

Reserve banks where will the big banks get their money? I say that is good business. It is not only good business, it is good for our country, it is good for our economy, and we could not get along without it.

If we agree with the material viewpoint, that it is proper for government to help business then it is proper for government to help these youngsters get an education. Maybe some of them will later come to this body

as Congressmen and espouse your viewpoint rather than mine, but I am willing to run that risk.

Mr. GWINN. If they are beholden of the Government they will begin to worship the Government like they did in olden times.

Mr. MULTER. There also I do not agree. When you get to worshipping a government in a democracy, in a republican form of government like ours, it is self-worship, and we

are not going to get to the point of worshipping ourselves. We are too individualistic for that.

Mr. GWINN. I wish I were as hopeful as you.

Mr. ELLIOTT. Thank you, very much, Mr. MULTER. Your statement has been most helpful, and we appreciate your time and consideration.

Mr. MULTER. Thank you, Mr. Chairman.

## SENATE

WEDNESDAY, FEBRUARY 19, 1958

Rev. Earl Reid Hoggard, LL. D., minister, Floral Heights Methodist Church, Wichita Falls, Tex., offered the following prayer:

O Thou Eternal God, Thou who art the Lord of the nations and the sustainer of individual souls, may Thy blessings be on us as we face our responsibilities today.

Amid pressure and confusion, help us to seek out and to use time for withdrawal and meditation, that we may see in their proper perspective the issues that face us.

May noble ideals never be lost in the struggle with the hard realities that are ever with us.

Deliver us from foolish acts of desperation and from the defeat that comes from complacency.

Grant unto us each day a fuller understanding of issues and of the needs of all Thy people.

May we never forget that human personality is of greater worth than all the commodities with which we deal.

Grant unto each of us, always, the depth of integrity that belongs in the lives of all Thy people, without which we cannot be worthy of any of the blessings we enjoy.

Seeking the spirit of Jesus, the Christ, do we pray. Amen.

### THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 17, 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 February 15, 1958, the President had approved and signed the act (S. 1908) to amend the District of Columbia Hospital Center Act in order to extend the time and increase the authorization for appropriations for the purposes of such act, and to provide that grants under such act may be made to certain organizations organized to construct and operate hospital facilities in the District of Columbia.

### EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

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

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 652) for the relief of the Thomas Cruse Mining & Developing Co.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1714. An act for the relief of Roma H. Sellers; and

S. 1805. An act for the relief of persons and firms for the direct expenses incurred by them for fumigation of premises in the control and eradication of the khapra beetle.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5538) to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

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

H. R. 3261. An act for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.;

H. R. 5497. An act to amend the Watershed Protection and Flood Prevention Act;

H. R. 5624. An act to clear the title to certain Indian land;

H. R. 6995. An act to amend Public Law 883, 84th Congress, to provide for the conveyance of certain additional property of the United States to the city of Roseburg, Oreg., and for other purposes;

H. R. 8134. An act for the relief of certain employees of the Department of the Air Force, Mobile Air Materiel Area;

H. R. 8439. An act to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act;

H. R. 9371. An act to provide for the relief of certain members and former members of

the Army and the Air Force, and for other purposes;

H. R. 9396. An act for the relief of C. J. Pobjeski;

H. R. 9700. An act to consolidate into one act all of the laws administered by the Veterans' Administration, and for other purposes;

H. R. 9878. An act for the relief of Dora Thelma Andree;

H. R. 10746. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes;

H. J. Res. 347. Joint resolution authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958; and

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the second annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

### ENROLLED BILLS SIGNED

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

H. R. 5538. An act to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes; and

H. R. 8038. An act for the relief of Margie C. Stewart.

### HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

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

H. R. 3261. An act for the relief of the Oceanside-Libby Union School District, San Diego County, Calif.;

H. R. 8134. An act for the relief of certain employees of the Department of the Air Force, Mobile air materiel area;

H. R. 8439. An act to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act;

H. R. 9371. An act to provide for the relief of certain members and former members of the Army and the Air Force, and for other purposes;

H. R. 9396. An act for the relief of C. J. Pobjeski;

H. R. 9878. An act for the relief of Dora Thelma Andree; to the Committee on the Judiciary;

H. R. 5497. An act to amend the Watershed Protection and Flood Prevention Act; to the Committee on Agriculture and Forestry;

H.R. 5624. An act to clear the title to certain Indian land; to the Committee on Interior and Insular Affairs;

H.R. 6995. An act to amend Public Law 883, 84th Congress, to provide for the conveyance of certain additional property of the United States to the city of Roseburg, Oreg., and for other purposes; to the Committee on Government Operations;

H.R. 9700. An act to consolidate into one act all of the laws administered by the Veterans' Administration, and for other purposes; to the Committee on Finance;

H.R. 10746. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations;

H. J. Res. 347. Joint resolution authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958; and

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958; to the Committee on Foreign Relations.

#### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Antimonopoly Subcommittee of the Committee on the Judiciary, and the Foreign Relations Committee, were authorized to meet today during the session of the Senate.

#### TRIBUTES TO SENATOR CARL HAYDEN, OF ARIZONA

Mr. JOHNSON of Texas. Mr. President, we are meeting today on one of the most important anniversaries the Senate has observed in many years. It is the 46th anniversary of the day when CARL HAYDEN, the dean of the Senate, the President pro tempore of the Senate, and the Presiding Officer at this moment, began his service in the Congress.

CARL HAYDEN is a man of many remarkable attributes.

He is the only Member now serving who entered Congress with his State.

He is living proof that effectiveness and statesmanship are not necessarily coupled with talkativeness.

He ranks high in efficiency as a committee chairman in a Senate which I believe has some of the most efficient committee chairmen in history.

But his most remarkable attribute is the very high degree of affection in which he is held by his colleagues on both sides of the aisle. I do not believe he has an enemy.

CARL HAYDEN has dedicated his life to the proposition that hard work and a willingness to try to understand the other fellow are among the noblest of human qualities.

He cares nothing about the headlines. Applause leaves him cold. The spotlight is something he wishes to avoid at all costs.

It can be said with a high degree of accuracy that his only weakness is an

irresistible temptation to accomplish with thoroughness and ability every task that is before him.

CARL HAYDEN is a living and vital link with the American frontier. And he has never forgotten his native State of Arizona—any more than it could ever forget him.

He has a deep understanding of the problems of the great Southwest. Those of us who must cope with similar problems regard him as the greatest teacher of what should be done and how to do it.

Reclamation and irrigation, highways, transportation—all of the steps that are needed to develop the West—bear his stamp. Without him, we would not have advanced nearly so far as we have.

Just last Friday, CARL HAYDEN celebrated another anniversary—his golden wedding. Our heartfelt congratulations are extended to the Haydens.

But the real congratulations should be sent to the people of Arizona. They have had the good judgment to follow CARL HAYDEN for 46 years; and, in doing so, they have rendered a service to the United States which is beyond repayment.

Mr. President, I ask unanimous consent that there be inserted in the RECORD, as a part of my remarks, an article by Thomas O'Neill, which was published in this morning's Baltimore Sun.

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

#### POLITICS AND PEOPLE (By Thomas O'Neill)

##### SILENT SENATOR

WASHINGTON.—On February 19, 1912, a brand new Congressman from a brand new State settled into his seat for the first time and began compiling a legislative performance unmatched in the Nation's history. The newcomer in the administration of President Taft is still on the job and, as Senator CARL T. HAYDEN, of Arizona, is one of the most potent men in the Government and third in succession to the Presidency. Upon completion of his 46th year he surpasses all the legislative giants of the past in length of Congressional service, moving ahead of a mark that was created when he was still a very junior lawmaker. His remarkable career is a jolt to the hypothesis that talk is the indispensable of political successes. The uncommunicative Senator HAYDEN, known to observers as the silent Senator, is reputed to have once let 20 years pass without taking the floor of the Senate.

Arizona had been admitted to statehood only 5 days earlier when Mr. HAYDEN became its first (and, at the time, only) Member of the House of Representatives. Arizona is still the youngest State and is still true to its first love. After 11 years it moved him to the Senate and has reelected him regularly and with a minimum of hesitation (his majority upon his last election in 1956 was greater than that given by Arizona to President Eisenhower in his second landslide). Such constancy has produced a steady progression of records. He established last October a new mark for uninterrupted Congressional service, overtaking the previous continuous tenure of 45 years and 8 months set by the late Representative Adolph Sabath, of Illinois. His new distinction, for overall length of services, replaces that established by a fabulous and dictatorial Speaker of the House of the early part of the century, Joseph G. (Uncle Joe) Cannon.

Seniority is the key to advancement in the Senate, and Senator HAYDEN has all there is. He has been in the Senate nearly 6 years longer than the closest challenger, Georgia's RICHARD RUSSELL.

As a consequence, Senator HAYDEN occupies a number of positions of prestige and power. He is the Senate's president pro tempore and by statute next in succession to the presidency behind the Vice President and the Speaker of the House. He is chairman of the Senate Appropriations Committee, a strategic berth which does no harm to public works appropriations for Arizona. As a member of the Democratic Policy and Steering Committee he has a voice in deciding which bills are to be called up for action as well as in deciding upon committee assignments for other Senators. Since 1933 he has been chairman of the Democratic patronage committee, handing out jobs for clerks, elevator operators, and the Capitol Police.

All of these opportunities can be put to use by a skilled cloakroom operator, which Senator HAYDEN is. The sum of them have made him one of the most influential men in Congress, without need for recourse to oratory. On the infrequent occasions when the close-mouthed Senator can be cajoled into talking about himself, he remarks that when you have the votes there is no necessity for speechmaking and recalls that an old hand told him early in his Congressional career that "I could play for the headlines and be a show horse, or I could buckle down and be a workhorse." His colleagues from Arizona have included a number of show horses, and he has outlasted them all.

National prominence has never interested him, and outside Arizona his name is therefore as unfamiliar as, for instance, that of a Senator from Maryland. Instead, he has devoted himself to the interests of arid, expansive Arizona—water and other reclamation projects, Federal aid for highways across its broad reaches, favorable treatment for its mining industry. Letters from constituents are always answered promptly, and more often than otherwise with a request fulfilled. His highly successful political career (never defeated) is even longer than his Congressional service. It began with his election in 1902 to the town council of Tempe, his birthplace, where his father operated a ferry across the Salt River. In 1904, before statehood, he was a territorial delegate to the Democratic National Convention which nominated Judge Alton B. Parker for President against Theodore Roosevelt. His progress included 5 years as sheriff in the frontier county.

Senator HAYDEN is tall, bald, and slightly stooped. He is identifiable by black-rimmed spectacles, an enormous cigar and a deep taciturnity. Last Friday he had another kind of celebration, his golden wedding. Mrs. Hayden was Nan Dowling, of Los Angeles. They met when both were students at Stanford University and now live in an apartment on Capitol Hill, close to Senator HAYDEN's permanent job.

Mr. KNOWLAND. Mr. President, not only do I fully endorse the statement the majority leader has made, but I wish to add a word on behalf of those who sit on this side of the aisle, who share most fully the sentiments of our colleagues on the other side of the aisle, as today we pay tribute to the dean of the Senate, our beloved colleague, CARL HAYDEN, of Arizona. I take particular pleasure in paying tribute to him because CARL HAYDEN, the President pro tempore of the Senate, who today is presiding over the Senate, is 1 of 2 persons now in the Congress of the United States who served as a colleague of my father in the House of Representatives.



During the 13 years that I have been privileged to represent my State in the Senate, I have always found CARL HAYDEN not only to be everything the majority leader has stated, but also to be a very genial and a very friendly man. He was particularly helpful to me when, some 13 years ago, I became a Member of the Senate. He has been of great assistance to me, in helping me learn some of the problems and practices of the Senate.

Mr. President, Senator HAYDEN has never had a provincial outlook, insofar as the problems of the Nation are concerned. Although he has, of course, outstandingly and ably represented his own beloved State of Arizona, his interests have been far broader than that. He has been vitally interested in the development of the entire Nation, because he has understood, I believe, as well as any other person in this Chamber, or perhaps better, that what develops one great area of our country in effect develops the entire Nation, and helps it move ahead.

Those of us who serve with Senator HAYDEN on the Appropriations Committee, regardless of whether we sit on the Democratic side of the table or on the Republican side, have very deep admiration for him. He is outstanding for the devotion and the time he gives to the performance of his duties. So far as I recall, Senator HAYDEN has never failed to be present at a meeting of the full Appropriations Committee, over which he now presides, or at the meetings of its subcommittees on which he serves.

Those who work with CARL HAYDEN consider it a great opportunity, and I believe that all of us are better Senators and better men for having had the privilege of being associated with the distinguished senior Senator from Arizona.

Mr. MANSFIELD. Mr. President, I desire to join the distinguished majority leader and the distinguished minority leader in paying tribute to our beloved colleague, CARL HAYDEN, of Arizona, the President pro tempore of the Senate, who at this time is presiding over this body.

It gives me great pleasure to take this opportunity to express my sincere appreciation of him.

Mr. President, it is good to have a chance to say today the things which CARL HAYDEN himself never would say. Although Senator HAYDEN is from Arizona, we of the State of Montana and all those from the entire Rocky Mountain West are extremely proud of him, because he has been our leader, and he has helped us time and time again.

Senator HAYDEN is referred to as the least known Member of the United States Senate; but I would say that when he is characterized in that manner, it is a compliment. As a matter of fact, in my opinion, Senator HAYDEN is the best known Member of the United States Senate, not because of his 46 years of service, not because of the fact that he is the only Member of the Congress now serving who has represented his State in the Congress ever since it became a State, but because of his understanding, his sense of tolerance, and his desire to be a friend of everyone.

In my opinion not only Arizona and the Rocky Mountain West, but the United States and the whole free world, are better off because we have among us such a man as the senior Senator from Arizona.

On his 46th anniversary of service in the Congress, I extend congratulations, and express the hope that he will be with us for 46 years more.

To both the Senator and his wife, who met at Stanford University, I also want to extend congratulations on their golden wedding anniversary, which occurred last Friday.

Mr. SALTONSTALL. Mr. President, I wish to join very briefly in what has been said about the distinguished senior Senator from Arizona. As a schoolboy, I knew him as an efficient sheriff of his county. As a colleague in the United States Senate and as a fellow member of the appropriations committee, I have known him as a chairman and as a Senator who gets things done, with very little talk, but with much cooperation from his fellow Senators, because of his persuasive attitude, his friendly nature, and his practice of doing what is best for the country. So I wish to add my brief word on this the 46th anniversary of his entry upon Congressional service.

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

Mr. SALTONSTALL. I yield.

Mr. KNOWLAND. I hope that the distinguished Senator from Massachusetts, as a schoolboy, did not know our Presiding Officer as a sheriff officially.

Mr. SALTONSTALL. I will say to my friend from California I used my words advisedly when I said, "an efficient sheriff." I did not say I knew him in an official capacity at all.

Mr. SMITH of New Jersey. Mr. President, I am very happy to join with the leadership on both sides of the aisle today in congratulating our distinguished Presiding Officer, the dear friend of all of us, the senior Senator from Arizona, on this the 46th anniversary of the beginning of his service in the Congress; and also, since I have experienced the same joy, in congratulating him on what I just heard the Senator from Montana mention—his golden wedding anniversary, which he observed recently.

I need add no more to what has already been said except that as one of the Senators who has enjoyed the companionship, the leadership, and the instruction of the senior Senator from Arizona since I have been in the Senate, I desire to add my words of deep affection on this occasion.

Mr. KENNEDY. Mr. President, while I did not have the opportunity as a young man of knowing the senior Senator from Arizona, the President pro tempore of the Senate, when he was a sheriff—in fact, when I first went to school he had already been in Congress 13 years—I do take this opportunity to congratulate him as he begins his 47th year of service, and to state to him what a pleasure and an honor it is to serve with him.

Mr. FULBRIGHT. Mr. President, I wish to join with my colleagues who have

just expressed their congratulations to the senior Senator from Arizona.

When I came to the Senate the Senator from Arizona was extremely kind to me, as he is to most new Members as he leads them along the paths of virtue, legislatively speaking, teaching them how to perform the duties which are so important in this body. I do not know of anyone whom I have known since I began my service in the Senate who has contributed so much to the work of the Senate, or who has made such an unselfish effort toward teaching new Senators who come to serve in this Chamber their responsibilities.

The senior Senator from Arizona has given continuity to this body—a knowledge of what has gone on in the past, a knowledge and understanding of our traditions—which I think is indispensable to the efficient functioning of a body of this kind.

I also congratulate the Senator on his 50th wedding anniversary and, of course, I wish to take due credit for the influence Arkansas has had upon the Senator's success as a great public servant.

I know every Member of this body rejoices in having among us someone who has been such a great adornment to the legislative life of this country.

Mr. CARLSON. Mr. President, I do not wish to let this opportunity pass without extending congratulations and best wishes to the distinguished senior Senator from Arizona. We in the Southwest regard him as our Senator. He not only has a great interest in the Southwest, but he has a very personal knowledge of the problems of that section.

I am personally deeply indebted to the senior Senator from Arizona for the many favors I have received from him from time to time, for the way in which he has given me advice and counsel. I admire his leadership. I admire his modesty. I can state as my opinion that he is the most influential man in the United States Senate, and yet has more modesty, probably, than any other Member of this body.

It has been a privilege for me to associate with the senior Senator from Arizona, and I, too, hope he may continue to serve this body for many years to come.

Mr. CURTIS. Mr. President, I wish to very briefly add my comments to those of others who have spoken concerning the present occupant of the chair, the most distinguished senior Senator from the State of Arizona, the President pro tempore of the Senate. The youth of our land can well look to the senior Senator from Arizona as the top example in fine public service.

Mr. DOUGLAS. Mr. President, I wish to join my colleagues in paying tribute to the senior Senator from Arizona, the present presiding officer. No one who has served in this body could fail to be impressed by his devotion to duty, his hard work, his courtesy, and his modesty.

Paraphrasing the line from Shakespeare, I may say of the senior Senator from Arizona, age cannot wither him, nor custom stale his infinite variety.

Mr. ROBERTSON. Mr. President, my colleagues will no doubt recall that in

the fall of 1946 I succeeded Carter Glass as a Senator from Virginia.

At the time of his death Senator Glass was the senior Democratic Member of this body. He had served in the Senate for 27 years. He was President pro tempore, and chairman of the Committee on Appropriations. During more than 20 years of his service in the Senate he had served on the Appropriations Committee with the present chairman of that committee, the distinguished senior Senator from Arizona [Mr. HAYDEN].

Based upon that intimate knowledge of the value, the character, the ability, and the unwavering zeal of the then junior Senator from Arizona, Carter Glass once said that if the Constitution were ever changed so as to authorize Virginia to have three Senators, he would make every effort to have CARL HAYDEN as the third Senator.

We are proud to be in the Senate with a Senator who has served here for more than one-fourth of the entire life of our Republic. He has served in Congress for 46 consecutive years, a record which no other Member in the history of the United States Congress has ever equaled.

So we feel, as my distinguished predecessor, Carter Glass, felt, that if we cannot have CARL HAYDEN as our own Senator, the next best thing is to be able to call him our friend.

Mr. MARTIN of Iowa. Mr. President, some 40 years ago I served in the Army in Arizona. I knew of the great record then being made by the present distinguished senior Senator from Arizona. I knew of his great service to the State of Arizona as a Member of the House of Representatives. During the past 19 years in Congress, I have had the privilege of closer observation of the work of the distinguished Senator from Arizona.

I join my colleagues in expressing great pleasure and pride in having had an opportunity to be associated with the senior Senator from Arizona. I congratulate him most heartily on his grand record of service to the State and Nation.

Mr. HILL. Mr. President, our very scholarly and erudite colleague, the Senator from Illinois, in paying tribute to the distinguished Senator from Arizona, paraphrased the words of Shakespeare paying tribute to Cleopatra, having in mind, no doubt, Cleopatra's great beauty.

I shall not pay tribute to the beauty of the distinguished Senator from Arizona. However, from the depths of my heart I do want to pay tribute to him. I particularly wish to congratulate the people of Arizona on their great good fortune and their great privilege in having him as their representative in Congress for so many years.

When I first entered the House of Representatives, the distinguished Senator from Arizona was the wise man of the House, just as today he is the wise man of the Senate.

From the day of my admission to the House until this good hour, the Senator from Arizona has been my friend, my counselor, and my helpmate. It has been to him that I have turned time and again when I was sorely troubled, to have

him tell me the right course to pursue. He has always been so fine and so helpful. I bear for him a deep sense of gratitude. I now have the great privilege of serving under him on the Committee on Appropriations.

Always so modest, so sincere, so able, so devoted, so indefatigable in his work for his State and for the Nation, he is indeed one of the great Americans in our history.

Mr. WILEY. Mr. President, I wish to join in all the nice things that have been said about my good friend CARL. I also wish to relate a little history. When I came to the Senate I was introduced to the distinguished Senator from Arizona with this statement: "I want you to meet CARL HAYDEN. Always call him CARL. He is one fellow who says the least on the floor of the Senate and gets the most done. So you had better get acquainted with him."

Through the years—and there have been 19 now—he has been a most friendly Senator and, I would say, one who has always been very helpful.

When I came to the Senate I heard friends say, "Call CARL. Call CARL." When I asked what that meant, they said, "Well, in the Senate of the United States that means CARL HAYDEN; it does not mean a repairman, except legislatively."

Therefore, with all your other friends, CARL, I join in wishing you many more years in the great adventure one experiences as a Member of the Senate of the United States, which is often referred to as the most distinguished body in the world, and I wish you many more years of happiness and continued activity here.

Mr. MORSE. Mr. President, Mrs. Morse joins me in extending to the present occupant of the Chair, the Senator from Arizona [Mr. HAYDEN], and his lovely wife our sincere congratulations on their golden wedding anniversary, which fell on last Friday.

The public-service career of the present Presiding Officer of the Senate has been much more valuable to the American people than gold, and much more precious than any jewel. In my opinion the Senator from Arizona personifies the primary function of a United States Senator.

Mr. President, you sit in the Senate of the United States not from your State and for your State, but you sit in the Senate from your State for your Nation.

Certainly the Senator from Arizona has been a national Senator in the true constitutional meaning of the office of United States Senator as envisioned by our constitutional fathers.

I wish to say a personal word to the Presiding Officer. All of us make mistakes in the Senate, but my mistakes would have been many more had it not been for the wise counseling on many occasions that I received from the senior Senator from Arizona, and I wish publicly to thank him today for that service to me.

I wish also to thank him in behalf of the people of my State for the impartiality with which he has faced the problems of our State, because time and time again he has demonstrated the prin-

ciple I have already mentioned, namely, that he serves in the Senate for the Nation as well as for his State.

I wish to extend to him, as have my other colleagues from other States, my very best wishes for many more years of rich public service in the Senate.

Mr. PASTORE. Mr. President, February 19, 1958, will be welcomed and adopted as a day of celebration by every Member of this Senate. It is not so much that it means for our colleague, CARL HAYDEN, the occasion on which he achieves the record of longer continuous service in the Congress of the United States than has been privileged to any other mortal. It means that, of course. But to each of us it means a precious opportunity to speak of him in the terms of affection that CARL HAYDEN has earned, but in terms in which, because of his humility and because of our own modesty, we hesitate to use in the workday world of the Senate.

But today we can give fair play to our emotions as we gild our sentiments as on a Valentine Day. Indeed, we owe this opportunity to a Valentine Day—to February 14, 1912. Our valentine did not really arrive until 5 days later. But on February 14 of that year we admitted Arizona to the Union, and added the newest star to our flag, the 48th. And today we toast the oldest star in point of service—CARL HAYDEN—but still the youngest in humility, ability, and human kindness.

He was Arizona's first Congressman—he is the Senator senior in service to Arizona—he is the Senator senior in service to our United States.

We of New England have a proprietary interest in this gentleman of Arizona, I might say a paternal interest, for CARL's father, Charles Trumbull Hayden, was New England born and bred. I admit that Connecticut has first claim to him, for the Haydens came to America in 1630—5 years before Roger Williams had settled Providence. I readily admit the title of Connecticut, for it was discontent with that State and a desire for the wide open spaces that impelled Charles Trumbull Hayden to go to the wilds of Missouri, and then far beyond to the great Southwest.

The father of our distinguished Senator was born in Hartford County, Conn., on April 4, 1825. He was only a youth of 24 when he had established himself in the trading center at Santa Fe—in 1858 at Tucson—in 1872 at Tempe by the Salt River—and each only a traveling center for his trading adventures.

I trust that someday the life and times of Charles Trumbull Hayden will have full treatment. For the fragments of that great adventure and that great adventurer which I have found here and there have thrilled me beyond any fiction of the frontier and the great open spaces. The wagon trains, the overland trails, the goods brought even from New England almost a century and a quarter ago, the Santa Fe trail to be blazed—the trails reached beyond to the Pacific waters where a Los Angeles would one day thrive. But the heart of the traveler was fastened upon the land we know as Arizona—then under a strange flag—



its arid heart waiting for the generous waters of irrigation—and its humble waters needing fords and ferries. It was near such a river in what is now the Valley of the Sun that Charles Trumbull Hayden determined on his home; it was given the name "Hayden's Ferry." Today it is called Tempe. I do not know why it is so called, but perhaps it is from the Vale of Tempe, the beautiful valley of ancient and modern Greece. That became the home of Charles Trumbull Hayden, who, according to historians, pioneer, practical dreamer, builder, deserves more than any other man to be called the father of Arizona.

It was at this spot that CARL HAYDEN was born, the first white child of that area, on October 2, 1877.

If I have been captivated by the history of the father, it is because I see the empire builder projected in the career of the son—the power to think big and creatively—to attempt courageously and confidently—to achieve majestically but modestly.

With his school days ended at Stanford at the turn of the century—practically every moment of every year in this 20th century has been given to public service.

In town and county, in National Guard and in National Army's broad service of 10 years, and the narrower but most personal and responsible duties of the sheriff, CARL HAYDEN moved naturally to be the first Congressman of his newborn State. Most naturally since that February of 1912 this building has been his workshop; and his handiwork has enriched the entire world in the greatest half century that mankind has ever known.

His influence cannot be measured by the single individual—CARL HAYDEN. It has been magnified in the generations of Congressmen who have served apprenticeship to his teaching and his training—to his power of example, to the gentle, genial counselor whose very patience belies his practical persistence—his patriotic perseverance. They have written a record for which his country must love him—for which his colleagues do love him. To serve under his chairmanship is a lesson in Americanism for which so many, like myself, will be eternally grateful.

Surely this occasion must include our respects to Mrs. Hayden, for the golden anniversary of their marriage was marked on this Valentine Day, 1958. Thus Valentine Day has been a date of decision in the life of CARL HAYDEN. We can make this truly a Valentine Day as we borrow the motto of the State he serves so well. That motto is "God enriches." We shall say that of CARL HAYDEN, simply and sincerely, in his marriage, in the man, and in his dedication to mankind, truly God enriches.

Mr. ALLOTT. Mr. President, I join with my colleagues in congratulating the distinguished senior Senator from Arizona [Mr. HAYDEN] upon this occasion. So many golden words have been said, and uttered in so many ways, that I find myself hard pressed even to attempt to compete with the kind things which have been said. But on behalf of the

people of Colorado and myself, personally, I extend congratulations and thanks for his understanding and generosity with respect to the needs and problems of our State and of the entire West.

I particularly and personally thank the Senator from Arizona for all the help, guidance, and advice with which he has been so generous since I entered the Senate.

Mr. PROXMIER. Mr. President, I cannot let this occasion pass without paying tribute to the distinguished senior Senator from Arizona [CARL HAYDEN], the President pro tempore of the Senate, who at this time is presiding over the Senate.

As the newest elected Member and the newest Democratic Member of the Senate, I have found that the President pro tempore has been extremely helpful, courteous, and friendly; and on occasion he has given me his very wise counsel.

I desire to take advantage of this opportunity to express the gratitude of the people of Wisconsin. Although of course Senator HAYDEN represents very well his own State of Arizona, all the people of the West are extremely conscious of the very fine way in which he has represented all of the United States; and in that connection I refer particularly to the people of Wisconsin.

Mr. DIRKSEN. Mr. President, I should like to take just a moment to extend my congratulations to you, sir, for your long service in the House of Representatives and in the Senate of the United States. Having served under you, Mr. President, a very distinguished chairman of an important committee, I can only say your sunny disposition certainly exemplifies the clear skies and the sunshine of your great State.

The national viewpoint, Mr. President, you have expressed so often, and as I have seen it in action, is indeed a joy to behold. I regard you truly as one of the great patriots. It is a delight to be associated with you.

If I had one wish and one hope to utter, it would be that sometime you would find time to write a book at the pinnacle of nearly 50 years of service in the National Legislature. You can probably provide, for many generations, some of the most delightful footnotes that will illuminate American history. I think of some of your associations with greats and near greats in both Houses of Congress. If you will take time to resurrect, out of your capacious memory, those creative occasions, they will come to make splendid footnotes to the events that have made history in the Nation's Capital.

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

Mr. DIRKSEN. I yield.

Mr. THYE. I should like to be associated with the remarks which have just been made by the Senator from Illinois, as they bespeak my inner feelings.

Mr. DIRKSEN. Mr. President, I simply conclude by saying, and I say this very advisedly, I have been in the House of Representatives and in the Senate for 25 years. I have known you a long time, Mr. President. I doubt whether I have

ever encountered anybody who is more tolerant and more forbearing and more given to thinking of the interests of the country as against any other consideration.

So, as a modest Member of this body, Mr. President, I salute you, not only as the President pro tempore of this great body, but as the chairman of a great committee, on which I have the honor to serve with you.

Mr. CHAVEZ. Mr. President, I wish to join my colleagues who have spoken just words of praise about the senior Senator from Arizona. I believe that I know the Senator from Arizona about as well as does any Member of the Senate. I have been closely associated with him during my term in the Senate. I know what the people of Arizona think of Senator HAYDEN. I can say, with all due deference to other Senators in this body, that, in my opinion, the legislator of the Congress of the United States is CARL HAYDEN, of Arizona.

It was only a few days ago that I congratulated him on his golden wedding anniversary, but I take this occasion to felicitate him now on the long service he has rendered the United States of America and the State of Arizona.

Mr. PAYNE. Mr. President, I cannot let this occasion pass without joining in the well-deserved tributes that have been paid to the distinguished President pro tempore, the senior Senator from Arizona, on two very outstanding occasions.

It would be impossible for me to find descriptive language, in addition to that which has already been uttered on the floor of this Senate, with which to speak about the distinguished senior Senator from Arizona. I simply wish to join in every word that has been spoken, and say that the best of wishes go to him from the good people of Maine and from the junior Senator from Maine; and those good wishes extend also to Mrs. Hayden.

Mr. ANDERSON. Mr. President, my distinguished colleague, the senior Senator from New Mexico, referred a few moments ago to the Member of Congress from Virginia who had sponsored a bill admitting Arizona and New Mexico into the Union. On this day, when we are paying tribute to the able senior Senator from Arizona, I ought to say to him that he of course represents not only his State but all other areas allied to him, my State included. I know the people of New Mexico regard him as just as much their Senator as he would have been if that great area had not been divided into two States. He has been a constant friend and a steadfast adviser, and is probably one of the most able men ever to come from our part of the world to serve in the Senate or in the other body. We have all learned to admire, respect, and work with him.

On behalf of the people of New Mexico I join with all the other fine Senators on both sides of the aisle in paying tribute to a great friend and a fine statesman.

Mr. TALMADGE. Mr. President, I desire to join with my colleagues on both sides of the aisle in paying tribute to the remarkable record, career, and service of the distinguished senior Senator from

Arizona, the present Presiding Officer of the United States Senate.

I know of no Member of the Senate in the history of our country who has served in a more faithful, dedicated or patriotic way. I know of no Member of the Senate in the history of our country who has made a greater impact upon the public welfare of our country.

I have the honor and privilege of serving on the Senate Committee on Rules and Administration. I am the junior Democratic member of that committee, while the senior Senator from Arizona is the senior Democratic member of the committee. The Senator has been most generous, kind, and helpful to me, as he has been to all new Members of the Senate.

I desire to thank you, sir, and to wish for you many more years of outstanding service in the Senate.

Mr. STENNIS. Mr. President, I consider it a privilege to join with those who have paid tribute to the President pro tempore of the Senate, the senior Senator from Arizona. I congratulate him not only on the longevity of his service in the Senate, but on the very fine quality of it, and what I might call the depth of that service.

Perhaps more than anyone else the Senator from Arizona is the third Senator also for the other 47 States. I know that when I first came to the Senate someone pointed out to me the Senator from Arizona, who was then in the Senate Chamber, and said, "There is the most effective Senator in the Senate."

During my 10 years of service here I have certainly found that statement to be true, and I have also found the Senator from Arizona to be what I compliment him in saying is a working Senator. Despite his 46 years of service on Capitol Hill, the very happy circumstance is that he is still astute, he is alert, and he is as forward looking as he ever was, or as anybody in the Chamber is.

The services of the distinguished senior Senator from Arizona have left an imprint upon the Nation which will continue for a long time. He has had a long career of fine constructive public service. I shall not undertake to enumerate all of his activities and interests. I mention only a few of the highlights.

His work is responsible for much of the foundation of our highway system, our irrigation and flood-control projects, and our river and harbor improvements. Perhaps the most far-reaching work he has done has been his fine contribution toward medical research and forestry research.

I could name many more important contributions by the Senator from Arizona. The Nation is certainly indebted to him for his fine service.

Another happy circumstance is that the membership of this body and those who know about his services are deeply grateful, and appreciate the fine constructive career which we are glad to see continuing with full force, and without abatement of any kind.

Mr. THURMOND. Mr. President, I join my colleagues on both sides of the aisle in extending congratulations to the

distinguished senior Senator from Arizona for his long, capable, and faithful service to his State and to the Nation.

I have been a Member of this body for only a brief period. I am now beginning my fourth year of service. I have been deeply impressed by the ability, the zeal, and the accomplishments of the great Senator from Arizona.

