. If we put first things first, we shall recognize that what is important is human values, individual and social. Political arrangements in either a unitary state or a Federal union are but means to an end; they have no ultimate significance. They are the organizational tools of society which are employed to protect and assure the realization of human values. To stress States rights as if the State portion of total authority in our system were sacrosanct is to attribute a significance to State power which is sharply at odds with our philosophy that government is the servant of all the people, not the master of even a minority group. In this light we see government in terms of responsibilities and, emphatically not, of powers, jurisdiction, or authority. The purpose of entrusting authority to government is to enable it to discharge responsibilities relating to the welfare of man as a social being.

In this perspective it should be evident that the central problem in the public school desegregation cases did not have to do with State jurisdiction of public schools—no one questions State jurisdiction. The problem related to the method of exercising State jurisdiction in a way to meet the States' responsibility to deal evenhandedly with persons under their jurisdiction as required by the 14th amendment. It is not significant here that the 14th amendment fails to refer specifically to public education. A broad safeguard of human rights is not the sort of thing that would be so drafted as to refer explicitly to this or that area of governmental jurisdiction. What the 14th amendment does, among other things, is to make it the law of the land that the States, as members of the national Union, bear an enforceable responsibility to live by the rule of law in dealing with persons under their jurisdiction.

It is time that I get down to cases. It is not feasible in the time available to me to consider all of the decisions of the Court, which have been the subject of vigorous criticism in the current "curb the Court" movement. To confine the discussion within manageable limits I shall focus attention upon the cases which were the subjects of attack in the original Jenner bill and in the amended bill as reported out by the Committee on the Judiciary of the Senate. The original bill was designed to take from the Supreme Court all appellate jurisdiction in cases in which there were drawn into question the validity of two classes of Federal governmental activity and three classes of State and local governmental activity. The first relates broadly to "any function or practice of, or the jurisdiction of, any committee or subcommittee of the United States Congress, or any action or proceeding against a witness charged with contempt of Congress." It was aimed at *Watkins* v. *United States* (354 U. S. 178 (1957)). It is important to indicate briefly what was decided in that case.

Watkins was prosecuted under the Federal statute which makes it a crime to refuse to answer a question pertinent to an inquiry being conducted by a Congressional committee. The committee in this case was the Un-American Activities Committee. Watkins was subpenaed and appeared before a subcommittee of that committee. He was an individual with a long career in labor affairs, principally in the Farm Equipment Workers Union. There was no explicit indication, either by statute or resolution or by statements by the subcommittee or its chairman, as to the scope and thrust of the inquiry. At the hearing, Watkins testified very freely as to his own past political associations and activities, but refused to answer when asked whether 30 individuals, whose names were read to him, had been members of the Communist Party. He did not rely upon the privilege against self-incrimination; instead, he insisted that this line of questioning was not relevant. It was for this refusal that he was prosecuted and convicted. The Supreme Court reversed by a vote of 6 to 1. In effect, the Court held that the scope of the inquiry had not been sufficiently defined to afford the witness a basis for determining, at the peril of fine or imprisonment, the pertinency or relevancy of questions asked; there was no definite indication that the question under inquiry was communism in the labor movement. One may disagree with this result, but it is surely a rational position. It is perfectly plain that it is not due process of law to subject an individual to criminal punishment under a statute which is so vague as to leave the individual unable to make a reasonable determination as to where the legal line is.

Of course, it can be argued that the investigation of communism in general is a sufficiently definite "question under inquiry." The Court refused to uphold the delegation to a committee of such a broad

range of inquiry. Its reasoning was a bit elusive but the thrust of it, I think, is that such a broad committee charter leaves the situation well nigh vagrant and affords no satisfactory basis for judicial determination of individual rights as affected by committee action.

It is understandable that the Watkins case aroused criticism and resentment in Congress, especially as aggressive and bossy a Congress as the 85th, but when we look at the situation calmly one is hard put to find anything at all extreme in what the Court did. Surely, if witnesses are to be subject to punishment for contempt of Congress for refusing to answer questions, it makes sense for the courts to insist that witnesses be afforded a good indication of what the inquiry is about. It remains to be demonstrated, moreover, that Congress is hampered by a decision which merely says, in effect, if you are going to hail your principals, the citizenry, before you and make them talk about their activities and associations, you must make it reasonably clear what you are driving at.

It will be seen that the original Jenner bill was not confined to the kind of problems involved in the Watkins case, but would have removed committee functions, practices and actions generally from the reach of the appellate jurisdiction of the Court. The bill, as reported out by the committee, while still highly objectionable, is a far cry from the original proposal in this respect. It is not addressed to the jurisdiction of the Supreme Court. What it does is add a proviso to the criminal statute involved in the Watkins case, which would make a ruling of a legislative committee final on any question of pertinency raised by a witness. Certainly, as to a question which might go beyond the very Congressional power of inquiry, as distinguished from a question objectionable because not relevant to a particular legitimate inquiry, this provision is open to grave constitutional doubt. It is an extraordinary thing, moreover, in that it would make a man's liberty depend upon a determination by a legislative committee of a mixed question of law and fact without any of the normal safeguards of criminal procedure. This is a curious retreat from the original attack on the appellate jurisdiction of the Court.

A second provision of the original bill would have excluded Federal activity concerned with removing individuals from service in the executive branch of the Government for security reasons from the range of the appellate jurisdiction of the Supreme Court. This was obviously an attack upon the decision of the Supreme Court in *Cole* v. *Young* (350 U. S. 900 (1955)). There the Court interpreted the pertinent Federal statute, which authorized summary suspension of Federal employees, in certain executive areas, in the interest of national security, to be applicable only to so-called sensitive positions. There is no occasion to go into a detailed discussion of this case, but it is obvious that summary suspension without procedural safeguards is drastic action, not in keeping with the well-developed policy of the civil-service laws. I do not believe that the Court in anywise abused its function of interpretation in interpreting the statute as it did. In any event, the Jenner bill, as reported out by the committee, has omitted any provision on this subject, either by way of restricting the jurisdiction of the Supreme Court or by way of substantive regulation of the subject matter. This omission is the best feature I can find in the Jenner bill.

The third provision of the original Jenner bill would have excluded from the Court's appellate jurisdiction any case involving the validity of any statute or executive regulation of any State designed to control subversive activities in the State. This merits but brief comment. It was just as extreme as the provision as to admission to the bar. Because of dissatisfaction with the decision in *Commonwealth of Pennsylvania* v. *Nelson* (350 U. S. 497 (1956)), the bill's sponsors were willing to sacrifice traditional judicial recourse for the individual against arbitrary governmental action.

In the committee version of the bill this provision did not survive. There was substituted a provision designed to lay down a rule to overcome the Nelson decision. Misrepresentation of the Court's decision in this case reached an extreme in the strange hue and cry over the case. Let's review what actually happened.

Nelson was prosecuted in a State court of Pennsylvania under what is commonly known as a Little Smith Act. This statute made it a crime to attempt to overthrow by force and violence the government of the Commonwealth of Pennsylvania or the Government of the United States. The indictment in this case, however, charged offenses only aganist the United States Government. Defendant's trial resulted in conviction, and the Superior Court of Pennsylvania affirmed per curiam. The Supreme Court of Pennsylvania, with one justice dissenting, reversed. That court held that the State law, insofar as it referred to offenses against the Federal Government, had been superseded by the Smith Act. The Supreme Court of the United States upheld the view of the highest court of the State. The Court, speaking through the Chief Justice, reasoned that the Federal statutes on sedition constituted a pervasive pattern of legislation on a matter of dominant Federal interest where dual governmental activity might cause serious embarrassment of administration. These are the traditional dogma familiar to problems of regulating commerce or labor, where most supersession cases have arisen.

The outcry that followed this decision has tended again to obscure the true nature of the determination. It has been asserted by nearly all of the critics that the Nelson case has stricken down all State legislation dealing with sedition and subversion. There is no warrant for reading the case in so broad a fashion. All the facts presented and all that the Court decided concerned the power of a State to prosecute as a crime acts directed toward the overthrow of the Federal Government. It merely affirmed the State court decision.

The fourth area of exclusion from the appellate jurisdiction covered by the original Jenner bill was cases involving the validity of rules, bylaws, or regulations of educational boards concerning subversive activities in its teaching body. This absurd provision has also headed for limbo. It was a reaction against the Court's decision in the Slochower case (*Slochower* v. *Board of Education* (350 U. S. 551 (1956)), in which the Court determined that the application of a New York City charter provision calling for summary dismissal of a city employee, who invoked the privilege against self-incrimination in an official inquiry, to a Brooklyn College teacher with respect to testimony before a Congressional committee denied due process. The Jenner group would employ a blunderbuss and fire it at random at whatever cost to the dignity and intellectual freedom of teachers.

Of the five restrictions on the appellate jurisdiction of the Court, which appeared in the original Jenner bill, only the fifth remains in the bill as reported out by the committee. That is a provision relating to admission to the bar in any State. It is a proposal by 10 lawyers that no matter how flagrant a denial of Federal constitutional rights there may be in relation to admission to the legal profession, the highest Court in the land is not to have jurisdiction to review the matter. Thus, if a State board of bar examiners were to deny admission because of race or religion and this were upheld by the highest court in the State, there would be no recourse to the Court, which otherwise has the final voice in interpreting the Constitution. What, one may ask, could possibly bring a group of lawyers to espouse a measure which is so insensitive to 14th amendment protection of human values? The answer is that they were striking at two recent decisions of the Supreme Court involving admission to State bars of individuals with actual or possible past Communist associations. In the case of *Schware* v. *Board of Bar Examiners of New Mexico* (353 U. S. 232 (1957)), the State supreme court had upheld the exclusion of Schware from the State bar examination. He had been a member of the Communist Party for some 6 years ending in 1940. There was extensive evidence that he was a man of high ideals and good repute. The State court, in supporting a determination that he had not shown the required good moral character, declared that one who had had such a Communist association as Schware was a person of questionable character. The Supreme Court considered this so unwarranted and arbitrary as to amount to a denial of due process of law.

The second case was *Konigsberg* v. *State Bar of California* (353 U. S. 253 (1957)). Konigsberg was denied certification to practice law in the State because he had refused to answer questions as to whether he had ever been a member of the Communist Party, although he asserted unequivocally that he did not advocate the overthrow of the Government by force or violence or other unconstitutional means. Nonadvocacy of forcible overthrow was a State requirement for admission. Forty-two persons attested his good character. No one testified that his moral character was bad. There was testimony that he had attended party meetings in 1941, which was a time when the Communist Party was a recognized political party in the State. The Supreme Court held that he had been denied due process. Justice Frankfurter dissented because it was not at all clear to him that the State court had in fact passed upon a claim properly before it under the due process clause of the 14th amendment. So far as he could tell that court may have rested simply on a non-Federal ground—refusal to answer questions testing the reliability of applicant's denial that he espoused forcible overthrow of the Government. Justices Harlan and Clark agreed with this and also dissented on the merits.

I think the unanimous decision in the Schware case is perfectly sound, but I agree with the dissenters in the Konigsberg case. This, however, is quite irrelevant. In both cases the Court was concerned, as it must be, with the limitations the 14th amendment places upon the exercise of State authority. There was occasion for concern about the danger to freedom of political thought from inquiry into political ideas and associations. Human judgment can never approach the infallible and I predict that the Konigsberg decision will not stand the test of time—that is, if the Court is left with appellate jurisdiction to modify the authority of the decision.

The committee added a provision to the Jenner bill which is directed to a holding in the Yates case. *Yates* v. *United States* (77 S. Ct. 1064 (1957)). In that case the Court upset convictions under the Smith Act. Among other things it interpreted the Smith Act not to proscribe the advocacy and teaching of violent overthrow as an abstract principle as distinguished from incitement to action. Had it interpreted the act otherwise it would have faced a serious freedom of speech question under the reasoning in earlier cases. It noted this and was moved by it toward the interpretation adopted. It, thus, avoided the constitutional question.

The committee proposal is not clear but is probably intended to make advocacy of violent overthrow as abstract doctrine punishable. Thus, we find in the bill another example of committee insensitivity to the constitutional safeguards of the Bill of Rights.

This review of decisions indicates, I think, that the sharp criticism of the Court with reference to them has been thoroughly unjustified, if not outright irresponsible. The critics have no case, but even if it could be said that some of the decisions were pretty far out of line there would be no occasion to restrict the appellate jurisdiction of the Court. There is so much at stake in the maintaining of the traditional role of the Court that even a number of bad decisions would be of infinitesimal size in comparison.

As we have already seen a curb-the-Court attitude is an attack upon the independence of the judiciary.

An ad hoc piecemeal attack upon areas of jurisdiction is a crude blunderbuss method which has no discernible relation to rational policy in the distribution of judicial work and the interpretation of the Federal Constitution and statutes. If the appellate jurisdiction is to be reexamined it should be done in terms of the role of the Court as an institution and of the overall needs of the country with respect to the administration of justice. I do not now see any occasion for that sort of reexamination.

It would be bad enough, as others have observed, to have no unifying review of Federal cases; that would leave the law of the land to be interpreted differently in different circuits. Even worse would be elimination of Supreme Court review of State cases involving Federal constitutional questions. The Constitution could not be preserved as one supreme law of the land for all the people, as provided by article VI without such review. An attack upon it is an attack upon the Union. Let the Court curbers bear in mind that they are playing with fire.

For my part, I applaud the Court and hope that a more perfect realization upon the part of American lawyers of the great service the Court has been rendering the cause of human freedom and equality will stimulate us to establish in the American Bar Association a strong and active section on human rights. This thought I warmly commend to President Rhyne. Meanwhile, let us bestir ourselves to do all we can to give living vitality to the values espoused by the Bill of Rights and the post-Civil War amendments with the hoped-for effect that America will set a truly worthy example before a troubled world, which needs, more than anything else, our moral leadership.

PHILADELPHIA BAR ASSOCIATION,
Philadelphia, Pa.

EXCERPT FROM THE MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD JUNE 23, 1958

Whereas United States Senate bill 2646, known as the Jenner-Butler bill, seeks to remove appellate jurisdiction of the United States Supreme Court in certain instances; and

Whereas the board of governors of the Philadelphia Bar Association is opposed to all limitations of the appellate jurisdiction of the United States Supreme Court in cases arising under the Constitution of the United States: Therefore, be it

Resolved, That the board of governors of the Philadelphia Bar Association go on record as opposing that section of Senate bill 2646 which attempts to limit the appellate jurisdiction of the United States Supreme Court as to the "validity of any law, rule, or regulation of any State, or of any board of bar examiners, or similar body, or of any action or proceeding taken pursuant to any such law, rule, or regulation pertaining to the admission of persons to the practice of law within such State"; and further,

Resolved, That the board of governors of the Philadelphia Bar Association advise our Senators and Representatives at Washington of this stand and forward them copies of this resolution.

EMIL F. GOLDHABER, *Secretary.*

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. CLARK. Mr. President, I send to the desk for appropriate reference an amendment intended to be proposed by me to H. R. 12591, a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance.

Mr. CLARK. Mr. President, the amendment which I propose would make permanent the Trade Agreements Act, instead of extending it for a period of 5 years.

I have noted with interest the efforts being made on behalf of what are, in my judgment, misguided protectionists dealing in the 19th century tradition of trade to curtail the authority of the President under the Trade Agreements Act and to limit the term to which the act, which has now passed the House, would be extended.

I note for the RECORD that the original Trade Agreements Act of June 12, 1934, had a stated life of 3 years. Since that date the act has been extended nine times; in 1937, 1940, 1943, 1945, 1949, 1951, 1953, 1954, and 1955. This is the proposed 10th extension. Over this period of years, the average extension has been for a little more than 2 years.