It has been an inspiration to me to observe the senior Senator from Arizona as he has undertaken his work, and as he has gone about doing important things for his State and Nation.

As a younger Member of the Senate I have been inspired by the exemplary manner in which he has filled the office of Senator, and the masterful way in which he has served his State and Nation. I take this opportunity to congratulate him and to wish him many more years of service in the United States Senate.

Mr. MONRONEY. Mr. President, I wish to join my colleagues in expressing appreciation for the services of the distinguished senior Senator from Arizona as the Senate passes a historic milestone in recognition of our President pro tempore, and the chairman of the Appropriations Committee of the Senate. He is one of the grandest Senators ever to grace this body. I know of no man in history who could be more proud of his longevity in service. His record is crowned by a glorious appreciation of public service and love for his fellow men which have been unexcelled in my lifetime and experience.

The great contributions which the distinguished President pro tempore has made to the building of the West—a new empire—stand as a perpetual tribute to his determination that this great part of our Nation should prosper.

The building of the Federal highway system bears his imprint. The original bills which were designed to provide a nationwide network of highways bear his name.

In the field of health, in connection with activities looking toward the discovery of cures for theretofore incurable diseases, the distinguished senior Senator from Arizona has always been found in the forefront, leading the way toward the objective of finding cures for diseases which have been major killers.

The Senator from Arizona has rendered important services not only in the great fields of highway development, public improvements, health, and national defense, but also in connection with the battle for civil rights, the rights of the individual. The distinguished senior Senator from Arizona has always carried the banner in that fight.

As a friend to his fellow Senators, he is unexcelled. One of my greatest surprises during my service in this body occurred when I had been a Member of it for about a week. My secretary informed me that the distinguished Senator, CARL HAYDEN, had come to my office to see me. Such a call is a rare occurrence in this body. It indicates the reason why CARL HAYDEN gets so much done, and is so well loved by all his fellow men. Not only does he accomplish more, but I believe he works harder than any Senator I have ever

observed, not only in serving the interests of his own State, but in understanding the problems of America. America is great today because a man of stature comparable with that of the giants of the past sits as Presiding Officer of this great body.

Mr. JOHNSTON of South Carolina. Mr. President, it is a pleasure for me to join my colleagues on both sides of the aisle in commending the President pro tempore, the senior Senator from Arizona, on commencing his 47th year in Congress and his 32d year in the Senate. I know that as he looks back upon his life, he must feel somewhat pleased with what he has accomplished in his more than half a century of public service.

As we look back into his State, even before it was a State, and while it was still a Territory, we find him serving as a peace officer, working to bring about law and order, as well as prosperity, within that Territory.

As soon as the Territory of Arizona entered the Union, the people of his State recognized his abilities and leadership and elected him to the Congress of the United States. He has served his State and Nation with commendable ability and today is one of the distinguished figures in American Government.

It is not necessary for me to tell Members of this body that the influence of his service in every field of governmental activity will continue for many years to come. We cannot say in words what he has meant, not only to the people of Arizona, but to the people of all the United States.

It is indeed a pleasure for me to join my colleagues in trying to convey to the people of this Nation some idea of what a wonderful life the senior Senator from Arizona has lived, and what a fine public servant he has been. May God give to him many more years in which to help guide our younger Members of this body in what we should do and how we should act in discharging our duties as Members of this body.

I should also like to take this opportunity to congratulate Senator and Mrs. Hayden on the recent celebration of their 50th wedding anniversary. I wish for them many more such happy occasions.

Mr. McNAMARA. Mr. President, I welcome this opportunity of adding my few words to the tributes that are being paid to the senior Senator from Arizona on his completion of 46 years of service in Congress. I congratulate him, and also thank him for the help he has been to me personally in connection with the problems I have brought him as a Representative from the State of Michigan. I wish him many more years of good health and continued great service to the whole Nation. As has been said over and over again, he is truly a Senator's Senator.

Mr. CARROLL. Mr. President, I do not feel that I could possibly overlook this opportunity to speak in behalf of the people of Colorado, and the other Senator who serves that great State, and who know CARL HAYDEN, of Arizona, and



who hold him in such high regard, in appreciation for all the Senator from Arizona has done for our State, for the West, and for the Nation as a whole.

As a new Member of the Senate, while visiting Phoenix, Ariz., shortly after my election, I was reminded of the humility of the senior Senator from Arizona when he walked through the streets to visit me and my family. I realized then what a great Senator and great man CARL HAYDEN was. He is always willing to serve others.

I desire to join on this occasion my other colleagues in extending my sincere hope for his good health, and many more active years in the Senate.

Mr. HUMPHREY. Mr. President, it is a particular joy and pleasure to join with my colleagues in saluting and congratulating the distinguished President pro tempore of the Senate, who presides over the Senate today, the senior Senator from Arizona [Mr. HAYDEN]. It was yesterday that he completed 46 years of service in Congress, and today at noon, as I understand, he starts his 47th year.

Mr. President, it was my privilege to be in Arizona last fall. I have heretofore commented on the fact that while I was there I found petitions and resolutions everywhere I turned complimenting and congratulating the senior Senator from Arizona for his outstanding work of public service in behalf of the people of his State and, in fact, in behalf of the people of the United States.

His service is an inspiration to those of us who serve in the Senate. His record is one of complete devotion and patriotic service to his fellow men and his country.

Mr. O'MAHONEY. Mr. President, it is not often that Senators have the opportunity to rise in their places and to congratulate a colleague who is beginning his 47th year of service in Congress. I remember the senior Senator from Arizona, the President pro tempore of this body—and I want no one to misunderstand this reference—before he became a Member of the Senate. I was not then a Member of the Senate; I was practicing law. I observed at that time the skill with which the Senator from Arizona, who was then a Member of the House of Representatives from that State, represented the people of Arizona and concerned himself with their welfare.

I was so impressed with the manner in which the Senator from Arizona operated that at that time I made up my mind that if ever fate directed my steps toward this Chamber as a Member, I should do my best to imitate the pattern and the practices of the Senator from Arizona. I am sorry to confess that I have failed.

No one, I think, could even approximate the skill and the ability of our great friend, CARL HAYDEN. He is not only a man of ability, a man of understanding, and a man of industry, but he has the great quality of commonsense. It is called commonsense, but it is an endowment that few men have. It is this endowment of commonsense and a capacity to understand his fellow man that has enabled the Senator from Ari-

zona as Chairman of the Committee on Appropriations, to say "No," with a smile, to colleagues seeking to have consent given to appropriations which they may have desired; to say, "No," I say, with a smile which removes all disappointment, because I think it is the unanimous feeling of the Members of the Senate that when Senator HAYDEN says, "Yes," or "No," he is pretty close to being right.

I cannot conclude these few remarks without indicating my pride in the fact that the tributes which are being paid to the President pro tempore of the Senate this afternoon are being paid to a pioneer of the great West. I do not know whether, when the Senator from Arizona comes to write his memoirs, he will pay more attention to his experiences as a Senator or to his experiences as a sheriff. I think that in both capacities he has served his people well.

I am happy to be able to join in the tributes which are being paid to him. I speak with authority, because I was a member of the Committee on Appropriations and associated with the great Senator from Arizona for more than 20 years. I know how he works, I know how broad his understanding and his sympathies are, and I know that he deserves the tributes which are being paid to him.

The people of Arizona can be proud that they sent him here and kept him here. I hope he will be here for many more years.

Mr. SYMINGTON. Mr. President, I join with my colleagues in congratulating the President pro tempore of the Senate, the great senior Senator from Arizona. It has been my privilege to know the Senator for 5 years in the Senate, and before that for many years.

In all the years I have known him, I have never heard him say an unkind word about anyone. In my opinion, if there is anybody in this city who is entitled to the congratulatory remark of being above party, that description should go, first, to the distinguished senior Senator from Arizona.

It has been a privilege to serve with him, and I hope that I shall deserve his friendship for many years to come.

Mr. BYRD. Mr. President, our beloved colleague, the distinguished senior Senator from Arizona, took his oath of office in the Senate on March 4, 1927. I took my oath of office on March 4, 1933. So I have had the great privilege of serving with the Senator from Arizona for 25 years.

I will recall his many kindnesses to me when I first came to the Senate, especially showing me around. I hardly knew how to get around the Capitol. He made many useful suggestions to me.

I have never come in contact with a man who had a nobler character or who possessed greater patriotism. I have a personal affection for him which is very difficult for me to express adequately.

The Senator from Arizona has rendered outstanding service and has been throughout the years a great example of what a true American statesman should be.

I have just returned from Tucson, in the Senator's State of Arizona, and a

wonderful place it is. On every hand I heard compliments about him and heard the appreciation and gratitude of the people for the fine service he has rendered.

I shall always regard it as a privilege to me to have served with you, Senator HAYDEN, for so long in the United States Senate.

Mr. BIBLE. Mr. President, I wish to add my voice, as a Senator from the neighboring State of Nevada, to the veritable chorus of praise which has gone forth today in your behalf from distinguished colleagues in the Senate.

Few men in American history have enjoyed a career matching yours. The amazing fact is that we have in the Senate a man who has given to his State and his Nation a yeoman service since 1912, the very year in which Arizona gained her statehood. Your stewardship has extended through three wars in which our country engaged during this century, and in one of which you served with major distinction in 1918.

The great social gains recorded by our Nation in the last four and one-half decades all received warmhearted support from you. Broad knowledge, sympathetic understanding, and boundless energy have become your trademark.

Arizona is justly proud of you, and I should like to say that Nevada is equally proud.

We in Nevada have always had a close affinity for the Senators from our bordering State to the south. In fact, an illustrious Senator from Arizona, a former colleague of yours, Henry Fountain Ashurst, was born in Winnemucca, Nev., and, as a young man, moved to Arizona to launch his illustrious career.

I know that I speak, as so many other Senators have before me, the sentiments of all our people. I wish for you many more years of continued service and accomplishment.

Mr. AIKEN. Mr. President, let me say that I like the senior Senator from Arizona [Mr. HAYDEN] just as much as do the many other Senators on both sides of the aisle who previously have risen today to pay their respects to him.

Mr. President, lately there has been much discussion in regard to the making of repairs to the Capitol Building. As I stand here and observe the pillar of the Senate who is now presiding over the Senate, and as I see here on the floor of the Senate the senior Senator from Virginia [Mr. BYRD], I realize that if either of these Senators were to leave, this place really would be in need of repairs.

Mr. HOLLAND. Mr. President, I join with my colleagues on both sides of the aisle in felicitating our beloved colleague, the President pro tempore, the senior Senator from Arizona, Senator CARL HAYDEN, as he begins today his 47th consecutive year of service in the Congress of the United States.

Senator HAYDEN set a record for continuous service in the Congress last October 21, and today he has established a new record for the longest overall service in Congress ever performed by any American.

Since the great State of Arizona became a member of the Union, CARL HAYDEN has represented it in the Halls of Congress, and I congratulate the people of Arizona for their excellent judgment in sending him here and keeping him here.

The able Senator from Arizona began his service as a Member of the House of Representatives on February 19, 1912, in which House he served until he took his seat in the United States Senate in 1927.

It is my great privilege to serve under his chairmanship on the Senate Committee on Appropriations. I wish to say as a matter of record that there has never been a more diligent Senator, nor has there ever been a better informed Senator, concerning the enormous business of this Nation. There has never been a Senator more fair in recognizing the needs of all parts of our great country than Senator HAYDEN.

There is no Member of the Senate who has not received a helping hand from Senator HAYDEN on many occasions, concerning matters of great importance to the Member's own State.

Mr. President, I think there is no case in the history of our country similar to this, in which a man came to Congress when an infant State was admitted to membership among the States of the Union, and remained here ardently advocating the interests of that State, as well as the interests of the country, for a period of 46 years.

Every improvement which has been accomplished with Federal aid or Federal assistance in his great State is attributable in large measure to Senator HAYDEN. In addition to that, he has done many, many things for all other parts of the country. I recall having heard him tell a wonderful story a good many years ago about one of his first committee duties, when he went to the Panama Canal as a member of a House committee of inspection to inspect the work which was then going on, in 1912, in the digging of the Panama Canal.

I warmly congratulate the senior Senator from Arizona on his distinguished career as a county official. I suspect that many of us have forgotten the fact that before he became a gentle Senator, he was a very dignified and effective sheriff out in what was then the Wild West. I congratulate him on his career as a law enforcement officer, as a soldier, and as a statesman, and I wish for him many more years of outstanding public service to his State and the Nation as a Member of the United States Senate. Every additional year that he spends in the Senate, Mr. President, will be a year of blessing to our whole Nation.

Mr. JACKSON. Mr. President, I wish to associate myself with the remarks of my colleagues in their tributes to the distinguished senior Senator from Arizona [Mr. HAYDEN]. His is a record without parallel in the history of the Senate. His quiet, courageous, and effective leadership has meant much to his State, the West, and the Nation.

He has probably done more for his country in his quiet and unassuming

way than any other man in the history of the United States Senate.

I wish to join with my colleagues in the Senate in congratulating him on this occasion, and I wish for him many more years of distinguished service.

Mr. JAVITS. Mr. President, I desire to add my tribute to those already paid to our President pro tempore, the distinguished Senator from Arizona [Mr. HAYDEN].

As a new Senator, sitting with him on the Committee on Rules and Administration, I have learned why he has always been considered a mentor for new Senators. It is because, for him, seniority means only an opportunity to serve and to be helpful and friendly.

Much has been said about his great leadership and pioneering spirit. I pay my tribute to his great heart, to his great friendship for, and great understanding of those who are new Members of the Senate, and who, with the cooperation of other distinguished Senators like himself, are able to add their measure of help to the settlement of the tremendous issues with which we deal.

I wish for Senator HAYDEN and Mrs. Hayden, who have just celebrated their golden wedding anniversary, a long and fruitful life in the spirit which the Senator from Arizona has shown to those of us newly come to this great body.

Mr. NEUBERGER. Mr. President, I join in the tributes which have been expressed in the Senate today in honor of the very long and illustrious service, both in the House of Representatives and in the Senate, of the distinguished senior Senator from Arizona.

I feel a personal debt to the Senator from Arizona because of the patience and understanding he has shown in the performance of his very important responsibility as chairman of the Committee on Appropriations. He has a far greater understanding than do most of us who come from the Pacific Northwest of the problems and needs of the Columbia River Basin, when they are analyzed and studied. It was only last summer that the leadership of Senator Hayden helped many of us, including the distinguished senior Senator from Washington [Mr. MAGNUSON], who at this time is on the floor of the Senate, to achieve success in our efforts to save the necessary funds for the deepening of the upstream channel of the Columbia River from Vancouver to The Dalles.

I wish for Senator and Mrs. Hayden all possible success, good fortune, and happiness in the years ahead.

Mr. CLARK. Mr. President, I wish to join in the commendation of Senator HAYDEN which has been so eloquently expressed by the junior Senator from Oregon [Mr. NEUBERGER].

Mr. BRIDGES. Mr. President, our distinguished colleague and dean of the Senate, Senator HAYDEN, today began his 47th year in the Congress of the United States, and with this great milestone in his long and distinguished career he becomes dean of both Houses of Congress.

I am proud and privileged to be a Member of this body today so that I am in a position to extend on behalf of my-

self and the people of New Hampshire our warmest congratulations. I want, too, to concur fully in the remarks made by another distinguished colleague, the Senator from Arizona [Mr. GOLDWATER], who, I am sure, feels privileged to share with Senator HAYDEN the representation of the people of Arizona. I commend to the reading of the American people the remarks made by Senator GOLDWATER, which appeared in the CONGRESSIONAL RECORD of February 10.

Although Senator HAYDEN and I are of different political beliefs, it has been my great pleasure to serve with him since I came to the Senate in 1937. I appreciated deeply the wise counsel he so generously gave me during my early days in the Senate. I know he has been equally helpful to many other Senators.

Senator HAYDEN's broad experience, his wisdom, and his personal attitude toward the people have made him universally popular. His advice is keenly sought throughout Government, and I have never known him to decline to share his vast knowledge.

The State of Arizona is fortunate indeed to be represented in part by a statesman of such high caliber.

Mr. MAGNUSON. Mr. President, I wish to join my colleagues in extending heartiest congratulations to the senior Senator from Arizona, Senator CARL HAYDEN, on reaching the start of his 47th year of service in the Congress. He has not only served Arizona with distinction and devotion, but the whole country as well. I trust that he may enjoy many more years of active service in the Senate.

#### LIMITATION OF DEBATE DURING MORNING HOUR

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

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

#### EXECUTIVE COMMUNICATIONS, ETC.

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

##### REPORT OF D. C. TRANSIT SYSTEM, INC.

A letter from the president, D. C. Transit System, Inc., Washington, D. C., transmitting, pursuant to law, a report of that system, for the calendar year ended December 31, 1957 (with an accompanying report); to the Committee on the District of Columbia.

##### AMENDMENT OF UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

A letter from the Director, United States Information Agency, Washington, D. C., transmitting a draft of proposed legislation to promote the overseas distribution of American informational media by amending the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442) (with an accompanying paper); to the Committee on Foreign Relations.



# REPORT ON WITHDRAWALS AND RESTORATIONS OF PUBLIC LANDS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on withdrawals and restorations of public lands, during the period January 1, 1957, through December 31, 1957 (with an accompanying report); to the Committee on Interior and Insular Affairs.

## RESOLUTION OF ALASKA LEGISLATIVE COUNCIL

A letter from the Executive Director, Alaska Legislative Council, Juneau, Alaska, transmitting, pursuant to law, a resolution passed by the Alaska Legislative Council at Ketchikan, Alaska, on January 18, 1958 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

# REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on tort claims paid by that Department, for the period January 1, 1957, to December 31, 1957 (with an accompanying report); to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

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

"Whereas the principle of supremacy of State water laws in deriving rights to the ownership, distribution and use of ground and surface waters has been recognized in States lying wholly or partly west of the 98th principal meridian by Federal law, the constitutions of such States, State law and the enabling acts by which many of the States were admitted to the Union; and

"Whereas the stability of the economy, the property values, and the prosperity and development of the whole United States is dependent on a continued recognition of the supremacy of State water laws and the property rights which have been derived and settled thereunder; and

"Whereas some of the departments of the executive branch of the Federal Government have failed to strictly adhere to and recognize these principles and the property and human rights protected thereby: Now, therefore, be it

"Resolved by the Senate of the 41st General Assembly of the State of Colorado (the House of Representatives concurring herein), That the Congress should at once, and during the present session of the Congress, enact a law so clear and unambiguous as to be incapable of evasion by either Executive order or judicial interpretation and requiring every agency, permittee, licensee, and employee of the Federal Government, as a condition precedent to the taking or use of any water for irrigation, for domestic, industrial, manufacturing or other purpose to acquire a right to the use thereof in conformity with State laws and procedures relating to the control, appropriation, use or distribution of such water; and defining the water affected by such legislation to include all water originating on federally owned or controlled lands which contributes to flowing or moving surface or ground waters; and be it further

"Resolved, That copies of this resolution be forwarded to the President and Vice President of the United States, the Speaker of the House of Representatives, United States Senator GORDON ALLOTT, United States Senator JOHN A. CARROLL, Representatives in Congress BYRON G. ROGERS, WILLIAM S. HILL, J. EDGAR CHENOWETH and WAYNE N.

ASPINALL, the Secretary of the Interior and the Commissioner of Reclamation.

"FRANK L. HAYS,

"President of the Senate.

"LUCILE L. SHUSTER,

"Secretary of the Senate.

"CHARLES R. CONKLIN,

"Speaker of the House of Representatives.

"ROBERT S. EBERHARDT,

"Chief Clerk of the House of Representatives."

By Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina):

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Interstate and Foreign Commerce:

"Concurrent resolution memorializing the Congress of the United States not to authorize the imposition of a pay TV system upon the people

"Whereas millions of dollars are being spent annually on education throughout the entire Nation in order to raise our general standards of living and bring a better life to all; and

"Whereas the financing of this gigantic program is upon the shoulders of the American people by direct tax on the people; and

"Whereas by the television programs as now operated the citizens are able to avail themselves of highly beneficial educational, recreational, and entertainment programs free of charge and which programs are staged by the most expert talent in the world without the imposition of a further tax burden; and

"Whereas, there is now proposed to inaugurate a pay TV system which will rob those who need it most and can afford to pay for it least, of one of the very few worthwhile educational advantages left to mankind that is free; and

"Whereas with the ever-shrinking dollar and the constant increase in the cost of living, the General Assembly of South Carolina believes that the imposition of a pay TV program will be highly unwarranted and unjustified and will only result in depriving the destitute, the poor, and the unfortunate of the great benefits derived from the free system now in vogue; and

"Whereas the general assembly further believes that authorization of pay TV would serve to hamper programs of the television industry and livelihood of the entertainers employed thereby, which industry has developed into one of our great commercial enterprises, mutually beneficial to the sponsors of the well chosen programs and to the great American public alike. Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That the Congress of the United States is hereby memorialized not to authorize a pay TV program; be it further

"Resolved, That a copy of this resolution be forwarded to the clerk of the Senate and the Clerk of the House of Representatives in the Congress, to each United States Senator from South Carolina, and to each Member of the House of Representatives in the Congress from this State."

(The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of South Carolina, identical with the foregoing, which was referred to the Committee on Interstate and Foreign Commerce.)

By Mr. COTTON (for himself and Mr. BRIDGES):

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

"Concurrent resolution urging the repeal of the Federal excise taxes on persons and property transportation

"Whereas the Federal transportation tax, on the movement of passengers and freight,

was adopted in 1942 as a wartime emergency and defense revenue tax to discourage unnecessary travel by civilians and shipment of freight at a time when public transportation was hard pressed to meet the demands of travel and shipments for the war effort; and

"Whereas with cessation of hostilities the Federal transportation tax, rather than being a benefit to the welfare of New Hampshire, presently acts as a detriment to its economy; and

"Whereas transportation by for-hire carriers is vitally essential to the welfare and national defense of the country, a continuance of the Federal transportation tax, inasmuch as it is not applicable to private carrier operations, presently operates as a hardship on for-hire carriers; and

"Whereas the Federal transportation tax, in continuing this wartime tax, by reason of its character or application, tends to operate with a discriminatory effect on communities and the residents thereof, and further tends to confine trade areas, with the result of interference with the free flow of commerce within the United States: Therefore be it

"Resolved by the house of representatives, the senate concurring, That it be placed on record as favoring the repeal of the Federal transportation tax of 3 percent on all commodities shipped by for-hire carriers and the repeal of the transportation tax of 10 percent on all passenger fares; and be it further

"Resolved, That the secretary of state be, and hereby is, directed to forward a copy of this resolution to each of the Representatives from the State of New Hampshire in the Senate and House of Representatives of the United States with the recommendation that serious consideration be given to supporting the repeal of excise taxes as applicable to the movement of people and goods via for-hire carriers.

"W. DOUGLAS SCAMMON,

"Speaker of the House of Representatives,

"ERLSEY C. FERGUSON,

"President of the Senate.

"Passed February 12, 1958.

"Attest:

"HARRY E. JACKSON,

"Secretary of State."

## PUBLIC WORKS TO "PICK UP THE SLACK"—RESOLUTION

Mr. WILEY. I have received a most important resolution, adopted by the Common Council of the City of Milwaukee, dealing with the creation of a new special committee for the study of Federal aid for public-works projects.

This resolution demonstrates that the city of Milwaukee is wide awake to the need for a major public effort to take up the slack in our economy; an effort which will be based upon the soundest Federal-State-local cooperation for the common interest.

It is clear that comprehensive planning must be undertaken to bring off the shelf sound projects which have been awaiting action and which now become imperatively necessary in order to generate employment and production in our economy.

The first meeting of Milwaukee's new special committee has been held. Participating, among others, have been: Clarence Beernink, executive secretary of the capital improvements committee; Lloyd D. Knapp, commissioner of public works; George C. Saffran, budget supervisor; Virgil Hurless, city comptroller; Alderman James J. Mortier and Alderman Irving G. Rahn, cochairmen.

I present the resolution of the Common Council of Milwaukee, for its interest to other communities in the land. I ask unanimous consent that it be printed in the RECORD, and referred to the Senate Public Works Committee.

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

Resolution relating to appointment of committee to plan and study public improvement projects and Federal assistance for the purpose of providing additional job opportunities

Whereas the economic situation is such as to justify study and exploration with respect to the possibility and advisability of seeking Federal aids or assistance for the planning and constructing of public improvement projects so as to provide additional opportunities for employment in the city of Milwaukee; and

Whereas it is appropriate that the city of Milwaukee plan and prepare a list of public improvement projects which would be financed with Federal assistance and expand the opportunities for employment in the Milwaukee area; and

Whereas it is advisable that a committee be appointed to make plans and preparations with respect to such public improvement projects which will aid in improving the economy and employment opportunities in the city of Milwaukee: Now, therefore, be it

*Resolved by the Common Council of the City of Milwaukee,* That a special committee be appointed to be known as the committee on planning public improvements with Federal assistance, and that such committee shall be composed of the following: Executive secretary, capital improvement committee; commissioner of public works; city attorney; budget supervisor; the comptroller; and that the chairman of such committee shall be the chairman of the committee on finance-printing and the chairman of the committee on buildings-grounds-harbors; and be it further

*Resolved,* That such committee shall immediately upon the adoption of this resolution proceed with plans and studies relating and pertaining to public improvement projects which would be suitable in accordance with the purposes and objectives of this resolution; and be it further

*Resolved,* That such committee shall study and explore the opportunities for obtaining Federal assistance for the planning and construction of such public improvement projects and shall effectuate a liaison with the Federal Government for the purpose of carrying out the objectives of this resolution; and be it further

*Resolved,* That copies of this resolution shall be forwarded to the 2 United States Senators of this State, and to the 2 Congressmen of the Milwaukee area; and be it further

*Resolved,* That all departments of city government called upon by the special committee shall fully cooperate with such special committee in carrying out the purposes and objectives of this resolution; and be it further

*Resolved,* That the committee shall make periodic reports to the common council whenever they shall have significant developments to report.

#### INCREASED GAS PRICES—RESOLUTION OF ST. PAUL, MINN., AFL-CIO TRADES AND LABOR ASSEMBLY

Mr. THYE. Mr. President, I present a resolution adopted by the St. Paul, Minn., AFL-CIO Trades and Labor Assembly, on February 12, 1958, protesting against

the enactment of the so-called Harris-O'Hara gas price increase bill. I ask unanimous consent that the resolution be printed in the RECORD.

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

*Resolved by the Trades and Labor Assembly of the City of St. Paul, Minn.:*

Whereas the Congress of the United States has presently under consideration the so-called Harris-O'Hara (H. R. 8525) bill; and

Whereas this bill would remove effective Federal control over the production and sale of natural gas to pipeline companies; and Whereas the cost of gas to home consumers is particularly important in Minnesota in view of weather conditions in this State; and

Whereas it has been estimated that the passage of this bill will increase the cost of gas to home consumers by \$40 per year; and Whereas the bill is designed only to aid existing gas and oil producers; and

Whereas the passage of the bill would adversely affect the employment of Minnesota employees in the gas industry: Now, therefore, be it

*Resolved,* That the Trades and Labor Assembly of the City of St. Paul, Minn., oppose the passage of this, or similar legislation, and be it further

*Resolved,* That a copy of this resolution be sent to every Member of the United States Congress from the State of Minnesota.

#### POSTAL PAY INCREASES, ETC.—LETTER

Mr. HUMPHREY. Mr. President, I recently received a letter from the governmental affairs committee of the Northfield Chamber of Commerce, of Northfield, Minn. This letter contains conclusions and recommendations for legislation adopted by the governmental affairs committee.

I ask unanimous consent that the letter be printed in the RECORD and appropriately referred.

There being no objection, the letter was referred to the Committee on Post Office and Civil Service and ordered to be printed in the RECORD, as follows:

KUCERA & GRUNDHOEFER,  
Northfield, Minn., February 3, 1958.

HON. HUBERT HUMPHREY,  
United States Senate,  
Washington, D. C.

DEAR SENATOR HUMPHREY: On last Thursday evening, the governmental affairs committee of the Northfield Chamber of Commerce conducted a legislative panel discussion covering pending and proposed legislation likely to be introduced in this session of Congress. The meeting was open to the public, and we had a good representation of farmers, business and professional men. At the conclusion of the discussion, the committee paused to formulate views and recommendations for submittal to you.

The following were the conclusions and recommendations of the committee and of those present, which I am authorized to convey for your information:

1. We were in favor of the adoption of the recommendations of the Postmaster General with respect to the raise in postal rates.

2. We were in favor of the elimination of Government competition with business wherever possible and especially in the retail fields.

3. We were in favor of the recommendations of the Hoover Commission, and felt that the elimination of governmental waste,

and a reduction of Federal spending in many fields is imperative.

4. We felt that some legislation either regulating or supervising union welfare and pension trust funds should be enacted, in view of recent facts discussed by committee hearings.

5. We are opposed to any extension of the Federal wage and hour law, covering retail and service businesses, as such extension would directly affect the little-business man who is in competition with large chain-store operations.

We respectfully request that our views be considered at such time in the future as such legislation is proposed.

Sincerely,  
MARVIN L. GRUNDHOEFER,  
Chairman, Governmental Affairs  
Committee.

#### PENSIONS FOR RETIRED EMPLOYEES—RESOLUTION

Mr. HUMPHREY. Mr. President, I recently received a resolution from the Duluth AFL-CIO central body, Duluth, Minn., concerning Federal retired employees pensions.

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

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

Whereas it is a matter of simple equity that the Federal Government increase the annuities of its employees who were retired before October 1, 1956, and who worked faithfully for all of us before their retirement; and

Whereas every argument advanced for increasing salaries of classified and postal employees because of lost buying power and inadequacy to meet current needs as recommended by President Eisenhower applies with equal force to the urgency of raising retirement annuities of employees already retired; and

Whereas the 246,362 annuitants on the retirement rolls on June 30, 1956, 93,958, or 38 percent, were receiving less than \$100 a month, that of this group, 40,378, or 16 percent of the total number, had a monthly payment of less than \$50 a month, this not taking into account 80,749 survivor annuitants, 90 percent of whom were drawing less than \$50 a month, thus providing ammunition against us to be used by our enemies; and

Whereas in 1956 the Congress increased annuities of employees retiring after October 1, 1956, without increasing the annuities of employees already on the retirement roll; and

Whereas all civil service retirees have been the innocent victims of inflation since 1939, and inflation is still with us, and

Whereas there have been reported for favorable passage two bills by respective Congressional committees, namely, H. R. 607 and S. 72, both of which will provide relief, although inadequate, to those now on the retirement role of the Federal Government, and are now pending in the House of Representatives and the Senate; and

Whereas it is extremely desirable and in the public interest that these bills be passed as soon as possible and made retroactive to provide in a small measure for justice to a forgotten segment of our aged population deserving of our support in their declining years after faithful and meritorious service to the public: Now, therefore, be it

*Resolved by the Duluth AFL-CIO Central Body,* That it earnestly solicits support of H. R. 607 and S. 72, provided H. R. 607 is



amended to eliminate the ceiling therein and the limitation relative to earnings of annuitants and requests Members of the House of Representatives and Senate to support these bills and do everything in their power toward enactment of these measures as soon as possible, obtaining a favorable rule from the House of Representatives Rules Committee so that H. R. 607 may be amended on the floor of the House of Representatives at time of enactment; and be it further

*Resolved*, That the secretary of the Duluth AFL-CIO central body be instructed to forward a copy of this resolution to every Member of Congress from the State of Minnesota.

#### DAIRY PRICES—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received from the Biscay Cooperative Creamery, Biscay, Minn., a petition concerning dairy prices.

I ask unanimous consent that the resolution and the appended signatures be printed in the RECORD, and appropriately referred.

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

BISCAY, MINN., February 8, 1958.

Whereas the former reductions in price support of dairy products have not been passed on to the consumer and whereas the average price of milk and dairy products have gone up while the price to the dairy farmer was lowered;

Whereas the cost of the dairy support program and the production of dairy products have both gone up, as the support prices were lowered; and

Whereas any lowering of dairy prices at this time would work additional hardships to a majority of producers:

Now, therefore, we the undersigned patrons of the Biscay Cooperative Creamery, in the annual meeting assembled, do petition and ask that the price of dairy products not be lowered as of April 1, 1958, but rather that the price of dairy products be raised until such time as another plan to stabilize dairy prices can be put into effect.

Harry Beneke, President; Alfred Block, Secretary; John C. Popelka; Paul Hernman; R. A. Borchorft; Walter Plath; A. H. Jergens; Vernon Dressel; Frank Svoboda; Gregory Troske; Elmer Buss; Lowell Plath; Edw. Kiyas; George Rannow; Frank Jergens; Clarence Ziemer; Irwin Mielke; Hillard E. Kaufman; Raymond Peters; Wm. H. Dahlke; H. L. W. Rannow; Warren Peters; Mike Wagener; Roy Grunewaldt; Geo. Kreitlow; Robert Peters; Alvin Schwarze; Jerry Urban; Henry Aul; Victor Aul; Charles Johnson; Axel Lundholm; Reuben Mielke; Joe Svoboda; Everett Fugang; Clarence Ondrachek; Joe Morasic; W. A. Peters; Clarence Reimers; Elmer Peters; Hillard H. Graupmann; Raymond Moehring; John G. Pollmann.

The motion to send this was unanimous with all members coming forward to sign five petitions.

Yours truly,

HARRY BENEKE,  
President, Biscay Cooperative Creamery.

#### REPEAL OF TRANSPORTATION TAX—RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a copy of a resolution adopted by the Northwest Shippers

Advisory Board of Minneapolis, Minn. The resolution concerns a repeal of the transportation tax.

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

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

REPEAL OF TRANSPORTATION TAX—RESOLUTION ADOPTED BY THE NORTHWEST SHIPPERS ADVISORY BOARD AT ITS 35TH ANNUAL MEETING, MINNEAPOLIS, MINN., JANUARY 30, 1958

Whereas the excise tax on the transportation of passenger and sleeping car accommodations was a war measure to discourage travel; and

Whereas the excise tax on the transportation of freight was a war measure to increase revenue for the conduct of World War II; and

Whereas inasmuch as the assessment of these taxes places an undue burden on the shipping and traveling public and further handicaps common carriers in their efforts to meet the competition of private transportation; and

Whereas this unfavorable situation has been further aggravated by successive increases in freight charges of generally more than 100 percent: Therefore be it

*Resolved*, That the Northwest Shippers advisory board instruct the Secretary to transmit its opposition to these taxes to all Members of the Congress from the States comprising the board area and to members of the Senate and House Committees on Interstate and Foreign Commerce.

#### THE AGRICULTURAL PROGRAM—LETTERS

Mr. HUMPHREY. Mr. President, I have recently received four communications from Farmers Union locals in Minnesota concerning various aspects of the administration's agricultural program.

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

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

JANUARY 28, 1958.

Senator HUBERT HUMPHREY,  
Washington, D. C.

DEAR SENATOR: We the Farmers Union in regular monthly meeting, wish to express our disapproval of the recommendations on agriculture given the Congress by the President. We cannot see any good reason for the lowering of price supports on any farm products at this time.

We in Big Stone County and surrounding counties are finding it very difficult to pay our bills and taxes at the present prices.

We feel for the good of the farmer and our whole economy that farm product price supports should be maintained or strengthened. Surely the soil bank acreage helps, but the conservation reserve works against the small farmers especially the renters of our area.

We wish to bring this to your attention at this time.

Respectfully submitted.

G. A. GRIFFITH,  
Legislative Secretary, Ortonville, Minn.

DECEMBER 20, 1957.

Whereas the market for this area's product, all kinds of timber, has got so low that only a few timber operators can find a market for this area's timber, thereby throwing the largest part of our population out of employment. We realize that the building

of homes and other buildings has been curtailed by the Government increasing the national interest rate, which takes a large share of the consumers buying power. Just the increase in interest on Government borrowing cost the consumers around \$7 billion a year, and they are small borrowers compared to labor, businesses, and farmers. But the larger building concerns that build buildings on a housing plan, that consists of thousands of buildings, are not able to get the finance on account of the labor's income or extra buying power after taking care of this family is not large enough to keep the payments large enough to put some on the principal after taking care of the interest and this makes it very uncertain whether he can ever get a home paid for. Therefore the building program has fallen so much that the big construction companies are not buying and the pulp mills that make building materials out of pulp does not need pulp as they cannot afford to build building material or any other product when they cannot sell it.

Therefore we are asking Congress to take action to reduce the interest to what it was before the present administration took over and raised the interest rate. We also ask that the importation of pulp from foreign countries be discontinued until our pulp market be brought back to normal.

MILES A. NELSON,  
Chairman.  
Mrs. BETTY ERNSTSEN,  
Secretary-Treasurer.

RENVILLE, MINN., February 3, 1958.

Hon. HUBERT H. HUMPHREY,  
United States Senate, Washington, D. C.

DEAR SIR: We wish to inform you of the following resolutions passed at the last meeting of the Renville Farmers Union local: "Whereas the farmers' income is steadily dropping under the Bensonized flexible farm program and whereas the President has asked for still lower farm price supports which will cause greater hardship for the family type farm: Therefore be it

*Resolved*, that we the members of the Renville Farmers Union local urge our Senators and Representatives to introduce and help pass legislation for a full farm program with supports at not less than 90 percent of parity, not just stop Benson from lowering dairy supports. A full program will save all of agriculture; and

"Whereas the present administration has suggested raising the interest rate of REA and RTA: Therefore be it

*Resolved*, That we the members of the Renville Farmers Union local urge our Senators and Representatives to do what they can to hold down the interest rate to REA and RTA."

Yours truly,

WAYNE HEBRINK,  
Acting Secretary, Renville Farmers Union Local.

HILLMAN, MINN., February 4, 1958.

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

DEAR SENATOR: We, the members of Hillman, Minn., Farmers Union local, resolved that there should be a law to make the self-subsidized, industrialist and professional men that get into farming and ranching to avoid paying their just income tax. Unless the owner receives at least 51 percent of his income from the soil and spends at least 51 percent of his active time in farming, he should not be able to deduct his agricultural losses from his principal occupation income. Six billion dollars in Federal income tax is lost each year in this manner. How does this compare to the amount paid to the farmer in price supports?

The above resolution was adopted February 4, 1958.

ROBERT MEYER,  
*President.*  
ALOIS KACHMARZINSKI,  
*Secretary.*

#### POST OFFICE DEPARTMENT SERVICE—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I have recently received communications from two Minnesota communities concerning post office service. One is a copy of a letter from the mayor of the village of Deephaven, Minn., addressed to the Postmaster General. The other is a letter to me from the secretary-treasurer of the chamber of commerce at Cloquet, Minn.

I ask unanimous consent that the two resolutions be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

VILLAGE OF DEEPHAVEN,  
Excelsior, Minn., February 7, 1958.

HON. ARTHUR SUMMERFIELD,  
Postmaster General,  
Washington, D. C.

DEAR MR. SUMMERFIELD: The Village Council of the Village of Deephaven, Hennepin County, Minn., at its regular meeting held February 5, 1958, adopted the following resolution:

"Resolved, That the Village Council of Deephaven request the Post Office Department to change its boundary lines of delivery to provide delivery to all of the village of Deephaven through one already established post office."

At present, our primarily residential, suburban village of more than 3,000 persons receives mail partly through the Wayzata and partly through the Excelsior Post Offices' rural routes. We are no longer rural and the dual post office identity leads to no end of confusion and inefficiency for persons wishing to reach our people.

Since we do not wish to add to the costs of the United States post office system, we are not requesting a permanent Deephaven post office but merely delivery through one already established.

We wish to number our streets and preserve our village identity (our corporate village limits do not approach those of either Excelsior or Wayzata). We wish the Post Office Department to make arrangements so that we may have mailing addresses consisting simply of name, number, street, Deephaven, Minn.

We would appreciate your early reply to and prompt action upon this request.

Respectfully yours,  
EDWIN F. ROBB, Jr.,  
Mayor.

CLOQUET, MINN., February 10, 1958.  
The Honorable HUBERT H. HUMPHREY,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR HUMPHREY:  
Whereas the Duluth and Minneapolis trains No. 61 and No. 62 have been discontinued;

Whereas a temporary star route from Sandstone to Carlton connects with trains No. 24 and No. 19, has been put into service;

Whereas no provisions for separation of mail at intermediate offices are made by this method;

Whereas the mail for Cloquet is received from train No. 24 at Duluth and arrives at Cloquet too late for afternoon delivery;

Whereas star route service to the county seat during the day has been suspended: Therefore be it

Resolved, That the Cloquet Chamber of Commerce goes on record recommending to the Post Office Department to inaugurate a highway post office between Minneapolis and Duluth via Carlton and Cloquet.

Sincerely yours,  
HARRY NEWBY,  
Secretary-Treasurer, Cloquet Chamber of Commerce.

#### PAY TELEVISION—RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a copy of a resolution adopted by the village of Aurora, Minn., opposing pay television.

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

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

#### Resolution No. 3, 1958

Whereas the matter of pay TV is before the Congress of the United States, and is of concern to every person; and

Whereas there are numerous TV sets in use in the village of Aurora; and

Whereas the people of Aurora feel strongly that pay TV is of no benefit whatsoever to the people of Aurora and other places: Now, therefore, be it

Resolved by the Council of the Village of Aurora, That they are absolutely opposed to pay TV and that the clerk is hereby authorized and directed to forward a copy of this resolution to the Representatives in Congress from this district.

#### FREE MEDICAL AND HOSPITAL BENEFITS—LETTER

Mr. HUMPHREY. Mr. President, I have recently had a letter from the officers of the Minnesota Federation of Finnish Civic Clubs concerning the possibility of amending the Social Security Act so that free medical and hospital benefits can be provided.

I ask unanimous consent that the letter may be printed in the RECORD, and appropriately referred.

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

MINNESOTA FEDERATION  
OF FINNISH CIVIC CLUBS,  
Virginia, Minn., February 7, 1958.

HUBERT HUMPHREY,  
Honorable Senator,  
State of Minnesota.

DEAR SIR: We, the members of the Minnesota Federation of Finnish Civic Clubs, recommend that all who are on social security receive free medical and hospital benefits as the amount now paid to individuals under social security is nowhere near sufficient when illness hits.

We urge you to work toward getting the kind of legislation enacted.

Thank you for your cooperation.  
Sincerely yours,

JOHN OTAVA,  
President,  
NORRIS JARVI,  
Executive Secretary-Treasurer.

#### VETERANS' ADMINISTRATION FUNDS—LETTER

Mr. HUMPHREY. Mr. President, I have recently received a letter from the adjutant of the Veterans of Foreign Wars Big Stone Lake Post, No. 3964, Ortonville, Minn., concerning possible slashes in Veterans' Administration funds.

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

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

VETERANS OF FOREIGN WARS,  
BIG STONE LAKE POST, No. 3964,  
Ortonville, Minn., February 4, 1958.

HON. HUBERT H. HUMPHREY,  
United States Senator,  
Washington, D. C.

DEAR MR. HUMPHREY: As citizens and veterans, we, the members of Big Stone Lake Post, No. 3964, Veterans of Foreign Wars, sincerely hope that you will resist the impending slashes in Veterans' Administration funds by the present Congress. We feel that these funds that are allocated to pensions and hospitalization are at a minimum now and the further reduction would impose a serious hardship on some of these disabled veterans.

Yours truly,  
EARL WENDLING, Adjutant.

#### UNEMPLOYMENT SITUATION IN MINNEAPOLIS AREA—RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a resolution adopted by the City Council of Minneapolis, Minn., on January 31, 1958, relating to the unemployment situation in the Minneapolis area, as affected by difficulties in the agricultural field.

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

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

#### RESOLUTION RELATING TO THE UNEMPLOYMENT SITUATION IN THE MINNEAPOLIS AREA AS AFFECTED BY THE DIFFICULTIES IN THE FIELD OF AGRICULTURE

Whereas unemployment in railroad shops, farm equipment factories, and other industries in Minneapolis is seriously affecting the welfare of its citizens and the economy of the area; and

Whereas, to some extent, the unemployment is related to the difficulties being experienced in the field of agriculture: Now, therefore, be it

Resolved by the City Council of the City of Minneapolis, That we request the Representatives and Senators in the Congress from Minnesota to exert their best efforts to secure expeditious legislation designed to alleviate and improve the agricultural situation, thereby reflecting improvement in other economic areas; further

That the city clerk be directed to transmit a copy of this resolution to each Member of the House and Senate in the Congress from the State of Minnesota.

#### STRENGTH OF THE NATIONAL GUARD—RESOLUTION

Mr. JAVITS. Mr. President, I present a resolution adopted by the Army and



Air National Guard and Naval Militia Association of the State of New York. I ask unanimous consent that the resolution be printed in the RECORD.

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

**RESOLUTION BY ARMY AND AIR NATIONAL GUARD AND NAVAL MILITIA ASSOCIATION OF THE STATE OF NEW YORK OPPOSING THE PLAN OF THE DEPARTMENTS OF DEFENSE AND THE ARMY TO REDUCE THE STRENGTH AND TROOP BASIS OF THE NATIONAL GUARD OF THE UNITED STATES**

Whereas each State and Territory maintains well organized, equipped and trained military forces known as the Army National Guard and Air National Guard of the State or Territory concerned; and

Whereas these forces of the New York National Guard are and have been kept in a high state of readiness for mobilization and some units are on a year-round alert status in the air defense of the continental United States; and

Whereas these military forces have been organized, equipped, supplied, trained and housed under policies and criteria established by the Federal Government and at considerable expense to both Federal and State Governments; and

Whereas periodically, these forces have been converted, redesignated and reorganized at the direction of the Federal Government to conform to the changing requirements of modern war; currently, the Army National Guard is programed for reorganization in accordance with the latest pentomic concepts; these actions are recognized as necessary and vital to the maintenance of a virile and effective Army National Guard; and

Whereas information has recently been released that the Departments of Defense and Army plan to reduce the Army National Guard of the United States by a total of 40,000 from the present strength of 400,000, and this will result in a cut in the New York Army National Guard of about 2,700 on top of a cut imposed in 1957 of about 1,000; and

Whereas such plans of the Federal military departments are also believed to call for reduction in the number of units in the New York Army National Guard over and above changes made necessary by the reorganization of the Guard in accordance with the pentomic concept; and

Whereas such reduction in units would result in the inactivation of historic New York Army National Guard going-concern units which are fully organized, equipped and ready for instant mobilization; and

Whereas similarly, the Department of the Air Force recently announced a plan to eliminate certain fully organized, equipped, and ready New York Air National Guard units stationed at Floyd Bennett Airbase, Brooklyn, N. Y.; and

Whereas such reductions would have a serious adverse effect on National and State defense and upon the New York National Guard; and

Whereas these cutbacks seriously affect the power of the Nation to fight a limited or brush-fire war, and all recent reports on the status of our national defense urge the necessity of maintaining Army and Air strength for this purpose, in addition to the need to catch up with Soviet Russia in the field of missile warfare; and

Whereas these cutbacks may be forced by budgetary pressure and our defense should be based upon what is reasonably needed and should not be made to fit within a prescribed budget figure; and

Whereas this Nation, having only 15 active Army divisions, certainly needs under today's conditions, all 27 combat divisions and

other personnel in the Army National Guard of the United States, including New York's 42d Infantry Division and 27th Armored Division, and also needs the New York Air National Guard, as vital parts of our first line reserve forces, actually in being and ready to back up the Active Army and Air Force in case of emergency: Now, therefore, be it

*Resolved by the officers and executive committee of the Army and Air National Guard and Naval Militia Association of the State of New York in meeting assembled at Albany, N. Y., this 7th day of February 1958, That the association urges Congress to authorize no further cuts in the strength of the Army National Guard and to appropriate funds to support the strength of 400,000 now fixed; and further urges Congress to authorize no reduction or inactivation of units in the troop basis of the Army National Guard or Air National Guard, particularly in the New York Army National Guard and New York Air National Guard.*

#### NATURAL GAS BILL—RESOLUTION

Mr. JAVITS. Mr. President, I present a resolution adopted by the council of the city of Schnectady, N. Y., protesting against the enactment of House bill 8525, the so-called natural-gas bill. I ask unanimous consent that the resolution may be printed in the RECORD.

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

##### Resolution No. 6169

Whereas Congress currently is considering H. R. 8525, the so-called Harris-O'Hara natural-gas bill, which would exclude producers of natural gas from control and regulation by the Federal Power Commission; and

Whereas passage of the Harris-O'Hara bill would result in increased rates for natural-gas users, increases which have been estimated to be as great as \$40 to \$50 per year per family; and

Whereas such increase would be contrary to the public interest, especially in view of the hardships currently being imposed on many families in Schnectady and elsewhere in the country as a result of the present business decline: Now, therefore, be it

*Resolved, That this council hereby opposes the passage of H. R. 8525, the so-called Harris-O'Hara natural-gas bill and all similar bills, and urges the Congress not to approve such legislation, because of the hardship which it would entail for millions of natural-gas consumers in the major cities of our Nation; and be it further*

*Resolved, That copies of this resolution be forwarded to Congressman BERNARD W. KEARNEY, House Speaker SAM RAYBURN, Senators IRVING M. IVES and JACOB K. JAVITS, and to the United States Mayors' Committee Versus Natural Gas Legislation at 730 Jackson Place, Washington, D. C.*

#### FREEDOM OF LITHUANIA—RESOLUTION

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted on February 16, 1958, by the Lithuanian Council of Chicago expressing the deep concern and abiding determination of these citizens to work in every proper way for the freedom of the courageous Lithuanian people.

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

Whereas the restoration of the independence of Lithuania was declared by the Council of Lithuania on February 16, 1918, at the capital city of Vilnius; and

Whereas by the peace treaty of July 12, 1920, Soviet Russia recognized Lithuania as a fully self-governing and completely independent state; and

Whereas by the nonaggression pact of September 28, 1926, the Soviet Union agreed and undertook to respect the sovereignty, territorial integrity, and inviolability of Lithuania under all circumstances; and

Whereas in total disregard of the aforesaid treaties of peace and nonaggression, the Soviet Union forcibly seized and illegally incorporated Lithuania into the empire of the Soviet Union; and

Whereas these acts of aggression committed by the Soviet Union are in direct violation of international law and the Atlantic Charter, and of the Declaration and Charter of the United Nations which were signed by the United States, the Union of Soviet Socialist Republics, and other nations: Therefore be it

*Resolved, That we vigorously restate our condemnation of the U. S. S. R. for its flagrant violation of the Law of Nations in the aggression against and seizure of Lithuania; be it further*

*Resolved, To appeal to the Government of the United States, defender of international law and order, signer of the Atlantic and United Nations Charters, champion of freedom and friend of small and oppressed nations, to use its influence and good offices everywhere and in every way possible; be it further*

*Resolved, To urge the Government of the United States to implement and use the Kersten amendment to the Mutual Security Act of 1953 authorizing \$100 million for the combating of communism in Lithuania and other enslaved nations; be it also*

*Resolved, To thank the Government of the United States for the nonrecognition of the forcible Soviet incorporation of Lithuania and to express our hope and confidence that this nonrecognition will be continued until actual liberation and reestablishment of an independent self-government in Lithuania; be it also*

*Resolved, That these resolutions be delivered to the Honorable Dwight D. Eisenhower, President of the United States of America; the Honorable John Foster Dulles, the Secretary of State of the United States; the Honorable Senators from Illinois, PAUL H. DOUGLAS and EVERETT M. DIRKSEN, and members of the Congressional Foreign Relations Committees; and copies thereof to the press.*

#### DIVERSION OF WATER FROM LAKE MICHIGAN—RESOLUTION

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution recently adopted by the board of the City Club of Chicago urging passage of H. R. 2 to authorize additional diversion of water from Lake Michigan into the Illinois-Mississippi River system for a 3-year trial period. I am glad that the careful study of these Chicago leaders has prompted their support of this important measure.

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

**RESOLUTION ADOPTED BY THE CITY CLUB BOARD FEBRUARY 5, 1958—URGE INCREASED WATER DIVERSION FROM LAKE MICHIGAN**

There is now pending before the Senate of the United States H. R. 2, authorizing

the State of Illinois and the Metropolitan Sanitary District of Greater Chicago to divert an additional amount of 1,000 cubic feet per second of water from Lake Michigan into the Illinois Waterway for a period of 3 years to permit studies to be conducted under the direction of the Secretary of the Army to determine the effect of such diversion and to report the results together with recommendations to Congress. The pending bill passed the House of Representatives in the 85th Congress, 1st session, and is now pending, along with Senate bill 1123, in the Senate of the United States.

The City Club has for many years supported additional diversion of water from Lake Michigan and now supports the pending bill, for the following reasons:

1. Competent evidence has been presented to Congress at previous sessions which has demonstrated the necessity for the study proposed under H. R. 2 to enable Congress to take permanent action on the important question of diversion of water from Lake Michigan.

2. The complaining residents and business interests of certain lake States heretofore have opposed legislative measures for diversion on the basis of unproved allegations that lake levels would be materially reduced and hydroelectric power produced at Niagara Falls would be adversely affected.

3. A report by Major General Itschner, Chief of Engineers, United States Army, to the Secretary of the Army, dated January 29, 1957, and a report of the International Lake Ontario Board of Engineers to the International Joint Commission, dated June 14, 1955, found that a temporary 3-year additional diversion of water from Lake Michigan at Chicago, as proposed in H. R. 2, would have insignificant effect on both navigation and power production in other Great Lakes States.

4. Such additional diversion would be of great benefit to the people of Chicago and the State of Illinois, and would permit an adequate study to be made of the effect on navigation and sanitation.

The City Club of Chicago urges passage by the Senate of the United States of H. R. 2, which will authorize additional diversion of water from Lake Michigan for a 3-year period and permit a study of the effect of such diversion on navigation.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 2114. A bill to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to acquire land for field sites, to undertake construction and improvement of buildings, and for other activities (Rept. No. 1292).

#### NEGOTIATIONS WITH JAPAN FOR PROTECTION OF ALASKAN RED SALMON FISHERIES—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 263) favoring negotiations with the Government of Japan for the protection of the Alaskan Red Salmon Fisheries, and submitted a report (No. 1291) thereon; which resolution was placed on the calendar, as follows:

Whereas the salmon fisheries of the Territory of Alaska are vital to the economic

welfare of the Nation as well as to the Territory; and

Whereas the salmon fisheries constitute a valuable natural resource that provides millions of pounds of food and employment for thousands of persons annually; and

Whereas the 1947 Red Salmon pack was 1,887,500 cases valued at \$44,133,000; and

Whereas the average Red Salmon pack for the past 10 years has been only 983,000 cases; and

Whereas the wholesale value of the 1957 Red Salmon pack was only \$24,651,000; and Whereas in 1952 Japan concluded a treaty with Canada and the United States whereby Japan agreed to abstain from taking salmon spawned in Alaskan waters; and

Whereas in 1954, with the treaty in full effect, Japan initiated high seas fishing on a substantial scale; and

Whereas Japan has increased and expanded its high seas fishing program during the years 1955, 1956, and 1957; and

Whereas studies indicate that unless emergency action is taken the Red Salmon cycle will be impaired and weakened to the point from which full recovery may never be possible; and

Whereas in the circumstances the United States is faced with closing certain fisheries entirely to our fishermen, thereby creating severe economic dislocation, or, in the alternative, allowing them to fish 7 days a week to meet the Japanese competition; and Whereas to do either of the foregoing would end in serious economic dislocation and possible destruction of the fisheries:

Resolved, That the Secretary of State, together with other appropriate officials of our Government, immediately initiate negotiations with the appropriate officials and agencies of the Government of Japan for the purpose of:

(a) Effectuating the purposes of the treaty entered into by the United States, Canada, and Japan in 1952; and

(b) Assuring in time for the 1958 season necessary action to prevent destruction of salmon stocks of North American origin.

#### EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Howard F. Jones, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Indonesia, vice John M. Allison.

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Richard F. Elden, and sundry other persons, for appointment as chief warrant officers in the United States Coast Guard.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. FULBRIGHT:

S. 3296. A bill to encourage the creation and understanding of music; to the Committee on the Judiciary.

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

S. 3297. A bill to provide for Federal cooperation with the Nebraska Midstate Reclamation District, Nebraska, in the construction of the Midstate project; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 3298. A bill providing for the retroactive payment of old-age insurance benefits under title II of the Social Security Act to farmers who retire after having attained more than 65 years of age; to the Committee on Finance.

By Mr. LANGER (for himself and Mr. YOUNG):

S. 3299. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the birth of Theodore Roosevelt; to the Committee on Banking and Currency.

By Mr. JAVITS:

S. 3300. A bill for the relief of Jean Andre Paris; to the Committee on the Judiciary; and

S. 3301. A bill to increase the membership of the National Security Council by authorizing the appointment of four additional members from civilian life, and for other purposes; to the Committee on Armed Services.

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

By Mr. ALLOTT:

S. 3302. A bill to amend the Internal Revenue Code of 1954 to establish a 27½ percent depletion allowance for minerals mined as a source of synthetic oil or gas; to the Committee on Finance; and

S. 3303. A bill for the relief of Victoriano Davis Verastique (Victor Davis); to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 3304. A bill relating to price support for the 1958 and subsequent crops of extra long staple cotton; to the Committee on Agriculture and Forestry.

By Mr. PROXMIER:

S. 3305. A bill for the relief of Adamantia Andrikopoulous (Pappas) Papavasiliou; to the Committee on the Judiciary.

By Mr. PROXMIER (for himself, Mr. THURMOND, Mr. LANGER, Mr. HUMPHREY, Mr. HILL, Mr. ANDERSON, Mr. SPARKMAN, Mr. MORSE, and Mr. DOUGLAS):

S. 3306. A bill to prohibit the making of gifts to officials of Government agencies by persons having business with such agencies, and to prohibit the acceptance of such gifts; to the Committee on the Judiciary.

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

By Mr. DIRKSEN:

S. 3307. A bill to reinstate certain terminated oil and gas leases; to the Committee on Interior and Insular Affairs; and

S. 3308. A bill for the relief of Itica Aronovici; to the Committee on the Judiciary.

By Mr. DIRKSEN (by request):

S. 3309. A bill for the relief of the Aurex Corp.; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3310. A bill to relieve the obligation on an immigration bond posted in the case of Sofia Gumuchdjan; to the Committee on the Judiciary.

By Mr. MURRAY (for himself, Mr. MANSFIELD, Mr. COOPER, Mr. MORSE, Mr. McNAMARA, and Mr. LANGER):

S. 3311. A bill to authorize assistance to States and local communities in remedying the inadequacies in the number of their teachers and teachers' salaries and the shortage in classrooms; to the Committee on Labor and Public Welfare.

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

By Mr. HUMPHREY:

S. 3312. A bill to amend section 9 (b) (3) of the National Labor Relations Act so as to eliminate the provision thereof prohibiting the certification, as bargaining representative of persons employed as guards, of a labor organization which admits to membership, or



is affiliated with an organization which admits to membership, employees other than guards; to the Committee on Labor and Public Welfare; and

S. 3313. A bill to amend the Mutual Security Act of 1954 in order to provide for overseas programs for scientific and technological information; to the Committee on Foreign Relations.

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

By Mr. HOLLAND:

S. 3314. A bill for the relief of the city of Fort Myers, Fla., Lee County, Fla., and the Inter-County Telephone & Telegraph Co., Fort Myers, Fla.; to the Committee on the Judiciary.

By Mr. BIBLE (for himself, Mr. MURRAY, and Mr. CHURCH):

S. 3315. A bill to provide for the suspension of annual assessment work for the year ending July 1, 1958, with respect to mining claims held by location in the United States, including the Territory of Alaska; to the Committee on Interior and Insular Affairs.

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

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

S. 3316. A bill for the relief of Kiyoshi Ueda; to the Committee on the Judiciary.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 3317. A bill to authorize the Santa Cruz Harbor project, Santa Cruz, Calif.; to the Committee on Public Works.

By Mr. GREEN (for himself and Mr. WILEY) (by request):

S. 3318. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; to the Committee on Foreign Relations.

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

By Mr. BRIDGES:

S. J. Res. 151. Joint resolution to adopt a specific version of the Star-Spangled Banner as the national anthem of the United States of America; to the Committee on the Judiciary.

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

By Mr. DIRKSEN (by request):

S. J. Res. 152. Joint resolution to provide for the designation of October 31 of each year as Youth Honor Day; to the Committee on the Judiciary.

#### RESOLUTION

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 263), which was placed on the calendar.

(See resolution printed in full where it appears under the heading "Report of a Committee.")

#### ADDITIONAL MEMBERS OF NATIONAL SECURITY COUNCIL

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to expand the National Security Council by the addition of four public members to be appointed by the President, and confirmed by the Senate, and to require the Council to make an annual report to the Congress and the people.

The basic purpose of this bill is to make of the National Security Council a broadly based national board of strategy, with continuing daily contacts both inside and outside Government, and in

this way reflecting and coordinating both the policy needs of the Defense Establishment and of the private sector of the economy. For our greatest strength and power are in our production, which is largely privately owned and managed.

The strategic concept of defense as it relates to our foreign policy must be clear. Also, the economic implications of defense preparation, so vital right now as part of an antirecession program, is an essential element of consideration by the National Security Council. This was the reason for the establishment of the National Security Council by the National Security Act of 1947, whose purpose was to "assess and appraise the objectives, commitments, and risks of the United States in relation to its actual and potential military power in the interests of national security for the purpose of making recommendations to the President." The National Security Council is more than a staff instrument for the President. This is shown by the specific statute authorizing its jurisdiction and membership, as well as by its recognition as an operating entity which is quoted as an authority for the highest level policy of our Government.

The activities of this Council were to be supported by a number of agencies in peacetime, but primarily by the Central Intelligence Agency created at the same time by the same law.

Events which surrounded the unreleased Gaither report indicated a great dissatisfaction with the amount of public participation and public knowledge of the operations of the NSC.

The prime lesson to be learned from the Russian challenge in applied science and weaponry is that the defense of our country requires a total effort—not by Government alone—and that the public must be made aware of and share in great national decisions which are required. We must recognize that Government does not have all the answers in this field, and that the private sector of our economy—management, labor, investors, farmers, and private voluntary organizations—can make a substantial contribution in meeting the common challenge. Recent studies by private organizations amply demonstrate that some of the deepest, most constructive thinking is being done outside of Government.

In attuning the Council more closely to the public, we would be following through on the original philosophy underlying its creation. The report on the Council made by Ferdinand Eberstadt of New York to then Secretary of the Navy, James Forrestal, on October 27, 1945, called for close links to the private sector through published reports on its activities to the extent that the national security does not absolutely require secrecy. The report stated:

The public would be kept posted on these vital matters by an authoritative and dependable source.

Through such reports, the Council could be a national board of higher strategy and could aid in building up public support for clear-cut, consistent, and effective foreign and military policies.

This bill provides that the four public members shall be "appointed by the President, by and with the consent of the Senate, to serve at his pleasure, not more than two of whom shall be from each of the two major political parties."

The section dealing with the issuance of annual reports by the Council states that "the Council shall submit to the President and to the Congress annually a report concerning the activities of the Council and shall from time to time make such recommendation and such other reports to the President as it shall deem appropriate or as the President may require." The national security would not be endangered, nor would classified material be revealed.

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

The bill (S. 3301) to increase the membership of the National Security Council by authorizing the appointment of four additional members from civilian life, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Armed Forces.

#### PROHIBITION OF GIVING OR ACCEPTING GIFTS OR ANY OTHER THING OF VALUE FROM PERSONS HAVING BUSINESS WITH GOVERNMENT AGENCIES

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. HUMPHREY], the senior and junior Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from New Mexico [Mr. ANDERSON], the Senator from Oregon [Mr. MORSE], and the Senator from Illinois [Mr. DOUGLAS], I introduce for appropriate reference, a bill to prohibit the making of gifts to officials of Government agencies by persons having business with such agencies, and to prohibit the acceptance of such gifts. Representative MOULDER, of Missouri, is introducing a similar bill in the House of Representatives.

Mr. President, I ask unanimous consent that the bill be permitted to lie on the table until Friday, February 21, in order to permit any other Senators who wish to do so to add their names as cosponsors.

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

Mr. PROXMIRE. Mr. President, the present law governing the giving or receiving of things of value on the part of officials of the Government and persons who have a direct interest in their decisions and actions, in my judgment extremely inadequate.

It fails to provide a clear and positive guide for the proper conduct of the persons involved. It is the duty of Congress to prescribe clear standards to govern the conduct of persons in the Government agencies and those who have an interest in their acts. The present lack of such standards imposes the risk of penalty upon those who voluntarily subscribe to

high ethical standards in their own relations with such Government officials, and permits the possibility of unfair and intolerable influence upon the acts of Government officials, through conduct which falls short of those standards.

I was extremely disappointed last week, Mr. President, to find that President Eisenhower apparently condones and approves of the present law. In his press conference, he called attention to the statute which permits members of the Federal Communications Commission to take "honorariums or compensation" from persons and corporations which have business before that Commission.

It was disappointing, indeed, that the President has not seen fit to come forward with a strong recommendation for correcting this loophole in the law. But it was all the more disappointing that he indicated he positively approves of the law as it now stands.

The bill which my colleagues and I are introducing today will close this unfortunate loophole.

Public officials in the Federal Communications Commission are charged with the responsibility to make decisions that involve the granting of property rights from the public domain that are worth literally millions of dollars. The air waves constitute a severely limited public resource. The right to use them constitutes an enormously profitable property right. The public interest in their proper use is likewise tremendously important; radio and television are vital forces in modern life, morals, education, and social development. There must not be even the slightest ground for suspicion that the integrity of the decisions entrusted to the Federal Communications Commission is compromised in any way by any possible conflict between personal interests of the Commissioners and the public interest.

The same standard of absolute integrity should apply to the officials of all regulatory agencies and all other Government departments. These agencies, in their routine work, exercise tremendously broad grants of executive, legislative, and judicial powers, combined. Their powers profoundly affect the lives of all the people. The people have a right to unquestioned confidence that the decisions of these public officers will reflect as disinterested a judgment of the public interest as the law can provide.

Mr. President, this matter has aroused deep concern among responsible citizens. Two of the Nation's most respected newspapers have called for the bill I am introducing today, in editorials that have come to my attention. Undoubtedly others have commented in similar vein. I ask unanimous consent to have 3 brief editorials—2 from the Milwaukee Journal, and 1 from the Washington Post—printed at this point in the RECORD.

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

[From the Milwaukee Journal]

#### LAW JUSTIFIES IMPROPRIETY

While Congress is making up its mind about whether to push ahead with an investigation of Federal regulatory agencies, there is one thing it can do to prove to the pub-

lic that it wants honesty and propriety. It can close the loophole in the Federal Communications Act by which some FCC Commissioners justify taking honorariums from the industries they regulate.

The law, which forbids Commissioners to do any outside work, says that the ban "shall not apply to the presentation or delivery of publications or papers for which a reasonable honorarium or compensation may be accepted."

It is this law that Chairman John Doerfer cites as justification for his acceptance of \$575 for giving a speech to an industry group. The intent of Congress was not that at all. It was to allow for technical papers or publications not connected with official duties.

T. A. M. Craven is one FCC Commissioner who understands this, and understands the impropriety of accepting compensation from those he regulates. He has testified that he considers it improper.

It is improper. Commonsense alone should make that evident. But it doesn't—as Doerfer's testimony shows. So the matter should be taken care of by law. Congress should close the Communications Act loophole by removing from the act the permission to accept honorariums. It should further ban acceptance of industry-paid expense accounts. All this it can do quickly and without further study, for the need is self-evident.

A law that can be used to justify impropriety is bad law and dangerous law.