I point out that since the present administration took office it has been unable to get the act extended for more than 1 year at a time on two occasions, and on the third occasion for only 2 years.

The time and expense consumed in these periodical extensions of the act are well known. The House hearings started on February 17, and concluded on March 25. About 200 witnesses were heard, and statements and written material introduced into the RECORD total almost 3,000 pages.

On June 20, 1958, the Secretary of State, John Foster Dulles, appeared before the Senate Committee on Finance in support of the House bill. I ask unanimous consent that the statement he then made be printed in the RECORD at this point in my remarks.

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

STATEMENT BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, BEFORE THE SENATE COMMITTEE ON FINANCE ON EXTENSION OF THE TRADE AGREEMENTS ACT (H. R. 12591)

Mr. Chairman and members of the committee, 4 months ago I spoke before the House Ways and Means Committee in support of the President's proposal to extend and strengthen the Trade Agreements Act. I now direct myself to the bill which has come to this committee from the House of Representatives. It represents some alteration of the bill as originally introduced. The changes, however, are acceptable to the Executive and H. R. 12591 as received in the Senate has my full support.

The Secretary of Commerce will speak to you about the compelling reasons of domestic economy policy for strengthening and extending the Trade Agreements Act. The Secretary of Labor and the Secretary of Agriculture will doubtless present further convincing evidence of the importance of the program from the domestic viewpoint.

I shall direct myself primarily to foreign-policy consideration.

II

We live in a world which is new in terms of its political structure and its economic demands. Twenty countries have won their political independence within the last 15 years and this trend is likely to continue. Seven hundred million people are directly involved in this rapid transformation from the long-established system of colonialism. The very rapidity with which this transformation is occurring presents a major problem—how to achieve and maintain political stability.

Mass aspirations follow these new grants of independence. They are contagious and spread to other lands. The demands for improved living conditions are insistent. No possible sources of assistance are dismissed out of hand. Present Free World nations may prefer to buy and sell within the Free World. But if they are frustrated in their efforts to do so, they can be expected to direct their search elsewhere.

Although no international wars are being fought today, our security is menaced, not only by the vast Soviet military buildup, but by the efforts of international communism to turn the worldwide changes to selfish use as steppingstones to world domination.

If we are to combat this evil successfully, a better international order must be built and the United States must be in the forefront of that effort.

Fortunately for us, the Free World is not disunited. It works together and provides dispersed power to retaliate against armed aggression. Military unity is imperative and must be continually strengthened. But this requires high morale throughout the Free World and a willing spirit of close cooperation. Such an atmosphere is not created and maintained through military cooperation alone. Economic security is indispensable to all our allies and friends. It is essential that their relationship to the United States contribute not only to their military security but also to their economic well-being.

III

The strategy of Communist imperialism involves the subversion of country after country until the United States is isolated and subject to economic strangulation. You have heard repeatedly Mr. Khrushchev's threat of war in the peaceful field of trade and his boast that the Soviets will win this war because of the superiority of their system. I have said before—and I say again—it would be reckless to treat this threat as negligible.

The Soviet Union is rapidly developing its weapons for waging economic warfare against the United States and has achieved an industrial level which enables it to export manufactured goods in increasing quantity and variety, and to take in exchange large amounts of natural products, whether agricultural or mineral, for their own use or to dump on Free World markets. Through pursuing this course, they hope to gain dominance—first economically, then politically—in many countries which need an assured foreign market.

Our Government has, by treaty or resolution, declared, in effect, that the peace and

security of the United States would be endangered if any of nearly 50 countries were to be conquered by Communist imperialism. But, declaring this is not enough. We have to convince both friend and foes that we will do what is needed to prevent the Communist conquest. So we have the policies and actions represented by our mutual-security program and by the Trade Agreements Act.

Some seem to believe that national policies which aim to assure a congenial and friendly world environment are un-American or unpatriotic. The fact is that from our beginning United States doctrine has proclaimed that our own peace and security are bound up inextricably with conditions of freedom elsewhere. Today that doctrine, the doctrine of interdependence, is the cornerstone of Free World policy.

IV

How has trade figured in these developments? During the depression of the early thirties, many countries tried to restore their economies by tariffs, quotas and currency manipulations. We did those things, and did them without regard to the effect upon others who were largely dependent on international trade. But the domestic relief we expected did not come. And by 1934 the decline in world trade brought to power, in several countries, leaders so nationalistic and aggressive as to constitute a major cause of World War II. They sought to expand their national domains at the expense of weaker neighbors on the ground that they could not assure their people a living standard by normal methods of peaceful trade. The price we all paid in World War II will, I hope, help us to avoid such shortsighted action in the future.

So far as the Free World is concerned, the trend since that war has fortunately been in the other direction. In this movement to liberalize trade, the United States has been an indispensable leader. Our Trade Agreements Act, first enacted in 1934, and since extended 10 times, has reflected our desire and purpose to promote the mutually advantageous expansion of world trade.

Some elements of United States industry try to improve their competitive position by implying that any competition from abroad, merely because it is foreign should for that reason be barred. This viewpoint, I repeat, cannot be accepted as United States policy without endangering our whole Nation. This is not to say there are no cases where foreign competition should be restrained. There is a wide range of such cases and protection is in fact accorded. It is true, however, that any general disposition to exclude foreign goods simply because they are competitive would gravely disrupt economic, political, and spiritual relationships which are required for our own welfare and for the defense of our peace and freedom.

You may ask what is the proper relationship between the progress of the trade program and the interests of domestic procedures. Let me say this. Almost every national policy hurts some and benefits others. The form of our taxation; the nature of our defense purchases; the location of Government operations—all of these and many other national policies inevitably tip the scales of competition. Often, and certainly in the field of trade, the few who may be hurt, or fear that they may be, are more vocal than the many who may gain. That is their right. But the Congress has a duty, that is to serve the overriding national interest.

V

Important as the trade agreements program has been since its inception in 1934 and since World War II, I anticipate a progressively more vital role for the program in the future.

The program is one of our most effective tools for combating the emerging Soviet strategy of political economic penetration into uncommitted countries through the offer of trade and economic aid. Since 1954 economic assistance extended by the Communist bloc to countries outside the bloc has amounted to one and a half billion dollars. Since 1954 the exports of the Communist bloc to the free nations have grown 70 percent. In 1957 they amounted to some $3.1 billion. Furthermore, the number of bloc trade agreements with the free nations has more than tripled in the last 3 years, rising from 49 at the end of 1953 to 149 at the end of 1957. From what we know of the economic potential of the Communist bloc, there is reason to believe that this performance can be greatly augmented within the next few years. The State-controlled economy of the Soviets is well suited to swift changes in quantities and destination of exports. The shortage of virtually all consumer goods within the Soviet area means that additional quantities of a wide variety of imported materials can be absorbed with ease.

The danger of the Soviet economic offensive arises from the fact that to the leaders of Communist imperialism economic ties are merely another means of gaining ultimate political control. If through trade and economic assistance they can bring free nations within their economic orbit, they will have paved the way for political victory. Even though responsible leaders in the recipient countries also know this, desperation for markets in order to meet the aspirations of their people can tempt those governments to gamble their political independence rather than refuse Communist aid and trade.

To this challenge, our basic answer is our trade agreements program, coupled with our own aid program. The free world as a whole certainly offers by far the largest market for the raw materials that provide most of the money income of the less developed countries. This offer can only be realized, however, so long as the dominant free world trade trend is in the direction of opening markets and expanding trade to the maximum.

VI

In Western Europe we see unfolding a great new movement toward economic unity. This is the European Economic Community established by the Treaty of Rome, which entered into force on January 1, 1958. Through this treaty six nations on the European continent—Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands—have agreed to eliminate all barriers to trade among themselves and to act toward others as a single economy. They will form a single common market of 170 million customers with a total import trade which, last year, was larger than that of the United States. This new market will, in time, have a single uniform tariff, and a common trade policy, which it will apply to imports from the United States and other countries of the free world.

This development has been encouraged by the United States, both the Congress and the executive branch, since the early days of the Marshall plan. It should now be our policy to cooperate with the new Economic Community of Europe to the end that both the United States and the European Economic Community will contribute to the economic strength and well-being of the free world as a whole.

The next 5 years will be the critical, formative years of the European Economic Community. This is a major reason why it is essential that the trade agreements program be renewed this year for 5 years. During this period long-lasting decisions will be made as to the level of the European common external tariff and as to the other commercial policies which the Community will adopt. The best opportunity we will have to negotiate with the Community the tariff reductions most advantageous to our export trade will be before the new tariff becomes firmly established. We would seek to negotiate tariffs lower than those to which the countries comprising the European Economic Community are presently committed.

The procedure and timetable which its members contemplate for the establishment of the common market illustrate the need for extending our program for not less than 5 years.

The first step in reducing internal tariffs, within the common market, will be taken next January 1, when internal duties are to be reduced by 10 percent from their present levels. Thereafter there will be progressive reductions until internal tariffs are completely eliminated by the end of 1972. These reductions are important to us because after the first of next year, goods produced within the common market will have a steadily increasing advantage within the common market area over American and other Free World goods.

With respect to external tariffs, the plan is this: The European Economic Community has informed us that they expect to have their proposed, or target, tariff (which they are now negotiating among themselves) available for examination by us and others about the end of 1959.

The objective of this examination will be to ascertain whether the target tariff accords with the obligations which the common market countries have previously assumed under the General Agreement on Tariffs and Trade. In this context, we shall want to be satisfied that the target external tariff is not on the whole higher, nor more restrictive than the separate tariff schedules of the six countries now in effect.

We shall also look at the individual items to be certain that the commitments which others have made to us are maintained.

After we have completed this examination, we will have to prepare the United States position for negotiations and choose the items on which we might be willing to consider tariff concessions. This will include peril-point investigations by the Tariff Commission. This whole process will take at least 18 months from the date on which we receive the target tariff. This timetable makes clear that under the best of circumstances negotiations with the European Economic Community cannot begin until 3 years from now. The negotiations themselves would take at least a year, bringing us at least to mid-1962. It is only prudent to allow another year for slippages. Finally, other countries will not be willing to make the complex preparations for these negotiations unless they are sure that the United States Government has authority to see them through to completion. For all these reasons the full 5-year extension is a necessity.

Another point I wish to make is this: Our trade agreements program has been accepted in this country now for 24 years. I think it is clear that the program has been successful and has benefited this country greatly. I believe that most people in this country look upon the program as continuing and permanent. It would, to my mind, be unthinkable to discontinue it.

On each of the 10 times that the Trade Agreements Act has come before the United States Congress for renewal, there has been a period of uneasiness and concern among our friends throughout the Free World. Because the United States is the ranking supplier or consumer of so many commodities, its trade policy is a matter of vital interest to the overall economy of many countries. The question of whether the United States is going to continue to buy a given country's products so as to enable that country to accumulate dollar exchange with which to buy needed supplies for the well-being of its own people is often nearly a life and death proposition.

For one reason or another people abroad have acquired the impression that trade-restrictionist sentiment is growing in the

United States. Whether this impression is correct or not—and the recent passage of this renewal bill in the House would certainly indicate the contrary—the belief injects an element of instability and danger into the future which is not conducive to cooperation or to our national security.

Why, then, should we insist upon the reargumentation of its merits every 3 years or oftener and lead our friends abroad to fear we may suddenly reverse our trade policy? The Trade Agreements Act has become a symbol around which other Free World countries develop their trade policies and make their plans. Greater stability in our program will certainly mean greater stability in their programs. Can there be any doubt that such stability would benefit us all?

This stabilizing of our basic policy would not of course mean freezing our procedures; if during the 5-year period experience shows the need for improvements in the legislation, these can of course be accomplished.

VII

A few days ago (June 6, 1958) I made a statement to the Foreign Relations Committee dealing with the basic aspects of our foreign policy. In the course of that presentation I made a statement about world trade which I should like to repeat here today:

"The world of today requires better economic health than was tolerable in past times.

"International trade is more than ever important. Our own foreign trade is now approximately $32.4 billion a year and provides employment to 4½ million of our farmers and workers. International trade is even more vital to the economic life of many other free world countries.

"A principal instrumentality and the outstanding symbol of our attitude to international trade is our Trade Agreements Act. The principle of the act was first adopted in 1934, and 10 times the Congress acted to renew it. Any failure now to renew it would be a grave blow to the world's economy, including our own, and it could be fatal to security."

Mr. Chairman, that is a blunt statement. But to put it less bluntly would, in my opinion, fail to portray the immense importance to the United States of the legislation now before us.

Mr. CLARK. Mr. President, I invite particular attention to this comment in Mr. Dulles' statement:

On each of the 10 times that the Trade Agreements Act has come before the United States Congress for renewal, there has been a period of uneasiness and concern among our friends throughout the Free World. Because the United States is the ranking supplier or consumer of so many commodities, its trade policy is a matter of vital interest to the overall economy of many countries.

Our indecision in this regard has required an enormous amount of Congressional, Presidential, and administrative time to be spent to obtain repeated renewals of a policy which is now firmly imbedded in our law. That seems to me to be a serious mistake.

Mr. President, instead of attempting to curtail the period to a 5-year extension, as provided by the House, in my humble opinion we should make the act permanent. That is the purpose of my amendment.

Mr. President, I do not mean that in any way Congress should give up its traditional control over tariff and trade policy. I merely suggest that until such time as the Congress can summon a majority to reverse a well established and sound policy, we should not be plagued every few years with such an enormous waste of legislative and executive talent, to preserve a position which should be rockbound and firmly established as a part of our international policy—certainly until the major opinion in the country and in the Congress shall change. I am therefore hopeful that the amendment will receive the favorable consideration of the Senate when the bill comes before us in the near future.

Mr. President, I desire to turn to another subject.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

REPORT ON UNEMPLOYMENT SITUATION WITH RECOMMENDATIONS FOR ITS IMPROVEMENT

Mr. CLARK. Mr. President, I shall send to the desk in a moment a resolution which I intend to submit for myself and other Senators. The resolution refers to the Employment Act of 1946, which requires in specific terms that certain information be made available to the Congress. This information includes current levels of employment, production, and purchasing power; levels necessary for maximum employment, production, and purchasing power; current and foreseeable trends; the effects upon these levels of the Government's economic program and of economic conditions affecting employment; and a program and recommended legislation for obtaining maximum employment, production, and purchasing power.

I believe that anyone who reads objectively the economic report transmitted to the Congress in January of this year will agree that it does not furnish the information called for by the act. It was a good historic review of what had been happening in the economy. But it provided nothing, in quantitative terms, about the levels of employment, production, and purchasing power necessary to carry out the objectives of the act, or about current and foreseeable trends in relation to those levels.

It scarcely looked ahead at all, even in qualitative discussion. Projections were practically nonexistent. As a consequence, it was not of much use to the Congress in formulating programs for maximum employment, production, and purchasing power.

However, my object today is not to hash over the past. What I am presently concerned about is that future reports be compiled in such a way as to carry out the mandate of the law, and that another section of the law be utilized at this particular time.

That is the section that authorizes interim reports from time to time. It is my understanding that up through 1952 an interim report was prepared each summer and sent to the Congress. It is my further understanding that since 1952, no such reports have ever been prepared.

Certainly, it is in times like these—when the economy is operating at far less than maximum levels—that the idea of an interim report has special significance.

I believe that this Congress needs a supplementary economic report before adjournment so that we can compare the state of the economy as it looks from the White House with our own views before we go home for the year.