[From the Milwaukee Journal]

#### NOT JUST A LEGALISTIC SHRUG

President Eisenhower says his lawyer advises him that it is proper under law for Federal Communications Commissioners to accept honorariums for speeches before industry groups. But, the President says, he himself hasn't heard much about the current FCC investigations except what he has read in the papers.

This hardly sounds like a leader of the clean-as-a-hound's-tooth administration that the President promised back in 1953.

Surely the fact that Commissioners have received expense money and honorariums from individuals and organizations they regulate (sometimes getting Government expenses as well) can't be passed off with a legalistic shrug.

What is important here is more than the illegality that may be involved. Here is a matter of propriety, of ethics, of the need for officials to keep their hands clean. It is part of the very thing that Eisenhower was so critical of when he campaigned against the former administration.

The President has been indifferent to conflict-of-interest cases in the past—often to be forced later to act when public opinion rose high. Is this going to be another case of waiting for public opinion? Or is the President going to do what he once promised—demand publicly that his officials stay above suspicion and avoid even the appearance of wrongdoing?

[From the Washington Post]

#### LAW AT FAULT, TOO

President Eisenhower missed a good opportunity yesterday to urge repeal of the law which authorizes members of the Federal Communications Commission to accept fees for speeches. Instead, he merely directed attention to the law when asked at his news conference to comment on the Moulder subcommittee investigation into alleged misconduct within the FCC. The subcommittee has brought out that Chairman Doerfer of the FCC has on several occasions accepted compensation for speeches at broadcasters' conventions, and yesterday he acknowledged that he had accepted a week's hospitality from a broad-

caster who had a case before the FCC. This and the controversy over whether Mr. Doerfer was compensated twice for certain expenses point to possibly serious derelictions. Quite apart from Mr. Doerfer's own conduct, however, the law seems to us one of the causes of difficulty in the FCC.

The legislative history does not indicate why Congress exempted fees for speeches when it amended the FCC Act in 1952 so as to forbid the commissioners to engage in any other business, profession or employment. But its intent to exempt the fees seems to be clear enough. After laying down a prohibition against outside employment, the statute provides: "but this shall not apply to the presentation or delivery of publications or papers for which a reasonable honorarium or compensation may be accepted." It should have been obvious when the amendment was passed that it would open the door to questionable relations between FCC members and the industries they regulate.

We think Chairman Doerfer was indiscreet in taking advantage of the privilege the law gives him, but the basic defect is in the law itself. Instead of inviting members of regulatory bodies to receive honorariums from interests under their control, the law should specifically forbid this practice. It should also forbid the Commissioners to accept transportation allowances, hotel expenses, and other gifts and favors from interests under their regulation. If these changes were accompanied by more liberal expense allowances from the Government to cover activities in which Commissioners ought to participate in the course of official business, and if the FCC would adopt a code of ethics to insulate its members from the many pressures brought to bear upon them, especially from Congress, the quality of its service could be greatly improved.

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

The bill (S. 3306) to prohibit the making of gifts to officials of Government agencies by persons having business with such agencies, and to prohibit the acceptance of such gifts, introduced by Mr. PROXMIRE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

#### SOFIA GUMUCHDJIAN—INDEFINITE POSTPONEMENT OF BILL

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill to relieve the obligation on an immigration bond posted in the case of Sofia Gumuchdjian. This bill is to supersede the bill (S. 2482) for the relief of George Barsam, introduced by me on July 8, 1957. The Commissioner of Naturalization and Immigration has advised me that the bill I introduce today is in the preferred form. Therefore, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate bill 2482, and that it be indefinitely postponed.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the committee will be discharged from the further consideration of Senate bill 2482, and the bill will be indefinitely postponed. The Chair hears no objection.

The bill (S. 3310) to relieve the obligation on an immigration bond posted in the case of Sofia Gumuchdjian, intro-



duced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

# PROPOSED SCHOOL ASSISTANCE ACT OF 1957

Mr. MURRAY. Mr. President, on behalf of myself, and my colleague the junior Senator from Montana [Mr. MANSFIELD], the Senator from Kentucky [Mr. COOPER], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. McNAMARA], I introduce, for appropriate reference, a bill to provide financial assistance to States and local communities in remedying the inadequacies in the number of their teachers and in teachers' salaries as well as the shortage of classrooms. This bill is identical to H. R. 10763, which was introduced in the House by Representative LEE METCALF, of the First Congressional District of Montana, on last Monday, February 17.

The Senate is well aware of the urgent needs of our schools and the obvious inability of the States and local communities alone to provide the American people with the kind of education they need and deserve. An educated people is basic to the preservation of our national security and our ideals of democracy. An educated people is vitally necessary to the cause of world peace, and thus to the preservation of civilization. The responsibility of the Federal Government in this area cannot continue to be neglected and denied.

This bill proposes to appropriate amounts sufficient to provide a payment of \$25 per school-age child for the fiscal year beginning July 1, 1958; \$50 per child for the fiscal year beginning July 1, 1959; \$75 per child for the fiscal year beginning 1960; and for each fiscal year thereafter \$100 per school-age child.

This bill has no Federal control provisions. The choice of using the money herein provided for either teacher salaries or school construction is left to the discretion of the receiving States. Each State may choose to use the money partly for each purpose and in any proportion determined by the State. The bill provides for reporting to the United States Commissioner of Education as to the manner the State chooses to utilize the funds granted under this act.

The maintenance of effort for education by the States is required through a formula written into the bill, and any State which does not make a just effort to meet its responsibility to education will have its Federal funds proportionately reduced.

I believe this bill will help broaden the tax base for support of elementary and secondary education in the States. It will be an important and long overdue step toward adequate compensation for teachers, toward encouraging good teachers to remain on the job, and toward attracting competent new teachers to this most important of professions.

Those who are concerned as I am about improving the quality of education have here a chance to make such improvements a fact. Undertrained, overworked teachers in overcrowded, outmoded classrooms cannot give qual-

ity education to our Nation's future citizens.

I am heartily in accord with scholarships for college students and am proud of my colleagues who have proposed bold and effective action which I shall support in this area. But this alone is not the answer. Under present conditions in too many school districts far too many of our future scientists, artists, statesmen and political leaders are being lost through discouragement and frequently through outright failure of present inadequate school programs which, despite well-meaning citizens and educators cannot meet the educational needs of all our boys and girls. In this day and age we cannot continue to take the awful risk of losing even one.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point as a part of my remarks, and that the bill be held at the desk for a period of 10 days, so that other Senators may have ample opportunity to join in its sponsorship.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from Montana.

The bill (S. 3311) to authorize assistance to States and local communities in remedying the inadequacies in the number of their teachers and teachers' salaries and the shortage in classrooms, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.—*

## SHORT TITLE

SECTION 1. This act may be cited as the "School Assistance Act of 1957."

## FINDINGS AND PURPOSE OF ACT

SEC. 2. The Congress finds that despite sustained and vigorous efforts by the States and local communities, which have increased current school construction to an unprecedented level, and have likewise increased expenditures for teachers' salaries, there is still a serious national shortage of classrooms and of teachers requiring emergency action on the part of the Federal Government. The limited financial resources available to many communities are not adequate to support construction programs of sufficient size to eliminate their classroom shortages, and practically all communities are faced with the problem of providing reasonable compensation to their growing numbers of teachers. While the Congress recognizes that responsibility for providing adequate school facilities and teaching staff lies primarily with the States and local communities, the national interest requires that the Federal Government assist State and local governments in solving these pressing problems. It is the purpose of this act to provide Federal financial assistance on a grant basis to help meet the problems of inadequate facilities and inadequate teachers' salaries.

## AUTHORIZATION OF APPROPRIATIONS

SEC. 3. There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1958, and for succeeding fiscal years, amounts equal to the product of the estimated number of the school-age population of all the States as of such year and the following amounts: For the fiscal year beginning July 1, 1958, \$25; for the fiscal year

beginning July 1, 1959, \$50; for the fiscal year beginning July 1, 1960, \$75; and for each fiscal year thereafter, \$100.

## ALLOTMENTS TO STATES

SEC. 4. (a) The Commissioner shall allot for each fiscal year to each State making certifications pursuant to section 6 and having plans approved pursuant to section 7, from the total amount appropriated for such year pursuant to section 3, an amount which bears the same ratio to such total as such State's estimated school-age population bears to the total estimated school-age population of all such States, subject only to such adjustments, if any, as result from the application of section 5.

(b) Each State allotment may be divided in two portions. One portion, hereinafter called the school construction and basic instructional equipment allotment, shall be the amount the State education agency shall request and certify to the Commissioner for grants under section 7. The remaining portion, hereinafter called the teacher salary allotment, shall be for grants under section 6.

## MAINTENANCE OF STATE AND LOCAL SUPPORT FOR SCHOOL FINANCING

SEC. 5. (a) The amount allotted to any State under section 4 for any year shall be reduced by the percentage (if any) by which its State school effort index for such year is less than the national school effort index for such year. The total of such reductions shall be reallocated among the remaining States by proportionately increasing the amounts allotted to them under such section for such year.

(b) For purposes of subsection (a)—

(1) the State school effort index for any State for a fiscal year is the quotient obtained by dividing (A) the State's school expenditures per public-school child by (B) the income per child of school age for the State; except that the State school effort index shall be deemed to be equal to the national school effort index in the case of (i) Alaska, Hawaii, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia, and (ii) any State for which the school expenditures per public-school child are not less than the school expenditures per public-school child for the continental United States;

(2) the national school effort index for any fiscal year is the quotient obtained by dividing (A) the school expenditures per public-school child for the continental United States by (B) the income per child of school age for the continental United States.

(c) (1) The school expenditures per public-school child for any State for purposes of determining its State school effort index for any fiscal year means the quotient obtained by dividing (A) the total expenditures by the State and subdivisions thereof for elementary and secondary education made from current revenue receipts derived from State and local sources in the State, as determined by the Commissioner on the basis of data for the most recent school year for which satisfactory data for the several States are available to him, by (B) the number of children in average daily attendance in public elementary and secondary schools in such State, as determined by the Commissioner for such most recent school year.

(2) The school expenditures per public-school child for the continental United States for purposes of determining the national school-effort index for any fiscal year means the quotient obtained by dividing (A) the total expenditures by the States and subdivisions thereof for elementary and secondary education made from current revenue receipts derived from State and local sources in the continental United States, as determined by the Commissioner for the same school year as is used under paragraph (1),

by (B) the number of children in average daily attendance for such year in public elementary and secondary schools in the continental United States, determined as provided in paragraph (1).

(3) The income per child of school age for the States and for the continental United States shall, for purposes of subsection (b), be determined by the Commissioner on the basis of the incomes per child of school age for the most recent year for which satisfactory data are available from the Department of Commerce.

#### GRANTS FOR TEACHERS' SALARIES

SEC. 6. (a) Before an allotment is granted for teachers' salaries under section 4, each State shall certify to the Commissioner through its State educational agency that its teacher salary allotment will be—

(1) distributed among its public-school districts;

(2) used solely by such districts for teachers' salaries;

(3) so distributed that each public-school district in the State will receive at least three-fourths of the amount which bears the same ratio to the total allotment as the number of its teachers bears to the number of teachers of all the State's public-school districts; and shall be paid such allotment by the Commissioner in such installments as such agency shall from time to time certify to be currently needed.

(b) The two conditions imposed on such payments are—

(1) that the State agency shall verify from time to time in compliance with the Commissioner's regulations that such funds were distributed and expended in compliance with its certification; and

(2) that the Commissioner shall withhold amounts otherwise payable to any State which fails to make such verification or fails to comply with its certification, until it rectifies such failure or satisfies the Commissioner that it will do so.

#### STATE SCHOOL-CONSTRUCTION PLANS

SEC. 7. (a) Any State desiring an allotment for construction and basic instructional equipment shall submit to the Commissioner, through its State educational agency, a State plan which shall—

(1) provide that the State educational agency shall be the sole agency for administering the plan;

(2) set forth a program under which funds paid to the State from its school construction allotment will be expended solely for school-facilities construction projects approved by the State educational agency;

(3) set forth principles for determining the priority of projects in the State for assistance from such funds which will assure that first priority will be given to local educational agencies which, upon making an effort commensurate with their economic resources, are unable, solely because of lack of such resources, to finance from the resources available to them the full cost of needed school facilities; the priority principles set forth in accordance with this paragraph shall take into account (A) the financial resources of the several local educational agencies in the State, (B) the efforts which have been and are being made to meet their needs for school facilities out of State and local funds, and (C) the urgency of their needs for school facilities, determined according to conditions of overcrowding or lack of facilities, and the extent to which unsafe and obsolete facilities are in use;

(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for such Federal funds;

(5) provide an opportunity for a hearing before the State educational agency to each local educational agency within the State which applies for approval of a construction project;

(6) provide for the establishment of standards on a State level for planning and constructing school facilities; and

(7) provide that the State educational agency will make such reports to the Commissioner, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his duties under this act.

In the case of any State in which a State agency has exclusive responsibility for the financing of the construction of school facilities, the Commissioner may modify or make inapplicable any of the foregoing provisions of this section to the extent he deems such action appropriate in the light of the special governmental or school organization of such State.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a), but shall not finally disapprove any State plan or modification thereof without first affording to the State educational agency reasonable notice and opportunity for a hearing. Hearings hereunder shall be subject to the Administrative Procedure Act.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State educational agency, finds that—

(1) the State plan approved under this section has been so changed that it no longer complies with the provisions of subsection (a); or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

he shall make no further reservations under section 7 (b) for projects in the State, and no further payments for any project directly affected by such failure, until he is satisfied that there is no longer any such failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal funds which have been diverted or improperly expended. After notice as provided in this subsection to any State, the Commissioner may suspend further reservations of funds under section 7 (b) for projects in the State, pending the making of findings under this subsection.

#### PAYMENTS TO STATES FOR SCHOOL CONSTRUCTION

SEC. 8. (a) Payments from the State's school-construction allotment shall be made to those State educational agencies which administer plans approved under section 6 and which furnish statements to the Commissioner in accordance with this section. Each such statement shall (1) set forth one or more projects approved by the State educational agency under the plan, (2) set forth the estimated cost of each such project, (3) set forth the amount of the Federal-State grant proposed to be made by the State educational agency with respect thereto, and (4) include a certification that State funds to cover the State share of such Federal-State grant will be available.

(b) Except as provided in section 9, the Commissioner shall issue, to each State educational agency furnishing a statement in accordance with subsection (a), a commitment reserving, out of the State's allotment, for each project included in the statement, the amount requested by the State educational agency for that period. The Commissioner shall change any amount so reserved upon request of the State educational agency and receipt of an amended statement from such agency, but only to the extent the change is not inconsistent with the other provisions of this act. The Commissioner shall pay the amount reserved to the State educational agency upon certification by the State educational agency that the financing of the remainder of the cost of construction of the project has been arranged. Funds so paid shall be used exclusively to meet the cost of constructing the project for which the amount was reserved.

(c) In lieu of certification by a State educational agency pursuant to clause (4) of subsection (a) with respect to a project, the Commissioner may accept certification by such agency that an amount equivalent to the State share of the payment with respect to such project has been arranged through provision for State payments toward the debt service on the loan (if any) to help finance part of the construction of such project, provision for waiver of payments due the State or any agency thereof with respect to such project, or other provision which, in the judgment of the Commissioner, is (or is estimated to be) equivalent to such State share.

(d) If any project for which one or more payments have been made under this section is abandoned, or is not completed within a reasonable period determined under regulations of the Commissioner, the State to which such payments were made shall repay to the United States, for deposit in the Treasury of the United States as miscellaneous receipts, the amount of such payments or such lesser amount as may be reasonable under the circumstances (as determined by agreement of the parties or by action brought in the Federal district court for the district in which such project is located).

#### JUDICIAL REVIEW

SEC. 9. (a) If any State is dissatisfied with the Commissioner's final action under this act, such State may, within 60 days after notice of such action, file in the United States district court for the district in which the capital of the State is located, a petition to review such action. The petition for review shall (1) contain a concise statement of the facts upon which the appeal is based and (2) designate that part of the Commissioner's decision sought to be reviewed.

(b) Notification of the filing of the petition for review shall be given by the clerk of the court by mailing a copy of the petition to the Commissioner.

(c) No costs or docket fees shall be charged or imposed with respect to any judicial review proceedings, or appeal therefrom, taken under this act.

(d) Upon receipt of the petition for review the Commissioner shall, within 20 days thereafter, certify and file in the court the record on review, consisting of the complete transcript of the proceedings before the Commissioner. No party to such review shall be required, by rule of court or otherwise, to print the contents of such record filed in the court.

(e) All appeals from orders of the Commissioner shall be heard anew in the district court on the record filed, unless the court, for good cause shown, and on such terms as may be just, orders that other evidence be received.

(f) The court after review may dismiss the petition or deny the relief prayed for, or may suspend, modify, or set aside, in whole or in part, the action of the Commissioner, or may compel action unlawfully withheld. The judgment of the court shall be subject to review as provided in sections 1291 and 1254 of title 28 of the United States Code.

#### LABOR STANDARDS

SEC. 10. (a) The Commissioner shall not make any payments under this act to assist in financing the construction of any school facilities project, except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on such project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U. S. C. 276a-276a-5).

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a) of this section, the authority and functions set forth in Reorganization



Plan No. 14 of 1950 (15 F. R. 3176; 64 Stat. 1267), and section 2 of the act of June 13, 1934, as amended (40 U. S. C. 276c).

#### UTILIZATION OF OTHER AGENCIES

SEC. 11. In administering the provisions of this act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and, without regard to section 3709, as amended, of the Revised Statutes, of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary of Health, Education, and Welfare, and the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon by the Secretary and the head of the agency or institution concerned.

#### APPROPRIATION FOR ADMINISTRATION

SEC. 12. There are hereby authorized to be appropriated for each fiscal year to the Department of Health, Education, and Welfare such sums as may be necessary for administration of this act.

#### DELEGATION OF FUNCTIONS

SEC. 13. The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this act except the making of regulations.

#### ASSURANCE AGAINST FEDERAL INTERFERENCE IN SCHOOLS

SEC. 14. In the administration of this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system.

#### DEFINITIONS

SEC. 15. For purposes of this act—

(a) The term "Commissioner" means the United States Commissioner of Education.

(b) The term "State" means a State, Alaska, Hawaii, Puerto Rico, Guam, or the Virgin Islands, Wake Island, the District of Columbia, and American Samoa.

(c) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the governor or by State law.

(d) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a city, county, township, school district, or political subdivision in a State; and includes any State agency which directly operates and maintains public schools. If a separate public authority, other than a State school-financing agency, has responsibility for the provision or maintenance of school facilities for any local educational agency or the financing of the construction thereof, or for the employment of teachers, such term includes such other authority.

(e) The term "public-school district" means any public-school district under a local educational agency.

(f) The term "school facilities," except as otherwise provided in this paragraph, means classrooms and related facilities (including initial equipment, machinery, and utilities necessary or appropriate for school purposes), for education which is provided as elementary or secondary education, in the applicable State, at public expense and under public supervision and direction; and interests in land (including site, grading, and improvement) on which such facilities are constructed. For purposes of this act such term does not include interests in land or off-site improvements, or structures or facilities designed to be used exclusively for special activities, such as single-purpose auditoriums and gymnasiums.

(g) The terms "constructing" and "construction" mean the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(h) The term "child of school age" means a child who is between the ages of 5 and 17, both inclusive.

(i) The term "school-age population" means that part of the population which is between the ages of 5 and 17, both inclusive, and such school-age population for the several States shall be determined on the basis of the population between such ages for the most recent year for which satisfactory data are available from the Department of Commerce.

#### AMENDMENT OF NATIONAL LABOR RELATIONS ACT, RELATING TO EMPLOYMENT OF GUARDS

Mr. HUMPHREY. Mr. President, from time to time I have mentioned on the Senate floor the serious discrimination contained in section 9 (b) (3) of the Taft-Hartley Act depriving any guards union from affiliating with any other union which admits employees other than guards to membership.

Correspondence with the Twin Cities Guards Union Local No. 42, in Minneapolis has made me acutely conscious of the serious discrimination which this section of the Taft-Hartley Act imposes on Guards Union members. Guards ought to have the right to join in unified action on the same basis as other members of organized labor.

Consequently, I have prepared an amendment which would repeal that part of the Taft-Hartley action to which I have just had reference. I introduce the bill, and ask that it be appropriately referred.

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

The bill (S. 3312) to amend section 9 (b) (3) of the National Labor Relations Act so as to eliminate the provision thereof prohibiting the certification, as bargaining representative of persons employed as guards, of a labor organization which admits to membership, or is affiliated with an organization which admits to membership, employees other than guards, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

#### AMENDMENT OF MUTUAL SECURITY ACT OF 1954, RELATING TO OVERSEAS PROGRAMS FOR SCIENTIFIC AND TECHNOLOGICAL INFORMATION

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Mutual Security Act of 1954, in order to provide for overseas programs for scientific and technological information.

This bill would authorize the National Science Foundation to establish programs outside of the United States for collecting, collating, translating, abstracting, and disseminating scientific

and technological information through the use of so-called counterpart funds. It would also authorize the National Science Foundation to conduct and support scientific activities, including cooperative programs and projects between the United States and other countries. These objectives would be accomplished by utilizing all available agencies and facilities of the Federal Government operating in foreign countries by authorizing such agencies to utilize the currencies or credits for currencies in such foreign areas held or available for expenditure by the United States, as well as funds generated through the Mutual Security Act, the Economic Cooperation Act of 1948, or the Agricultural Trade Development and Assistance Act of 1954.

In the implementation of these programs, adequate provisions are made to enable the Secretary of State to enter into executive agreements with such foreign governments where counterpart funds are available for utilization of all credits established under any of these acts in the development of scientific and technological programs. Thus, the proposed program would not be limited, under the provisions of the bill, to the use of administrative funds presently authorized for use by these agencies. A provision similar to the bill I am introducing today has been included in the proposed Science and Technology Act, S. 3126, title IV. I have been informed by the staff of the Committee on Government Operations which drafted this bill as well as the proposed Science and Technology Act of 1958, which I introduced in the Senate January 27 on behalf of myself, the senior Senator from Arkansas [Mr. McCLELLAN], and the junior Senator from Texas [Mr. YARBOROUGH] that Dr. Wallace R. Brode, the recently appointed Chief of the science program in the Department of State, and officials of the National Science Foundation are extremely interested in this proposed legislation. I am sure they will be prepared to give the Congress details as to the possible utilization of these funds in the further development of science and technology both at home and abroad.

As Members of the Senate know, the Department of State has recently reactivated the science attaché program, under Dr. Brode's direction. It is my understanding that he proposes to initiate an aggressive program abroad, through the use of funds made available by the National Science Foundation. Under the bill I am introducing today, if agreements are entered into with foreign countries where counterpart funds are available, it will not be necessary to use appropriated funds since the bill includes a provision waiving the present requirement that participating agencies must repay funds to the Treasury out of their appropriations.

Under this program, the United States would be able not only to utilize these funds for its most urgent needs—the development of science and technology, so important at this time—but also to develop a program in cooperation with other free nations, designed to bring about a better balance between fundamental or basic science and applied

science or technology, both in this country and abroad. As all Members of this body know, there has been and still is a deficiency in the development of the fundamental science in the United States, even in such important basic science programs as nuclear fission and H-bomb and missiles developments, the fundamental concepts of which originated from basic science developments in European countries. On the other hand, scientists and technologists in the United States are reportedly far ahead of other friendly nations in the application of science and technology. Under the bill I am introducing, adequate machinery would be provided through the use of credits already established, to bring about a better balance in these areas, by the further development, in this country, of basic science programs originating in European nations and, in turn, by making available to them for their own development the latest advancements in applied science and technology. It is my conviction that the approval of this bill would insure the establishment of balanced scientific development abroad, through the establishment of applied science, research, and technological institutes in the physical sciences where it is found to be advantageous and such programs are approved by the participating nations.

During the first session of the 85th Congress, a bill sponsored by me and the junior Senator from Arkansas [Mr. FULBRIGHT] which later became law—Public Law 85-141—authorized the utilization of not to exceed \$10 million of the mutual-security funds by schools and libraries abroad, which might have been utilized in support of the scientific information program covered by the first section of the bill I am now introducing. Unfortunately, however, at the insistence of members of the House Committee on Appropriations, this action by the Congress was nullified through the adoption of a rider to the Mutual Security Appropriations Act for 1958—Public Law 85-279. The subject bill is much broader in its coverage, and, in my opinion, its enactment urgently needed at this time.

It is my hope that the Committee on Foreign Relations, to which I presume this bill will be referred, will give it immediate consideration. I also hope that the recently created Special Committee on Outer Space, which is directed to study all proposals for the advancement of science and technology, will give this matter its early consideration and submit its recommendations to the Committee on Foreign Relations for appropriate action.

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

The bill (S. 3313) to amend the Mutual Security Act of 1954 in order to provide for overseas programs for scientific and technological information, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

#### SUSPENSION OF ANNUAL ASSESSMENT WORK ON CERTAIN MINING CLAIMS

Mr. BIBLE. Mr. President, on behalf of myself, the Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. CHURCH], I introduce, for appropriate reference, a bill which will, in a small way, help the already tottering mining industry of our country. The proposed legislation is designed primarily to help the prospector and the other small men of the industry by allowing them to hold mining claims in which many of them have a lifetime of investment.

This proposed legislation does not require any affirmative act on the part of any Government agency nor does it require appropriation approval to put it into effect. The legislation merely suspends for a 1-year period the statutory requirement that \$100 worth of labor be expended annually on each mining claim held by location.

This type of legislation was common during the time of past emergencies, World War II and the Korean crisis, when labor and materials necessary to do the required assessment work was in short supply.

This time the mining industry is facing another emergency—this one more serious because it has been brought about to a large degree by the actions of the United States Government itself.

For the past several years the free trade policies of the administration have encouraged the mining and production of strategic minerals and metals in foreign countries and at the same time have refused to protect domestic producers. As foreign production increased it soon became apparent to domestic producers that they could not compete in the domestic market because the use of low-cost labor and substandard working conditions enabled foreign producers to sell their minerals and metals at a price far below that of our domestic companies.

For several years our Government attempted to make up the difference by use of subsidies, stockpiling schemes and barter, but none of these were successful in preventing the terrific inflow of foreign materials and equalizing the competitive picture.

Today because of the inability to compete with foreign producers our domestic mining industry is to all intents and purposes closed down. The industry upon which we must depend for raw materials in the time of emergency is in the worse shape it has been for the past several decades. If the need for raw materials from these mines were to arise tomorrow, they would be unable to provide because it takes weeks and months and sometimes years to put a closed mine back into full production.

Wherever there are mines, and this covers most of our Western States, as well as many other areas throughout our country, the unemployment caused by these mine shutdowns has added greatly to the economic crisis our Nation is facing today.

I have only to recite a few figures from the State of Nevada, which is a

typical mining State, to show how the lack of a national mineral policy has affected the situation.

Production from Nevada mines dropped from \$126 million plus in 1956 to \$83 million plus in 1957, a drop of 33.9 percent. Employment during the same period was 30.6 percent lower in December 1957 than it was a year previous. Many of the mines in my State are small producers that employ a relatively few men. Needless to say, all of this type operation is closed down completely. The only mining employment in the State is in the big operations, and those are, for the most part, on a standby basis. Towns dependent almost solely on mining activity, not only in my State but in the other Western States, are in serious distress. Unemployment payments last month in Nevada were the highest in the history of the State.

It is because of this depressed state of the mining industry in the West that we introduce this legislation in an attempt to aid the small miners during this time of crisis. There is no need for them to be required to expend \$100 on each claim in order to hold their interest. In a time when money is short and there is no market for minerals produced, this requirement should be waived. The legislation would make it mandatory that claimants file a notice of intention to hold claims but would waive the required labor provision.

Nearly 3 years ago, the administration promised they would devise a long-range minerals program which would solve the problem. As yet they have not come forward with anything that even comes close to a solution. The mining industry is at a standstill—it does not know which way to go, because it has no idea what the policy of the administration will be. It is until such a time that this policy is clear cut and set and the mining industry is on its way back, that everything possible in the way of emergency legislation to help the mining industry should be enacted. It is with this thought in mind that the proposed legislation is introduced.

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

The bill (S. 3315) to provide for the suspension of annual assessment work for the year ending July 1, 1958, with respect to mining claims held by location in the United States, including the Territory of Alaska, introduced by Mr. BIBLE (for himself, Mr. MURRAY, and Mr. CHURCH), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

#### AMENDMENT OF MUTUAL SECURITY ACT OF 1954

Mr. GREEN. Mr. President, on behalf of myself, and the senior Senator from Wisconsin [Mr. WILEY], by request, I introduce, for appropriate reference, a bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The bill has been prepared by the executive branch to carry out the recom-



mendation of the President made in his message to Congress which has just been received by the Senate.

The senior Senator from Wisconsin and I are introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention.

There can be no doubt that the mutual-security program is in the national interest of the United States and that Congress should act to continue the program. However, I want to make it equally clear that I reserve my right to support or oppose any part of the bill, as well as any suggested amendments to it, when the bill is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD.

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

The bill (S. 3318) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, introduced by Mr. GREEN (for himself and Mr. WILEY), by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1958."*

Sec. 2. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended by striking out "1958" and "\$1,600,000,000" in section 103 (a) and substituting "1959" and "\$1,800,000,000", respectively.

Sec. 3. Title I, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by striking out "1958" and "\$750,000,000" in section 131 (b) and substituting "1959" and "\$835,000,000", respectively.

Sec. 4. Title II of the Mutual Security Act of 1954, as amended, which relates to the Development Loan Fund, is further amended as follows:

(a) Amend section 202, which relates to general authority, as follows:

(1) Strike out subsection (a) and substitute the following:

"(a) To carry out the purposes of this title, there is hereby created as an agency of the United States of America, subject to the direction and supervision of the President, a body corporate to be known as the 'Development Loan Fund' (hereinafter referred to in this title as the 'Fund') which shall have succession in its corporate name. The Fund shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. It may establish offices in such other place or places as it may deem necessary or appropriate."

(2) In subsection (b), strike out all preceding "is hereby" in the first sentence and substitute "The Fund"; strike out "he" in the first sentence and substitute "it"; strike out "from" in the second sentence and substitute "by"; insert after the third sentence "The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund."; and strike out the last two

sentences and substitute the following new sentence: "The President's semiannual reports to the Congress on operations under this act, as provided for in section 534 of this act, shall include detailed information on implementation of this title."

(b) Amend section 204, which relates to fiscal provisions, as follows:

(1) In subsection (b), substitute "Fund" for "President" in the first sentence and strike out "against the Fund" in that sentence; change "authorized" to "made available" in the second sentence; and insert "assets of the" before "Fund" in the third sentence.

(2) Strike out subsection (c) and substitute the following:

"(c) The Fund shall be deemed to be a wholly owned Government corporation and shall accordingly be subject to the applicable provisions of the Government Corporation Control Act, as amended."

(c) Amend section 205, which relates to powers and authorities, as follows:

(1) Insert "management," before "powers" in the heading of the section.

(2) Strike out subsections (a) and (b) and substitute the following new subsections:

"(a) The management of the Fund shall be vested in a Board of Directors (hereinafter referred to in this title as the 'Board') consisting of the Deputy Under Secretary of State for Economic Affairs, who shall be chairman, the Director of the International Cooperation Administration, the Chairman of the Board of Directors of the Export-Import Bank, the Managing Director of the Fund, and the United States Executive Director on the International Bank for Reconstruction and Development. The Board shall carry out its functions subject to the foreign-policy guidance of the Secretary of State. The Board shall act by a majority vote participated in by a quorum; and three members of the Board shall constitute a quorum. Subject to the foregoing sentence, vacancies in the membership of the Board shall not affect its power to act. The Board shall meet for organization purposes when and where called by the Chairman. The Board may, in addition to taking any other necessary or appropriate actions in connection with the management of the Fund, adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the authorities, powers, and functions of the Fund and its officers and employees. The members of the Board shall receive no compensation for their services on the Board but may be paid actual travel expenses and per diem in lieu of subsistence under the Standardized Government Travel Regulations in connection with travel or absence from their homes or regular places of business for purposes of business of the Fund.

"(b) There shall be a Managing Director of the Fund who shall be the chief executive officer of the Fund, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, and whose compensation shall be at a rate of \$20,000 a year. There shall also be a Deputy Managing Director of the Fund, whose compensation shall be at a rate not in excess of \$19,000 a year, and three other officers of the Fund, whose titles shall be determined by the Board and whose compensation shall be at a rate not in excess of \$18,000 per year. Appointment to the offices provided for in the preceding sentence shall be by the Board. The Managing Director, in his capacity as chief executive officer of the Fund, the Deputy Managing Director and the other officers of the Fund shall perform such functions as the Board may designate and shall be subject to the supervision and direction of the Board. During the absence or disability of the Managing Director or in the event of a vacancy in the

office of Managing Director, the Deputy Managing Director shall act as Managing Director, or, if the Deputy Managing Director is also absent or disabled or the office of Deputy Managing Director is vacant, such other officer as the Board may designate shall act as Managing Director. The offices provided for in this subsection shall be in addition to positions otherwise authorized by law."

(3) In subsection (c):

(i) Strike out all in the first sentence preceding "enter into" and substitute "The Fund, in addition to other powers and authorities vested in or delegated or assigned to the Fund or its officers or the Board, may";

(ii) Strike out "may be deemed" in the first clause of the first sentence and substitute "it may deem";

(iii) Strike out "under this title" in the fourth clause of the first sentence and substitute "of the Fund";

(iv) Strike out "the Manager of" in the fifth clause, both times it appears in the seventh clause, and in the last clause of the first sentence;

(v) Insert after the seventh clause of the first sentence, following "collection";, the following: "adopt, alter and use a corporate seal which shall be judicially noticed; require bonds for the faithful performance of the duties of its officers, attorneys, agents and employees and pay the premiums thereon; sue and be sued in its corporate name (provided that no attachment, injunction, garnishment, or similar process, mesne or final, shall be issued against the Fund or any officer thereof, including the Board or any member thereof, in his official capacity or against property or funds owned or held by the Fund or any such officer in his official capacity); exercise, in the payment of debts out of bankrupt, insolvent or decedent's estates, the priority of the Government of the United States; purchase one passenger motor vehicle for use in the continental United States and replace such vehicle from time to time as necessary; use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government;";

(vi) Strike out all following "operation" in the last clause of the first sentence and substitute "or in carrying out any function."

(vii) Insert the following new sentence after the first sentence of the subsection: "Nothing herein shall be construed to exempt the Fund or its operations from the application of sections 507 (b) and 2679 of title 28, United States Code, or of section 367 of the Revised Statutes (5 U. S. C. 316)."

(4) Insert the following new subsections:

"(d) The Fund shall contribute, from the respective appropriation or fund used for payment of salaries, pay or compensation, to the civil-service retirement and disability fund, a sum as provided by section 4 (a) of the Civil Service Retirement Act, as amended (5 U. S. C. 2254a), except that such sum shall be determined by applying to the total basic salaries (as defined in that act) paid to the employees of the Fund covered by that act, the percent rate determined annually by the Civil Service Commission to be the excess of the total normal cost percent rate of the civil-service retirement system over the employee deduction rate specified in said section 4 (a). The Fund shall also contribute at least quarterly from such appropriation or fund, to the employees' compensation fund, the amount determined by the Secretary of Labor to be the full cost of benefits and other payments made from such fund on account of injuries and deaths of its employees which may hereafter occur. The Fund shall also pay into the Treasury as miscellaneous receipts that portion of the cost of administration of the respective funds attributable to its

employees, as determined by the Civil Service Commission and the Secretary of Labor.

"(e) The assets of the Development Loan Fund on the date of entry into force of the Mutual Security Act of 1958 shall be transferred as of such date to the body corporate created by section 202 (a) of this act. In addition, records, personnel, and property of the International Cooperation Administration may, as agreed by the Managing Director and the Director of the International Cooperation Administration or as determined by the President, be transferred to the Fund. Obligations and liabilities incurred against, and rights established or acquired for the benefit of or with respect to, the Development Loan Fund during the period between August 14, 1957, and the date of entry into force of the Mutual Security Act of 1958 are hereby transferred to, and accepted and assumed by, the body corporate created by section 202 (a) of this act. A person serving as Manager of the Development Loan Fund as of the date of entry into force of the Mutual Security Act of 1958 shall not, by reason of the entry into force of that act, require reappointment in order to serve in the office of Managing Director provided for in section 205 (b) of this act."

SEC. 5. Title III of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is further amended, as follows:

(a) In section 304, which relates to authorization, strike out "\$151,900,000" and substitute "\$142,000,000 for use beginning in the fiscal year 1959."

(b) Amend section 306, which relates to multilateral technical cooperation, as follows:

(1) Insert "and related programs" after "cooperation" in the heading of the section; insert "and this act" after "title" in the first sentence; and insert "and related" after "cooperation" in the first sentence.

(2) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out "\$15,500,000" and "1958" and substitute "\$20,000,000" and "1959", respectively; insert "and such related fund as may hereafter be established" after "Assistance"; and in the proviso change "to this program" to "for such purpose" and change "to the program" where it appears three times to "for such purpose."

(3) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1958" and substitute "1959."

SEC. 6. Title IV of the Mutual Security Act of 1954, as amended, which relates to other programs, is further amended, as follows:

(a) In section 400 (a), which relates to special assistance, strike out "1958" and "\$250,000,000" in the first sentence and substitute "1959" and "212,000,000," respectively; and strike out all following "stability" in the first sentence and all of the last sentence and insert a period.

(b) Amend section 401, which relates to President's special authority, as follows:

(1) Insert "and contingency fund" after "authority" in the heading of this section.

(2) Subsection (a) is amended, as follows:

(1) In the first sentence, insert "for use" after "made available"; strike out "such use by section 400 (a) of this act" and substitute "use under this subsection by subsection (b) of this section"; strike out "pursuant to authorizations contained in" and substitute "for use under"; and

(1) In the second and last sentences strike out "section" both times it appears and substitute "subsection."

(3) Redesignate subsection (b) as subsection (c), and insert the following new subsection (b):

"(b) There is hereby authorized to be appropriated to the President for the fiscal

year 1959 not to exceed \$200 million for assistance authorized by this act, other than by title II, in accordance with the provisions of this act applicable to the furnishing of such assistance. One hundred million dollars of the funds authorized to be appropriated pursuant to this subsection for any fiscal year may be used in such year in accordance with the provisions of subsection (a) of this section."

(4) In the last sentence of subsection (c), insert "subsection (a) of" after "under."

(c) In section 402, which relates to earmarking of funds, strike out "1958" in the first sentence and substitute "1959."

(d) Repeal sections 403 and 404, which relate, respectively, to special assistance in joint control areas and responsibilities in Germany, and substitute the following new section:

"SEC. 403. Responsibilities in Germany: The President is hereby authorized to use during the fiscal year 1959 not to exceed \$8,200,000 of the funds made available pursuant to section 400 (a) of this act in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin. In carrying out this section, the President may also use currency which has been or may be deposited in the GARIOA (government and relief in occupied area) special account, including that part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) which, upon approval by the President, shall be deposited in the GARIOA special account under the terms of article V of that agreement. The President may use the funds available for the purposes of this section on such terms and conditions as he may specify, and without regard to any provision of law which he determines must be disregarded."

(e) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), strike out all following "fiscal year" and substitute "1959 not to exceed \$1,200,000 for contributions to the program of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate."

(2) In subsection (d), strike out "1958" and "\$5,500,000" and substitute "1959" and "\$8,600,000", respectively.

(f) In section 406, which relates to children's welfare, strike out "1958" and substitute "1959."

(g) In section 407, which relates to Palestine refugees in the Near East, insert "for the fiscal year 1959" before "not to exceed" in the first sentence; strike out "\$65 million" in the first sentence and substitute "\$25 million"; and strike out the second sentence.

(h) In section 409 (c), which relates to ocean freight charges, strike out "1958" and "\$2,200,000" and substitute "1959" and "\$2,100,000", respectively.

(i) In section 41, which relates to Control Act expenses, strike out "1958" in the first sentence and substitute "1959."

(j) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out "1958" and "\$32,750,000" and substitute "1959" and "\$33 million", respectively; and insert "and title II" after "title I" within the first parentheses;

(2) In subsection (c), insert "functions of the Department under this act or for" before "normal."

(k) In section 413 (b) (4), which relates to encouragement of free enterprise and private participation, strike out "the agency primarily" and substitute "an agency"; and insert after "Director of the International Cooperation Administration" both times it appears in subparagraph (F) "or such other officer as the President may designate."

(1) In section 419 (a), which relates to atoms for peace, strike out "1958" and "\$7 million" in the second sentence and substitute "1959" and "\$5,500,000", respectively.

(m) In section 420, which relates to malaria eradication, delete "The" in the second sentence and insert "In addition to such assistance as may be furnished for this purpose in accordance with the provisions of title II, the"; insert after the word "authorized" in the second sentence "to use funds made available under this act (other than ch. 1, title I, and title II)"; and strike out the last sentence.

SEC. 7. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

(a) Section 509, which relates to shipping on United States vessels, is amended by adding the following new sentence at the end thereof: "Sales of fresh fruit and the products thereof under this act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, 73d Cong., and sec. 901 (b) of the Merchant Marine Act, 1936, as amended)."

(b) Section 510, which relates to purchase of commodities, is amended by striking out "title II or" in the first sentence.

(c) Add the following new section:

"SEC. 516. Prohibition against debt retirement: None of the funds made available under this act nor any of the counterpart funds generated as a result of assistance under this act or any other act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That to the extent that funds have been borrowed by any foreign government in order to make a deposit of counterpart and such deposit is in excess of the amount that would be required to be deposited pursuant to the formula prescribed by section 142 (b) of this act, such counterpart may be used in such country for any agreed purpose consistent with the provisions of this act."

SEC. 8. Title V, chapter 2, of the Mutual Security Act of 1954, as amended, which relates to organization and administration, is further amended by changing section 537, which relates to provisions on uses of funds, as follows: in subsection (a) (1), strike out "for the fiscal year 1958"; and in subsection (c), strike out "Not to exceed \$18,000,000" and substitute "Notwithstanding the provisions of section 406 (a) of Public Law 85-241, not to exceed \$26,000,000", and add the following new clause before the period: ", and not to exceed \$2,750,000 of funds made available for assistance in other countries under this act may be used (in addition to funds available for such use under other authorities in this act) for construction or acquisition of such facilities for such purposes elsewhere."

SEC. 9. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

(a) Amend section 543 (d), which relates to saving provisions, by striking out "act of 1956 or the Mutual Security Act of 1957" and substituting "Acts of 1956, 1957 or 1958" in the first sentence.

(b) Amend section 544, which relates to amendments to other laws, by striking out subsections (b) and (c) (which deletions shall not be deemed to affect amendments contained in such subsections to acts other than the Mutual Security Act of 1954, as amended) and substituting the following new subsections:

"(b) Section 101 of the Government Corporation Control Act, as amended (31 U. S. C. 846), is further amended by inserting 'De-



velopment Loan Fund;' before Institute of Inter-American Affairs."

"(c) The Defense Base Act as amended (42 U. S. C. 1651), is further amended as follows:

"(1) In subsection 1 (a), insert the following new subparagraph between subparagraph (4) and the last five lines:

"(5) under a contract approved and financed by the United States or any executive department, independent establishment, or agency thereof (including any corporate instrumentality of the United States), or any subcontract or subordinate contract with respect to such contract, where such contract is to be performed outside the continental United States, under the Mutual Security Act of 1954, as amended (other than title II thereof), and not otherwise within the coverage of this section, and every such contract shall contain provisions requiring that the contractor (and subcontractor or subordinate contractor with respect to such contract) (1) shall before commencing performance of such contract, provide for securing to or on behalf of employees engaged in work under such contract the payment of compensation and other benefits under the provisions of this act, and (2) shall maintain in full force and effect during the term of such contract, subcontract, or subordinate contract, or while employees are engaged in work performed thereunder, the said security for the payment of such compensation and benefits, but nothing in this paragraph shall be construed to apply to any employee of such contractor or subcontractor who is engaged exclusively in furnishing materials or supplies under his contract;"

"(2) In subsection 1 (e), strike '(3) or (4)' in the last sentence and substitute therefor '(3), (4), or (5)'."

"(3) In subsection 1 (f), insert 'or in any work under subparagraph (5), subsection (a) of this section' between 'this section' and 'shall not apply'."

"(d) Section 101 (a) of the War Hazards Compensation Act, as amended (42 U. S. C. 1701), is further amended by inserting the following subparagraph between subparagraph (3) and the last 15 lines: 'or (4) to any person who is an employee specified in section 1 (a) (5) of the Defense Base Act, as amended, if no compensation is payable with respect to such injury or death under such act, or to any person engaged under a contract for his personal services outside the United States approved and financed by the United States under the Mutual Security Act of 1954, as amended (other than title II thereof): *Provided*, That in cases where the United States is not a formal party to contracts approved and financed under the Mutual Security Act of 1954, as amended, the Secretary, upon the recommendation of the head of any department or agency of the United States, may, in the exercise of his discretion, waive the application of the provisions of this subparagraph with respect to any such contracts, subcontracts or subordinate contracts, work location under such contracts, subcontracts or subordinate contracts, or classification of employees.'"

(e) Amend section 545, which relates to definitions, as follows:

(1) In subsection (j), insert "the Development Loan Fund and" after "refer to" and strike out "title II."

(2) In subsection (k) insert "the Board of Directors of the Development Loan Fund and" after "refer to" and strike out "title II."

#### ADOPTION OF A SPECIFIC VERSION OF THE STAR-SPANGLED BANNER AS THE NATIONAL ANTHEM

Mr. BRIDGES. Mr. President, when President Hoover signed Public Law 823 of the 71st Congress making the Star-Spangled Banner our national anthem,

only the title was legislated; the words and music were not included. I am sure that it never occurred to the Members of that Congress or the President that they would ever be the subject of any controversy.

Nevertheless, legislation is presently pending before the House of Representatives proposing certain changes with which I do not agree. I feel that they would, if adopted, significantly alter the true meaning of Francis Scott Key's fine poem and the accompanying music.

Mr. President, I introduce a joint resolution covering this subject, for appropriate consideration. It is companion to House Joint Resolution 517 introduced by Representative FRANCIS E. DORN, of New York.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 151) to adopt a specific version of the Star-Spangled Banner as the national anthem of the United States of America, introduced by Mr. BRIDGES, was received, read twice by its title, and referred to the Committee on the Judiciary.

#### INCREASE IN RATES OF BASIC COMPENSATION OF OFFICERS AND EMPLOYEES OF POST OFFICE DEPARTMENT—AMENDMENTS

Mr. CARLSON submitted amendments, intended to be proposed by him, 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 were ordered to lie on the table and to be printed.

#### REVISION OF BASIC COMPENSATION SCHEDULES OF CLASSIFICATION ACT OF 1949—AMENDMENTS

Mr. DIRKSEN submitted an amendment, intended to be proposed by him, to the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CARLSON submitted amendments, intended to be proposed by him, to Senate bill 734, supra, which were ordered to lie on the table and to be printed.

#### AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. DIRKSEN submitted amendments, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

#### AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO REINVESTMENT BY AIR CARRIERS—AMENDMENT

Mr. LAUSCHE submitted an amendment, in the nature of a substitute, in-

tended to be proposed by him, to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment, which was ordered to lie on the table and to be printed in the RECORD, as follows:

In lieu of the committee amendment as amended, insert the following:

"That section 406 (b) of the Civil Aeronautics Act of 1938, as amended, is hereby amended as follows:

"(a) By redesignating section 406 (b) as section 406 (b) (1).

"(b) By adding the following paragraph after paragraph (1):

"(2) Subject to the following conditions, the Board, in determining all other revenue of the air carrier, shall not take into account the net gains (after any losses and expenses resulting from the disposition of flight equipment) derived from the disposition of any flight equipment of such carrier, if (A) such carrier notifies the Board in writing that it intends to reinvest in other flight equipment the proceeds derived from such disposition, (B) such proceeds, less all applicable taxes, are placed by such carrier in a funded reinvestment reserve immediately upon the receipt thereof, and (C) within a reasonable period to be determined and fixed by the Board, such proceeds are actually reinvested in other flight equipment by such carrier, and amounts so deposited in such reserve fund shall not be included as part of the carrier's used and useful investment for purposes of section 406 until expended as provided above: *Provided*, That thereafter in determining that portion of the mail rate payable by the Board to the carrier under Reorganization Plan No. 10 of 1953 the depreciation expense and returns on investment of such carrier shall be computed after first deducting from the original cost of flight equipment, the net capital gains not taken into account in determining all other revenue of such carrier which have been reinvested in such flight equipment, until such time as the total reductions in mail rate payments by the Board from such payments as would otherwise be payable, shall have equaled the amount of the net capital gains reinvested in such flight equipment: *And provided further*, That in the event the Board determines that the carrier no longer requires that portion of the mail rate payable by the Board under the provisions of Reorganization Plan No. 10 of 1953 there shall be repaid to the Board by such carrier any amount by which the net capital gains reinvested in flight equipment shall exceed the total reductions in such mail payments computed as described above."

"Sec. 2. The amendment made by this act to such section 406 (b) shall be effective as to all capital gains realized on and after April 6, 1956, with respect to the sale or other disposition of flight equipment whether or not the Civil Aeronautics Board shall have entered a final order taking account thereof in determining the mail rate payable by the Board covering the period in which the net capital gains referred to herein were realized."

#### PROBLEMS OF SMALL BUSINESS—ADDITIONAL COSPONSORS OF BILL

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the names of Senators BARRETT, CASE, of New Jersey, MANSFIELD, MURRAY, NEUBERGER, and WILEY be added as cosponsors of the bill (S. 3194) to amend the Internal Revenue Code of 1954 so as to establish an initial program of tax adjustment for

small and independent business and for persons engaged in small and independent business, introduced on behalf of myself and other Senators, on January 30, 1958.

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

#### AMENDMENTS OF INTERNAL REVENUE CODE OF 1954—ADDITIONAL COSPONSOR OF BILLS

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the name of the junior Senator from Montana [Mr. MANSFIELD] be included as a cosponsor of both S. 3263 and S. 3264 which I introduced on February 10.

These bills are designed to give an immediate tax cut of approximately \$4.4 billion and represent alternative methods by which that could be done. Each bill would give a cut of approximately \$3 billion in personal income taxes and \$1.4 billion in excise taxes. The income-tax cuts would be retroactive to January 1, 1958, but would have to be extended on January 1, 1959 so that in case the economy were to turn upward between now and then the Congress could recoup these sums for future years.

Mr. President, our economy is in difficulty. We are now in the midst of a serious recession. We all wish to prevent it from getting worse. Numerous things can be done to help, but the quickest method is a tax cut. While I favor building needed public works in those areas where unemployment exists, and while we should raise unemployment compensation to those out of work, and while monetary and credit policies should be eased, a tax cut can have an immediate effect, help to stop this decline in economic activity, and prevent this recession from ever becoming a depression.

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

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

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

By Mr. SALTONSTALL:

Address on the subject One Feeling for the Union, delivered by Senator KUCHEL at the Middlesex Club, Boston, Mass., February 12, 1958.

By Mr. JACKSON:

Address on the subject Free Men Against Time, delivered by him before the National Military-Industrial Conference in Chicago, Ill., February 17, 1958.

By Mr. THYE:

Address delivered by him in Minnesota on commemoration of birthday of Abraham Lincoln.

Address by Senator JAVITS before Lincoln Day dinner, Hennepin County Republican Committee, Minneapolis, Minn., February 14, 1958.

By Mr. HUMPHREY:

Address delivered by him before Los Angeles World Affairs Council, September 19, 1957.

By Mr. POTTER:

Statement by him on 40th anniversary of Lithuanian independence, before Detroit

Lithuanian Organization at Detroit, Mich., on February 16, 1958.

By Mr. PROXMIER:

Statement prepared by him relative to the recent death of Hon. Marvin B. Rosenberry, retired chief justice of the Wisconsin Supreme Court.

By Mr. WILEY:

Editorial and statement prepared by him on the subject of foreign students in the United States.

#### TRIBUTES TO SENATOR HARRY F. BYRD

Mr. ALLOTT. Mr. President, I recall that recently many Senators expressed themselves about the prospective retirement of the distinguished senior Senator from Virginia [Mr. BYRD].

Although I may disagree on one or two principles—as I do—with the senior Senator from Virginia [Mr. BYRD], it is my hope and my prayer that Senator BYRD will reconsider, and that, as a result of such reconsideration, he will again be a candidate for reelection to the United States Senate. His intelligence, his advice, and his counsel are greatly needed by the Senate.

Mr. CHAVEZ. Mr. President, I should like to say a few words about the senior Senator from Virginia [Mr. BYRD]. I have been acquainted with him for many, many years. I know the history of Virginia. Virginia has always had wonderful, loyal, patriotic, intelligent representatives in this body; but, in my opinion, Senator HARRY BYRD is as fine a representative as Virginia has ever sent to the Senate.

I wish to call attention to the person after whom Senator BYRD was named, the late Representative Flood, of Virginia, an uncle of the Senator. I feel under a little personal obligation to the late Representative, because he, in a way—in a great way—was responsible for my being a Member of this body. He sponsored the bill that made New Mexico and Arizona States, away back in 1912.

Mr. MORSE. Mr. President, I also wish to say a word on the announced retirement from the Senate of the distinguished Senator from Virginia [Mr. BYRD]. The Senator from Virginia is high on my list of personal friends. I always respect a man who has the courage of his convictions and who is sincerely motivated in carrying out those convictions.

Although the Senator from Virginia and I may disagree on certain major issues, I want him to know that I think his service in the Senate has been a great contribution to the history of our country.

I served with him for 8 years on the Committee on Armed Services, and on not a single major issue affecting the defense and the security of our country in those 8 years did the Senator from Virginia and the Senator from Oregon ever differ on a vote. In fact, my first chance to become acquainted with the Senator from Virginia was when he served with me on a subcommittee which brought forward what later became known as the Morse formula. It had started with the objections of our subcommittee to the giving away of surplus military property.

The Senator from Virginia agreed with me that it was unconscionable and inexcusable, and we adopted, as a matter of policy of the Committee on Armed Services, the rule that surplus military property was not to be given away, but was to be paid for, if it was for a public purpose, at the rate of at least half of its appraised value; and if for a private purpose, at 100 percent of its appraised fair market value.

I shall miss the Senator from Virginia very much. I want him to know that the good wishes of the Morse family go to both the Senator and his wife. We know that the Senator from Virginia will not step out of public service simply because he steps out of the Senate of the United States.

Mr. BRIDGES. Mr. President, I can not let go unnoticed the announcement by HARRY BYRD, our esteemed friend and colleague, that the close of the second session of the 85th Congress, will mark his retirement from the United States Senate. Great as will be the loss to the Nation and to the United States Senate, it is, nevertheless, on the more intimate note of personal loss that I wish to address myself.

In the 22 years that I have served in this body there has always been a HARRY BYRD, and somehow to me this Chamber will never seem quite the same without him. The 25 years he has served here have for him been 25 years of a statesmanlike devotion to public service. Deep as has been his affection for the Old Dominion, which he first served as Governor and then as United States Senator, it was always transcended by his sense of duty to the whole United States in matters involving national issues and national policies.

In particular the cause of conservative Federal fiscal policy will lose a great champion, and I will lose a personal friend, who, although of a different political party, was always ready to lend encouragement, advice, and political prestige to any cause for economy which I might be espousing. The Bridges-Byrd resolution for a constitutional amendment, making the balanced budget compulsory except in time of emergency, is but one example of the shoulder-to-shoulder campaigns we have waged down through the years. There is perhaps no greater feeling of fraternity than that engendered by members of legislative bodies working in common causes. Such a feeling of affectionate fraternity I will always have for HARRY BYRD.

To one who has devoted so much of his life to creative, meaningful public service, a decision such as our colleague has made was indeed a difficult one. Difficult as the decision must have been to make, it is, however, characteristic of HARRY BYRD's moral fiber that it was made without lingering backward looks of regret. Great as has been his devotion to public service, even greater has been his idyllic devotion to the wife who was always by his side through the many difficult decisions of his illustrious career. Having given full measure of himself to his State and Nation it is understandable that he has now made the decision to fulfill obligations to the one



who has meant so much to him through the years. However, if he should respond to the unanimous request of the Assembly of the Commonwealth of Virginia that he reconsider retirement I would be in the forefront of those who would delightedly applaud that course of action.

If he should remain firm on retirement, it is reassuring to observe that HARRY BYRD's home is very close to this Chamber, where he has served with such great distinction for the past 25 years. For that reason, and his generous spirit, his manifest abilities will continue to be readily available in advice and consultation on the many problems which continually lie before the Senate for decision. As a senior Statesman he will, I know, continue to give of himself in the interests of the form of government which he so much cherishes, and which he has done so much to preserve.

#### FORTIETH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. DOUGLAS. Mr. President, 40 years ago this week the people of Lithuania won their national independence. That happy event climaxed centuries of struggle by the Lithuanian people for those same human values which today keep alive the spirit of their nation in the face of a new Russian occupation. It is a common belief in those same human values which binds the people of the United States with the people of Lithuania. By commemorating Lithuanian Independence Day each year, as we have done these past years, we serve notice to all the world that we shall keep faith with those who keep faith with us.

We Americans take pride in the fact that our Government and our people assisted the Lithuanian nation in its fight for national independence. Our people contributed generously during the period 1916-18 to fund-raising campaigns organized to help the Lithuanian patriots. The citizens of the State of Illinois were in the forefront of these drives, providing dedicated leaders and substantial sums of money.

In turn the Government of the United States was quick to extend de jure recognition to the newly independent state and to inform the other great powers of its intention to support the Lithuanian people in their hard-won freedom. In the years between the great wars these bonds of friendship were strengthened and the two nations grew closer together as the rise of the tyrants in Europe and Asia challenged the very existence of democratic forms of government.

Lithuania, like her sister republics of the Baltic and the once free nations of central and eastern Europe, became pawns in the game of power politics played by Hitler and Stalin. It was a secret treaty of friendship, mutual assistance and nonaggression between Nazi Germany and Communist Russia which snuffed out the independence of Lithuania. When the dictators Stalin and Hitler signed this treaty, they announced their contempt for the western democracies, divided up Europe into zones of occupation and spheres of influence, and

ushered in what they called the "totalitarian era."

In the course of events which followed the dictators soon fell upon each other, as is the inevitable outcome of any deal between thieves and gangsters, and World War II resulted.

When the United States was drawn into the world conflict, we found ourselves in the unnatural and uncomfortable position of being militarily allied with one of the totalitarian powers, Communist Russia. The axis powers struck at us without warning, and we became allied with Communist Russia solely because we were fighting a common enemy.

In this paradoxical situation, the Atlantic Charter was proclaimed. Through this proclamation President Roosevelt and Prime Minister Churchill set forth the war objectives of the Western Powers. These war objectives guaranteed the integrity of all nations, large and small, and excluded territorial claims by any power which did not coincide with the freely expressed wishes of the people concerned.

The war aims set forth in the Atlantic Charter remained as the goal of the American people as we moved forward to defeat the Axis powers. The failure of Communist Russia to honor its own commitments for the restoration of freedom and establishment of self-government in those countries of Eastern Europe and to recognize the war aims of the western democracies at the end of World War II in no way relieved us as a nation from our responsibilities in this regard. These objectives remain as firm, moral commitments of the United States, unaltered by the deceit, truculence, subsequent aggression and unchanging totalitarian goals of the Russians. It is through the fulfillment of these commitments that we shall keep faith with those who have over the long, dark years kept faith with us.

In recent months the Russian Communists have launched a worldwide propaganda drive to force the western democracies to recognize the status quo as it now exists in the world. The status quo, as the Russians see it, is approximately one-third of the world under their absolute, unchallenged occupation and control. In exchange for this recognition of the status quo, the Russians are offering, at best, a few humiliating years of armed truce during which they complete preparations for their final assault upon the United States and the rest of the Free World.

This Russian propaganda drive has two prongs directed at the United States; the first is a clamor for another summit meeting to consider an agenda prepared in the Kremlin, and the second is a tempting but groundless offer of unlimited markets for American products behind the Iron Curtain.

The first prong is anchored in the flood of letters from the Kremlin to President Eisenhower attempting to stampede us into another fruitless round of propaganda pronouncements from the summit.

The second prong was anchored by the recent arrival of the new Russian Ambassador, who is presented as a trade

expert and will in all likelihood press for an expansion in the trade between the Free World and the Iron Curtain countries in an effort to strengthen the economy of the Communist group and create a greater economic dependence of the free world upon the Communist bloc.

It is expected that this two-pronged propaganda campaign launched by the Kremlin will develop into full bloom in the immediate months ahead. This is the major Trojan horse launched at the gathering in Moscow a few months ago to celebrate the 40th anniversary of the Communist takeover of the Russian Federated Soviet Socialist Republic.

Our policy of nonrecognition of the forcible incorporation of Lithuania, Latvia, and Estonia into the Soviet Union stands as a symbol of our good faith in the conduct of our foreign relations. It has given the people of those once free and independent nations the strength to hope and to endure—it has kept open the possibility of a change for the better. If we were ever to close this door of hope by lending ourselves to the Russian proposed deal of recognizing the status quo, we would commit an irrevocable act which would bring unending shame upon the people of the United States. I cannot believe the American people would condone any such action by which we would break faith with those who have kept faith with us and strike down their highest hopes.

On this occasion of the 40th anniversary of Lithuanian national independence, I want to pledge that I will continue my efforts to work for the realization of those great human values which bind the people of the United States to the people of Lithuania and the other nations now occupied by the Russian Communists. To that end I hope to present at this session of Congress a concurrent resolution calling for action in the United Nations to hasten the return of complete national freedom and self-government to all those countries forcibly incorporated into the Soviet Union or otherwise forcibly controlled by the Russian Communists. This action in behalf of the restoration of their freedom, I believe, will be the best commemoration of their independence.

Mr. KUCHEL. Mr. President, the civilized world last Sunday, February 16, had new reason to feel shock and horror at the brutal arrogance with which godless communism has enslaved free peoples and continually denies mankind's inherent right to self-determination of governments.

That date was the 40th anniversary of the declaration of independence of Lithuania. Although for nearly two decades these proud, liberty-loving peoples have been the victims of tyranny and aggression, Lithuania still cherishes the ideals of freedom and looks ahead to restoration of her sovereignty.

The ruthless domination by Communist Russia has not succeeded in extinguishing the fires of national pride and the determination of Lithuania to emerge from vassaldom which that nation felt it had thrown off forever 40 years ago,

when the Communist revolution ended Czarist enslavement.

The rest of the world bears a heavy obligation to Lithuania. After a brief life span of 22 years as a model Republic in the finest democratic traditions, Lithuania in our lifetime has suffered under the Nazi yoke and has been victimized by Soviet-style liberation.

We regret, Mr. President, that it does not seem possible to assure Lithuanians and the many Americans of Lithuanian descent that an early return of freedom and independence can be realized. The only basis for hope of ending the oppression which now has been the tragic lot of Lithuania for 17 years is through the cohesion of the remaining free nations, such as are banded together under the North Atlantic Treaty. The United States must remain strong and determined, so that it can provide the leadership which we pray ultimately will result in restoring the free and independent status of Lithuanian and other equally pathetic victims of Communist inhumanity.

The United States steadfastly has refused to recognize the heartless act by which Soviet Russia attempted to gobble up this independent nation. We salute the unyielding and uncompromising manner in which Lithuania has continued to keep alive the love of liberty and self-determination. We look forward to the day when Lithuania once again will break the bonds and shackles by which her peoples are held captive by international gangsters.

Mr. DIRKSEN. Mr. President, the Lithuanian people also have their Fourth of July. It took place 40 years ago.

We managed to translate our Declaration of Independence into reality. Their declaration was destroyed by Soviet perfidy, brutality, and oppressions.

Eighteen years ago Lithuania was seized by the Soviet tyrants and completely infiltrated. Treaties were ignored and cast aside. Not only an Iron Curtain, but an iron rod was used to reduce a free land and a free people into a Soviet colony. The iron hand and iron heel were used in an endeavor to break the independent spirit of this rugged people.

While brutal force and terrorism could subdue the land and make it a Red colony, it could not break the spirit and the will of this robust people to be free.

There is an incandescent glow in the Lithuanian spirit that will never be dimmed or extinguished.

In their ancestral land, as well as elsewhere in the world, the fire of freedom still burns brightly. Here in our own citadel of freedom wherever Lithuanians are found, the torch of freedom is held high. No effort is too great on their part, no sacrifice too heavy, to carry on and inspire those back home to keep a brave vigil and prepare for the day when liberty and independence will be restored.

So we salute them for the same unyielding spirit and unquenchable fidelity to freedom which marked the founders of our own Republic as they achieved and transmitted to us, as a priceless legacy, the inheritance of freedom.

Mr. PURTELL. Mr. President, last Sunday marked the 40th anniversary of Lithuanian independence. The day was marked by the prayers of Americans of Lithuanian descent and those of Lithuanian lineage throughout the world.

Lithuania—the first victim of Soviet aggression—remains unconquered. She remains steadfast in her determination to once again take her place among the free nations of the earth. Her spirit on this 40th anniversary has not weakened but rather burns brighter and more fiercely than ever before.

Mr. President, the occurrence of this anniversary on a Sunday reminds us that it has been the deep religious conviction of the people of this noble land which has enabled them to withstand the godless tyranny of the Reds and which will sustain them until the hour of freedom once again strikes for this great land.

Just a year ago, Mr. President, I joined with my distinguished colleague from Connecticut [Mr. BUSH] in introducing a resolution authorizing and requesting the President to proclaim February 16 of each year as Lithuanian Independence Day. This, I believe, will be a most fitting recognition of the unceasing heroism of the people of Lithuania and the many and outstanding contributions they and their descendants have made to freedom everywhere and particularly here in the United States.

In marking this anniversary, Mr. President, we must renew our determination to exert our every official and personal effort in behalf of the people of Lithuania to help them toward the day of freedom.

We must also, Mr. President, continue to sustain them spiritually with our prayers. So long as the spirit of Lithuania remains unbroken, Lithuania remains unconquered. Freedom-loving men and women throughout the world must continue to join in letting the Lithuanians know that we are, with them, moving steadfastly toward the day of liberation.

These valiant people are fighting our fight. They continue to ennoble God's gift of freedom by sacrificing for and toward it daily. Our own freedom in this country becomes more precious with every passing day because of the high value placed on it by the Lithuanians who are willing to endure until it once more settles upon their shoulders.

Mr. President, let us mark this anniversary with the prayerful hope that soon the anniversary of Lithuanian independence may be celebrated in a Lithuania risen from the shackles of Red tyranny and restored to the sunshine of liberty.

#### DEATH OF THE FATHER OF SENATOR KEFAUVER

Mr. MANSFIELD. Mr. President, the distinguished senior Senator from Tennessee [Mr. KEFAUVER] was scheduled to address the Senate today. Early this morning his father, Mr. Robert Cooke Kefauver, passed away. Therefore, the address scheduled to be made today by

the senior Senator from Tennessee will be made at a later date, to be announced.

#### HOW THE UNITED STATES HAS AIDED A NEW NATION

Mr. SMITH of New Jersey. Mr. President, the economic portion of the mutual security program serves many functions. Not only does it enable the peoples of the underdeveloped countries to learn new skills and to utilize their resources more effectively as they endeavor to fulfill their aspirations for economic development, but it encourages them to resort to the methods of free men and it helps them to build societies strong enough to resist the blandishments of communism.