The President and his advisers have been most optimistic about our national economy. Let us see the basic data on which that optimism is based.

We are entitled under the Employment Act to projections in quantitative terms. It is plain that that is the intention of the act. It is also plain that, in no other way, can the Congress get the information which it needs.

Accordingly I submit, for appropriate reference, on behalf of myself and the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Wisconsin [Mr. PROXMIRE] a resolution requesting the President to transmit to the Congress by August 1 a supplementary report as authorized by the Employment Act of 1946.

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

The resolution (S. Res. 321) requesting the President to transmit a supplementary report to the Senate on the unemployment situation with recommendations for its improvement, submitted by Mr. CLARK (for himself and other Senators), was referred to the Committee on Banking and Currency, as follows:

Whereas section 2 of the Employment Act of 1946 declares that "* * * it is the continuing policy and responsibility of the Federal Government to use all practicable means * * *, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining * * *, conditions under which there will be afforded useful unemployment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power;" and

Whereas section 3 (a) of the said act directs the President to transmit to the Congress an annual economic report setting forth "* * * (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of the economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable;" and

Whereas section 3 (b) of the said act provides that "the President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 2" of the said act; and

Whereas there have been significant changes in the levels and trends of employment, production, and purchasing power since the Economic Report of the President was transmitted to the Congress on January 20, 1958, and no supplementary

report has been transmitted since that date; and

Whereas in view of the changes in the economy a current report setting forth the data specified in section 3 (a) of the said act would be of special assistance to the Congress during its present session: Therefore be it

Resolved, That the President is hereby requested to transmit to the Congress prior to August 1, 1958, under the authority provided in section 3 (b) of the Employment Act of 1946, a supplementary report which shall set forth the data specified in section 3 (a) of the said act and, in particular, the levels of employment, production, and purchasing power needed to carry out the policy declared in section 2 of the said act, the current and foreseeable trends in the levels of employment, production, and purchasing power, and supplementary or revised recommendations to achieve the policy declared in section 2 of the said act, setting forth the data relating to levels and trends as far as feasible in quantitative terms.

AMENDMENTS TO SAVE THE LOW-RENT HOUSING PROGRAM

Mr. CLARK. Mr. President, I turn to another subject and I do so with some diffidence, noting the not unaccustomed scene in the Senate of my good friend, the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] occupying the chair and of a Senator talking to an otherwise absolutely empty Chamber.

Mr. President, I would not detain my good friend in the chair were it not for the Senate rule which requires that any statements or speeches which are not actually delivered appear in the CONGRESSIONAL RECORD in such small type that only the very young and those with hawk eyes are ever able to read them. So I apologize to my friend for detaining him longer. I wish I also could go off on my Fourth of July vacation, but the subject matter which I have in mind I know is of keen interest to the Presiding Officer as well as to me, and I believe it will be useful that the remarks appear in the CONGRESSIONAL RECORD, so that when the housing bill comes before the Senate, as it will in a few days, other Senators will at least have the benefit of one junior Senator's thinking about how important indeed that bill is.

Mr. President, when the Senate takes up the proposed housing act of 1958 in the next few days, we will have under consideration the most important changes in the concept of public low-rent housing since the program was initiated 21 years ago. These amendments contitute title IV of the bill reported by the Banking and Currency Committee.

In the 21 years since its inception, public housing has been under constant attack by implacable enemies. But the Senate of the United States has traditionally come to the aid of this embattled program and preserved it from destruction.

Today, the long-time enemies of low-rent housing are trying to discredit these amendments as the latest phase of their unremitting effort to extinguish this program.

My remarks this afternoon are addressed to those Senators who have stood by public housing through the years so that they will understand the necessity at this time for the basic changes in the program which a majority of our committee has recommended. I hope that I can clear the air of some of the confusion about these amendments which has been created.

LOW-RENT HOUSING IS STILL NEEDED

When the public housing program was launched 2 decades ago, Franklin Roosevelt had declared that "one-third of the Nation is ill-housed." Today, the proportion is somewhat lower. Perhaps only one-fourth of our people now live in housing that ought to be demolished, or is without toilet facilities or running water. But while the proportion may be slightly smaller than 20 years ago, we have probably hardly more than kept up with population growth. The total number of slum dwellers today is probably not significantly less than then. Indeed, there is much evidence that in many of our cities we have been losing ground in housing—not gaining.

Our experience over 20 years has shown that the original proponents of public housing were correct. At that time, some said, "Give private enterprise a chance, and it will do the job." In 20 years, it has been demonstrated that a large segment of the population are not and cannot be lifted out of the slums through unsubsidized private housing. The people of low income—the worker who earns only the minimum wage, the retired person on a social-security pittance, the mother and children who have been deserted, and unemployable, the working man with an exceptionally large family—these constitute a market that private enterprise does not reach at all with new housing. They are served only to a very limited degree by the "trickling down" of additional good used housing. For the most part, if they are to live in decency, public action is essential.

Thousands of families have been lifted from the slums by public housing. But many thousands more still live in a squalor from which they can be rescued in no other way.

URBAN RENEWAL DEPENDS ON PUBLIC HOUSING

Now there is a new factor that brings special urgency to the need for public housing. In the last 9 years, the Federal Government and the cities together have conceived and put into effect a flourishing urban renewal program. Urban renewal has revitalized community spirit. It has given our cities the hope and the means for cutting out the cancerous ring of blight that surrounds their central business districts. It provides the means of restoring these areas to livable, income-producing, attractive neighborhoods with open space and room to breathe—and thus to save the central business districts themselves from strangulation and decay. The result has been a civic renaissance from coast to coast. Plans and results in Pittsburgh, Philadelphia, Baltimore, New Haven, Chicago, St. Louis, and many other cities have attracted national attention. Every Member of this body is familiar with the changes that are taking place within sight of the Capitol in southwest Washington.

But the most difficult question to solve in connection with urban renewal is, what happens to the people? As slums are cleared to make way for higher value properties, thousands upon thousands of families are uprooted from their homes.

The Administrator of the Housing and Home Finance Agency, Mr. Albert Cole, estimates that about 50 percent of the population of areas to be cleared have incomes so low that they cannot obtain suitable housing in the private market. Yet, before an urban renewal project can proceed, a community must certify that safe and sanitary relocation housing is available for persons who are displaced. This brings us to the inescapable fact that urban renewal—with its promise of progress such as we have never before experienced—is going to be brought to a halt soon in many communities, and eventually in most, if public housing does not keep pace with the needs created by urban renewal.

IS LOW-RENT HOUSING BEING PROVIDED?

It is a travesty that, as the need for public housing grows even greater with urban renewal, the construction of new public housing has all but stopped.

Nine years ago, when the Housing Act which bears the names of the late Senators Wagner and Taft and the senior Senator from Louisiana [Mr. ELLENDER] was passed, the Congress confirmed a need over a 6-year period of 810,000 units of public housing, or 135,000 a year.

Since then that rate of construction has not even been approached. In the 8 years since then, the total number of starts, year for year, has been 44,000, 71,000, 58,000, 35,000, 19,000, 19,000, 23,000, and 49,000—averaging less than one-third of the 135,000 starts contemplated annually. Of the 35,000 units authorized under the Housing Act of 1956, only 9,000 have been put under contract and only 200 are under construction.

In short, in the face of a recognized, demonstrable, and growing need, the public housing program is moribund. It is dying. It is withering away.

WHY IS THE PROGRAM DYING?

Why is the program failing?

Those who administer public housing in our communities cite various causes—but important among these is the rigid control of the program out of Washington. These leaders who should know say public housing is being strangled with redtape and suffocated by the dead hand of a Washington bureaucracy. The Federal authorities, on the other hand, say the communities, for their own reasons, are just not seeking any more public housing.

One of the most comprehensive attempts to discover the answer was undertaken a year ago by the magazine, Architectural Forum. Under the heading of "The Dreary Deadlock of Public Housing—How To Break It," the magazine ran a symposium of 11 informed persons representing many shades of opinion. They were: James W. Rouse, mortgage banker, Baltimore; Ellen Lurie, Settlement House Workers, New York City; William L. C. Wheaton, professor of city

planning, University of Pennsylvania; Charles Abrams, chairman, New York State Commission Against Discrimination; Henry Churchill, architect, Philadelphia; Stanley Tankel, City planner, New York City; Dorothy S. Montgomery, managing director, Philadelphia Housing Association; Elizabeth Wood, consultant, Citizens' Housing and Planning Council, New York City; Vernon Demars, architect, Berkeley, Calif.; Lee F. Johnson, executive vice president, national housing conference, Washington, D. C.; Carl Feiss, planning and renewal consultant, Washington, D. C.

The editors summarized the proposals of the 11 experts as follows:

The predominant themes that emerge in these proposals are:

Public housing tenants should not be evicted for over income; instead they should be encouraged to stay, and to pay up to an economic rent, or to buy their units.

The private builder should be brought into public housing; all types of dwellings, old and new, should be used.

The housing subsidy should be applied to the family, rather than to the dwelling unit.

There should be no more projects or very few, and a great deal more attention should be devoted to the nonsynthetic neighborhood.

Standards, methods, and management of the public housing subsidy should be determined locally in conformity with law—not by federally set procedures.

Local housing authorities should be abolished and their functions combined with a city agency of physical development, responsible to elected officials.

On the national level, public housing should not be a separate administrative program; its functions should be combined with those of FHA (and possibly the urban renewal administration) to deal with public and private housing policies together.

In short, more freedom for locality, designer, and tenant—and a new role for the private builder—are proposed.

This summary suggests what these authorities consider to be the causes of the decline of public housing and indicates the consensus of the writers that basic and drastic changes are necessary to breathe new life into the program. The 11 short articles are worth the attention of everyone interested in urban housing problems. They can be found in the June 1957 issue of Architectural Forum.

Last November and December, the Housing Subcommittee, chaired by the Senate's own leading housing expert, the junior Senator from Alabama [Mr. SPARKMAN), conducted hearings in six cities for 14 days. The record covers 1,491 pages. The testimony relating to public housing confirms the thesis that drastic remedies are required. The witnesses presented many of the same proposals made by the writers in the Architectural Forum. Out of that testimony, title IV of the pending bill was born.

WHAT THE BILL PROPOSES

The proposals in the pending bill can be discussed under three headings:

First. Smaller projects and scattered units.

The bill responds to the general dissatisfaction with huge, high-rise, institutionlike projects which are set apart from the rest of the community. In these artificial, separate communities normal neighborhood life often becomes impossible. This is particularly true since the Public Housing Administration has ruled that local housing authorities may scrape only the very bottom of the income barrel. Many projects thus consist almost exclusively of problem families, largely unemployables and manless households. Public housing projects have tended to acquire the stigma of welfare institutions which repeal prospective tenants as well as prospective neighbors. Projects differ, of course, in the degree to which this is the case. But in all projects, there is an abnormal proportion of problem families who create the maintenance and operational difficulties which were reported with such glee in the lead article of the Wall Street Journal some weeks ago.

The Housing and Home Finance Agency has taken some experimental steps in cooperation with local authorities in Philadelphia, and Cedartown, Ga., to scatter the public housing units so that the units blend into their neighborhoods and are no longer set apart. In Cedartown, the scattered units are new. In the Philadelphia experiment, used houses will be purchased and rehabilitated, which should save money as well as aid the city's conservation program.

The committee bill proposes to encourage this trend by a statement of policy. However, the authority of the Public Housing Administration to approve each project is unchanged.

Second. Sale of homes to tenants.

One reason that public housing projects come to house mainly "problem families" is the requirement that when a tenant's income rises beyond bare minimum levels, he must be evicted. This means that normal families, with leadership qualities, are continually screened out of the projects. It also means that, with the chronic, severe shortage of decent low-income housing, these families are returned to the slums from which they came. The original conception of public housing was that it would serve as a half-way house for a slum family to be rehabilitated and graduated into good private housing. Now it serves as a half-way house between two periods of slum occupancy and the benefits of rehabilitation are lost.

Our bill provides two changes.

First, upon a finding that decent private housing is not available at prices which the family to be evicted can afford to pay, the local housing authority may permit the family to remain in its home provided it pays the full nonsubsidized economic rent.

This provision has been criticized as providing public housing for middle-income families. This charge seems odd, since by definition a family can remain only if decent private housing is unavailable, and the very people making this charge are those who have been contending for years that good private housing is available within the reach of middle-income families.

Second, the authority may sell the unit to the tenant under terms which prevent speculation. This proposal is frankly not designed for units in large projects, which would be difficult to dispose of piecemeal. But it is designed to dovetail with the use of scattered units. These, I believe, should be returned to the private housing supply once the tenant's income has risen to a point where he can afford to make the payments. I see no reason why the Government should not get out of the landlord business whenever circumstances permit. However, that decision would be made locally in each community.

Third. Restoration of local responsibility—probably the most significant part of the title.

The third objective—that of restoring local responsibility—is probably the most significant.

The United States Housing Act of 1937 was greeted by a surge of enthusiasm in local communities. Civic leaders were aroused. They saw the opportunity presented to them. They developed their plans and came to Washington. The Washington officials treated the local leaders with respect. They saw their job as one of assistance and facilitation. The staff in Washington was small. Local leadership was given the fullest rein. Perhaps some mistakes were made—although no one has pointed out any very serious errors—but in any case, we got a lot of construction under way and a great many families lifted out of the slums.

But all that is past. Gradually, over 20 years, the relations between Washington and the cities have shifted. All of us in this body have had occasion to complain that bureaucracy inevitably grows and authority always tends to centralize. Here is a case where this tendency has progressed to a point beyond all reason—where local judgment is overridden, local initiative destroyed and local officials demoralized. The record of our hearings is full of such testimony.

But let each Senator judge for himself. For that purpose, I want to give you the details about three cases. It is perhaps only through the specifics that the full flavor of the ludicrous relationship that now exists between responsible local officials and the Washington bureaucracy can be appreciated.

These cases are drawn from correspondence between local authorities and the Public Housing Administration which were assembled in a study by a committee of housing and redevelopment officials in the Southwest. The committee was headed by Mr. O. W. Collins, chairman of the Port Arthur, Tex., Housing Authority and included the chairmen of five other local housing authorities—Mr. Hubert Jones of Austin, Tex.; Mr. Louis Tobian, of Dallas; Mr. O. B. Archer, of Beaumont, Tex.; Rabbi David Jacobson, of San Antonio; and Mr. Glen F. Rogers, of Little Rock, Ark.

THE CASE OF THE 11 TREES

A team of auditors from the Public Housing Administration visited a local housing authority in February and April 1957. On June 28, the PHA submitted its report, saying:

We suggest that the trees beside the building, walks, and curbs be removed since

they are causing damage to the sidewalks and curbs and may do additional damage. The present damage to the walks is in the nature of differences in finished elevations at joints which should be releveled and brought to the same finished grade, and if necessary, sections should be replaced. Remove trees. 11 at $8 each, $88.

The local housing authority replied:

Since maintenance is unable to locate 11 trees that are detrimental to structures and sidewalks, request more definite information as to approximate location of such trees.

On November 1, came PHA's counterreply:

During the survey of this project on April 24, 1957, it was noted that several trees were growing adjacent to building grade beams and sidewalks. Inasmuch as the survey is a spot inspection and the entire project was not covered, we estimated that 11 trees were existing in such locations and should be removed. Although small trees may not be damaging the structures at this time, the increased root growth might be costly in the future and therefore any tree growth within 3 feet of the structures should be removed. This should include stumps of previously cut trees where new growth is putting out.

Has not centralization reached a ridiculous point when local housing authorities must be directed as to the exact number of trees to be removed from a project—even though the local housing authority is left free to search for and select the individual trees to be removed.

THE CASE OF THE COCA-COLA DISPENSER

In May 1957 a team of auditors made its annual visit to a local housing authority. In October came the PHA report with the following item:

A Coca-Cola dispenser was located in the community building auditorium. This equipment is owned and operated by the Housing Authority Employees' Association. We found no record of any rental charges being paid to the Authority by this association, or of any existing contract. * * * Our review disclosed that 100 percent of the revenue derived from the Coca-Cola dispenser went directly into the treasury of the Housing Authority Employees' Association and was not recorded in the Authority books of account. These funds are subsequently used by the aforementioned association for purposes having no effect or benefit to Authority operation.

In December, the local housing authority replied:

We do not consider the continued use of the Coca-Cola machine to be improper. * * * The agreement between the Housing Authority and the Housing Authority Employees' Association, a copy of which is attached hereto, requires the association to pay annually for the use of space. The board was aware of the installation and considers its presence conducive to the morale and welfare of the employees. * * * Since the employees are the principal users of the machine, we see no reason why they should not be the recipients of the possible meager profits to be derived from the operation of the machine.

On January 14, 1958, came PHA's counterreply:

The Authority's agreement with the employees' recreation for the rental of space in the recreation hall for the installation and use of an electric Coca-Cola vending machine does not have PHA approval. This agreement provides for an annual payment of $1 by the association. This amount is considered inadequate as it does not include the cost of utilities used. We recommend that you contact the local Coca-Cola Co. and obtain their estimate as to the operating cost for this item of equipment. The agreement should then be revised and submitted to PHA for approval. * * * At such time as the agreement * * * is revised and PHA approval obtained, the revenue obtained thereby will be included as Authority income and this exception will no longer be outstanding.

Ten days later, the local housing authority replied:

Your comments on this item were reviewed by the board. Approval was again given the existing agreement between the Housing Authority and employees' association for the use of an electric Coca-Cola vending machine. * * * We respectfully request that you approve the agreement approved by the board.

This apparently ended the matter, because the report includes no more counter replies to counter replies. Let us hope that the payment to the Authority for the electric current going into the Coca-Cola machine compensated at least in part for the time spent by high-priced people in 3 months of communication on this subject.

THE CASE OF THE LEAKING ELECTRICITY

The PHA audit team took exception in one of its surveys to the failure of a local housing authority to read utility meters at a constant time each day so that leaks in electric current could be detected. The Authority's maintenance superintendent protested but the board thought it best to write to the director of the local electric utility about meter reading practice. The director responded on March 5, 1957, as follows:

We see no reason for reading the electric meter daily to insure early detection of leaks. No electric energy will escape from the wires except in the event of trouble in the wiring system. In this case, fuses should blow or circuit breakers trip, which would bring such a defect to your immediate attention.

We concur with your maintenance superintendent in his statement that no leaks could occur in the electric system in the sense in which he has used the term "leak."

So, on March 11, the local housing authority wrote to PHA:

The local authority agreed to such request but in subsequent conferences with electricians and the city electrical department, we are advised that it is impossible to have a leak in an electric line as any undue load on an electric line would be controlled by the fuses in the transformers and circuit breaks of each unit.

Since it is estimated that it will cost $50 a month to read all electric meters every day, it is respectfully requested that we be permitted to eliminate the daily reading of electric meters as it is felt that such would be a waste of money.

On March 19, the PHA replied:

Our suggestion * * * was based on the fact that we have experienced loss of electricity due to the system becoming grounded. In fact, several years ago this happened on one of the projects operated by the Authority and this ground short did not blow a fuse or a transformer. The Authority in turn, paid an unusually large bill due to the waste of electricity. * * *

We notice that you estimate it will cost $50 per month to read your electric meters daily; however, we believe that with the proper allocation of time and assignment of work, that your maintenance employees who are on annual salary will be able to do this work without any additional expenses to the Authority.

On March 22, the local housing authority protested again:

We are at a loss as to when the Authority had a ground short which caused us to consume an excessive amount of electricity. It will be appreciated if you can give us the date of this particular instance. We are advised that with the exception of our shop, that all meters are single phase and grounded, and that should the circuit ground out, as you mentioned, that it would cause the fuses in the transformer to blow out. * * * We are still advised by the city electrical department and our own maintenance superintendent, that in no way could we have a short in any project electric system which would not immediately blow out the fuses in the transformer. We do not plan to put on additional personnel for the reading of the meters. However, time will be consumed in reading these meters and time in every instance means dollars, whether it applies to ground, janitorial or what.

Four days later, the PHA capitulated:

The incident referred to in our letter of March 19 happened about 1942 and involved the overhead system of wiring.

We will not insist on your making daily readings of the electric meters if you are still convinced that it is a waste of time.

The committee report is full of examples like these of what adds up to unconscionable harassment of local housing authorities by Federal officials.

I am sure that those who conceived and have defended public housing never dreamed that the point would be reached when a bureaucracy in Washington would be dictating the exact number of trees to be removed, supervising and approving contracts between an authority and its employees regarding the use of a single Coca-Cola machine, or insisting upon maintenance practices which those who are experienced write off as senseless and wasteful.

These are but a few instances. This kind of heckling goes on day after day, week after week, in 840 communities throughout the country. A Washington bureaucracy has justified itself on the basis of this kind of review. It now contends that, if its paternal supervision is removed, local communities would be incompetent to preserve their sidewalks from the ravages of rampant trees or protect the public interest against the corruption involved in permitting the employees of a housing authority to operate a Coca-Cola vending machine.

Remember, we are not talking here about the field offices of a Federal agency. We are talking about responsible authorities of local communities created under State law, consisting of leading bankers, businessmen, labor leaders, church officials, lawyers, and civic leaders from every field. Many are resigning in disgust, of course, but this is the kind of leaders we have had on our local housing authorities.

Those who stand here on the Senate floor and contend, as I do, that local boards of education are qualified to run schools without Federal interfence and supervision, that local city councils are competent to provide city services without Federal supervision, that State and

local welfare departments are competent to administer public welfare programs, can hardly stand here and say that local housing authorities are not capable of deciding when to remove a tree, or how to read electric meters in a public housing project. All wisdom is not in Washington. Man for man, I would match the members of local housing authorities with the employees of the PHA for patriotism, judgment, wisdom and knowledge of the local circumstances which is all important in making these projects successful.

In this bill, we propose to restore responsibility to the communities while still retaining in Washington the essential controls to assure that the Federal interest is protected.

All of the present Federal controls over the planning, location, design and construction of projects are maintained without change. Some of these are onerous and in line with the general philosophy of the bill should perhaps be relaxed. However, since construction costs determined the amount of the Federal financial commitment, it was felt that Federal participation at this stage should remain unchanged.

But once the project is built, the detailed operating supervision which has turned responsible local authorities into ministerial agents of the PHA is largely removed—subject to the very important qualification that the PHA and the GAO will have access to records and the right to such postaudits as are necessary to protect against fraud, gross waste, or extravagance, and to assure compliance with law and with the objectives of the program.

The relaxation of Federal control is made possible by changing the financial relationship between the Federal Government and the local authorities. At the present time, the Federal contribution is a variable annual amount, depending upon the amount of the net operating revenues from the project. Since the entire net proceeds revert to the Federal Government as a reduction in the annual contribution, the PHA feels itself compelled to supervise minute details of project management in order to reduce the Federal payment to the minimum.

Under our bill, the Federal Government would enter into a contract for payment of a fixed annual amount to the local authority at the time the project shifted from the construction to the management stage. Since the Federal obligation would henceforth be unchanged, strict Federal supervision would no longer be necessitated.

The new arrangement would put low-rent housing on the same basis as other Federal programs. In urban renewal, for example, once the Federal grant is paid, the Federal Government permits complete local self-government. Once the Federal share of federally aided highways is paid, the Federal Government does not supervise the operation and maintenance of the highways.

THE ALLEGED $8 MILLION "WINDFALL"

The amount of the fixed Federal grant, to be paid in annual installments, would be the amount necessary to amortize the bonds which finance the project.

The present annual subsidy is equal to this amount reduced by the entire net proceeds arising from project operation.

It is this reversion of the entire proceeds to the Federal Government that is at the bottom of the present difficulties in the operating relationship. Every marginal nickel that is spent or saved is a Federal nickel. On the one hand, therefore, the PHA can contend it is duty bound to supervise the spending of every nickel; on the other hand, the local authorities have no direct financial stake in effecting economies and increasing revenues.

Ordinarily, the Federal Government enters into grant arrangements on a 50–50, or 2–1, or even a 90–10 basis, but with some local share as a means of encouraging local financial responsibility through a direct financial interest. The local financial incentive serves as a substitute for strict Federal supervision. The low-rent housing program is the only program I know of where the financial division—in this case the division of receipts—is 100-to-nothing, with one level of government earning the receipts and another level of government getting the benefit of them. Such a relationship was doomed from the beginning. It could not help but result in suspicion, friction, and a steady usurpation of management responsibility by Washington.

What our bill proposes is a 2-to-1 distribution of the net proceeds, with the Federal two-thirds being applied to advance amortization of the bonds which determine the amount of the annual Federal grant. The other one-third will be retained by the local housing authority for low-rent housing purposes.

Since operating proceeds were about $25 million last year, the proposed two-to-one split has been referred to as an $8 million windfall for local authorities. But those who use this term overlook the effect of providing local authorities with the incentive for economy and increased revenues which arises from the normal Federal-local sharing arrangement. To make up the $8 million loss to the Federal Government, local authorities would need only to increase net proceeds by about $2 per housing unit per month. I am personally confident that the result would come close to that amount and might be greater. In any event, the $8 million would be used for useful and necessary purposes which should have been permitted all along but which the PHA has stripped from the local housing authority programs. Important among these are rudimentary services for the guidance and referral of the problem families who are now the source of so much of the operation and maintenance difficulties in the public housing projects.

Once the Federal control over management is relaxed, I would hope that the PHA would operate a constructive advisory service on management problems to assist local authorities on a voluntary basis.

WHICH WAY PUBLIC HOUSING?

In previous years, the issue in regard to low-rent housing has been the number of units to be authorized. This year that is not the crucial issue. No matter how many units are authorized, the program will not flourish unless basic changes in the conception of the program are adopted.

This bill makes those changes. Some of them may appear drastic, but they have been a long time in the making and have been thoroughly considered. They have been endorsed by the American Municipal Association, the United States conference of mayors, the National Association of Housing and Rehabilitation Officials, the national housing conference, the AFL–CIO, and other responsible groups.

I hope the Senate will approve these amendments as a part of its omnibus housing bill, in order that the public low-rent housing program may once again do the job which was conceived for it in 1937 and which is no less urgent in 1958.

Two days ago the Senate voted to admit Alaska into the Union as the 49th State. I was happy to vote for the admission of Alaska, because I believe it is only just to permit that great outpost on our northwest frontier to take its proper place in the Congress of the United States, with a Representative and two Senators, along with the other States, some of which do not have a much larger population than Alaska.

I have had occasion to point out on the floor of the Senate that there are 20 States, with 40 votes in the Senate, each of which has a smaller population than my city of Philadelphia, which has only a one-fifth interest in each of the two Senators from Pennsylvania. That condition results from the pact or compromise which was entered into when the Constitution was adopted, and by which we are all bound. I would not change it. I am happy to have it as it is.

Mr. President, as time goes on, however, our friends—both in the Senate and in the House of Representatives—from the less densely populated States should understand what happens when the vast urban population of the country is underrepresented in Congress; and they should give serious thought to the problems which that situation causes and to efforts to bring about the same kind of justice to our urban population for which we are happy to vote in behalf of the people who live on farms. I have always been very happy to do so.

Mr. President, a few days ago a very provocative article appeared in the Christian Science Monitor under the title "Urban America: A Phoenix Still Trapped in Its Ashes." The article goes into much greater length on the subject to which I am now addressing myself. It was written by Mr. Earl W. Foell, one of the able staff writers of the Christian Science Monitor. I ask unanimous consent that the article may 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:

URBAN AMERICA: A PHOENIX STILL TRAPPED IN ITS ASHES

(By Earl W. Foell)

"Thine alabaster cities gleam undimmed by human tears." (From the hymn America, the Beautiful.)

"Any city that does not set in motion by 1960 a comprehensive program to halt blight will be flirting with municipal ruin by 1965." (Federal Housing and Home Finance Administrator Albert M. Cole.)

By the year 2000 the urban population of the United States may swell to the staggering total of some 200 million to 235 million persons, according to the estimate of 1 population specialist with impeccable credentials. This is literally the forecast of an explosion.

For it means that the cities and metropolitan areas of the Nation would be increased in the next 42 years by almost as many people as lived in the entire country when the 1950 census was taken.

Demographers—like weathermen—have been known to be wrong. (In the late '30's they spoke of America's population leveling off at about 150 million by 1980.) But for the present the registries of births are backing up their current forecast of explosive city growth.

In the 8 years since the 1950 census, 97 percent of the Nation's population growth has been net growth in urban areas.

By any system of measurement this enormous growth alone would appear to make the problem of the cities and their suburban spawn a subject to be ranked in importance with national defense and economic growth—and possibly to be ranked ahead of farm supports and getting to the moon.

These population estimates indicate vividly just how much the current problems facing the cities will pyramid in the coming decades.

Equally, they measure the drastic expansion that will be needed in the promising but still fledgling programs now pitted against the blight, congestion, near bankruptcy, and political impotence of many cities—if these programs are not to turn into pearls cast before swine.

Following is the current balance sheet in the fight for the cities, as gathered by correspondents of the Christian Science Monitor in 22 cities and culled from interviews with leading urban researchists, city planners, politicians, and civic leaders across the Nation:

MIGRATION AND COUNTERMIGRATION

Within the overall population statistics there are two seething tides of population shifts. They create a general financial and social undertow that cancels out much of the progress made in renewing the cities.

The first of these is the migration of the southern rural Negro, the back-country white, the newly arrived Puerto Rican and Mexican into most of the great metropolitan centers faster than they can properly be assimilated. In little more than a decade, Manhattan is expected to be 45 percent Puerto Rican and Negro in population; Chicago, about 25 percent Negro. Indianapolis, nonwhite population increased 35 percent between 1950 and 1956.

The problem here stems not from race but from feelings about race. This leads directly to the second migration.

Young marrieds and many middle-income city dwellers are continuing to move away from the city center to homestead ranch houses on quarter-acre plots in the suburbs.

Despite nascent back-to-the-city movements heading for Boston's Beacon Hill, Washington's Foggy Bottom, Philadelphia's Society Hill, Kansas City's Quality Hill, and other assorted hills and bottoms across the country, the exodus to the suburbs is not abating.

Projects to arrest decay and enhance the usefulness of the central city have not yet slowed the emigrant rush. Many city planners report that this is so simply because too much emphasis is placed on physical preservation in a few key areas and not enough on such services as good school teaching, good mass transit, and expanded cultural opportunities.

Slums, which are both the cause and the result of the two migrations just described, are home to some 15 million Americans—one out of every five urban dwellers; one of every dozen Americans.

Some cities—like Denver, Fort Worth, Salt Lake City—have no slums in the tenement-ghetto sense. But the problem of decay and engineered obsolescence confronts even America's newer western cities.

Because slums are the focal point for many urban malfunctions, they are the principal target for the complex system of Federal, State, local, private enterprise, and neighborhood groups now fighting to revive the cores of cities as the brightest display points of American civilization.