In the January 1958 issue of the Reader's Digest appeared an illuminating article on the mutual security program entitled "How the United States Has Aided a New Nation," by Mr. Stanley High. In this article Mr. High, an American citizen, graphically describes how American aid to Libya is helping that nation fulfill both its aspirations and our expectations. I call it to the attention of my colleagues as an example in just one nation of how the mutual security program benefits another free world country while, at the same time, it adds to our own security.

I hope that it will be read by all my colleagues, and I ask unanimous consent that it be printed in the body of the Record following my remarks.

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

#### HOW THE UNITED STATES HAS AIDED A NEW NATION (By Stanley High)

In an Arab world dangerously threatened by Communist advances I recently saw, close up, how in one country the United States Government's foreign-aid program is helping strengthen the position of the West. Watching that program in operation in this critical area left me—citizen and taxpayer—considerably reassured.

What I saw, in hundreds of miles of travel, was a team of highly qualified Americans investing not only United States dollars but experience, ingenuity, patience and sweat. Through their efforts an undeveloped country is learning to grow in self-support and self-betterment as a free world nation and a firm friend of the United States.

Eight years ago the North African Arab country of Libya—a sea of sand almost one-fourth the size of the United States—was voted into nationhood by the United Nations. It selected a king and became a constitutional monarchy. Formerly part of Mussolini's African Empire, its three suddenly united Provinces of Tripolitania, Cyrenaica and the Fezzan had never before in recorded history been independent. Libya appeared, of all free governments, one of the most poorly fitted to be free, and of all places one of the least promising in which to spend any part of the United States tax dollar.

Still not fully unified, it has two capitals: Tripoli, the one fairly large city; and, 640 miles to the east, Benghazi, much smaller and less modern but preferred by King Idris. Travelers crossing boundaries between provinces must submit to passport and luggage examinations more time-consuming than those required at most national frontiers.



The land, despoiled for centuries by successive invaders, is 85 percent nonarable desert. Although the prospects that oil will be found are good, up to now no mineral resources of any consequences have been discovered.

When given independence, Libya's native population of 1,250,000 (Moslem, and largely nomadic) had an average annual income of less than \$35—lowest of any of the world's sovereign states. Illiteracy was above 90 percent. Not 5,000 people had as much as 5 years' schooling; only 14 were college graduates. There was an almost total lack of qualified Libyan professional men or skilled workers, since under Mussolini's regime all such jobs were reserved for colonists. Most Libyans—in some areas 95 percent—suffered from blindness-inducing trachoma, and infant mortality was among the world's highest.

With so far to go and so little to go on, what could such a country possibly mean to the United States to justify its costing us, in 1957, \$23 million in foreign aid? Two clues to the answer to this question were visible in the office of our United States Ambassador in sun-scorched Tripoli.

The first was a series of maps on the wall behind the Ambassador's desk. These maps gave startling meaning to the saying that "Libya's one proven natural resource is geography."

On the north, strategically midway between Gibraltar and Suez, Libya fronts for more than 1,000 miles on the Mediterranean; Moscow is little more than 3 hours' jet-hop away, Europe less than an hour's. Libya's eastern boundary extends the entire length of Egypt—the most powerful anti-Western voice in the Arab world, a base for Communist conspiracy and advance. To the west lie two countries: strife-torn, Communist-infiltrated Algeria; and Tunisia, at present a pro-Western Arab republic, in whose security against Communist propaganda and intrigue the Free World has a large stake.

An indication of just how important United States military experts rate this geographical resource is \$100 million Wheelus Field, 7 miles from Tripoli, the largest United States airbase outside the United States.

The second clue to Libya's importance could be seen from a window of the Ambassador's office: the Red flag flying above the huge Embassy of Soviet Russia. There are no Russian residents in Libya, no Russian investments or trade. But only one Embassy there is larger: Egypt's, which is playing Russia's game. The size of these installations, the costliness of the propaganda and subversive enterprises they promote, indicate the Communists' estimate of Libya's importance to their world schemes, their awareness of how much the free world gained by getting there first. Beyond doubt, Russia's once-rejected offer to underwrite and manage Libya's upbuilding would be pushed aggressively if there were no effective program of United States aid.

Undertaken at Libya's invitation, and pursued in full cooperation with Libya, our program there began on a small scale in 1952, was enlarged in 1954. The British have also contributed aid, and a program is carried on by agencies of the United Nations, including several health projects and a highly important agricultural experiment station.

The United States program is directed by about 100 American specialists, working side by side with Libyans. It reaches into almost every area of the country's life. But since some 90 percent of Libyans eke out a living from the land, it is there that the United States is concentrating.

Consider a few exciting items.

In a country where the livelihood of farmers so largely depends on livestock—sheep, goats, camels, donkeys—no Libyan had ever had any veterinarian education until, 2 years

ago, the first group finished an elementary course taught by our animal husbandry experts. Equipped with a few simple instruments, medicines, and insecticides, and armed with practical information, these young Libyans went back to their rural communities.

One indication of the job they are doing came last year when Libya's always inadequate rainfall dropped, in some areas, disastrously below normal. In those areas loss of livestock was estimated at 45 percent—save where these new "veterinarians" had persuaded farmers to improve the health of their animals by treatment against parasites. There the average loss was an estimated 15 percent. Now increasing numbers of farmers who once stoically accepted disaster as Allah's will ask to be taught these practices.

A common and crippling ailment of Libya's indispensable work animal is camel scab. One of the traditional treatments is to scrape raw the affected areas and rub in a mixture of salt, peppers and lime. This does not cure and may injure the camel. Now more and more Libyan farmers are learning to cure camel scab, at 28 cents a camel, with a lindane oil treatment developed by a foreign-aid specialist.

The two agricultural training schools last year graduated Libya's first 22 agriculturalists. Six are now taking advanced courses in United States universities; the others are teaching or working in agricultural extension centers. We have also helped establish 5 farm schools for short-course training in the field and 10 village extension centers where farmers learn better methods and can buy improved seeds and a few simple but better farm tools.

Farmers who have learned to plant barley in rows instead of by broadcast seeding have had a crop increase of one-third. In irrigated areas the potato crop increased by almost a like amount when farmers changed from the old method of flooding to furrow irrigation.

A reforestation program has increased the number of trees planted each year from 1,500,000 to nearly 7 million. Pruning of fruit and olive trees was virtually unheard of; many farmers, owning only 1 or 2 trees, resisted the idea of cutting away any part of them. But when demonstration pruning resulted in a 30 percent greater crop, demand for pruning tools began to run ahead of supply.

It is in the use of water, however, that the most dramatic gains of our agricultural program are being made. Libya has no major lakes or rivers and an overall average rainfall of less than 9 inches. Yet, when ruled by ancient Rome, it was called the granary of Europe, and supported a population as large or larger than the present one. Today we are trying to recover some measure of that long-lost productivity.

Rome's irrigation engineers had built series of dikes across hundreds of dry river beds, or wadis, to hold the water from each year's brief but heavy rains and spread it out over a wide area to soak into the ground. As excess water seeped through one dike, it was caught by the next. In the Wadi Gattara, some 2 hours northeast of Benghazi, I saw how Libyans have begun to do as the Romans did.

The Wadi Gattara is a connected series of dry-stream valleys running down from the hills and covering several thousand acres. Farmers formerly grew a single scant crop of millet or barley each year. Today, however, more than 100 dikes have been built here, many on rock foundations laid by the Romans nearly 2,000 years ago.

A crew of 100 Libyans was at work on 1 dike when I visited. Boss of the entire job was a young Libyan, trained in the field by one of our engineers. There were no

expensive earth-moving machines, no power equipment of any kind. Each man worked with his camel, hitched as camels had never been hitched before, to a simple bucket scoop. Invented by an American technician and turned out in our Libyan trade school, the camel scoop is an important innovation in a country where man and animal power is the only power widely available.

When completed, the Wadi Gattara system will spread water over thousands of acres. Today, water that previously ran off in 4 hours is being held, behind each dike, for 10. Penetration of the sandy soil which, before, seldom reached 18 inches, now reaches 36. Yields may be increased 300 to 400 percent.

Several such relatively large-scale water-spreading projects are completed or underway. Smaller projects have been started by farmers independently. In northern Libya there are probably 300,000 acres which, by this method, can be restored to increased production.

In Libya's still appallingly backward situation, all this adds up to no more than a start toward a profitable agriculture. But how significant it may be can be seen from an account of what has happened to All Silim Ghenidi, whom I met on his small farm about 100 miles east of Tripoli.

Four years ago our agricultural people persuaded All Silim Ghenidi to use his few acres to prove what would result from the concentrated application of improved farm methods. With loans, he bought a steel plow and improved seed. He planted in rows. Instead of only barley, he began to grow peanuts, potatoes, tomatoes, corn. He learned furrow irrigation and the use of fertilizer. He cleaned out an old cistern, dug new wells, built a reservoir. He pruned his fruit trees. To protect his trees from the desert wind, he planted a hedge of fast-growing seedlings.

All Silim Ghenidi's annual income, which before had averaged between \$40 and \$60, has risen to more than \$500. Farmers from many kilometers away come to his farm to see and hear how he has done it. Some of them, at least, go home and begin to do likewise.

Before any United States funds are spent on any project, that project is investigated on the spot by a technical committee of Libyans and Americans. It undergoes further scrutiny at the hands of the Libyan-American Reconstruction Commission, a board of four Libyans and two Americans set up by the Libyan Parliament. And no money is invested by the International Cooperation Administration until plans have been approved in Washington.

United States funds have been used to capitalize the first Libyan banks: the National Bank of Libya and the National Agricultural Bank. We have financed the construction of the country's first two broadcasting stations to be manned by Libyans. These stations will be a potent antidote for the anti-Western, pro-Soviet poison poured out by Radio Cairo and, largely for lack of anything else, heard day and night in almost every Libyan market place. We are helping finance improvements in the country's telephone and telegraph system and in its roads.

Prior to 1954, less than 10 percent of Libya's school-age children were in school. Helped by United States funds and educators, many hundreds of young Libyans are now training as teachers. We drew plans for and helped many localities to build \$1,000 two-room schoolhouses. Today in Tripolitania approximately 40 percent of the school-age children are in school; in Cyrenaica, some 50 percent.

In 1957, in all Libya, there were 130 high-school graduates. Every such graduate is required by the Government to go on, at Government expense, for further practical training. The Government also pays the expenses of students at the University of Libya,

founded (with 33 students) in 1956 with our help.

With a group of boys picked up from the streets in Benghazi, the British in 1951 started Libya's first trade school. It has now been taken over by the United States program. Its enrollment has steadily increased; this year 215 boys and 70 girls attend, plus 100 adults in night school, and there is a long waiting list. So great is the demand for skilled workers that this school has never had a graduate from its 3-year course; all of its students have been lured into private jobs before finishing.

In the hill country southwest of Tripoli I visited one of the numerous health clinics set up with United States aid but, as with all our projects there, increasingly financed by Libya. Two years ago, so strong were Moslem traditions, it was not possible to get more than 30 women a week to come to this clinic for prenatal and child-care instruction. The week before I was there, more than 500 had come. As a result, infant mortality in this area is being steadily reduced.

Here also there was instruction, helped by posters and films, on how to prevent trachoma, and how it can be arrested by regular use of an inexpensive aureomycin ointment.

Libya's economic problems are still grave. Discovery of oil in large quantity would, of course, help solve them. But whether Libya continues poor or suddenly becomes oil rich, the importance of its geography and the free world's stake in its future will not diminish. In either case, that future will in large measure be shaped by those young Libyans whose chance to prepare themselves for a hand in their country's upbuilding came through our foreign-aid program.

As in every business, foreign aid has its mixture of failures and successes. But Libya is a reassuring example of how, by intelligent spending, we can clearly get our money's worth.

#### FOREIGN AID

Mr. SMITH of New Jersey. Mr. President, in a very cogent message delivered to the Senate today, the President has outlined the crucial significance of an intelligent foreign-aid program in serving not only the interests of those in need, but our own interests as well. I should like to give my wholehearted endorsement to his message, but in so doing, I also remind the Senate of our obligation to the peoples of other lands, which transcends a narrow self-interest.

Too often the underlying generosity of the American people has been blurred by a vocal few who advocate a policy of selfish detachment from the plight of peoples less fortunate than we. Too seldom do we stress our obligation springing from those great fundamentals of brotherhood—charity and solidarity—and consequently our duty to assist the less favored peoples of the world.

But when a policy of selfish detachment is buttressed by the claim that in undertaking foreign-aid programs the United States is "disobeying God's will," it gives us cause to reexamine our obligations to other nations and other peoples.

Such a reexamination is contained in an editorial entitled "God's Will and Foreign Aid" in the February 18, 1958, issue of America. Those who would have us believe that God sanctions a scrapping of economic aid to other countries are reminded that "we are still our brother's keeper, even if he isn't a

United States citizen." I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

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

#### GOD'S WILL AND FOREIGN AID

Spruille Braden, former Assistant Secretary of State and long and acid critic of the United States foreign-aid program, struck what he probably believed was a high moral tone in a recent address. He told the American Coalition of Patriotic Societies in Washington on January 31 that the United States is "disobeying God's will" by the economic help to other countries and peoples. He charged that if such aid is continued much longer "it may destroy our religion, our way of life, and the Constitution." He instanced aid to Poland and Yugoslavia, where, he said, it is being employed for the benefit of Communists and fellow travelers whose aim is "to destroy all belief in God over the vast areas of the earth." The group he was addressing went along with him and voted a resolution opposing appropriation of additional funds for foreign aid and advocating a gradual demolition of the entire foreign-aid structure.

#### THE POPE SPEAKS

Inasmuch as the religious issue has thus been raised in the growing debate on foreign aid, it is appropriate and necessary to insist that such a sweeping rejection of our mutual-security program finds no echo in the statements of a certain world authority who has some right to speak in the matter. From the beginning of his pontificate in 1959 the present Pope has stressed the obligations of nations to share with others the resources which the Creator of the world put here for the use of us all. Though Pius XII makes due allowance for the obligations of well-regulated patriotism, his doctrine has nothing in common with superpatriotism.

We are all members of a community wider than the national community. Not only as individuals but as a nation we have obligations, in economic matters as well as in others, to those outside our American borders. The Pope expressed this thought with particular clarity and detail in his 1952 Christmas address:

"To nations, as such, we extend our invitation to render operative this sense and obligation of solidarity: that every nation develop its own potentialities in regard to living standards and employment, and contribute to the corresponding progress of nations less favored. Although even the most perfect realization of international solidarity would hardly bring about perfect equality among nations, still there is an urgent need that this solidarity be put into practice at least enough to change perceptibly the present situation, which is far indeed from attaining a just harmony. In other words, solidarity among nations demands the abolition of glaring inequalities in living standards, and so in financial investments and in the degree of productivity of human labor."

These words are a clear vindication of the principle of foreign aid—a principle, be it said, that the American Coalition of Patriotic Societies and others like it do not accept. For the allusions made by Mr. Braden to our aid to Yugoslavia and Poland are so much window-dressing to conceal a basic lack of sympathy for any kind of help whatever to any country other than our own. They give an air of respectability to what is essentially a narrow, bigoted and un-Christian view of the world and its anguished problems.

No doubt foreign aid, in its actual operations, is subject to many valid criticisms. But when die-hard opponents of the whole mutual-security program bring in God's will

to buttress their arguments, it is time to recall that we are still our brother's keeper, even if he isn't a United States citizen.

#### MAIL SERVICE UNIMPAIRED DESPITE INCLEMENT WEATHER

Mr. JAVITS. Mr. President, I think all of us should note that on the pedestal of the post office in New York there is the inscription:

Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds.

Due to weather, all but essential Federal employees in the Capital had Monday and Tuesday off. Their absence Monday was considered annual leave with pay, and Tuesday administrative leave at full pay, not charged to annual leave. However, on Monday the Post Office Department here had the greatest number of workers show up, an estimated 54 percent, as compared with 10 percent in the Pentagon.

Nowhere in this country during the current cold spell have mail deliveries been called off. Monday and Tuesday, during the worst snow in 22 years here, mailmen delivered mail. From Michigan City, Ind., where a 5-foot snowfall has received much national attention, to New Orleans, La., where four-tenths inch unprecedented snow caused all businesses to close a half day, mailmen went through.

And all this service was provided for between \$70 and \$85 a week, since the average city letter carrier receives \$3,660 to \$4,410 per annum.

Mr. President, we will soon enter upon the consideration of the postal pay bill. This kind of performance we should keep in mind when we consider that bill.

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

Mr. JAVITS. I yield to the Senator from Illinois.

Mr. DOUGLAS. I congratulate the Senator from New York for what he has said, but I hope he will not claim credit for the beautiful sentiment on the New York post office as having been written by New Yorkers, because I believe that particular quotation was written by Herodotus in approximately 470 B. C.

Mr. JAVITS. The Senator from Illinois is exactly correct, Mr. President, as to the source, and he wins whatever is the prize for this particular answer.

#### INVESTIGATION OF IMPROPER ACTIVITIES IN THE FIELD OF LABOR

Mr. CURTIS. Mr. President, for several months now I have been serving on the Select Committee To Investigate Improper Activities in the Labor or Management Field. It is a distinct pleasure to serve under the leadership of the chairman of that committee, the Senator from Arkansas [Mr. McClellan]. Few people realize, I am sure, the long hours, almost every day of the week, the Senator from Arkansas puts in while carrying out his duties in a fine and commendable manner, with fairness and thoroughness, and with due regard for the rights of all people.



In the course of our investigation, Mr. President, we have found too many instances of abuse of power on the part of union officials. I wish to say, however, that as we have sat day after day, hearing the stories of corruption, violence, gangsterism, theft, and violation of law in general, my respect for the men and women who work, for the rank and file of our working force, has not diminished in the least. I believe them to be fine, stalwart, good citizens. One of the problems today is that such men and women are not in control of their own unions. The law fails in that regard. Were they in control of their own unions, there would be no temptation for the wrong sort of individual to aspire to be a union leader.

I have a strong feeling that many of the union leaders—not all, and not a majority, but far too many of such leaders—are definitely not interested in the working people. They are interested in operating an organization for their own profit, their enrichment, their political aggrandizement, and for the power they can exert, some of them in order to remake the economy of America and advance socialism.

In support of the contention that such men are not interested as often as they should be in the rights and the welfare of working people, I ask unanimous consent, Mr. President, to have printed as a part of my remarks an editorial from the Washington Post and Times Herald of Monday, February 10, 1958, entitled "Is AFL-CIO Antiunion?" and, following that, an article on the same subject which appeared in the Washington Post and Times Herald of the same day, in the column written by Mr. Drew Pearson.

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

#### IS AFL-CIO ANTIUNION?

It is ironic indeed to find the AFL-CIO engaged in a labor dispute with a group of its own employees and reacting in the manner of any hardboiled antiunion employer. The dispute arose because a group of union organizers decided that collective bargaining was the way to improve their wages and working conditions. When they ran into heavy opposition from the AFL-CIO hierarchy, they petitioned the National Labor Relations Board for an election. Instead of waiting the outcome of that election, as any reasonable employer is expected to do, the AFL-CIO is reported to have discharged about half of its organizers including the president of the union and others active in its organization.

There is a serious question, of course, as to whether the NLRB can order a representation election for the organizers. The Taft-Hartley Act forbids the NLRB to protect the organizing rights of supervisory employees. The AFL-CIO contends that its organizers are in this category—that they are representatives of management in carrying out the organizing function. But the question of whether the organizers are in fact supervisory employees is yet to be decided by the NLRB. So is the question of whether they can form a proper bargaining agency even though they may be considered supervisory employees. Instead of waiting for determination of these questions by the Board, the labor hierarchy appears to have acted with typical antiunion impatience.

It is said that this action does not reflect the views of many AFL-CIO leaders—that it

was influenced in part by the heads of large international unions who fear that, if this move succeeds in the parent body, their own organizers will demand collective bargaining rights. At present, jobs of this sort are used as patronage to strengthen the hold of union leaders upon their organization. They would be loath to lose this means of controlling their unions, and so fight as ardently as any employer against collective bargaining which would impinge upon their prerogatives.

That may be a good explanation of this strange antiunionism within the temple of labor, but it scarcely justifies the action taken. One would think that labor organizations would lean backward to give their own employees every conceivable right to collective bargaining. Much of the good will that the AFL-CIO has acquired in its courageous fight against corruption in the ranks of labor is likely to be dissipated if it takes refuge in the Taft-Hartley Act and resorts to unfair labor practices in order to avoid bargaining with a group of its own employees.

#### JOBLESS PROBLEM

While the AFL-CIO is protesting against rising unemployment, it has added to the unemployment problem by summarily firing over 100 of its own workers, in some cases with only 1 week's notice. The discharged employees, some of them veterans of 20 to 30 years, are complaining that they would have thrown a picket line around any company that gave them such treatment.

The firings, extending from the front office to the janitor force, followed the heavy loss in dues as a result of ousting the teamsters union.

Top official to get the ax was Lew Hines, special AFL-CIO representative, who was given 8 days' notice. He spent many years as troubleshooter for the late AFL President Bill Green and also served as Pennsylvania's secretary of labor and industry from 1939 to 1943.

The AFL-CIO's secretary-treasurer, Bill Schnitzler, acting for President George Meany, tried to present Hines with a gold watch as a "retirement" present. A photographer was called in to take pictures of the ceremony.

"George is sorry he couldn't be here," Schnitzler explained to Hines.

"If he is so sorry," snorted the fired official, "why don't we go down to Miami and have the ceremony there?"

Schnitzler tried to soothe the ruffled Hines, and finally pulled the gold watch out of his desk for the presentation.

"You are not going to give me any stinking watch," snapped Hines. "You are not going to add insult to injury. You can take your watch and stick it back in the drawer."

Speaking more for the other fired employees than himself, Hines told Schnitzler angrily: "The way you have handled this has been perfectly lousy."

With that, he walked out, leaving Schnitzler dangling the gold watch.

NOTE.—Protests against the summary dismissals have been so heated that the 1 week's notice has now been extended to 30 days' notice.

#### DEPLETION ALLOWANCES IN TAX LAWS

Mr. DOUGLAS. Mr. President, there has come to my attention a very able letter written by the junior Senator from Ohio [Mr. LAUSCHE] on the subject of the depletion allowances in our tax laws. While it deals particularly with the question of the allowances for coal which I have not personally raised, it also analyzes the history and effect of the de-

pletion allowances for other minerals, including oil and gas.

This letter by the Senator from Ohio is characteristically thorough, and it shows that he has gone into this entire question—which is a very complex one—in great detail. Because it is such a comprehensive and clear letter and also because he states important conclusions which are similar to, if not exactly the same as those held by others who have analyzed this question carefully, I have sought his permission to make this letter a part of the RECORD so that this fine analysis might be shared both with our colleagues and with the public. He has concurred in this step, and I therefore ask unanimous consent that his letter be printed in the body of the RECORD in full.

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

UNITED STATES SENATE,  
COMMITTEE ON INTERSTATE  
AND FOREIGN COMMERCE,  
February 5, 1958.

Mr. FORD SAMPSON,  
Executive Secretary, Ohio Coal Association, St. Clairsville, Ohio.

DEAR Mr. SAMPSON: I was pleased to receive your letter of January 30 in which you expressed the views of the Ohio Coal Association and the 10-percent depletion rate now allowed the coal industry be increased to 15 percent, or preferably 20 percent, in order that the allowable rate may be more equal to that allowed the oil and gas industry.

While I am pleased to receive the benefit of your views on this subject, after having given the entire Federal depletion allowance formula close study, I have come to the conclusion that there should be a narrowing of the allowance gap between the oil and gas and the coal industry, but that it should be accomplished by reducing the percentage allowance to the oil and gas industry rather than by increasing the present allowance to the coal industry.

Frankly, in the interest of fairness in the application of our Federal tax laws and the elimination or reduction of unnecessary Federal subsidies, the Federal depletion allowance to the entire mineral industry, including oil and gas, should be either eliminated entirely or greatly reduced.

I fully appreciate the importance of the great contribution the coal industry is making toward the stable economy of our State. Ohio is indeed fortunate that it has been blessed with such a great natural resource, and that this resource is being utilized for the benefit of its citizenry. I cannot concur, however, with the theory that future development of this resource is dependent, even to the smallest degree, upon either an increase or continuation of the present depletion allowance.

In all fairness to the taxpayer of our Nation, who pays the bill, and to other industry and business, which do not enjoy a privileged depletion allowance, there should be gradual elimination of percentage-depletion provisions in favor of cost depletion and through the gradual merging of the rate of tax on capital gains with that on ordinary incomes.

The depletion allowance, in its present form, dates from the Revenue Act of 1926, when Congress granted to oil and gas producers the privilege of charging against net income in the computation of income-tax liability an amount equal to 27½ percent of gross sales from crude production but not to exceed 50 percent of net income. This grant of privilege was justified on the ground that under the existing technological and economic conditions a stimulus was necessary

to encourage the discovery and development of new oil and gas deposits. At the tax rates prevailing in 1926, a depletion allowance of 27½ percent did not appear to be an excessive price to pay for assurance of increased supplies and additional reserves. Furthermore, the tax savings and loss of Federal revenue, it was thought, would not be significantly greater than those resulting from the system of cost depletion then operative.

During the subsequent 30 years, however, this restricted privilege, designed to serve the public interest, has been transmuted into a generalized tax immunity, or subsidy, which seriously depletes the public revenue, creates grave social injustices and produces serious distortions in the economy. In short, the depletion allowance has become primarily a private tax-escape device the approximate effect of which is to equate the corporate income tax with the capital-gains tax in the natural-resource industries. This lucrative privilege constitutes a powerful vested interest, the capitalized value of which amounts to billions of dollars.

No sooner had the oil and gas industries been accorded the privilege of percentage depletion than other extractive industries began to clamor for equality of treatment. The 27½-percent depletion allowance became the goal to which all the rejected and excluded might aspire. With rising prices and higher income-tax rates the depletion allowance became increasingly lucrative and the capitalized value of its benefits (tax savings) correspondingly greater. Thus, the pressure to extend the privilege mounted until it became irresistible; Congress was forced to yield and gradually other extractive industries gained admission to the select company of the privileged, albeit at considerably lower rates.

These developments have brought us to a point where the depletion allowance imposes on the Federal Treasury a huge loss of potential revenue the exact amount of which is not known but which may run to as much as \$1 billion per year, of which amount the oil and gas industries account for approximately three-fourths. This deficiency must either be made good by nonprivileged taxpayers, or borne by consumers through chronic inflation or by the general public in the form of desirable public services foregone.

If percentage depletion ever served the public interest to an extent commensurate with its costs, it has long ceased to do so. Under modern conditions the known evils so far outweigh the indeterminate and illusive benefits claimed for it that percentage depletion can no longer be defended on grounds of public, as distinct from private, interest. There is no necessary or urgent public interest at stake in the extractive industries which cannot be served better, more cheaply, and with fewer attendant evils by alternative means. If a free competitive price system will not call up adequate supplies of these minerals, and if a free capital market will not provide sufficient increments of new capital, then these deficiencies can be met by direct, specific, governmental action without resort to a generalized tax subsidy divorced from performance.

Our national defense is such a primary objective that citizens are willing to incur great costs on its account. But especially with a defense budget as large as ours is today, we should be strongly interested in seeing to it that we are getting the maximum amount of defense potential for our money, or to put it another way, that we are not paying more than is necessary for the amount of defense potential that we are getting. True economy, in this area as in others, requires scrutinizing each individual action to make sure that we are getting the most for our money.

It is my conviction that our present tax treatment of mineral industries has no justifi-

fication in a peacetime economy. Hence, it can be justified, if at all, only in terms of its contribution to national defense. But it would indeed be surprising if percentage depletion were the best way to provide for our defense needs of coal and sand and gravel as well as oil and copper and lead.

Sincerely yours,

FRANK J. LAUSCHE.

#### OUSTER OF COL. JAMES A. SMYRL FROM LACKLAND AIR FORCE BASE, SAN ANTONIO, TEX.

Mr. BRIDGES. Mr. President, for the past several months I have associated myself with the efforts of Col. James A. Smyrl, of Manchester, N. H., to clear himself of Air Force charges that he is temperamentally unsuited to continue on active duty.

A major part of his defense has been his disclosure of irregularities at Lackland Air Force Base, San Antonio, Tex., where he has been stationed. The Air Force has not taken these charges into consideration in determining his fitness, and with this I take issue. To my way of thinking, it is almost impossible to resolve Colonel Smyrl's status without making parallel references to the conditions at Lackland which he has brought to light.

In the February 12, 1958, issue of the Manchester (N. H.) Union Leader, there appeared a news story that Philip A. Johnson, manager of the Lackland Air Force Base post exchange, had been discharged for unsatisfactory performance of duty and lack of proper judgment in carrying out these duties. I ask that it be printed in the body of the CONGRESSIONAL RECORD, for I regard it as further evidence that this and related matters at Lackland do bear directly on Colonel Smyrl's defense.

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

##### SMYRL CASE FIGURE IS FIRED BY AIR FORCE

SAN ANTONIO, TEX.—Philip A. Johnson, general manager of Lackland Air Force Base post exchange and a controversial figure in the ouster hearing of Col. James A. Smyrl, of Manchester, N. H., was fired February 4 by Maj. Gen. Herbert Grills, Lackland AFB commander, it was revealed yesterday.

Grills, who fired Johnson by letter, also had brought the ouster proceedings against Smyrl for failing to obey orders. In his letter to Johnson, Grills said he was taking the action on orders from higher authority.

(The United Press reported yesterday that Maj. Gen. Harlon Parks, chief of the exchange service in New York, said the action of removing Johnson was taken on the recommendation of Lt. Gen. Charles T. Myers, air training commander at Randolph Air Force Base.)

Johnson's name was brought into the Smyrl ouster hearing, when Smyrl, former Lackland AFB training commander, charged in a sworn affidavit that the post exchange manager had favored certain civilian concessionaires on the base.

Smyrl's attorney had also charged that holders of the Lackland AFB photo concession had built a \$36,000 home for Johnson in an exclusive San Antonio subdivision. Johnson has denied these charges.

A Pentagon review board is now studying Smyrl's case to determine whether he should be retained in the Air Force. From Wash-

ington last night it was learned that Secretary of the Air Force Douglas has told Senator STYLES BRIDGES, in response to a request from the Senator, that he would be happy to arrange a meeting with Colonel Smyrl and his attorney.

General Grills, in his letter of dismissal to Johnson, said, "Instructions which I have received from higher authority direct me to discharge you immediately from your position as manager of the Lackland Air Force Base exchange."

#### THE POST OFFICE BUILDING PROGRAM

Mr. MARTIN of Iowa. Mr. President, a few Democrat Senators have publicly attacked the Post Office Department's all-inclusive \$2 billion construction program as too small to stimulate the economy.

Why they do so is a mystery to me unless they are put out because this sensible long-range program to improve our rundown postal plant was proposed by the administration.

We should resist any effort to play politics with our postal service and, above all, we should keep our perspective on this whole question of this Nation's great economic future.

Can any sensible American have any doubts, as the President emphasized in his message on the economy, that "the underlying forces of growth remain strong and undiminished"?

Consider these few facts:

First. Our population is growing at the rate of 3 million people a year and creating consumer needs for more of everything we consume or use.

Second. Retail sales for January matched the previous alltime record of last July. Consumers are still willing to buy.

Third. Money is cheaper now to borrow. This easing of credit means plenty of money for expansion.

Fourth. For the first 6 months of this year new defense contracts will exceed \$13 billion. In the last 6 months of 1957 they totaled \$7.9 billion.

Fifth. There are more small businesses now—4.2 million—than ever before, and their rate of profit has also been rising.

Sixth. Private housing starts picked up in January to a yearly rate of 1,030,000 units in comparison to an average rate of 1 million in the final 3 months of 1957. Home building thus extended into the new year the improvement in residential construction activity which developed in the latter half of 1957.

This is no time to sell America short. This is no time for political trickery with our economy for partisan advantage.

This is a time, Mr. President, to take steps to stop a temporary recession. And I consider \$2 billion a good start toward stopping the recession by its encouragement to the building field and all allied trades.

This is a time to proceed, right now, with the all-inclusive program to modernize postal buildings in practically every community in America. That is the way to stimulate our economy and to assure improved postal service for years to come.



# THE IMPORTANCE OF THE MURA HIGHER ENERGY ATOM SMASHER IN MADISON

Mr. WILEY. Mr. President, my colleagues may recall that I have spoken several times on the floor of the Senate emphasizing the importance of the construction of the \$100 million atom smasher which had been proposed by the physicists of MURA—the Midwest Universities Research Association.

Even if we were not engaged in a life and death struggle for technical supremacy with the Soviet Union, this awesome instrument of science would be necessary for man's progress.

The fact, however, that Soviet Russia is reportedly outbuilding us in atom smashers, and that she will use her research largely for military application, makes especially important that we not only keep abreast of Russia, but go far into the lead.

In this connection, I cite an article which had been published last month in the New York Times by Prof. Fred Hoyle.

Its theme was the importance of creative research in America. Professor Hoyle pointed out the well-nigh incredible point that the Government spends only about one-fiftieth of 1 percent of its income on the direct support of creative endeavor, or, if the tools of research are included, around one-fifth of 1 percent.

Then, Professor Hoyle proceeded to cite the need for the MURA atom smasher.

I was pleased to receive last week a letter from Adm. Lewis Strauss, Chairman of the Atomic Energy Commission, indicating that, despite what I might say were some rather grim signs to the contrary, the case is still open for the MURA project.

Admiral Strauss stressed that the building of a 12.5 billion electronic volt accelerator at the National Laboratory at Argonne, does not—I repeat, does not—preclude the construction at a later date of the MURA project with its very advanced design.

In all fairness to the AEC and to thorough understanding of the relationship between the accelerators, I send to the desk now Admiral Strauss' letter. I ask unanimous consent that the pertinent excerpts of it be printed at this point in the body of the RECORD.

As the overall background to the subject of creative research, I ask unanimous consent that the Times magazine article written by Professor Hoyle, a renowned scientist, I may say, of the United Kingdom, follow, after the text of Chairman Strauss' communication.