The Federal urban renewal program reaches fully into all but eight States. Its chief weapon to date has been a two-thirds writedown of the cost of clearing slum lands and fixing a realistic selling price on them for sale to private redevelopers.

Included in the Federal program are provisions, unfortunately still little used, for rehabilitating vast areas surrounding slums and threatened by, but not immersed in, the spread of decay. Also gaining impetus is a program for aiding good city planning in smaller communities and for backing regional or metropolitan planning.

The urban-renewal program is a package affair which requires fairly effective safeguards to assure the Government that a city has a workable overall plan for its future.

But even with this emphasis on overall planning, a majority of the professionals interviewed feel, the urban-renewal attack on blight is still too much a matter of spot battles and guerrilla warfare.

The facts seem to indicate that—

1. The urban-renewal program has started slowly. From its inception in 1949 to the present it has had available only about $1.2 billion. Only 4 projects in 3 cities have actually been completed.

2. The program has begun to gain momentum recently. Some 525 projects, eventually involving perhaps 30,000 acres in 317 cities and towns, are now under way or approved.

"Socially," says Senator JOSEPH S. CLARK, Democrat, of Pennsylvania, "urban renewal is respectable as no earlier slum or housing program has ever been in this country." Democratic city mayors and Republican businessmen are sitting down together to do something about the cities.

Renewal's ancestral tree starts in the early thirties. Slum-clearance experiments begat public-housing experiments, which begat the idea of urban redevelopment about 1940. But the idea was premature. One urban land institute proposal for a Federal renewal program brought forth shocked cries that it was a scheme for bailing out the landlords of slum property.

After World War II, however, the Federal Government did enter the picture when it was realized that the problem of urban blight was so extensive that no single investor but Washington could provide the stimulus needed to get slums cleared away and land readied for private investment.

The Nation then seemed ready to turn at last from problems made urgent by war, and those created by depression, to the neglected cities. In 1949 Congress passed the urban-renewal program. Refinements were added in 1954.

3. Despite the almost universal popularity of the basic renewal idea with politicians, planners, business leaders, and neighborhood groups, it is generally agreed that the momentum so far gained is not enough to meet the problems which a doubling population will so drastically magnify. Slums have continued to grow even in recent years of great prosperity. They have in fact burgeoned most rapidly in the boom cities—in Chicago, Houston, San Francisco—while the older cities have generally made only token headway so far at clearing their immense backlog of decayed housing and industry.

Some of the very cities that have made the most progress with spacious urban-renewal projects, such as Chicago and New York, are finding slum growth always one jump ahead.

In short, the blight-eroded cities of America are beginning to be reborn—many of them spectacularly—but the blight is still nagging at most of them. They are phoenixes still trapped in their own ashes.

THE UNPROTECTED INVESTMENT

"The biggest single economic problem faced by our country is conservation of the capital involved in our cities," states Walt Rostow, the noted economic historian.

Statistics back him up. National Bureau of Economic Research figures for 1948—the most recent available—placed America's total national wealth at $797 billion. Of this amount over 400 billion was invested in urban areas. With urban population outstripping rural 97 to 3 during the intervening decade, it is now probable that as much as 60 percent of the tangible wealth that the American people have accumulated throughout their national history is today tied up in the cities.

How well is this investment protected?

Capital loss through the spread of slums has been enormous. Detroit, for instance, estimates the decline in value of its central business district over a period of just the past 20 years at $100 million.

Many cities report large downtown areas that bring in taxes that average only one-third what they cost in increased police and fire protection, garbage, utility, and street services.

Measured against an estimate by ACTION (American Council To Improve Our Neighborhoods) that it would take some $100 billion to rid the Nation of slums, the Government's contribution of 1.2 billion in the past decade and the administration's proposal for another 1.3 billion over the next 6 years are dwarfed.

Taken in the context of what the national income is spent on, the Government side of urban-renewal efforts still appears Lilliputian.

Over a 20-year span some $98 billion is expected to be expended on highways. This year alone the Federal budget allots 5 billion for veterans' benefits and 4.6 billion for agriculture while only 350 million is assigned for urban renewal.

There are two major reasons for this dragging of feet where the need is so obvious: (1) The cities of the United States are sorely underrepresented and underprivileged politically; and (2) there is a shortage of the private investment capital which is supposed to take over the lion's share of rebuilding and repairing in the blighted areas cleared or mortage-insured by Washington.

Examples of how urban America has been gerrymandered or simply neglected out of its political inheritance have been cited often and at length but to little avail.

Prof. Gordon E. Baker, in his authoritative study, Rural Versus Urban Political Power, cites these examples:

The 6 largest urban counties of Georgia contain 32 percent of the State's population; control only 9 percent of the Georgia house and 7 percent of the senate.

Baltimore and the 3 largest urban counties of Maryland, with 67 percent of the population; control only 44 and 31 percent, respectively, of the State legislative houses.

New York, Chicago, Los Angeles, St. Louis, Detroit, Baltimore, Atlanta, Birmingham, Ala., and Providence, R. I., all give the individual citizen considerably less voting power than his country cousin. Boston, Milwaukee, New Orleans, Richmond, and Norfolk are notable exceptions to the rule that the city dweller may pay far more than half of the Nation's taxes but

isn't allowed his share of the votes on the State or even National level.

Senator CLARK observes—without malice toward his western colleagues—that there are 20 States, with 40 Senators, that individually have less population than Philadelphia, which has about two-fifths of two Senators.

The result of the cities' underrepresentation is that while Congress may have a farm bloc it virtually never has anything approaching an urban bloc.

This situation is slowly being corrected by what one urban expert terms the collection of power in the cities. Democratic mayors and influential Republican businessmen working together for the first time on city problems are beginning to gather a formidable political coalition about them. Pressure from the mayors of smaller towns, men who are generally avid boosters of the urban-renewal program, has also put Congressmen from predominantly rural areas behind that program at crucial moments.

In short, there is hope that, even without the redistricting program that is needed to give true democracy to the cities, urban affairs are beginning to command the ear of an increasing number of legislators.

Talk of a possible urban-affairs Cabinet post parallel to the Agriculture Department is stirring more frequently in Washington. Albert M. Cole, Federal Housing and Home Finance Administrator, says that such a post will be created eventually, but definitely not next year.

FINDING PRIVATE CAPITAL

Experience has shown that on the average every Federal urban-renewal dollar spent generates $5 of private enterprise spending for new buildings. In some cases the ratio has ranged as high as $40 for every $1 of Federal money. But although there is good private response in some cities, others are finding projects lagging for lack of risk capital.

A good barometer is the investment policy of the giant insurance companies. Ownership of mass housing was once considered the coming thing for such firms. But today only about one-third of the top 20 companies directly hold title to apartment projects. Their total investment is about half a billion dollars. One major company has sold a large housing project it had built because the yield was only 1.56 percent—not a good investment return. A Boston insurance executive reports that the insurance firms "just haven't been able to make money on such holdings."

This is just one side of a two-way squeeze that is perhaps the biggest financial problem the cities face.

On the one hand there is the plight of the middle-income city resident: He is being forced out by social conditions in the slums, by higher taxes caused by the slums, by the flight of stores and jobs. Even if the slums are erased, the cost of new housing to replace the old often puts rents right out of the middle-income budget range. And this is the very income group that is burgeoning, as the rich grow generally poorer and the poor richer.

On the other hand, there is the plight of the private investor who won't risk his capital on redevelopment projects unless they give a fair return. Such a fair return can often be had only by upping rents and squeezing the middle class.

That is the dilemma. If it continues unsolved, there is genuine concern among planners that the cities may become home only to the rich and the very poor.

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

Mr. CLARK. I am happy to yield to my good friend from Minnesota, particularly because of his long and consistent interest in the urban housing problem, which continues to confront us.

Mr. HUMPHREY. I thank the Senator for his kind reference to me. I was not able to be present on the floor of the Senate during the Senator's speech. However, the Senator from Pennsylvania was kind enough to let me have a copy of his remarks earlier today, and I also discussed his address privately with him. I indicated my interest in certain paragraphs of the Senator's speech, and said I would like to be on the floor to ask him to develop them further and in a little more detail.

I might say, by way of explanation, that I have been in attendance at a meeting of the Committee on Foreign Relations in connection with a review of our overall foreign policy. I was alerted by the staff that the Senator was making his splendid presentation, and I came to the floor as soon as I could.

First of all, I wish to commend the Senator from Pennsylvania for his speech. I know that the housing bill will soon be before the Senate. It seems to me that the way to approach the proposed legislation is through a process of gradual education and gradual development of information. The Senator from Pennsylvania is one of the most active members of the Committee on Banking and Currency, and is one of the Nation's foremost municipal authorities. He formerly served as mayor of the great city of Philadelphia, and is also a student of local government and National Government. Therefore, by virtue of his background and experience, he is in a position to offer us some very constructive suggestions.

What I say is not intended in any way to be flattery of the Senator or in the nature of overpraising him. What I say is merely a statement of fact.

Mr. CLARK. I thank my good friend for his kind remarks.

Mr. HUMPHREY. What I have said is all true.

Mr. CLARK. I cannot refrain from interjecting at this point in the Senator's kind remarks to say that my friend's exercise of senatorial courtesy has perhaps led him to go further than the facts would justify. Nevertheless, I am very happy to have his comment.

Mr. HUMPHREY. I discount that disclaimer. The Senator from Pennsylvania has pointed to the importance of Congress' giving a more concentrated and considered attention to the problems of urban living and the problems of our municipalities. I do not know what the Senator's figures show, but I believe that 80 percent of the Nation's population lives in cities of 20,000 or more. I believe that is a correct statement.

Mr. CLARK. I believe the basic statement is that 65 percent of the population of our country lives in 170 metropolitan areas.

Mr. HUMPHREY. When we realize the implications of that statistical information, we understand the importance of the Government of the United States—both the executive and the legislative branches of the Government—paying more attention to the problems of urban living. I am a member of the Committee on Agriculture and Forestry, and I do not believe that anyone in the Senate would disagree with the statement that I attempt to represent what I believe to be the legitimate interests of agricultural producers.

Mr. CLARK. In that field the Senator from Minnesota is an expert, whose guidance I have been happy to follow with perhaps only one minor exception, and in that instance the Senator's views are entitled to a great deal of respect.

Mr. HUMPHREY. I am happy to note that the Senator digressed only once from the path of orderly and logical conclusions on agricultural matters. [Laughter.] However, I suppose that point is open to debate, as I indicated at the time we discussed it.

What I wish particularly to impress upon our colleagues in the Senate is the importance of dealing with the problems of urban living and urban housing and urban affairs generally. I have in my hand a copy of the bill (S. 2159), which was introduced earlier in the session by the Senator from Pennsylvania.

I was privileged to support it actively, even though I was not a cosponsor of the bill. The bill would provide for the establishment of a Department of Housing and Urban Affairs, which would give some prompt and long-term consideration to the very difficult urban-Federal relationships. We all know that the cities have had to come directly to the Federal Government. They have bypassed their own State legislatures, and they have bypassed their governors' office. They have come directly to the Federal Government primarily because they were not given adequate representation in their State legislatures, and also because of a historical hangover of procedure which forced them to go directly to Washington. When they come to Washington, they do not know quite where to go.

Mr. CLARK. I hope the Senator will permit me to make a brief interruption of his very pertinent remarks. The reason why the cities come to Washington is that the Federal Government has usurped most of the tax sources which must provide revenues for the cities. As the Senator from Minnesota well knows, despite the reports of groups like the Kestnbaum Commission and the governor's conference and even the desire of President Eisenhower—to return certain tax sources to the State and localities, nothing has happened in that field. In my humble judgment nothing will happen. In view of that fact the cities have no recourse except to come to Washington with their problems, because, frankly, with their present tax sources, they are going broke, and the States are not able to help them.

Mr. HUMPHREY. The Senator's views on that subject certainly must be respected. I would only add the view that I served on the President's Commission on Intergovernmental Relations, and I was privileged to be one of the sponsors of the legislation which created the Commission. While the Federal Government has taken on more and more taxing areas, the States themselves have been reluctant to enact enabling legislation for municipalities—most of which

are creatures of the State legislatures—to give the localities authority to raise revenue. Local taxes, of course, are income-tax deductible.

It appears that here again there is reason for the belief that the States and localities have not always exhausted all the authority they possess in this field. Of course, I do not wish to be critical of the States and localities, and it is not our purpose to discuss that subject at this time. What we say is, first, that the Federal Government needs to give more attention, on a day-by-day and year-by-year and long-term basis, to the problems of municipalities and urban living. That is the first point.

Mr. CLARK. The Senator is correct.

Mr. HUMPHREY. The second point is that, as the Senator from Pennsylvania has pointed out in his very excellent speech, our housing program needs to be given much more attention and much more emphasis. The Senator from Pennsylvania has emphasized again and again what can be done in urban renewal in terms of the urban renewal program.

However, the point in the Senator's speech on which I wish to have him comment in some detail is that portion which relates to the centralization of responsibility in the Federal Government for local public housing projects, as compared with the responsibility which ought to be exercised by the local public housing authority or local redevelopment authority.

I noticed that the Senator referred to what he called the case of the 11 trees. How ridiculous can the Federal Government become?

Mr. CLARK. I am happy the Senator from Minnesota has referred to that part of my remarks. Simply to emphasize it, as the Senator well knows, since he read that particular extract, that was a situation in which the Federal Government actually told the local housing authority that they ought to cut down or uproot 11 trees before the roots of the trees reached the point where they might hurt the pavement or the sidewalk. I cannot think of a more overreaching action of bureaucratic nonsense than that.

Yet the present HHFA has indicated to the Committee on Banking and Currency that they would fight to the death the effort to decentralize the program. I guess they want to have many more cases like the 11 trees, to see if 2 or 3 gentlemen from the Agency in Washington can go to Minneapolis or Philadelphia, put their nose into every housing project there, and pretty soon ask, "Why don't you plant evergreen trees? The leaves of the other trees will fall, and you will have to have somebody rake the leaves, and that will be an unnecessary expense."

There seems to be no limit to which they are willing to go. Like all bureaucrats they will not give up 1 inch of their authority in order to put the Agency in working condition.

Mr. HUMPHREY. I thought the incident concerning the soft drink dispenser was more ridiculous than the first incident. When an agency of the Federal Government has to use a high-salaried man to go to a local housing project and become involved in a question whether a soft drink dispenser ought to be in a recreation room, I believe it is very hard up for jobs. This is not a leaf-raking kind of recession. For the Public Housing Authority of the Federal Government to be engaged in such minutia and such penny ante detail is beneath the dignity of the Federal Government and its responsibility.

I concur in the Senator's observations about the importance not only of the reestablishment of local responsibility, but also the importance of encouraging even more local responsibility in the housing projects than there has been heretofore. The role of the Federal Government should be to establish standards and to provide the grants which are necessary to make the housing authorities solvent on the basis of low rentals for low-income people. That ought to be the limit of the Federal Government's authority.

Mr. CLARK. I agree wholeheartedly with the Senator. I think he will likewise agree that since Federal money goes into these projects, the Federal Government ought to have the right of audit. But to have men snooping around and saying, "You cannot have a soft drink dispenser in the housing project unless you charge rent for it," and "You will have to remove these trees," is ridiculous.

Another instance was the case of the leaking electricity.

Mr. HUMPHREY. I was about to mention that. I wanted to share this paper with the distinguished Senator from Illinois [Mr. DOUGLAS], who has been a stalwart champion of housing for many years in the Senate. I read earlier case number three, I think it is, the case of the leaking electricity, in which the Federal Government intended to have daily inspections, I believe, of the wiring system.

Mr. CLARK. A check was to be made to determine whether the electricity was being properly recorded on the meter, and it was proposed to do that every day. It took a sheaf of correspondence 6 inches high, and conversations lasting 8 or 10 months, between Washington and the office in the field, to decide that the electricity was not, in fact, leaking.

I wonder what would happen if someone came every day to check the electric meter in the Senator's house or my house to see whether the electric system was leaking. One would have to dream up some very unessential work for a bureaucrat to have that kind of instance arise. I would not have believed it had I not found it in the correspondence.

Mr. HUMPHREY. I once admonished certain members of my family that too many electric lights were left burning; and the lights almost went out for me at about that moment. I was told that I had enough to do in the United States Senate without coming home and advising the family how to turn electric lights on and off.

The same admonition which the lady of the Humphrey household provided for her husband would be proper for the Federal officials in the Public Housing Authority. For a $50 a month supposed loss, a $500 a month audit was made to determine whether the $50 a month was being lost.

I think that the director of a housing project in Minneapolis, such as the Glenwood project, which is under construction, is just as much interested in the efficient operation of this project as is anyone in the Nation's capital. Once in a while a bad apple will be found in the barrel. Once in a while an inefficient director will be found. But that is why we have local housing authorities.

Mr. CLARK. I agree wholeheartedly with the Senator. I think he will agree with me that the interest of the local housing authority in the efficient, economical operation of the project would be vastly increased if the local housing authority had some stake in the result, and if every cent which they saved by their economy did not go to the Federal Government, but at least a third of it, as under their current program, went to the local housing authority, to enable them to continue their program to improve projects which are already in existence. That is what the bill would do.

Mr. HUMPHREY. Yes; that is what the Senator suggests in his new proposal. I am convinced that that type of incentive will yield very constructive results.

I do not wish to take any more of the Senator's time by my participation in the discussion. I simply say that, as in the case of many other things in the Nation, we are not doing enough in these areas. We are not doing enough in the field of education, as the Senator from Pennsylvania has said again and again in the Senate. We are surely not doing enough about the conservation of our great natural and physical resources. We are not doing enough, in many cases, in the fields of science and health.

But of all things, surely housing represents a most tangible form of investment. We have indisputable evidence that when the slums are cleared, and dilapidated, run-down areas are removed, a kind of economic surgery is actually performed. It is a kind of cleaning out of a malignant area of the body politic. By removing that kind of social malignancy, we permit a restoration of normal, economic, healthy society, in the form of new housing construction, public parks, public buildings, and recreational areas. All of this results in tremendous economic and social dividends.

I feel that, somehow or other, we have lost zest in this body. We have lost zeal for the kinds of great community reform, rehabilitation, and reconstruction which are needed. We point with pride to every other country in the world and show what our foreign aid has done in the form of rehabilitation.

The Senator from Pennsylvania supports such aid, as I support it; but I should like to be able to point with the same degree of justifiable pride to the tremendous advances we could make and ought to be making in some of our great metropolitan areas, where the people live by the millions.

Instead, we go along with less than adequate programs and, in many instances, programs of delay and delay. I do not know whether the Senator has

addressed himself to the unpardonable delays in the clearances for these projects, but I know of instances of delays which ran into the years—not into weeks and months, but into years—before clearance could be obtained for great projects of urban renewal or public housing projects.

If we are to have programs for the construction of such public works, they should be programs which will be completed on time. They should be operated like a good railroad; not as something which does not run or get done on time.

Mr. CLARK. The Senator is quite correct. I thank him for his courtesy and consideration in coming to the floor while I was speaking, and also for his most pertinent and helpful comments on this vital, important bill which will soon come before the Senate. I hope all of our colleagues will have an opportunity to read it.

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

Mr. CLARK. I yield.

Mr. DOUGLAS. First, I congratulate the Senator from Pennsylvania for speaking on this most important topic and for advancing some extremely constructive suggestions about the need for smaller units, widely distributed, and also the need for some method to enable the tenants ultimately to become the owners. I think they are very constructive suggestions.

Mr. CLARK. The Senator from Illinois has been for so long, on the Committee on Banking and Currency, a tower of strength for the urban communities that I am particularly flattered to have him here during the course of these comments and to engage in colloquy with me. It has been my great pleasure to follow his lead in this most important field during the 2 years I have been in the Senate.

Mr. DOUGLAS. I think the Senator from Pennsylvania has become the leader, and I have become a follower. The Senator from Pennsylvania is very cautious and reserved in what he says. But is it not possible that a part of the vexatious rules which the national administration has been trying to impose on the localities is due not merely to the itch of bureaucrats to supervise things, but also to the desire to discourage the advocates of public housing and to wear them out, so that they will throw in the sponge, so to speak, and give up? Is this not a calculated policy of attrition and discouragement which the Eisenhower administration is carrying on to choke off any demand for public housing?

Mr. CLARK. I must say to my good friend that that thought certainly has crossed my mind. One of the characteristics for which I admire the President is his unwillingness to attribute motivation, whether evil or good, to anyone. Probably I do not follow that principle to the extent I should. But regardless of motivations, the effect is clearly what the Senator from Illinois has said.

Mr. DOUGLAS. In community after community, I found those who believe in public housing worn out and exhausted by the delays to which the Senator from Minnesota has referred, and by the constant demands to revise the plans and to deal with petty details of administration, as the Senator from Pennsylvania has said.

Mr. CLARK. The Senator from Illinois will recall that, as members of the Housing Subcommittee of the Banking and Currency Committee, he and I held hearings last fall—he, in Illinois, where many of the mayors of his own State testified; I, in Portland, Maine, and in Pittsburgh and Philadelphia, Pa. I think the results of those hearings, insofar as we were concerned, were identical; they showed that the situation is exactly that which the Senator from Illinois has described.

Mr. DOUGLAS. Furthermore, the attempt to pour cold water on urban renewal and public housing comes from rather close to the top. Does not the Senator from Pennsylvania believe that is really one of the strongest forces working for the retention and the growth of slums and the holding back of constructive programs for slum clearance and urban redevelopment?

Mr. CLARK. I repeat to my friend that I have been somewhat outspoken in my criticism of Albert Cole, the chief of the Housing and Home Finance Administrator. On several occasions, I have pointed out that when he was a Member of Congress he was a bitter opponent of public housing. Mr. Cole is a very charming and delightful man; and today he purports to have reversed his field and now to be a great believer in public housing, urban redevelopment, and so forth. I do not wish to be suspicious; but I must say that since he has been the head of the Agency, there has been a great deal of bureaucracy and red tape, and the public-housing program has jarred to a halt, and our efforts to "put it on the road" again, by means of the provisions of the bill, have been fought and opposed tooth and nail by Mr. Cole with every resource which he and the administration could bring to bear.

I hope our effort will be successful. We must make every effort, if we are to get the program underway again.

Mr. DOUGLAS. Mr. President, the Senator from Pennsylvania is performing a very valuable service in calling the attention of the country to the steps being taken by the administration, the result of which is the discouragement of urban renewal and slum clearance.

Mr. CLARK. Mr. President, I thank my friend, the Senator from Illinois, for his comments. I know that when the housing bill is under consideration on the floor of the Senate, the Senator from Illinois will be a leading protagonist of the bill which has been reported from the committee.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 86. An act to amend the National Science Foundation Act of 1950, to provide for a program of study, research, and evaluation in the field of weather modification; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed, and for other purposes.

INTERNATIONAL MEDICAL RESEARCH AND HEALTH YEAR

Mr. HUMPHREY. Mr. President, as we are all aware, recent Kremlin actions unfortunately have cast a very heavy cloud over the possibility of a proposed meeting of heads of state at the summit.

But regardless of whether or not there is a meeting of heads of state, I suggest now a different type of summit meeting, or meetings:

I propose that there be a "year" intensively devoted to a whole series of international conferences and exchanges of the greatest scientists and physicians of all nations. For what purpose? To speed the eradication of the major diseases of mankind—the killing and crippling scourges like heart disease and cancer.

For this specific purpose, I am submitting today a Senate concurrent resolution under which the Congress would ask the President to invite the nations of the world, through the medium of the World Health Organization, and related groups, to designate an International Health and Medical Research Year.

When would this year be held? At such early date as adequate preparations could be made; perhaps commencing January 1, 1960.

In January 1959, I may say, a committee of the World Health Organization will be meeting to explore the expansion of scientific research. Would it not be a wonderful stimulus to that committee if the Congress were to enact this concurrent resolution for this specific purpose and to have the President submit it to the WHO at that time?

IGY A WORKABLE FORMAT

Obviously, already a great many international meetings do occur; such as international cardiology, neurology, and other congresses.

But the fact that in the past, there were international scientific meetings did not, for example, prevent the designation of an International Geophysical Year. And that year is, by universal agreement, a genuine success.

And so I say: Let the doctors and scientists of the world meet at the summit for man's health. And let them do more than meet. Let each nation appropriate more research funds so that there will be more intensive research—more discoveries. Let the tremendous momentum and collaboration which are most feasible through the format of an international year be realized.

Let us make this, in effect, an international "Manhattan project"; a period of 18 months of the most intensive medical research and cooperation in the history of man.

GOVERNOR STEVENSON'S ORIGINAL SUGGESTION

By way of background, let me state that the concept of such an International Health Year came originally not from myself but from a distinguished private citizen of our land. He was speaking, however, I know, for the thought and conscience of America.

It will be recalled that on June 9, the distinguished majority leader of the Senate [Mr. JOHNSON] and I referred to an impressive address delivered by Gov. Adlai E. Stevenson at Michigan State University. The text of Governor Stevenson's remarks may be found in the RECORD for June 9.

In the course of his address, Governor Stevenson advanced this specific suggestion for an International Medical Research and Health Year. I should like to cite what Governor Stevenson said:

> The International Geophysical Year has been a great success and brought forth much of value and scientific cooperation. Why don't we now propose an International Medical Research and Health Year as another way for the world to cooperate for survival instead of destruction? Certainly, collaboration and exchanging research and resources in the field of medicine and health would be merciful to the human race—which is something we all have in common—and could further reduce tensions and mistrust.

Immediately on the publication of the address in the RECORD, I sent a copy of it to the Surgeon General of the United States, Dr. Leroy E. Burney, chairman of the United States delegation to the 11th World Health Assembly, then meeting in Minneapolis. Dr. Burney is also, I am glad to say, president of the 11th World Health Assembly, as well.

Dr. Burney promptly responded. He indicated that because of the relative lateness of the hour—the Minneapolis Assembly was scheduled to recess in but a day thereafter—it was not possible to give immediate consideration to Governor Stevenson's proposal.

Nevertheless, Dr. Burney indicated that he would explore it with the staff of the National Institutes of Health and others with a view to the possibility of submitting it in appropriate form to the WHO executive board through the United States member, Dr. H. van Zile Hyde.

I look forward, therefore, with pleasure to the consideration which I know will be given to Governor Stevenson's proposal along with WHO's utilizing of the United States offer of $300,000 for a study of expanded research.

THREE RELATED HEALTH DEVELOPMENTS

I should like to point out three further health developments:

First. Now I refer to the Senate-House conference report on the Mutual Security Act of 1958. I invite attention to pages 30 and 31, in which are described the acceptance by the conference committee of the 2 Senate amendments which I had been pleased to offer.

The one amendment declares United States policy to spur research through the World Health Organization into the major killing diseases. The other amendment authorizes the utilizing of Public Law 480 funds for scientific publications and information, including medical research data.

Second. As a further development, I cite the efforts of international mental health groups to have an international mental health year.

Certainly there are few illnesses which more justify a combined assault by the scientific thinking of man than do the various illnesses of the mind.

Third. I cite this fact: Sunday's New York Times reported an interview with the vice president of the Soviet Committee for the International Geophysical Year, Prof. Y. Boulanger. The interview is contained in the latest issue of the Soviet magazine New Times to reach this country.

Professor Boulanger indicates that the Soviet Union does desire to extend the current geophysical year program beyond its scheduled termination this coming December 31; perhaps for an additional 6 months or a year.

Professor Boulanger indicated a number of reasons for his position, including the facts that (a) many of the observatories and major geophysical stations, in a number of countries, were reportedly late in getting underway; (b) he states that this has not been, apparently, a typical period for meteorological research and related study of earth and solar phenomena; and (c) he asserts that the IGY Antarctic research program cannot be completed by the end of this year.

Thus, we see developments in different parts of the world indicating that the concept of intensified scientific study, such as marks the International Geophysical Year—that this concept has taken hold.

Of course, inherent in this concept is the idea that not only shall vital new information be discovered and collected by the respective nations, but that it shall be pooled and made promptly available for the scientific community of the world.

CONCLUSION

Thus, I conclude: The Kremlin's brutal action in Hungary has diminished the chances of the meeting of the heads of state.

But that should not prevent the meetings of mankind's healers—its physicians, its researchers, its medical technicians.

Such a meeting occurred on Monday night here, when Dr. Burney was host at a farewell banquet for foreign WHO delegations, including the Russian delegations.

I say, let there be more such medical meetings at the summit.

What do all of these evidences which I have cited point to? They point to a momentum in world scientific research and cooperation.

I hope that this momentum will be maintained. I hope that the concepts of the IGY will not be lost or put in suspended animation after December 31.

I ask unanimous consent that after my statement, certain appended materials be printed in the body of the RECORD at this point, including the reply of Dr. Burney which I have cited, plus excerpts from the conference report on the Mutual Security Act of 1958.

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

DELEGATION OF THE
UNITED STATES OF AMERICA,
ELEVENTH WORLD HEALTH ASSEMBLY,
Minneapolis, Minn., June 13, 1958.

The Honorable HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: Thank you for your letter of June 11, enclosing a reprint of Governor Stevenson's commencement address at Michigan State University. The proposal for an International Medical Research and Health Year is most interesting, and I much regret that there has not been time to consider this proposal at the 11th World Health Assembly. Unfortunately, the committee work was concluded before I received your letter, the closing session being held this morning.

Since it has not been possible to present this suggestion at this session of the assembly, I shall explore it with the staff of the National Institutes of Health and others with a view to the possibility of submitting it in appropriate form to the WHO executive board through the United States member, Dr. H. van Zile Hyde.

I wish to thank you most warmly for your keen interest and great help in promoting international health. The meetings in Minneapolis were a great success. The reception given to the delegates by the people of Minnesota was heart warming and made a deep impression on everyone. The delegates saw America at her very best.

Sincerely yours,
LEROY E. BURNEY, M. D.,
Chairman.

REPORT NO. 1941—MUTUAL SECURITY ACT OF 1958

USE OF PUBLIC LAW 480 CURRENCY FOR SCIENCE (SEC. 502 (L))

The Senate amendment amended section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), by adding a provision authorizing the use of Public Law 480 currencies for scientific activities. Under the provision, Public Law 480 currencies could be used to collect, collate, translate, abstract, and disseminate scientific and technological information. They could also be used to conduct and support scientific activities overseas, including programs of scientific cooperation between the United States and other countries. Such cooperative projects and programs would include coordinated research against disease. The House bill contained no similar provision.

The managers on the part of the House receded and accepted the Senate provision.

Recent events have demonstrated the need for increased emphasis on scientific activities. There is an urgent need for translations and abstracts of scientific articles and books, both in the United States and abroad. This section will help meet that need. Furthermore, this provision will result in the United States, through cooperative activities, securing the benefits of increased scientific activity, and research abroad. It will help in eliminating diseases common to all mankind and those which are common to particular regions.