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

UNITED STATES  
ATOMIC ENERGY COMMISSION,  
Washington, D. C., February 12, 1958.  
HON. ALEXANDER WILEY,  
United States Senate.

DEAR SENATOR WILEY: \* \* \* The AEC has never intended the Argonne machine to take the place of a possible MURA accelerator in the Midwest. Both the Nation and the Midwest are in need of another high energy accelerator in the 10 Bev region. In addition

to providing such an accelerator to that region, we are interested in speed of construction and earliest possible time of completion; to fulfill these requirements, it is prudent to build a machine based on existing designs. Any accelerator based on new design features will necessarily take longer to construct because it will require much more extensive development and, consequently, longer design periods. Consequently, the AEC decided to fulfill the immediate needs in high energy physics through the construction of the Argonne 12.5 Bev accelerator. While the design of this machine is based on tested accelerator practices, the machine will, by no means, be obsolete. The latter fact has been confirmed by comments from most of the prominent high energy physicists of this country, and especially the Middle West, who are anxiously awaiting the completion of the Argonne synchrotron.

The construction of the Argonne machine will, of course, not preclude the construction of accelerators based on new designs which will drastically extend existing energy and intensity parameters. The proposed MURA machine would be in this class.

I hope that these comments will be of help to you in your efforts to further the high energy physics program of the United States.

Sincerely yours,

Chairman.

[From the New York Times of January 12, 1958]

## WE CAN TAKE THE LEAD IN SCIENCE IF—

(By Fred Hoyle) <sup>1</sup>

I am aware that the contents of this article may be thought contentious for, without mincing matters, I am going to set down what seems to me strong evidence to support the view that creative science, what is sometimes called basic research, has been very seriously neglected—indeed, that the neglect has been well-nigh derisive. To avoid misunderstanding, I would like to make it clear that this stricture is not primarily directed against the United States, but against the scientific policies of all democratic governments, with the noteworthy exception of Australia. The situation is in many ways worse in my own country, Great Britain, than it is here in America. I believe that the root of the matter lies in an attitude of mind that is prevalent both in the United States and in Western Europe.

There is a widespread belief that, while all this may have been true in the past, everything is to be changed in this new post-sputnik era. Possibly so, but the signs are not altogether encouraging. To understand my point here, it is necessary to draw out very clearly the distinction between creative and noncreative scientific work.

Imagine yourself back in the year 1890. Suppose that you were drawing up a program of medical research. What would your plan be? Certainly you would think about the development of better surgical instruments, better anesthetics, better dressings, and so forth, but you would not think of X-rays, for the reason that X-rays were not even remotely suspected to exist in the year 1890. The surgical instruments, etc., would have been noncreative research; that is to say, development along known lines, leading in the end to results that were expected and understood at the beginning. The discovery of X-rays by Roentgen in 1895 was creative re-

search, a sudden step into a hitherto unknown world.

What of the sputniks? Emphatically, their launching was the fruit of noncreative research, the fruit of meticulous development, using scientific ideas that have been well known for many years. Although I may sound a little as if I were offering a draught of the well-known cocktail made of vodka and sour grapes, I feel it is important to say quite forthrightly that this whole matter of satellites has nothing like the scientific proportions that popular esteem has given it. It would certainly be quite silly not to give the Russian engineers a just measure of applause for their fine achievement, but in my view it is equally silly to imagine that an epoch-making stride has been made. The sputniks were already implicit in the German V-2. Given the V-2, development of sputniks along well-understood lines was certain. The only element of doubt was the date on which the first successful satellite launching would be made—whether it would be October 1957, or October 1967, or October 1953.

What example can be given of a really outstanding scientific achievement in recent years? An excellent case lies immediately to hand in the discovery of the nonconservation of parity in weak interactions. This phrase, although it is too technical to explain here, means that the way is being cleared for an understanding of one of the basic mysteries of nuclear physics and for a new grasp of the logical structure of the universe. Beside this feat the circling of this little world of ours by the tiny particles we call sputniks pales into insignificance. Ironically, in view of the commotion created by the sputniks, the discovery of the nonconservation of parity is an American accomplishment, first predicted by T. D. Lee and C. N. Yang at Columbia University and the Institute for Advanced Study in Princeton.

With these thoughts in mind, let us take a broad look at the way that the United States has been promoting its scientific endeavor during the past 10 years. I believe that at least one very clear-cut conclusion can be reached, but first let me set the story down in plain terms, namely in dollars. In the following table I have set out what seem to be the relevant quantities. It is important to realize that the numbers in the table are intended only as a guide to the general orders of magnitude. For instance, it is enough to know that, on the average, the annual United States budget during the last 10 years, has been about \$50 billion. It is of little interest from our point of view that in 1950 the budget was \$40.2 billion and in 1952 was \$66.1 billion. Such detail is inessential to my conclusion and would only serve to obscure the issue.

## 10-year record of United States income and Government spending on science

Total national income—	\$3,000,000,000,000
Total Government income—	500,000,000,000
Scientific expenditure by Government:	
On production—	100,000,000,000
On development (non-creative research)—	20,000,000,000
Scientific expenditure by Government:	
On tools for creative research—	1,000,000,000
On creative personnel—	100,000,000

All the entries for spending refer to Government activities—in part, because the Government plays the biggest role in encouraging and controlling scientific work, and also, in part, because industry is under the constraint that its activities must show a profit. This may lead to an industrial corporation

<sup>1</sup> Fred Hoyle is visiting professor of astronomy at California Institute of Technology. A well-known British scientist, he spends about half the year in California, half in Cambridge.

being unable to support a piece of scientific research when, other things being equal, it would have preferred to do so. The Government is not under the same constraint.

Now, a few words about the meaning of the items in the table. The whole of Government expenditure is not given, only that concerned with scientific research and with the production of the fruits of scientific research—unhappily, in the present age, the production of aircraft, tanks, etc. Explicitly, the table does not include expenditure on education.

Examples of tools for creative research would be atom smashers, telescopes, high-speed electronic computers. I have thought it wise to separate the tools of research from the creative personnel who supply the ideas for their use, because without the creative personnel the tools themselves would be just so much useless junk.

The well-nigh incredible point emerges that the Government spends only about one-fiftieth of 1 percent of its income on the direct support of creative endeavor—or, if we include the tools of research, about one-fifth of 1 percent. When we remember that every new development must emerge from creative research, the situation seems so absurd as to defy coherent comment. Nothing that goes on at the top of the table—nothing in the categories of practical applications—can change in any radical way except through ideas that rise up from the bottom. Put somewhat ludicrously, if it were not for creative research, the Government would still be spending \$10 billion per year in the production of stone axes.

By comparison with the Government's expenditure of \$100 million on creative personnel over the past 10 years, the universities, colleges, and foundations have spent about \$500 million from their comparatively slender resources. The unpalatable conclusion emerges that democratic governments (for, as I indicated at the outset, the same pattern is present in Britain and Western Europe) seem unwilling to support creative endeavor in the same degree as were the aristocrats of the 18th century, the industrialists of the 19th and early 20th centuries, or totalitarian Russia. I believe the same can be said of the arts as of the sciences.

The first step that must be taken is manifestly clear. Creative research must move up to the same general level as noncreative research, say to a level of \$10 billion over the next 10 years. At first sight, it might seem that this would place an additional charge of about one-third of 1 percent on the national economy. It is very much to be doubted, however, whether even this small charge would be incurred. In the first place, an increase in the momentum of scientific discovery would be more than likely to augment the national income by very much more than one-third of 1 percent. Secondly, savings could probably be made in production. As far as I am aware, nations quite generally waste large sums of money on production, particularly in continuing to produce weapons after they become obsolete. This tendency is greatest when creative research has low prestige and is likely to be least when creative research is strong, because only when creative research is strong can shifts of emphasis be made at the earliest possible moment.

In case there may be some who feel that those engaged in creative research have been given all the financial support for which they have asked, I would like to point out that this emphatically is not the case. Let me give one important example. At present the Soviet Union leads the United States in the building of giant atom smashers. As a result of several years of painstaking study, physicists of the Midwest Universities Research Association devised a project, esti-

mated to cost about \$100 million, that would have placed the United States far in the lead again. The request that the Government provide financial backing to the project was refused.

In a sense, creative research is a crazy sort of business. It is rather like aiming at an unknown target, indeed, like aiming even though you may not know whether any target exists. It follows that creative research cannot be planned as noncreative research can. Sometimes the creative researcher can see a little way ahead, but the biggest steps are usually unexpected and unplanned.

This seems to be a very difficult notion. A request for money to build some new tool of research is almost invariably met with a barrage of questions. Why do you want such an instrument? What do you hope to find with it? The scientist is forced to compromise with his conscience by offering a list of objectives that in his heart he knows to be specious. For what he hopes to find he cannot put a name to. In short, he is playing a hunch. Baseball coaches know the virtues of playing the percentages. Let the Government take a look at the scientific record and play the percentages accordingly. We have seen that no one could have planned for the discovery of X-rays. Just as surely, no one can plan for the great discoveries of the future.

Very fortunately for the United States this point is not well understood in the Soviet Union. The Russians, so far as we can tell, are devoting a much higher percentage of their national income to basic research, but the interference from above with the work of the creative scientist is sufficient to pretty well neutralize the benefits of the extra money. Were the Russians not rather stupid in this respect, the case for United States science would already be worse than serious.

Now what is, in fact, likely to happen during the next year or two? My impression is that more money will be made available to science, but that it will be largely absorbed into the upper items of the table—development and production. Such an action may be justified as a short-term move, but in the long view no good can come of it. What is needed is a more rapid injection of new discoveries, more rapid than the Soviets can achieve, and this can only come from upgrading the lower part of the table. An uplifting in the quality of science teaching, particularly at high-school level, is perhaps the only other action of comparable importance that can be taken.

And now one final poke, after which I can cool off. I cannot help comparing the brilliant successes of creative science in the United States over the last 10 years with the recent rocket fiascos, and cannot help wondering how it comes about that creative science has achieved so much, existing as it does on a pittance—on a few crumbs dropped from a well-supplied table of national prosperity.

A great deal of the explanation lies, I believe, in a crucial difference of organization. Noncreative research is largely atrophying because it has been splintered into a multitude of individual, noninteracting compartments. This outcome is the child of secrecy.

It is all too easy to see the advantage of secrecy; it stops an adversary from acquiring one's knowledge. The advantage is more apparent than real, however, for development research is something that any nation can do, given sufficient money, scientists, and engineers. What secrecy really does is to induce a wholesale disruption of a country's own endeavors, whether in development or creativity.

Very fortunately, secrecy in basic research in the United States is confined to only a handful of cases. The reason, ironically, is that the field has not been generally held in very high regard. As a result, creative scien-

tists have been able to work freely and produce remarkable results.

The reader may wonder why, since the results of creative research have been so good, we should worry about trying to make it any better. The answer is that, if Russia improves its creative research by increasing its capacity and volume, ours will be in danger of being left behind for lack of general support. It is not much good having a limited amount of creative research if someone else has more.

What is the psychological reason for the manifest neglect of creative thought? I believe that a large measure of the answer can be stated quite simply. The natural human impulse is to discount the future, to imagine that all the great discoveries that can possibly be made have already been made. The same is true of the arts; all the great poetry, painting, and symphonies are supposed to belong to the past: No one apparently believes in the emergence of a new Shakespeare or of a new Mozart. Whatever the future may hold in store for the arts, the case for science is abundantly clear. We are still very much at the beginning of the road. What has so far arisen is likely to prove but a small image of what is to come. This being well-nigh sure, it can be said with some confidence that the nation that neglects creative thought today will assuredly have its nose ground into the dust of tomorrow.

#### NINETEEN HUNDRED AND FIFTY-SEVEN IN RETROSPECT

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a very interesting article sent to me by Prof. Bower Aly, of the University of Oregon. The article is entitled "1957 in Retrospect," and was written by Prof. John Ruff, of the University of Missouri.

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

#### NINETEEN HUNDRED AND FIFTY-SEVEN IN RETROSPECT

"Let us admit it fairly, as a business people should,

We have had no end of a lesson: it will do us no end of good."

Another year. And what a year it has been. On the national level each succeeding month has brought increasing disappointment, disillusionment, and concern. Although a majority of our news weeklies and metropolitan newspapers have evidently attempted to conceal the true state of our national affairs, to ignore our failures, and minimize our defeats, Operation Soothing Sirup has failed. Many thoughtful observers are now alleging that 1957 has been a year of shocking setbacks in at least a half dozen areas that are vital to our position of world leadership and our safety as a free nation. These comments are not merely the claims of sensational alarmists. For example, in its Washington report the Atlantic for December 1957 presents a grim summary of these failures. It asks "Why?" and it answers: "• • • a massive failure of presidential leadership."

In no area vital to our national well-being has the lethargy of our national leadership been more tragic than its negligence of public education. Throughout the last 5 years there has been no occasion for guesswork about the necessity for substantial Federal aid to help provide for our greatly expanded school population. The children were already here. They could be counted. The dire need for significant Federal subsidy for public education could now be denied only by the uninformed, the unrealistic, the shortsighted, or the stingy. Did our national



leadership face this problem with courage and forthrightness? It did not. Instead, this growing crisis was met with delay, buck-passing, evasion, and more delay. Moreover, this refusal to face up to the situation was not confined to official Washington. Lacking strong and vigorous national leadership, far too many of our citizens continued to show more concern about chrome for their cars than about better education for their children. Meanwhile, the national situation has steadily worsened. The Census Bureau reported today (December 30, 1957) that last month our schools and colleges enrolled 41,200,000 (an increase of 27 percent over the figure for 5 years ago). The number of children in kindergartens and elementary schools was 29 million (up 5,700,000 in 5 years). High-school pupils numbered 9 million (a 5-year increase of 1,800,000). Universities, colleges, and professional schools enrolled 3,100,000 (increase of 1,200,000). (Both full- and part-time students were counted in this report.) As this tidal wave moves into the upper years of the secondary schools and then into higher institutions the per pupil costs increase. Result: A grave and continuing crisis for years to come.

Some 40 years ago H. G. Wells warned the world that civilization was "in a race between education and catastrophe." Some of us took his warning seriously then; more will take it seriously now. But what of those at Washington who are charged with the overall leadership of this Nation? Will they really perceive the calamity that threatens us and give us the positive, vigorous leadership, and aid we sorely need? Or shall we have another shameful chapter of evasion, buckpassing, and delay ending in unwise, lopsided, half-way measures?

What is the role of the teacher in a crisis that threatens our Nation, that imperils civilization? As always the primary responsibility of the teacher is to teach. My job is to teach. What a stirring age in which to live. What a challenging time in which to be a teacher.

JOHN RUFL

COLUMBIA, Mo., December 30, 1957.

#### THE LETTUCE INDUSTRY IN BLANCA, COLO.

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article which was published in the Denver Post of January 26, 1958.

The article has two purposes. The first is to show that initiative in this country is not dead, by any means.

In a portion of the San Luis Valley, of Colorado, where the people had about given up the growing of lettuce, because there was no speedy way of transporting it to the rest of the world, the Small Business Administration made a loan, in 1956. Today, by placing the lettuce on pallets and by extracting the surplus air and water by means of the creation of a partial vacuum, the temperature is lowered to 33 degrees; and then the lettuce may be shipped anywhere in the United States without additional icing; and it arrives in better condition than it would be in as a result of any method previously used.

Certainly this is a good lesson in private initiative. It is also a great example of the work that the Small Business Administration has been doing in the West, under the regional SBA director, Mr. Harold R. Smethills.

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

#### SBA LOAN PAYS OFF—BLANCA LETTUCE FIRM BOOMING

A million dollars in cash was pumped into the economy of the tiny San Luis Valley town of Blanca, Colo., during 1957 because three businessmen decided during the drought of 1955 that it was time for destitute Blanca to help itself.

The million dollars came from a new enterprise which has revolutionized the lives of every person within a 10-mile radius of Blanca.

It went to the farmers who in 2 short years have seen their high altitude lettuce crop become a favorite in the top hotels and high quality food stores of the Nation.

The money went, too, to workers at the unique San Luis Valley Pre-Cooling Co., Inc. And from the farmers and workers it flowed into the business economy of an area which 24 months ago teetered on the brink of a 100 percent relief problem.

The Blanca success story began in February 1956, when George Oringdolph, president of the newly formed San Luis Valley Pre-Cooling Co., Inc., negotiated a loan of \$75,000 from the Small Business Administration to buy equipment and set up a new method of processing the Blanca area lettuce crop.

#### ONE HUNDRED PERCENT LOAN O. K.'D

Harold R. Smethills, regional SBA director, said the Small Business Administration agreed to advance the loan on a 100 percent basis since there was no bank in the area to underwrite part of it.

"I toured the area, talked to businessmen and farmers and became convinced the new plant was Blanca's only hope for salvation," Smethills said.

In the summer of 1956, the new company shipped 300,000 cartons containing 20 heads each of high altitude lettuce. On the basis of that success, SBA approved a second loan of \$34,600 to enlarge the size of the processing plant.

The 1957 shipment total was 420,000 cartons, the equivalent of 700 carloads.

The new packing method pioneered in Colorado by Oringdolph and his fellow officers, Henry Quiller and W. W. McClintock, has revolutionized the San Luis Valley lettuce industry.

#### WILT WHIPPED

The old method of shipping lettuce packed in chipped ice was wasteful, Smethills said. It resulted in wilted and rusted leaves which had to be trimmed off by grocers. And it limited the market because lettuce under ice would not withstand long shipments.

Under the new method, pallets of freshly harvested lettuce are loaded in perforated cartons and placed via fork lift on a specially built flatcar only 6 inches high.

The flatcar is pulled into a square metal tunnel 6 feet high, 6 feet wide and 10 feet long. The ends are sealed hydraulically and two compressors pump the air out of the metal tunnel.

A near vacuum is created inside the tunnel and all excess moisture and heat in the lettuce evaporates off automatically.

#### LETTUCE DRY LOADED

In 16 minutes the lettuce is at 33°—just 1° above the freezing point.

It is loaded dry—without ice—into refrigerator trucks or railroad cars and can be shipped from coast to coast, arriving in perfect condition with no wilted leaves.

"The lettuce stays crisper than any lettuce I've ever tasted," says Smethills. "And the fame of Blanca's lettuce has spread so fast that lines of refrigerator trucks from as far away as Mississippi and Texas are waiting

for each load as it comes out of the cooling tunnel."

Is SBA happy about the loan it made to Blanca?

"We couldn't be more pleased," says Smethills. "They have even made a \$6,000 advance payment on the 1958 installment."

#### NATIONAL DEFENSE IS A NON-PARTISAN MATTER

Mr. PROXMIRE. Mr. President, the President of the United States has said that national defense is a nonpartisan matter, and I am in wholehearted agreement with him. Where the safety and welfare of our country are concerned, we are all Republicans, we are all Democrats.

I am sorry, however, to have to say, Mr. President, that the bipartisan approach of the President either does not spread far enough down in his administration, or it does not spread far enough out from the White House to include the whole of the country.

Last week, Mr. Wayne B. Warrington, a special assistant on the White House staff, went to my State, to speak in Waukesha, Wis., to a Republican Party Lincoln Day dinner. The Milwaukee Journal reported his speech on Sunday. What Mr. Warrington had to say makes very interesting reading, indeed.

I shall not refer to the usual partisan charges which are to be expected at a dinner of that kind, regardless of which party is the sponsor. What I am concerned about is Mr. Warrington's reference to the success of the Explorer satellites. This is what he said—and I quote the Milwaukee Journal:

The "doom boys" have been increasingly silent these days because the Explorer satellite was "put up by the Republican army," he said.

The "Republican army," Mr. President—not the Army of the United States, but the "Republican army."

I telephoned the Milwaukee Journal reporter, to ask him to give me from his notes the full context of that statement. He did. It was obvious that Mr. Warrington was speaking in dead earnest.

I am disappointed. I am shocked. I cannot help being shocked when institutions which belong to all the people, institutions which have been carefully shielded by the Constitution and by the best traditions of a free people from partisan influences of all kinds, are given a partisan label when they achieve victories that belong to all of us.

I hope, Mr. President, that this practice will stop.

I believe in partisan politics. I like it American style—rough and free swinging. Even so, there is a time to call "foul." When the United States Army in its moment of triumph becomes the Republican army, that time has come.

#### THE NATIONAL GUARD

Mr. PAYNE. Mr. President, at the present time national attention is focused on the rapid development of the science of space, and, unfortunately, because of world conditions, the great emphasis at the moment seems to be the

use of space for military purposes. There can be no question but that, in order to provide adequate national security, every effort must be made to keep this Nation's military strength technologically ahead of any other country in the world.

But in making this type of effort we must be very careful not to go overboard and jeopardize our security by failing to maintain adequate ground forces. This danger is well stated in a letter I have received from Maj. Gen. George Carter, Adjutant General of the State of Maine, who points out that the budget for fiscal 1959 would require a reduction in the strength of the National Guard. As a former governor who has had an opportunity to closely evaluate National Guard activities, I have a high regard for the outstanding job which the National Guard is doing. It is the keystone of our military reserve system. Without the National Guard our mobilization for both World War II and the Korean war would have been seriously retarded.

I request unanimous consent that General Carter's letter be printed in the CONGRESSIONAL RECORD.

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

STATE OF MAINE,  
OFFICE OF THE ADJUTANT GENERAL,  
Augusta, February 14, 1958.  
Senator FREDERICK G. PAYNE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR PAYNE: I know that you are well aware of the fact that the budget for the Armed Forces, as submitted by the President, contained only a recommendation for enough money for the Army National Guard to support a strength of 360,000. Of course, if additional funds are not added in this area to the budget, it means a reduction of 40,000 in the strength of the Army National Guard, as the year-end strength of this component was approximately 400,000.

To the State of Maine, this means a reduction in our present guard strength of approximately one battalion, or, roughly, 375 enlistees. I am sure that you can readily understand that this is of great concern to all of us connected with the guard who have worked incessantly, for the past 10 years, to reach strengths desired by the Department of the Army.

Just a little over a year ago, we were issued a mandate that we would enlist only in certain areas and that the larger percentage of the men we enlisted would be enlisted to immediately take 6 months' training; this regardless of the educational complications involved, that were of so great concern to all parents as well as their young sons.

At that time, we were concerned about maintaining strength; however, we had better success in the area of enlisting 6-month trainees than we expected, and inside of 3 months we were obliged to accept quotas for training for our 6-month trainees, because the Army claimed not to have the money or the training facilities to take care of the number we were able to enlist. At this same time, a committee, representing the Army National Guard, had a meeting with the President, and he assured them, as did the Secretary of the Army, that regardless of the training requirements and the categories involved that the strength of the guard would be maintained. Now about a year later, we are faced with a reduction in strength, be-

strength we were able to hold through the strength we were able to hold through the year 1957.

I am sure you realize the tremendous economic impact that this has on the communities throughout the Nation who have been maintaining reasonable strength units of the Army National Guard. This shows up in the area of armory drill and field training pay to guardsmen, and to the full-time specialists authorized to support the administration and training of the Army National Guard.

It seems unreasonable at this time to schedule a cutback in the strength in the only real component of the Army that is in reasonable strength, trained, equipped and ready to go in an emergency, if there is a policy of maintaining a reasonable balance in our Defense Establishment. There is plenty of evidence that the Russians, who have among other things intercontinental missiles, continue to maintain 175 army divisions, while we have only 15 divisions in the active service. It certainly seems that our 27 National Guard divisions and other major unit structure of the Army Guard should be maintained.

I, therefore, urge you on behalf of all of the Army National Guard men in Maine to do anything that you may be able to do to assist in putting back into the defense budget sufficient funds to support an overall Army National Guard strength of at least 400,000. I am sure there is also much merit in adding money to the Army Guard support in the area of furnishing funds for 6-month trainees in the quantity that can be enlisted for training by the units of the guard across the Nation. We of the guard are sure this is a first in the matter of efforts to maintain a really well trained and efficient guard that we have organized and trained since the close of World War II.

Sincerely,

GEORGE M. CARTER,  
Major General, The Adjutant General.

#### BIDDEFORD-SACO (MAINE) SITUATION, AND ECONOMICALLY DISTRESSED AREAS

Mr. PAYNE. Mr. President, this afternoon I wish to discuss several matters relating to economically distressed areas.

##### BIDDEFORD-SACO SITUATION

At the present time one of the most severe economically distressed areas in the United States is the Biddeford-Saco area in Maine. Over 30 percent of the labor force of those twin cities, which have a combined population of some 30,000, is currently unemployed. The unemployment compensation benefits of many of the over 3,300 unemployed have expired. An extreme emergency situation is developing. On last Friday, I spent several hours to assure a steady flow of surplus agricultural commodities into the area after receiving an appeal for help from the mayor of Biddeford. But people cannot live forever on just cheese, cornmeal, rice, flour, and dried milk. These people do not want handouts; they want jobs. Last week the Biddeford-Saco joint board of the Textile Workers Union of America appealed to the President for a crash program of public works, defense contracts, and textile legislation. I ask unanimous consent that a copy of the Biddeford-Saco joint board's letter be printed at this point in my remarks.

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

TEXTILE WORKERS UNION OF AMERICA,  
Biddeford, Maine, February 11, 1958.  
The President of the United States, DWIGHT D. EISENHOWER,

The White House, Washington, D. C.

DEAR MR. PRESIDENT: We the undersigned, members of the executive board of the Biddeford-Saco joint board, Textile Workers Union of America, AFL-CIO, and residents of the Biddeford-Saco area, urge you, as President of the United States, to institute an immediate crash program of public works, defense contracts, and textile legislation.

This area has been classified as a distressed area for many years and nothing has been done to alleviate this chronic unemployment situation. In fact, the conditions have deteriorated to such an extent that well over 30 percent of the employable workers in this area are unemployed and conditions are getting progressively worse.

This week the Saco-Lowell shops, the largest employer in the community, will lay off approximately 20 percent of their workers, putting another 400 employees on the unemployment and welfare relief rolls.

Approximately 1,000 workers have exhausted their unemployment benefits and have no chance whatsoever of getting employment.

Some workers, of necessity, have gone back to the dark ages and are lighting their homes with kerosene lamps because they cannot afford to pay their electric bill. This situation is indeed grave and desperate. Immediate action is needed now.

On January 20, 1958, in a speech in Chicago at the United Republican dinner, you stated: "The Nation's security has been guarded and markedly strengthened. Prosperity has risen from peak to peak. A record-breaking tax reduction was granted. The economic security of all our people has risen."

Mr. President, the workers of the Biddeford-Saco area have had declining incomes during this period and now many of them have no income at all.

The Portland Press Herald of Saturday, February 1, 1958, carried the following story:

"MAINE BANKRUPT CASES HIT RECORD FOR ANY MONTH

"Eighty-six petitions for bankruptcy were filed in Maine this month. All but a half dozen are petitions by individuals. United States Referee in Bankruptcy Richard E. Poulos says the court's records show that to be the highest number of bankruptcies ever filed in 1 month, even during the great depression of the thirties. 'It's a manifestation, in cold figures, of the recession the country is going through,' Poulos commented. 'The petitions show that it's the little fellow who doesn't have adequate financial reserve to ride out the storm.'

"It also shows that many people have overextended themselves buying things, Poulos said.

"The bankruptcies this month are 80 percent more than were filed in January 1957.

"In the first 7 months of the fiscal year of 1958, which began last July 1, Maine bankruptcies increased 25 percent over a similar period for 1957 fiscal year, Poulos reported.

"The 733 bankruptcies in the 1957 fiscal year also were a record number, the most since the Maine Bankruptcy Court was established.

"Poulos foresees a continued rise in bankruptcy petitions. His records show March, April, and May to be the months when the greatest number of cases are filed, he said."

The above needs no elaboration.

Mr. President, may we make the following proposals that are needed for these communities to survive.



1. Channel defense contracts to the Saco-Lowell Shops, makers of world's best textile machinery. This company is the largest employer in the community but, because of the depressed textile situation in the Nation, are losing money every day and are forced to lay off a great many of their highly skilled employees that took many years to train.

This company is equipped to manufacture any type of hard goods products needed for the defense of our Nation.

Listed here are a sample of nontextile products manufactured by this company since World War II:

1. Magneto rotors for B-29 bombers.
  2. Firing control units for 90-millimeter antiaircraft guns.
  3. Ford universal carriers.
  4. Parts for proximity fuses.
  5. Rocket projectiles for planes.
  6. Twisters for rayon heavy-duty fibers used on bombers, trucks, etc.
  7. M3.50-caliber machine gun.
  8. M1919A6.30-caliber machine gun.
  9. M37.30-caliber machine gun.
  10. Operating rod for Garand rifle.
  11. Universal joint for Ford Motor Co.
  12. Exhaust control valve for Ford Motor Co.
  13. Rear axle shaft and differential gear cases (Ford).
  14. Oil pumps for Ford Motor Co.
  15. Miscellaneous service parts for Chrysler Corp.
  16. Miscellaneous service parts for General Motors.
  17. Drive shaft flanges for Ford Motor Co.
  18. Elliott addressing machines (2 models).
  19. Can-opener parts for Edlund Co.
  20. Miscellaneous gears for Boston Gear Works.
  21. Filter caps for Commercial Filter Co.
  22. Miter gear and rail-raising brackets and miscellaneous parts for Bullard Co.
  23. Automatic gear housings for Jones & Lamson Co.
  24. Automotive muffler (18 basic models).
- Mr. President, as you can see by the above-mentioned products manufactured by this company in the past, they are equipped to produce any item needed for the defense and security of our country.

2. We call upon you to support and promote all textile legislation that will recreate confidence in the textile industry so that the Pepperell mill, employing 2,000 textile workers in this area, can survive; such legislation as proposed by the senior Senator from Maine, the Honorable MARGARET CHASE SMITH, in the Senate of the United States on January 31, 1958, as listed below:

"S. 3196

"A bill to provide that a portion of all surplus cotton sold or exchanged for export by the Commodity Credit Corporation pursuant to authority in the Commodity Credit Corporation Charter Act, as amended, or the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be processed cotton

"Be it enacted, etc., That with respect to any surplus cotton sold or exchanged for export under the provisions of the Commodity Credit Corporation Charter Act, as amended, or the Agricultural Trade Development and Assistance Act of 1954, as amended, not less than 25 percent of such cotton shall be in the form of cotton textiles or products thereof."

Or any textile legislation that would accomplish the same purpose. This would encourage large textile companies to expand and modernize their equipment which, in turn, would keep the remaining textile jobs and would also provide employment for Saco-Lowell workers building the new textile machinery that would be needed if confi-

dence could be brought about in the textile industry.

3. We sincerely suggest that an immediate public-works program be instituted so that our unemployed workers and those who have no income whatsoever could be put to work building a sewer disposal unit that would eliminate a difficult river pollution problem in the Saco River.

This river is an industrial stream and so polluted now that no amount of additional pollution could further affect this river. This creates a very serious health problem.

These communities have only escaped serious epidemics by the grace of God. A sewer and an industrial waste disposal unit would accomplish the following: It would attract new industries to this area giving employment to workers and in turn bring some security to these communities. It would definitely eliminate a very serious health hazard and would protect the property of many residents of this area who, with their life savings, have acquired property along the banks of this river, either in permanent homes or business propositions such as motels and tourist accommodations. It would also protect the livelihood and give some security to our men who go to sea in small fishing boats lobstering or fishing for a living. It would open large clam flats which are now closed because of river pollution thereby providing employment to our clam diggers and fishermen. It would protect the health of many schoolchildren who attend three schools on the banks of this river.

The following schools and institutions are located on the banks of this river:

The Notre Dame Hospital, the St. Andre's Home Hospital, St. Francis High School and College, Stella Maris School and Marie-Joseph Academy.

Certainly, these institutions can expect some consideration from our Government to protect their investments so that they may continue to take care of the health and education needs of our youngsters in the American tradition.

At the end of this river, as it empties into the Atlantic Ocean, are located beautiful beaches; one of them that is renowned throughout the world, namely, Old Orchard Beach, Maine. The continued pollution of the Saco River is a detriment in attracting summer visitors.

The Daily News Record of New York, a trade paper for the textile industry, on February 10, 1958, carried the following article by Senator KNOWLAND, of California:

"PUBLIC-WORKS PLAN READY IF RECESSION WIDENS—KNOWLAND

"The Eisenhower administration is ready to throw a public-works program into gear if the business recession continues and widens, Senator WILLIAM F. KNOWLAND, Republican, of California, said today.

"The Senate GOP leader said that the administration believed business would pick up in the midyear period, but he added that Congress would have to review the situation before the 1958 adjournment.

"Senator KNOWLAND's assurances that the administration would use pump priming to avert a continued economic decline came as the clamor on Capitol Hill increased for Federal spending to stimulate business."

The part of his statement that business would pick up in the midyear period to us seems to be like a crystal-ball gazing which in our modern age is outmoded. A mid-year period for many of our unemployed workers would be disastrous and would be too late to alleviate the insecurity now prevailing in these communities. Action cannot wait until July or August of 1958. Action is needed now.

4. We sincerely urge you, Mr. President, as the leader of all Americans to immedi-

ately extend unemployment benefits for those unfortunate workers who have exhausted their unemployment checks and have no means of keeping body and soul together so that they may retain their dignity as Americans.

We realize that the above is a large package but the conditions in the area are such that only a crash program can bring results.

Americans have gone through many crises but with some help from their Government have always worked their way out of them. These people appeal for work and sincerely hope that you, their President, will not let them down.

Very respectfully and sincerely,

The Executive Board of the Biddleford-Saco Joint Board, Textile Workers Union of America, AFL-CIO: Michael Schoonjans, International Representative; Thomas LeBlanc, President; Romeo Bachand, Vice President; Walter Nelson, Recording Secretary; George Bouchard, Sergeant at Arms; Richard Sweet, Auditor; Joseph LeBrun, Auditor; Frederick Cantara; Israel Shevenell.