The provision does not in itself make funds available to any agency of the United States. It authorizes the use of Public Law 480 currencies for the purposes stated but leaves to the President the question as to which executive agency will administer the program.

WORLD HEALTH ORGANIZATION RESEARCH (SEC. 502 (M))

The Senate amendment amended the act of June 14, 1948, as amended, concerning United States participation in the World

Health Organization, by adding a new section 6, declaring it to be the policy of the United States to continue and to strengthen mutual efforts among nations for research against diseases, such as heart disease, and cancer, and inviting the World Health Organization to initiate studies for the strengthening of research and related programs against such diseases.

The House bill did not contain a provision on this subject.

The managers on the part of the House accepted the Senate amendment. There did not appear to be any basis for disagreement with the objectives of this provision. It involves only matters of direction and of emphasis of existing operations, and it does not call for any additional expense.

The committee of conference recognized the advantages to be derived if in these and other health programs the executive by appropriate regulation take fullest advantage of the psychological value of the American origin of effective medicines.

The PRESIDING OFFICER. The concurrent resolution submitted by the Senator from Minnesota will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 99), submitted by Mr. HUMPHREY, was referred to the Committee on Foreign Relations, as follows:

Whereas the United States has a long and honored tradition of contributing to international scientific research, including our participation, in 1882–83, in the First Polar Year; and, in 1932–33, in the Second Polar Year;

Whereas under the National Science Foundation Act of 1950, approved May 10, 1950 (64 Stat. 149), a National Science Foundation was created "to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences," and "to foster the interchange of scientific information among scientists in the United States and foreign countries";

Whereas the Supplemental Appropriation Act, 1955, approved August 26, 1954 (68 Stat. 800), allocated funds for United States participation in the International Geophysical Year;

Whereas the results of the International Geophysical Year are proving so impressive and constructive that leading scientists and laymen have urged extension of the year in order that the momentum of discovery and cooperation may be continued; and

Whereas no phase of science is of greater significance to mankind than research into the health and well-being of man himself: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is hereby invited to extend to the other nations of the world, through the World Health Organization, and related organizations, an invitation for the designation of an International Health and Medical Research Year, at such early date as adequate preparations can be made; and be it further

Resolved, That such a year be dedicated to intensive international cooperation toward the discovery and exchange of the answers on coping with major killing and crippling diseases which afflict mankind.

MALPRACTICES AND CORRUPTION IN LABOR RELATIONS

Mr. McNAMARA. Mr. President, I find in the Washington Post of today a letter to the editor, under the caption "Victory for Compromise." The letter is written by a Mr. Hyman H. Bookbinder, of Bethesda, Md. His eloquent remarks dealing with his version of the real story of American labor seems to me to be very timely. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

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

VICTORY FOR COMPROMISE

After reading your very fair June 20 editorial, Victory for Compromise, it seemed to me that there are some additional things that need saying to put this whole problem of labor corruption in proper perspective. That there have been shocking malpractices in labor is beyond dispute. That action was needed is equally beyond dispute.

But the public image of the American labor movement, as reflected in the hearings and deliberations of the last 2 years, is distorted and unfair.

I am not thinking alone of the fact that only a small percentage of union leaders are dishonest. This fact has now been widely acknowledged. Even labor's most outspoken foes—on the Senate floor especially—have learned to say the right words about most labor leaders being honest. Similarly, they acknowledge, albeit begrudgingly, that the AFL–CIO acted quickly and decisively to clean up its own house.

I am much more interested and concerned about the fact that the recent hearings and debates have, unavoidably but nevertheless unfortunately, so stressed the seamy side of the labor story that the average American may forget what is meant by this thing called the labor movement.

It saddened me these past weeks to follow the Senate debate and the public discussion thereof. There was talk of kickbacks and bribes, of shakedowns and threats. Even labor's stanchest supporters found themselves talking about the individual member's protection against the union—as if the union was presumed to be a monster unless proved otherwise. From the record of this debate, there was precious little to support the notion of a labor movement.

After 20 years in this movement, I am no starry idealist. I do not contend that every action taken by labor is motivated by the highest ideals of our Judeo-Christian civilization. I know that trade unionists are people, and that as people they show substantially the same qualities of strength and weakness, of courage and cowardice of selfishness and selflessness of energy and lethargy, of tolerance and prejudice, as other people do.

There are sinners among them, and there are saints. There are wise ones, and there are those not so wise. But nothing that has been exposed in these 2 years has shaken my basic conviction that the American labor movement is the greatest single force in this country for the extension and protection of economic and political democracy.

The labor movement constitutes this great democratizing force not because of its national leaders, impressive as have been their contributions. Its great value comes from the very nature of the labor movement. Such a movement necessarily requires active participation and leadership by a substantial proportion of its numbers. Thus it provides the vehicle and the challenge for personal growth and understanding for many thousands.

The story of labor can be told in terms of wage gains, in terms of fringe benefits, in terms of reduced hours. It can be told in terms of job security and pension programs, I prefer to leave this story to the labor economist. To me the real story of labor is the opposite of the false image created by the recent disclosures. I do not think of Joe Worker as the meek, cowed, scared duespayer.

I see rather the guy or gal who serves on the grievance committee or the negotiating committee, on the education or the legislative committee. I think of the union member who volunteers to do picket-line duty or election-day duty. I hear the loud screams of the typical rank-and-filer who doesn't like what his local officer is doing and says so.

The real story of American labor is an eloquent story of sacrifice. It is the story of long strikes for principles, not immediate wage gains. It is the story of contributions to charities and to fellow unionists abroad. It is the story of solidarity, of brotherhood, of sympathy. Very few movements in all of man's history can match the labor story in terms of loyalty and sacrifice.

The Becks and the Hoffas and the Dios can never erase the true picture of what unions have meant to people. And they can only temporarily halt the further progress that must and will be made. But whatever form that progress will take, I doubt that anything will ever exceed the value of the union's contribution cited by a worker of Polish extraction some years ago. His union was celebrating its 20th anniversary and Walter Reuther had just made the principal address. The worker went over to Reuther, put his arms on his shoulders, and said:

"Walter, you can talk all about higher wages, and retirement, and job security. You know what the union means for me? Twenty lears ago, I work in this shop and everybody call me dumb Polak * * *. Now they call me brother."

HYMAN H. BOOKBINDER.

BETHESDA.

MORE JOBLESS DESPITE RECOVERY?

Mr. HUMPHREY. Mr. President, in recent weeks there have been indications that give us reason to hope the economic decline is finally bottoming out.

There has been a slight upturn in industrial production; personal income has risen a small amount; and construction, including private housing starts, has shown marked improvement.

These are most encouraging signs and no one is more pleased to see them than myself. But I do not feel that these indications should give us cause to be complacent and to believe that we have licked the recession.

There are still many negative indications. Industrial production is off by more than 12 percent from last August. The gross national product since the third quarter of last year has declined by an annual rate of $18 billion and there is no reason to believe that the current quarter will show any improvement. And the latest estimates of business expenditures for plants and equipment have been revised downward for the year from $32 billion to $30.8 billion, making the prospective decline from 1957, 17 percent. Also of significance is the fact that machine-tool orders are down sharply from last year.

What is of concern to me, Mr. President, is that we will become content with letting the economy simply bump along on the bottom and refuse to take action to get the economy back on the road to recovery. This, to me, represents a very serious danger.

As the St. Louis Post Dispatch stated in a recent editorial on the recession bottoming out:

Welcome as this news is, it does not justify the administration's continued inaction and it does not change the basic fact that the national economy has stopped growing. Since new workers are joining the labor force every month, stagnation can be as costly as decline. Every month of official paralysis in Washington costs the Nation billions of dollars in lost production. * * *

At a time when the Soviet economy is expanding rapidly, and when every month of delayed recovery increases the strain on our allies abroad, the United States simply cannot afford the risk of continued slump.

What the St. Louis Post-Dispatch says is certainly true. We cannot afford the risk of a continued slump. The head of the Central Intelligence Agency, Mr. Allen Dulles, has said the same thing. The latest report of the Rockefeller Brothers Fund has emphasized this point also. And renowned economists—too numerous to mention—have been calling our attention to this danger of a prolonged recession. I have, throughout this recession, been inviting attention to the warnings of respected and authoritative individuals and organization which have been alarmed over the worldwide implications of a protracted recession.

It is not enough that our economy merely level off. It is imperative that we have continued growth in order to have prosperity and in order to maintain our position of strength against the totalitarian forces of the Soviet Union. I cite the rise last year of industrial production in the Soviet Union of more than 10 percent, while our own industrial production was falling by 10 percent.

In the June 14 issue of Business Week there appeared an excellent article entitled "More Jobless Despite Recovery?" which explains in lucid language why there must be constant economic growth in order to avoid mounting unemployment. The article reports that Government labor specialists are of the opinion that if the economy does no more than regain its 1957 peak by the second quarter of next year, unemployment will be higher a year from now than it is today. And it should be noted that this prediction assumes a steady, continuing recovery starting in the third quarter of this year. If, however, there is no such improvement, then the estimate of 6 million unemployed a year from now will be far too conservative. Business Week reports that at least one experienced Washington official is of the opinion that unemployment by next year may well reach 10 million.

I ask unanimous consent that this informative article be inserted at this point in the RECORD.

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

MORE JOBLESS DESPITE RECOVERY?

Unemployment dropped to 4.9 million in May. But this month it will hit a new postwar peak of more than 5.5 million. Some manpower economists, in fact, think the June figure will be closer to 6 million.

Seasonal factors that, since early spring, have been helping to push down the level of unemployment are starting to push in the opposite direction—as hundreds of thousands of young people leave school and start hunting for jobs.

To be sure, in the months just ahead, summer jobs in farming, construction, and elsewhere, followed by the autumn exodus of many students from the labor force, will again reduce unemployment—probably to about 4 million in October.

KINDRED FACTORS

But beyond October lies the crucial question about unemployment—and its relationship to the economic recovery, which is already showing some signs of life (Business Week, June 7, 1958, p. 26).

Government labor specialists have been trying to estimate how unemployment will behave in the moderate and rather gradual recovery that both business and Government economists now generally expect. What emerges from their analysis is the conclusion that a moderate recovery would be insufficient to make a dent in the present level of unemployment. Indeed, they reason, if the economy did no more than regain its 1957 peak by the second quarter of 1959, unemployment would be higher a year from now than it is today.

FEARS OF RELAPSE

This dour conclusion is leading some top-level economists to wonder whether a recovery too weak to reduce unemployment a year from now might not turn into a relapse, which in turn would boost unemployment considerably higher than the present peak. At least one experienced Washington hand—with a distinguished record as forecaster—thinks the recovery will be abortive and unemployment might reach 10 million in 1959.

But even those analysts who assume a steady, continuing recovery starting in the third quarter of this year conclude that unemployment next June might be above 6 million.

VISTA AHEAD

Economists in the Labor Department and Census Bureau have been working on a detailed projection of the unemployment picture for the coming 12 months. As their starting point, they took an overall forecast of the United States economy prepared by the Council of Economic Advisers. This best guesstimate of CEA shows gross national product leveling in the current quarter at about the $422 billion rate registered in the first quarter of 1958 and then rising by $5 billion each quarter until it reaches $440 billion in second quarter 1959. That's the same level, in current dollars, at which the economy operated during the third quarter 1957 peak.

But, measured in 1957 dollars, GNP would then be only about $430 billion—on the assumption that prices in 1959 will be about 2½ percent higher than in 1957.

I. HOW IT FIGURES

At this point, the Labor Department-Census Bureau economists went to work to estimate the unemployment implications of a $440 billion GNP in mid-1959. This involved considering the effects of changes in the total labor force, in hours worked, and in productivity.

More workers

On the labor force, they concluded that growth was likely to continue at about the rate suggested by population forecasts—or somewhere between 750,000 and 1 million extra job seekers per year. The current recession has thus far done nothing to slow the growth of the labor force stemming from population changes. In April of this year, the labor force numbered 68 million, against 66.9 million in April 1957.

Apparently, though the recession pushes some job seekers out of the labor force, this is roughly offset by others who find work to supplement the lost wages of unemployed or partially employed family breadwinners. Labor Department manpower specialists expect these offsetting trends to continue within a pattern of growth resulting from changes in the population's age structure. Thus, 1 year from now, the economy would have to provide an additional 750,000 to 1 million jobs, to take care of the growing labor force, if unemployment were just to be held even at about its present level.

More man-hours

On hours of employment, the forecasters expect that an economic recovery would tend to lengthen working hours before it had a proportionate effect on the number of workers actually employed. When the economy was running at a $440 billion annual rate in 1957, the workweek in manufacturing averaged about 40 hours. In April, the manufacturing workweek was averaging only 38.3 hours. If GNP moves back to $440 billion, the forecasters assume that the workweek should lengthen by about 1 hour.

If this rise in working hours were limited to the more than 15 million workers employed in manufacturing, it would come to about 800 million man-hours on an annual basis—or the equivalent of about 400,000 full-time jobs that might otherwise be created. But if some increase in weekly hours is also experienced by all nonagricultural wage and salary workers—who now number more than 50 million—the extra hours might take the place of many more new jobs, possibly as much as 1 million.

More productivity

The third factor likely to keep unemployment high in the year ahead is rising productivity—since if each worker can turn out more goods, you don't need to hire back as many as you laid off. Labor Department productivity experts are assuming that there will be a 2-percent rise in output per man-hour during the coming 12 months. And this rise should be distributed among the entire employed labor force in both industry and agriculture, numbering more than 60 million. A 2-percent annual rise in productivity would mean that by mid-1959 you could produce a GNP of $430 billion, in 1957 dollars, with 2 million fewer workers than were required 2 years earlier.

For instance, in the case of the auto industry, one labor economist holds that Detroit today could build more than 6 million cars with some 200,000 workers fewer than were required in 1956, thanks to automation.

Actually, of course, the assumption of a continuing 2-percent rise in productivity for all industries is the crudest kind of a guess—though it's at least roughly consistent with the long-run productivity trend. Some analysts feel that productivity is likely to rise even faster than that in the coming year, as management strives for greater efficiency to reduce costs and workers put out harder in an effort to keep their jobs.

Disappearing white collars

One development that may have the twin effect of boosting output per man-hour and reducing employment in the coming months is the increasing pressure to cut back the number of jobs of nonproduction workers (Business Week, May 31, 1958, p. 17). In part, this results from the decline in capital spending on new plant and equipment—which created many jobs for engineers, designers, draftsmen, and other technicians. In part, it comes from a desire to cut costs by reducing the number of nonessential employees such as management development trainers, public relations staffers, personnel counselors, and so on.

The expansion of nonproduction jobs in recent years appears to some analysts, such as Murray Wernick of the Federal Reserve Board, to have been a significant drag on

productivity—at least in the short run. Noting that the number of nonproduction workers grew by 11 percent from 1955 to 1957, while the number of production workers declined by 1 percent, Wernick concludes that this shift has resulted in a slower rate of reported productivity gain if you calculate productivity by dividing total output by total employment. In the coming period, this factor promises to operate the other way around—with the slower growth or possible decline of nonproduction employment acting as the apparent cause of faster productivity gains.

II. TOO MUCH DRAG?

If you put all these factors together, you get a disturbingly big total of unemployment. But it's one that would appear consistent with a mid 1959 GNP rate of $440 billion, in current prices. Theoretically, moving up to that level from the present $420 billion would probably create about 2½-million more jobs. But because rising productivity, longer hours, and growth in the labor force will more than cancel this out, it's probable that unemployment will either stay near 6 million or rise by nearly 1 million. The Labor Department census forecasters are inclined to pick the lower side of this range. They are currently talking of a rise in unemployment from 5.7 million in June 1958, to 6.1 million in June 1959.

Success or nothing

But some Washington analysts think this forecast simply will not hang together. They scoff at the possibility of a sustained quarter-to-quarter rise in GNP if it is accompanied by a continued upcreep in unemployment.

In fact, these doubters argue, either the recovery will be healthier than presently projected and unemployment will begin to shrink by the time we reach mid-1959—or else the recovery, with unemployment still rising, will fizzle out. Then unemployment might go much higher than 6 million.

Their reasoning is that so heavy and rising a level of unemployment would depress consumption, and put increasing pressure on the price and profit structure of the economy. In that situation, a recovery that had nothing more behind it than a slight stimulative effect from the slowing down of inventory liquidation and a moderate rise in Government spending would soon run out of steam and collapse. And this is the basic reason a number of Washington economists—and a handful of the policymakers they advise—are pressing for a strong Government program to stimulate the economy, even if a moderate recovery is getting underway.

More vigor needed

A much stronger recovery than anybody now expects, the case goes, is required to restore the economy to anything resembling full employment. To get unemployment down to 4 percent of the labor force again, the staff of the Joint Economic Committee now estimates, GNP would have to be $460 billion in 1958 and $475 billion in 1959. Few economists would give odds on either of those two figures.

Indeed, today's leading setter of odds on the probable length of business cycles, Geoffrey H. Moore, of the National Bureau of Economic Research, in a study financed by the Council of Economic Advisers and the National Science Foundation, now finds that, given the severity of the present decline, "It would be in line with previous experience" if business stayed below the 1957 peak from 1½ to 2½ years—that is, from some time in 1959 until early 1960.

And staff economists of the Joint Economic Committee, basing their estimates not on historical records but on current analysis of business, Government, and consumer spending trends, find that—on "optimistic" assumptions—unemployment next winter will be at least as high as recent levels of 5 million to 5.5 million; on less optimistic assumptions, they conclude that unemployment early in 1959 will rise to 7 million.

Mr. HUMPHREY. In conclusion, Mr. President, I reiterate my warning that we not be satisfied with the recession merely bottoming out—if in fact it is bottoming out. We must put our minds and energies to work to revive the economy, restore economic growth, and eliminate the high level of jobless workers.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 2, 1958, he presented to the President of the United States the following enrolled bills:

S. 86. An act to amend the National Science Foundation Act of 1950, to provide for a program of study, research, and evaluation in the field of weather modification; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed, and for other purposes.

ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, July 3, 1958, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 2, 1958:

DIPLOMATIC AND FOREIGN SERVICE

Waldemar J. Gallman, of New York, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Union.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2, 1958:

NATIONAL SCIENCE FOUNDATION

The following-named persons to be members of the National Science Board, National Science Foundation, for terms expiring May 10, 1964:

Detlev W. Bronk, of Pennsylvania.
T. Keith Glennan, of Ohio.
Robert F. Loeb, of New York.
Lee A. DuBridge, of California.
Kevin McCann, of Ohio.
Jane A. Russell, of Georgia.
Paul B. Sears, of Connecticut.
Ernest H. Volwiler, of Illinois.

NATIONAL LABOR RELATIONS BOARD

Philip Ray Rodgers, of Maryland, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1963.

POST OFFICE DEPARTMENT

Ormond E. Hunt, of Michigan, to be a member of the Advisory Board for the Post Office Department.

COLLECTOR OF CUSTOMS

Bligh A. Dodds, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N. Y.

POSTMASTERS

ALABAMA

James S. Somerville, Aliceville.
James G. Stone, Ashland.
Foster B. Jones, Ashville.
Aaron Glinnie Weaver, Bay Minette.
Grant C. Barham, Bridgeport.
Blonnie R. Parker, Chase.
John C. Justice, Jr., Childersburg.
Robert L. Cockrell, Double Springs.
George S. Thomas, Eufaula.
Virgil Wallace Fuller, Five Points.
James E. Hughes, Jr., Geneva.
Alice H. Hyatt, Grady.
Mary E. Williams, Grand Bay.
William C. Wilson, Hodges.
Luther W. Bowen, Horton.
Robinett T. Jones, Leeds.
David L. Capps, Luverne.
Gertrude J. McClurkin, Mount Meigs.
Harold E. Carroll, Mulga.
Lindsay G. Fields, Jr., Normal.
Carolyn S. Brown, Northport.
Roy J. Banks, Pell City.
Sara Jo Green, Pleasant Grove.
Lena Gertrude McConnell, St. Elmo.
Woodward E. Davis, Selma.
Jack D. Pence, Somerville.
Roy Wesley Rhodes, Tuscaloosa.
William J. Dobson, Tuscumbia.
Robert N. White, Valley Head.
Newton J. Robinson, Verbena.
John T. Davidson, Vinegar Bend.
William L. Glenn, Wetumpka.
Gatewood M. Hatcher, York.

ARIZONA

Mary E. Paul, Inspiration.
Jessie C. Cox, Pinetop.
John H. Roll, Jr., Roll.

ARKANSAS

Vera M. Garrick, Hermitage.

CALIFORNIA

Laura W. McNeil, El Cerrito.
Wallace R. Cate, Lakeside.
Mary G. Mosby, Myers Flat.
Everett T. Carpenter, North Hollywood.
Harold A. James, Oroville.
Morris S. Butz, San Joaquin.

COLORADO

Hazel L. Weston, Bristol.

CONNECTICUT

Ralph F. Camp, Bridgewater.
William H. Hills, Hebron.
Pasquale J. Sansevero, Northford.

IDAHO

John Harold Toolson, Bancroft.
Mary Jeane Jones, Donnelly.
Glenn E. Levers, Payette.

ILLINOIS

John F. Wooldridge, Broughton.
Harold G. Miller, Compton.
Chauncey C. Glosser, Decatur.
Alice G. Woessner, Franklin Grove.
Wayne W. Bird, Galatia.
Alfred E. Leininger, Nauvoo.

INDIANA

Jack W. Mayfield, Bruceville.
Paul Marks, Clarks Hill.
Brenton D. Byerley, Crandall.
Maxwell E. Lee, Danville.
John E. Garrett, Huntingburg.
Kenneth H. Cook, Kewanna.
Franklin E. Dark, Kingman.
Rufus A. Purdue, Middletown.
Albert Lee Bennett, New Lisbon.
Derward E. Davidson, Worthington.

KANSAS

Eldon E. Klinzmann, Agra.
Vernon Ralph Bean, Anthony.
Eldor I. Duensing, Bremen.
Wilbur Milton Talkington, Matfield Green.
Robert Anderson, Scammon.

KENTUCKY

Kermit W. Cook, Beaver Dam.
James M. Lane, Gravel Switch.
James S. Little, Jackson.
T. Y. Tabor, Munfordville.
Robert W. Quinn, Prospect.
Thomas L. Mattingly, St. Mary.
James D. Young, White Plains.
John O. Boarman, Jr., Whitesville.

LOUISIANA

Doris L. Hebert, Baldwin.
James H. Smith, Newllano.
Lillian T. Martin, Ruston.

MAINE

John C. Callahan, Farmington.
John C. Swett, Howland.
Victor C. Brown, New Sharon.
Wilmot R. Crandlemire, Vanceboro.

MARYLAND

Adam M. Kraisser, Hanover.
John R. Corun, Jr., Jefferson.
William R. Long, Sharpsburg.
Anna N. Moore, White Marsh.

MASSACHUSETTS

Marion P. Norman, Bellingham.
Albert A. Gaukroger, Beverly.
Thomas J. Mason, Clinton.
Sydney E. St. Peters, Conway.
Charles M. Thrasher, Natick.
Eleanor F. Ricker, West Chelmsford.
Theodore A. Swieca, West Groton.

MICHIGAN

Jack D. Dickhout, Boyne City.
Jacob D. Bostrom, Jr., Branch.
Lyle G. Kaechele, Caledonia.
Richard F. Richardson, Clinton.
Olen O. Smith, Crystal.
Thomas J. Butler, Emmett.
Elizabeth E. Ospring, Grand Junction.
Dorathea S. Parmenter, Holton.
Frank E. Kline, Jones.
Donald D. Iverson, Lake City.
Frank M. Townsend, Marcellus.
James L. Collins, Milan.
Robert G. Brown, Monroe.
Leonard L. Swanson, Muir.
Edmund B. Sulski, Napoleon.
Merle Jean Fester, Riverside.
Eugenie A. Westhauser, Sawyer.
Orrin B. Powell, Stockbridge.
Edward O. Perkett, Traverse City.

MINNESOTA

Rudolph F. Berg, Jr., Bagley.

MISSISSIPPI

Reiford W. Castens, Camden.
Charles F. Crigler, Starkville.
James W. Anderson, West Enterprise.

MISSOURI

Joseph E. Manson, Keytesville.
Edward J. Shelton, West Plains.
Wayne N. Welker, Williamstown.

MONTANA

Donald F. Valiton, Deer Lodge.

NEBRASKA

Leonard L. Larsen, Fremont.
Denny L. Stecher, Hooper.
Aaron E. Brodhagen, Pierce.

NEVADA

Myrtle M. Curtis, Weed Heights.

NEW HAMPSHIRE

Winburn T. Dudley, Union.
Leroy F. Barnhart, Wentworth.

NEW JERSEY

Wallace H. Harvey, Far Hills.
Warren J. Binns, Jr., Garwood.
Carl F. Vanderwall, Linden.
John A. Castellano, Mount Ephraim.

NEW YORK

Paul E. Wamp, Jr., Dansville.
Nicholas W. Toborg, Leeds.
Mabel M. Herman, North Java.

NORTH CAROLINA

Albert E. Ballard, Ansonville.
Raymond L. Long, Biscoe.
John H. Hufton, Creswell.
George O. Petree, Danbury.
Isabelle M. Howard, Fairfield.
Frank Conder, Jr., Indian Trail.
Charles Clifton Mock, Pfafftown.
Leland L. Allsbrook, Scotland Neck.
John H. Norton, Stony Point.
Lloyd J. Parrish, Swansboro.
Harry R. Sams, Woodland.

NORTH DAKOTA

Leo J. Lesmeister, Halliday.
William Harold Dunnell, Minot.
Orlando A. Lebacken, Reynolds.

OHIO

Ross N. Lament, Huntsville.
Gail E. Collins, Lakeview.
Lloyd E. Ullman, Lower Salem.
William Patrick Lochary, Pomeroy.
Robert M. Talmage, Sabina.

OKLAHOMA

Mabel C. Heidenreich, Duke.

OREGON

Joseph W. Dougherty, Aumsville.
Eva A. Murray, Dayville.
Lucile R. Olney, Hammond.
George E. Crakes, Harrisburg.
Lulu C. Sheasley, McKenzie Bridge.

PENNSYLVANIA

Gerald Kilmer, Avondale.
Louis C. Schultz, Blossburg.
Fay M. Lash, Bobtown.
Doris G. Evans, Brave.
John Blackwood, Jr., Center Valley.
Janet C. Marsico, Cheswick.
Harry O. Campsey, Jr., Claysville.
Bernard N. Murphy, Dushore.
French Cason, Sr., Greensburg.
Aleda U. Shumaker, Jerome.
Robert F. Acker, Lake City.
Harry S. Kolva, Lykens.
Robert B. Woodring, Milesburg.
Edward J. Miller, Newry.
Leo J. English, Oil City.
Mary D. Bacha, Rixford.
Claude B. Arnold, Rome.
James W. Sullivan, Snow Shoe.
Pauline A. Gossick, Stiles.
Edgar S. Babp, Tatamy.
Kenneth C. Beener, Valley Forge.
Charles Blaine Strickler, Washington Boro.

SOUTH CAROLINA

Donald H. Burch, Cheraw.
Lou Ann Wilder, Hemingway.
Jack Edwards, Johnston.

SOUTH DAKOTA

Rolland R. Mattheis, Lennox.
Stephen Robert Pearson, Webster.

TENNESSEE

Marvin H. Reaves, Dyersburg.
Billie J. Ross, McEwen.

TEXAS

Jake Fortenberry, Adrian.
Jean M. Barnhart, Cactus.
Ralph O. Crawford, Dilley.
Frances M. Harvey, Fort Davis.
Darrell R. Sherman, Leander.
Edward H. Leache, McGregor.
Elma T. Wakefield, Midway.
Dorothy M. Henly, New Deal.
James M. Sullins, Oglesby.
Ruth J. Mras, Port Isabel.
Jennie M. Moyer, Price.
Lucy M. Matthews, Wickett.

UTAH

Edwin W. Johnson, Bingham Canyon.
Wayne Barney, Escalante.
Glen T. Evans, Lehi.

VERMONT

James A. Colburn, Lyndon Center.

VIRGINIA

Lela O. Scott, Amelia Court House.
Steve P. Phipps, Mouth of Wilson.
Grace Aileene Ringstaff, Pounding Mill.
Maud N. Ridley, Stony Creek.

WASHINGTON

William Bizyack, Cle Elum.
Harrison H. Holmes, Cosmopolis.
Hugh M. Behme, Custer.
Lawrence B. Howe, Enumclaw.
Harold H. Bechtold, Forks.
Marion L. Ellsworth, Inchelium.
Ione M. Jurgens, Kahlotus.
Claude F. Kramer, Keyport.
Edward P. Fitzgerald, Kitsap.
Walter E. Soehl, La Center.
Hazel L. Buckingham, Mansfield.
Marguerite H. Riggs, Marblemount.
Grace G. Kallenberger, Marlin.
Joanne T. Allen, Moclips.
Lawrence A. Winn, Oakesdale.
James W. Markel, Omak.
Lawrence G. Luzader, Pe Ell.
Randall L. Stroud, Puyallup.
Robert E. Olney, Redmond.
Joseph Everett Reed, Selah.
John H. Gray, Shelton.
Gladys A. Therriault, Warden.
Josiah F. Lester, Wenatchee.
Bonnie M. Wade, Westport.
Leslie J. Marsh, Wilkeson.
Darrell G. Dufresne, Jr., Winthrop.

WEST VIRGINIA

Clarence W. Haga, Cairo.
Gladys M. Lewis, Camden on Gauley.
Fred E. Wiseman, Charleston.
Frances Adams, Hugheston.
Rex A. Pygman, Huntington.
Norman Edward Wagner, Marlinton.
Frank H. Hardesty, Matoaka.
James Woodrow Smith, Sophia.
Granville Curtis Sexton, Welch.

WISCONSIN

Clayton C. Watkins, Argyle.
Paul W. Fleming, Emerald.
Roy M. Schwalbach, Germantown.
Gilbert H. Mueller, Glenbeulah.
Paul C. Matzke, Juda.
Jake Van Bendegom, Kenosha.
Elmer M. Rumpf, Milton.
Casamere A. Maniaci, Wood.

WYOMING

Floyd W. Graefe, Jackson.
Rouse W. Anderson, Ten Sleep.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 2, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Peter 3: 12: *The eyes of the Lord are over the righteous and His ears are open unto their prayers.*

O thou God of all greatness and goodness, we thank Thee for that memorable day in the calendar of our national history, called Independence Day, which we are soon to celebrate.

May our hearts expand with the spirit of pride and patriotism, of gratitude and renewed consecration, as we contemplate and reflect upon its sacred significance.

We are grateful for the faith and fortitude of our forefathers and all those heroes and patriots who fought so valiantly to make the dream of freedom a blessed reality.

Grant that our beloved country may be inspired and strengthened in its glorious mission of releasing the hidden splendor of humanity and leading all