Mr. PAYNE. Mr. President, late Friday afternoon I wired the President, endorsing the proposals made by the Biddleford-Saco joint board, and personally called the attention of the White House staff to the urgency of the situation in an attempt to provide some real help in providing work and jobs for this hard hit area.

To assure the Senate that I am not an alarmist, Mr. President, I ask unanimous consent that an objective story in the New York Sunday Times of February 16 on the Biddleford-Saco situation be printed at this point in the CONGRESSIONAL RECORD.

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

MAINE TWIN CITIES KNOW DEPRESSION—BIDDEFORD-SACO EXEMPLIFY HUMPHREY'S HAIR CURLING—PLEA TO EISENHOWER

(By John H. Fenton)

BIDDEFORD, MAINE, February 15.—Industrial workers of this city and neighboring Saco know what George M. Humphrey meant by a hair-curling recession. They have been living with one for the last 6 years or so.

Mr. Humphrey, former Secretary of the Treasury, said that continued inflation could lead to a recession of hair curling proportions. The comment was in a discussion of economic conditions before he left office.

To President Eisenhower, who is Mr. Humphrey's guest in Thomasville, Ga., this week, there has gone a letter offering a view of the economic conditions in Biddeford and Saco. It was drafted by the joint board for the twin cities of the Textile Workers Union of America.

PLEAS TO PRESIDENT

The letter asked action to relieve the plight of an area dependent largely on textiles. It said that the two cities, with a joint population of about 30,000, had 3,302 unemployed, about 30 percent of the labor force.

It asked the President to channel defense contracts to the Saco-Lowell shops. It cited that the workers had demonstrated an ability to shift from the making of textile machinery to the making of armaments. It asked also for support of legislation restricting sales of surplus cotton abroad. It urged further a special Federal public-works program for the area, including a project to clear the industrially polluted Saco River.

The cities, about 15 miles southwest of Portland, flank the falls of the Saco River

and the falls furnish power for their industries.

They have been suffering periodically for 30 years with the rise and fall of the market for textiles. The last effects of World War II and the Korean conflict on military orders sloughed off about 1952.

A year ago 1,200 were thrown out of work by the closing of the Bates Manufacturing Co. textile plant.

#### LAYOFFS AT SACO PLANT

At the Saco-Lowell Shops in Saco 400 employees are being laid off. That is a 20 percent reduction. Until last year Government orders for machineguns helped the situation. The plant has a contract with the Ford Motor Co. for automotive parts to supplement orders for textile machinery, but its payroll is going down. It remains on a 5-day week, however, and is seeking other diversification.

The Pepperell Manufacturing Co. plant in Biddeford is on a 3-day and 4-day week with its cotton fabric production. The plant specializes in sheeting.

Publication of the letter to President Eisenhower has drawn national attention to the area and some of the basic statistics are receiving wide notice.

In Biddeford the Overseers of the Poor are aiding 1,400 persons. Another 392 are on total city relief. Saco has 1,016 persons eligible for surplus food supplies and 87 families are receiving full relief. The statistical procedures vary in the two cities.

The situation is pointed up in empty stores, falling store sales, and a general run-down aspect of property. Yet, according to Michael Schoonjans, area director of the Textile Workers, pride keeps the jobless from talking much about conditions.

He offered a story of one young worker, saying that the man had 3 children and was bringing home \$21 a week after taxes for a 3-day workweek. Five dollars goes for rent, he said, \$5 for fuel and the rest for food, clothing and whatever else can be afforded. Long-term bills go unpaid, he added.

Many workers commute long distances to jobs elsewhere. Few young people are staying in the area once their schooling is ended. There are no breadlines, however, and hope sustains all hands.

#### S. 5 OPPOSED

Mr. PAYNE. Mr. President, in connection with distressed-area problems, I should like to call the Senate's attention to S. 5, a bill favorably reported to the Senate on February 10 by the Committee on Government Operations. This legislation has the innocuous title of "A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to prevent an allocation of procurement contracts to certain designated geographical areas, and for other purposes." This bill is certainly a legislative sleeper. It would cancel outright the program set up in Defense Manpower Policy No. 4 to channel Government contracts into economically distressed areas, and deprive the administration of one of the few vital tools it has at the present time to assist these areas. The Office of Defense Mobilization is strongly opposed to enactment of S. 5. This is a matter which usually comes under the jurisdiction of the Senate Banking and Currency Committee. So there may be no question, let me state that this legislation will be opposed in every way possible by me.

#### ACTION ON DISTRESSED-AREAS LEGISLATION URGED

Finally, Mr. President, let me point out that channeling surplus food and

emergency Government contracts into economically distressed areas are only stopgap measures. Speeches here on the Senate floor or telegrams to the President from governors are not going to do the job. Only immediate enactment of comprehensive distressed areas legislation and necessary corrective textile legislation will provide long-range help to communities such as Biddeford and Saco.

In fairness, it should be said that the Eisenhower administration has repeatedly urged enactment of distressed-areas legislation, but it has been bottled up in Congressional committees. At the present time I am in the process of drafting a compromise distressed-areas bill, which I hope to have ready for introduction next Monday.

The time for action is now. Let us put an end to needless delays. Let us get on with the job and get it done.

#### ANNIVERSARY OF CZECH SUBJUGATION

Mr. TALMADGE. Mr. President, on February 25 it will have been 10 years since the country of Czechoslovakia lost its freedom and disappeared behind the Iron Curtain.

Although it was in 1948 that the communization of Czechoslovakia was completed and became evident to the Free World, the erosion of liberty and independence in that country started as early as 1945 with the introduction of the National Front Government.

The National Front, though only a minority in the last prewar Czech elections, began a program of communization of political and economic life carried out simultaneously with the expulsion of the anti-Communist Sudeten Germans and Hungarians, the resubjection of the Slovak people and the liquidation of all Czech democratic leaders.

On this 10th anniversary of the loss of independence by Czechoslovakia, it would be well for us to ponder how the subversion of its free government began 3 years earlier, and to use the occasion to give expression to our heartfelt sympathy for the enslaved and expelled peoples of that nation. It also is appropriate that we express our encouragement to the exiled Czechs, Slovaks, Sudeten Germans, Poles, Hungarians and Carpatho-Ukrainians to continue their efforts toward the restoration of full political and economic freedom for their countries, for the return of the refugees and expellees to their homelands, for the return of private property to its owners and for the restoration of a free press and judicial system, the right of local self-determination and full democracy.

#### VALUE OF BOY SCOUT TRAINING FOR SPACE TRAVEL

Mr. THYE. Mr. President, as a member at large of the National Council of the Boy Scouts of America and as a member of the committee on rural scouting of that organization, I am very interested in the excellent training which is available to the youth of America through the Boy Scouts.

I ask unanimous consent that an article which appeared in the February 15, 1958, Duluth Herald be printed in the RECORD at this point as part of my remarks. The comments of Colonel Gould on the value of Boy Scout training are very interesting, and I think they should be brought to the attention of my colleagues in the Senate.

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

#### GOULD CITES SCOUT TRAINING'S VALUE IN SPACE TRAVEL

Survival training for young people, such as the Boy Scouts, someday may prove highly valuable to pioneer travelers in outer space, area Boy Scout leaders were told here today. Col. Robert Gould, commanding officer of the 343d Fighter Group at the Duluth Airbase, said this possibility is far from the primary reason for survival training today but it is one of the future practical applications for such preparation.

Colonel Gould addressed the Scout leaders in the Spalding Hotel at a noon luncheon, part of a camping clinic arranged by the North Star Council to evaluate the council's 1958 camping program.

The luncheon session, the start of a program scheduled to continue all afternoon, also was addressed by Dr. George A. Selke, St. Paul, State commissioner of conservation, and Maynard Hanson, St. Paul, deputy regional director for the Boy Scouts of America.

The airbase commander, whose talk was planned to stimulate interest in survival training among the Scout leaders, said this type of preparation can have many practical applications.

No one knows, he pointed out, when his life might depend upon such training. Emergency situations can occur for hunters, fishermen, motorists, or anyone who might become injured or lost in a remote area.

Colonel Gould outlined the principles of survival training and the methods of teaching used by the Air Force.

Anyone who receives this training, he said, is prepared both mentally and physically and develops assurance and confidence in his ability to survive under any circumstances.

The Air Force, he said, has a survival training camp on Island Lake, where personnel are sent with only the clothing and equipment they would have if they crashed in an aircraft.

There have been many cases, he said, when persons have crashed in airplanes and have been uninjured but died because they did not know how to take care of themselves.

When space travel becomes a reality, he said, travelers will find no facilities to aid their existence on the planets, and thus they will have to depend upon their own initiative and capabilities to remain alive.

Dr. Selke said every community has a responsibility to provide opportunities for young people when they begin to look outside of their homes, schools, and churches for interesting and challenging activities.

The Boy Scout movement, properly directed, he said, furnishes such an outlet. But, he added, it must do these things:

Establish, through its activities, personal integrity of the individual.

Develop self-reliance—enable the youngster to care for himself.

Provide enjoyment of character-building and soul-enriching experiences.

And help a boy to learn to live to help others.

#### ONE HUNDREDTH ANNIVERSARY OF MINNESOTA STATEHOOD

Mr. THYE. Mr. President, Minnesota is celebrating its 100th anniversary of



statehood this year. As one of the activities in this celebration, the Minneapolis Star and Tribune selected its most outstanding carrier salesman and sent him on a trip around the world. The salesman selected was Billy Bevan, of Chisago City, Minn. Billy left Minneapolis on January 12, flew to New York, then to Ireland, France, Italy, Greece, Iran, India, Ceylon, Thailand, the Philippines, Okinawa, Japan, Alaska, and back to Minneapolis on February 4. All along the way, he distributed centennial editions of the Minneapolis Star and Tribune and spread good will.

I ask unanimous consent that an article appearing in the Minneapolis Morning Tribune which describes the trip be printed in the RECORD. I also ask unanimous consent to have a letter printed in the RECORD which I received from Billy, which was written in Tokyo, Japan. Billy is a freshman in high school and has reaped a great harvest of benefits from his trip. His letter points out the importance of travel and the need for communication between the people of the United States and the people of other lands. Billy would wish that every young boy could have the same experience. At this stage of our development, this would be impossible, but I believe Senators will agree with me that this letter very aptly points out the benefits which can be received from exchange programs.

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

**TIRED OF TRAVEL? NOT BILLY BEVAN—HE'LL BOARD PLANE TODAY FOR 18TH TIME**

**TOKYO.**—Billy Bevan boards an airplane this morning for the 18th time in 21 days, as travel-hungry as the day he left Minnesota.

The State's centennial air ambassador is heading home. His Minneapolis Star and Tribune carrier bag is almost empty. His round-the-world whirl is slowing to a stop.

The young globe trotter from Chisago City has had a wonderful 3 weeks, is not too anxious to get home, and he'd like to do it all over again.

Billy will reach Anchorage, Alaska, today in time for lunch. It sounds like a quick flight because of the International Date Line. His cross-Pacific jaunt actually will take 15 hours.

That's a lot of reminiscing time for a boy who has plenty to reminisce about.

Meeting Pope Pius in Vatican City, wandering through the ruins of Athens' Acropolis, watching vultures circle overhead in Bombay, India, souvenir hunting along Ginza Street, the Broadway of Tokyo.

Where in the world would you most like to return when your centennial duties are finished? the Tribune asked Billy Saturday in a telephone interview.

The 14-year-old high school freshman heaved a sigh before making the impossible decision.

"Manila, I guess," said Billy. "If I'd been able to stay longer in the Philippines I could have gone skin diving."

Manila made a big hit all the way around with young Bevan, especially a basketball game he watched there.

It was really good. If those players were as tall as American boys, they'd sure give us a battle.

He speaks from experience on the basketball court at Chisago City High School. And while the honor student is a little worried about missing classes during his 24-day tour, he's still in shape to dribble and shoot.

The slender youth with the crewcut has been traveling too fast to gain a rubber tire

from those wild foreign dishes. "Some of the food sure tastes different, but I haven't eaten anything yet I didn't like."

He's grown particularly fond of an oriental dish, kimchi. "It's very, very hot with tabasco sauce and hot peppers. I've eaten it in Seoul and Tokyo, sitting on the floor at long, low tables loaded with everything imaginable."

Seoul provided one of his most exciting experiences, when Billy visited Korean President Syngman Rhee to deliver a copy of the Sunday Tribune's special centennial-future edition, honorary Minnesota citizenship, and an invitation from Governor Freeman to attend statehood celebrations in May.

Equally rewarding, however, was an informal talk with seven Korean teen-agers. Billy found them waiting in his hotel room one evening.

They'd heard that an American boy was in town and just wanted to talk. You know, about what subjects Americans take in school and what the weather's like in Minnesota.

Yesterday, Billy reached for a jam-packed itinerary when he woke up in Frank Lloyd Wright's famed Imperial Hotel here:

Breakfast with United States Ambassador Douglas MacArthur II; a tour of Atago Middle School; a meeting with Hajime Sato, deputy governor of Tokyo metropolitan office; a visit with Shintaro Fukushima, president of Japan Times; lunch with Japanese boy scouts at Chinzanso and a chat with Nagataka Murayama, board chairman of Asahi Shimbun.

Then the carrier salesman set out through the noisy traffic-clogged streets of Tokyo to amble around the imperial palace of Emperor Hirohito; Nishi-Honganji, the modern Buddhist temple east of Shiba Park, and the ancient Meiji shrine and its gardens, picture gallery, and sports stadium.

His journey, via Northwest Orient and Trans World Airlines' new joint global service, will end Tuesday as he delivers his final centennial messages in Seattle, Wash.

When Northwest's flight 2 brings him to Wold-Chamberlain Airport at 3:47 p. m., St. Paul Boy Scouts and centennial officials will be there to greet him.

Shouting the most eager welcome will be his parents, Mr. and Mrs. William A. Bevan, and sister Betsy, 16. Betsy will be especially happy to see Billy back home—she's a basketball cheerleader at Chisago City High.

JANUARY 25, 1958.

DEAR SENATOR THYE: We are now en route to Bangkok. It will just be a quick stop. We then go on to Manila.

We have been graciously received in all the different countries. We have visited Boy Scout troops, church groups, and schools. This trip is a wonderful experience. It helps to broaden yourself. I wish all American boys could make this trip. It makes you appreciate the United States a lot more and it helps you to understand other nations' problems.

I now fully realize how important a good education is.

Yours truly,

BILLY BEVAN,  
Centennial Air Ambassador.

#### CITATION OF THOMAS LUNSFORD STOKES, BY RAYMOND CLAPPER MEMORIAL ASSOCIATION

Mr. MONRONEY. Mr. President, Tom Stokes, who writes a column for the Evening Star and more than 100 other papers throughout the country, has been cited for a unique award. This latest recognition of one of our finest newspapermen is not being given him for one stroke of genius, or even for that lucky

break plus competency which often brings awards. Neither does it honor him for a year of day in and day out meritorious journalism, as did the annual Raymond Clapper award which he won in 1947. This latest Clapper award to Thomas Lunsford Stokes II is for a career of unvarying high standards—37 years of it covering the complex and changing Washington scene, as a press association reporter, a Washington correspondent, and a daily columnist.

Recently, in the Senate, we have been taking a fresh look at our national capacity to wage war if we are attacked and to wage peace that there may be no more war. We have looked at our accomplishments and shortcomings in the ballistic missile field. We are beginning to search for the opportunities afforded us by the challenge of outer space. We are taking inventory of our educational system and studying the extent to which it prepares all our youth for good citizenship, useful living, and wise decision making, while training the most talented to render the greatest service to which they are capable. We are looking hard at our diplomacy to assess the handling of our stewardship as a great world power.

I am convinced that we must have great scientists to play our role well, and also great statesmen, diplomats, philosophers, and teachers—yes, and great newspapermen. The talents and the integrity of the men and women who report and discuss for us events as they happen, in our newspapers and magazines, on radio and television, play a vital role in molding the public opinion which in a democracy decides all other questions.

I differ in opinion with Tom Stokes on many matters. He is a crusading liberal. I have enough of both the liberal and the conservative in me that I fit neither category. Yet I recognize that his unvarying high standards place him in the vanguard of the type of able, high-principled newsmen we need as our Nation faces the dangers of trial by power.

The Clapper committee mentions several of the reasons why—his integrity, courage, and scholarship, his eagerness and industry in the pursuit of truth, his thoughtfulness and modesty and kindness.

In a little more detail, we can note that his courage and integrity have made it possible for Tom, from a prosperous Georgia family, with an Atlanta prep school and University of Georgia education, to fight the battle for the Negro's civil rights with a vigor and an understanding that no northerner could surpass; and to espouse the needs of the common man with a steadiness that few common men could muster.

His honesty and reliability, coupled with his charm and modesty, and sometimes the twinkle in his eyes, have won him news sources among the great and small here in the Capital. These must have been important to his employers on the United Press and Scripps-Howard newspapers as he advanced as a reporter. Just as his news sources learned that he handles the truth with respect and with intelligence, so his readers learned it as

he began in 1944 to write his present nationally syndicated column for United Features.

Tom Stokes has the ability to be fierce in his beliefs without rancor or meanness for those with whom he disagrees. As a result, editors with diametrically opposed views are able to print his column, and readers with differing convictions to read it, even during such heated periods as national election years.

I understand that Tom is dangerously ill in Emergency Hospital just now. It must be difficult for him to be ill, because among his outstanding characteristics is industry. He made Phi Beta Kappa in college, won a Pulitzer prize back in 1938, wrote *Chip Off My Shoulder* in 1940, and *The Savannah for the Rivers of America* series in 1951. In addition to writing his column, traveling with the news, and playing his gridiron parts with great gusto upon occasion, in recent years he has been giving a weekly review of the news at St. Alban's School. His son, Thomas L. Stokes III, better known as "Chip," is a senior there this year. A daughter, Layton, died as a small child of spinal meningitis. Tom also has found time to be a gallant husband to his charming wife, the former Hannah Hunt, whom he married in 1924.

I ask unanimous consent to have inserted in the Record at this point the recent Raymond Clapper award to Tom Stokes, in the hope that young men and women entering the fourth estate may find in his success story challenge and encouragement—realizing that his success is not counted in financial gain, which I am sure has been modest, but in really valuable service to his readers and to his country.

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

THE RAYMOND CLAPPER MEMORIAL ASSOCIATION PRESENTS A SPECIAL CITATION TO THOMAS LUNSFORD STOKES

In recognition of a 37-year career in journalism in Washington that has been marked by professional achievement of the kind the Raymond Clapper Award has endeavored to encourage through its annual citations. Winner of the award for 1947, Thomas Lunsford Stokes already has had conferred upon him this organization's acknowledgment of excellence in a given 12-month period. Upon the announcement of the 1957 award competition, the association, impressed with the frequency with which the judges have been urged to take note of successive journalistic achievements of this one brilliant reporter, has deemed it appropriate to embody in a special citation the sentiments of these cumulative nominations. They represent not only an acknowledgment of the unvarying high standards that have governed Thomas Lunsford Stokes in the gathering of information and its presentation; they also reflect the universal high esteem in which he has ever been held by his colleagues throughout the profession. This citation it conferred upon him in order to encourage in all who share the responsibilities of his profession the same virtues of integrity, courage, and scholarship, the same eagerness and industry in the pursuit of truth, and the same qualities of thoughtfulness and modesty and kindness, all attributes which he and Raymond Clapper had in common.

#### ADDRESS DELIVERED BY SENATOR MORSE BEFORE THE ROCKY MOUNTAIN FARMERS UNION

Mr. CARROLL. Mr. President, I ask unanimous consent to have printed in the body of the Record at this point, as a part of my remarks, excerpts from a speech delivered by the senior Senator from Oregon [Mr. MORSE] at Denver, Colo. It is a penetrating analysis of one of the most important issues confronting our Nation today.

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

EXCERPTS FROM SPEECH BY SENATOR WAYNE MORSE, ROCKY MOUNTAIN FARMERS UNION, DENVER, COLO., FEBRUARY 3, 1958

This meeting of Rocky Mountain Farmers Union members is one I am very happy to attend, because the Farmers Union and its great president, Jim Patton, are established among the forces for genuine liberalism in America today.

Your organization has steadfastly opposed the reaction manifested in so many policies of the Republican administration. You have worked diligently for the programs that would bring benefits not only to the farmers of America, but to all our citizens, and I include near the head of this list the Hells Canyon Dam on the Snake River that would mean so much to the Pacific Northwest. The Farmers Union has been a bulwark of strength in the historic fight for the Hells Canyon Dam.

Of course, you are most directly concerned with the issues that immediately affect our farm population, and agricultural production. In the last 5 years, these issues have uniformly gone against the farmer.

In reviewing the record over the past 5 years, I cannot see that any other judgment can be made except that the Eisenhower administration has deliberately deceived the farmers of the United States as to its true intentions toward them, and with the farmers thus misled and disarmed by their deceit, has gone on to undermine the security of the family farming system.

I refer to the first important statement on farm policy that was made in the 1952 campaign by the Republican nominee for President, Gen. Dwight D. Eisenhower. This famed golden promise was given at the national plowing contest in Kasson, Minn., on September 6, 1952; it was everywhere regarded as the first authoritative statement of the candidate's views on farm policy. Here, word for word, are the important pledges made to the farmers of America in that speech:

"And here and now, without any 'ifs' or 'buts,' I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. This includes the amendment to the basic Farm Act, passed by votes of both parties in Congress, to continue through 1954 the price supports on basic commodities at 90 percent of parity. These price supports are only fair to the farmer to underwrite the exceptional risk he is now taking. . . .

"I firmly believe that agriculture is entitled to a fair, full share of the national income and it must be a policy of Government to help agriculture achieve this goal . . . and a fair share is not merely 90 percent of parity—but full parity.

"I give you this positive assurance: The Republican Party will use all the power it legitimately can use to see that American farmers obtain their full share of the income produced by a stable, prosperous country."

Well, those were the words of Dwight D. Eisenhower—before the election in 1952. What did those words mean?

It was not only the farmers of this country who believed that General Eisenhower's words meant that he would protect farmers from the serious price decline that had already set in. All over the country, the newspapers reported this speech with big, black headlines, proclaiming that with General Eisenhower in the White House farmers could expect a golden age ahead of them.

Let me read to you the headlines that reported General Eisenhower's promises to the farmers:

Here's what the Des Moines Tribune, right in the center of the farm belt said in a banner headline clear across the top of the page: "Ike Offers Plan for Farm Price Boost."

Here's the headline from the Indianapolis (Ind.) News: "Ike Favors More Farm Props and 100 Percent Parity, Support Proposed for Milk, Produce."

And this, from the Dubuque (Iowa) Telegraph Herald: "Eisenhower Guarantees High Prices—Asks Wider Range of Crop Supports, Greater Protection."

I suppose it is possible, as President Eisenhower has explained later, that he was badly misunderstood when he was campaigning for farm votes in 1952. But he certainly never did anything to clear up the misunderstanding at the time. In fact, General Eisenhower declared in Chicago, on October 31, 1952, that he was outraged by what he called "deliberate falsehoods" employed by his opponents in warning that an Eisenhower administration would seek to cut farm price supports by adopting a sliding scale law.

Throughout these 5 years of steadily-deepening agricultural depression, the Eisenhower administration's efforts to deceive farmers has continued. When General Eisenhower selected Ezra Taft Benson to be Secretary of Agriculture within a few weeks of election day in 1952, it was crystal clear to everyone who knew Mr. Benson's past record that General Eisenhower's promises to the farmers would be betrayed. In Ezra Taft Benson, Eisenhower found a man who splendidly qualified to betray his own promises to the farmers, and to continue the attempt to hoodwink the farmers with assurances of false optimism while their economic throats were being cut.

Secretary Benson told the National Grange convention, in Burlington, Vt., on November 18, 1953: "The retreat of farm prices and income . . . seems to have been stopped a few short months after we took office." A month later he told the national convention of the Farm Bureau: "Let me assure you . . . considerable progress has been made along the road to recovery. I believe that 1953 has marked the turning point—in the right direction."

One year later, in December 1954, after the parity ratio had dropped 4 or 5 points further—Mr. Benson went again before the National Farm Bureau convention, to state happily: "We are headed in the right direction at last."

Another year later, at the end of 1955, and it began to sink in that what Mr. Benson means by "the right direction" is just the opposite of what he expected the farmers to think. For farm prices had sunk some more. But speaking to the National Council of Farm Co-ops just after New Years, he said: ". . . A new buoyancy in the market place, a new hope, a new vigor and zest, can be anticipated . . . surely it should be reflected promptly in prices and incomes."

And where are we today?

The cost of things that farmers have to buy for their farming operations and for family living is at an alltime high.

Farm prices have dropped 17 percent since President Eisenhower took office in January 1953. The total net incomes of farm operators has dropped every single year since Eisenhower took office—from \$15.1 billion in



1952, to \$13.3 billion in 1953, to \$12.5 billion in 1954, to \$11.7 billion in 1955, to \$11.6 billion in 1956. These are official Department of Agriculture figures.

Mr. Benson has enormous powers under the farm laws on the books today, and under the laws on the books throughout his term, to support farm prices if he wants to do so. He can support practically any commodity he wishes at up to 90 percent of parity. But instead of supporting farm prices, Benson has used his price-supporting powers to reduce farm prices every single time that the law allowed him to—excepting in the election campaign of 1956, when he backed down on some reduced farm price supports that had been announced and ordered them raised part way to the previous year's level close to election time.

Let me repeat this, because it is an important demonstration of the gap between what the Eisenhower administration says and what it does: On every occasion except during the presidential election campaign last year, that Mr. Benson has had freedom under the law to raise or to cut the price for any farm commodity by changing the price support, Mr. Benson has chosen the alternative that would result in a lower price. Benson has reduced the price support levels every time he could when they were helping to hold prices above the free market point.

Last month, the latest chapter in this story was read to Congress in the new farm message from the President. And I would have you never forget that it is the President of the United States at whose door responsibility for this program really lies, regardless of who the administrator of it may be.

In his 1958 farm message, the President asked for little more than ratification of the farm depression. Primarily, he asked for authority to lower prices of the basics down to 60 percent of parity, not satisfied apparently, that he has stabilized parity at only 80 percent.

No, my friends, farmers are the last people in the country who can afford to trust the Eisenhower administration's promises, or to believe in the Eisenhower administration's words.

Under the Eisenhower administration, our national farm policy is made 100 percent for the big food processing and marketing corporations. To a very large extent, it is made by representatives of those corporations, who have been placed in high positions inside the Agriculture Department by Ezra Taft Benson. This policy is designed to increase the profits of food processors and marketing trades—by taking it away from the farmer. For example:

Profits of 27 big retail food chainstore corporations jumped 27 percent last year over 1955.

Profits of the 123 largest food processing corporations rose 8 percent over the year before—and profits of the biggest companies increased even more.

In the past 4 years (1952 to present) farm prices have dropped 17 percent, while food prices held almost steady (no change from December 1952 to May 1957).

(In the past 10 years, farm prices dropped 14 percent, but food prices rose 16 percent.)

But this planned depression of the farmers to increase the profits of the food and fiber processors and marketing trades is not the worst aspect of the Eisenhower administration's farm plans.

The Eisenhower administration is deliberately and systematically destroying the family farm system of agriculture, to enable these big corporations to move in and impose a revolutionary and un-American style of big-business-dominated farming. The experts call it "vertical integration." It has already taken over most of the broiler industry, and it is making swift progress in the fields of eggs and turkey production. Next

on the list appear to be cattle feeding and hogs. I advise you to read up on this vertical integration scheme. This is what you can expect to be up against in a short time—if the big-business-minded people in the present Department of Agriculture get their way.

In brief, vertical integration means that the individual farmer signs a contract with some business operator who puts up the money, makes all the plans, closely controls what the farmer raises and how much and when, and leaves the farmer a kind of piece-work wage for his trouble.

The Doane Agricultural Service, a farm management firm which has done a lot of work in setting up vertical integration plans for big-business interests, recently described the farmer under this setup as follows:

"The broiler producer under today's vertical integration setup has little independence of action. Usually he owns his farm and the broiler house, but he has no money in the chicks, none in the feed, and he cannot sell except through channels. He is guaranteed an income based on a minimum price per pound of meat sold. He usually shares in any price increases above the guaranteed minimum. To most of us this man is the farmer, but technically he is more like a production worker on an assembly line who is paid on a piece-work basis" (by Earl F. Grouse, vice president, Doane Agricultural Service, in the March 1957 Cooperative Digest—a pro-Benson publication from Ithaca, N. Y.).

This, my friends, is the future that the Eisenhower administration and its big-business sponsors have planned for you family farmers.

At the very time that they are inveighing with most scorn against controls and regimentation in the farmer-run farm programs established over the past 25 years, these people are laying plans to bring farmers under an ironclad system of contractual control by big business that will, in the words of an expert who is sympathetic to the idea, leave the individual farmer with "little independence of action" and convert him into "an assembly-line worker who is paid on a piece-work basis."

Five years ago, shortly after Mr. Benson took charge of the Agriculture Department, the vertical integration plan was advanced as a policy recommendation by one of his top-ranking assistants. This was John H. Davis, then Assistant Secretary of Agriculture, and now director of the graduate school of business at Harvard University. Mr. Davis has been pushing his vertical integration brainchild in business circles through his position at Harvard, and has published a book promoting the plan.

Way back in 1953, Mr. Davis made an open appeal for the Government to relax the antitrust laws and to encourage the development of private business monopolies strong enough, as he put it, "to relate agricultural production to marketing." To put it plainly, what Mr. Davis was advocating is business monopoly strong enough to run a private system of regimentation in place of a Government farm program. He was in favor of giving such power to big business, said Mr. Davis, because it would make possible the elimination of Government price supports.

And Mr. Davis made it clear he wasn't talking about farmer co-ops when he advocated that processing and marketing firms be given near monopoly powers over farm production and marketing.

Here is what he said about that:

"Farmer marketing cooperatives cannot control farm production without Government help. It seems unlikely that they will become sufficiently dominant in the marketing field to integrate farm production and distribution in a way which will stabilize the farm price structure—unless the Government

acts to tip the scales heavily in their favor and also to give them some type of control over production.

"A more hopeful approach would seem to be that of encouraging voluntary cooperative arrangements on the part of producers and all segments of the agricultural handling, processing, and distributive industry. I do not refer to farmer cooperatives but rather to an arrangement whereby all types of business would work together voluntarily in a common effort—each firm retaining its present entity and form."

There, in this official Department of Agriculture statement published early in 1953, is evidence that this administration has been working to promote this scheme for big-business domination of American agriculture even since it took office.

The present farm situation, in my judgment, is an emergency that is of far more fundamental importance than the fact alone that prices and incomes have been depressed unfairly and unnecessarily. Bad and long-lasting as the effects are of the farm depression itself upon farm people, upon farm children, upon rural communities and rural small-business men, and eventually upon the entire national economy—and the latter is increasingly evident—these are not the worst aspects of the situation.

The greatest danger is that the family farming system of agriculture is being destroyed with speed and ruthlessness right before our eyes. The really fundamental question is whether we will be able to preserve the opportunity for our children to make a decent living on the land as independent, free, and prosperous self-employed farm operators.

The farm problem is really not so complex, despite all the complications that seem to develop.

American farms are producing about 5 percent more each year than the commercial markets will absorb at parity prices. This relatively small surplus results in a disproportionate reduction of market prices, so that farmers get much less money for producing that extra 5 percent than they would get in total if they produced 5 percent too little.

It is true that our population is growing steadily each year, so that our normal domestic market is getting larger. But total farm production is rising at a slightly faster pace—so there is not the faintest chance in sight that we ourselves can eat our way out of the so-called surplus problem by letting the free market take its course.

We can do any one or a combination of three basic things to protect farm prices and incomes and thereby assure farmers of their fair share of the national income.

1. We can take the so-called surplus off the market, and find useful purposes for it outside the normal channels of trade.
2. We can let the market absorb the full supply that is produced, and make up the deficiency in farmers' income by some form of direct Government payments.
3. Or, we can adjust production to what the market will absorb at fair prices.

In my judgment, the ideal course would be to carry out the best practical combination of all three things. I have supported moves in the Senate to do so.

Here I wish to digress a moment to tell you a little about a trip I took during the Congressional recess, when I was appointed chairman of the United States Senate delegation to a meeting of the Commonwealth Parliamentary Association in New Delhi, India. The participants in the conference represented the nations of the British Commonwealth. Most of them came from the countries of Asia and Africa that emerged after World War II as nation-states. All these new states are struggling to raise their people to a level of decent human existence.

If there was one central, consistent theme sounded by these new national leaders, it was the theme that their people want and need food far more than they want or need the military equipment that we seem to think it so important that they have. Bread, not bullets, is what they want and need from America. These men I talked to at the conference were simply not impressed by the warnings of war or near-war that may overtake them, according to American spokesmen, unless every country is armed to the teeth. In the course of my own speech to the conference, I made reference to the fact that I believed the underdeveloped nations would be strengthened more, and freedom, too, if we sent them bread rather than guns. I was frankly surprised by the enthusiastic applause that greeted that statement.

By neglecting our store of food, by calling it surplus, and being embarrassed by it, we are failing to realize an advantage over communism that is within our grasp. We are deeply concerned about Russian missile superiority, even with our Explorer overhead; we are busying ourselves trying to catch up. Have we forgotten that in Russia, its lag behind us in food production has had the same result? Have we forgotten the stupendous new goals fixed by Krushchev in meat and milk production, as Russia tries to catch up with us in the capacity to produce great quantities of foodstuffs?

Here is the real secret weapon of America, if we will but recognize it. Here is a better answer to Russia's sputnik than even the Explorer, or Jupiter-C, or Thor, or Vanguard so far as impact upon the people of the world is concerned. We hear that by putting up the first sputnik, Russia has captured the imagination of the world, but let us not forget that the greatest aspiration of millions of the human beings on this earth is still not to reach the moon, but just to have enough to eat.

The authority now vested in the executive branch to dispose of commodities on terms of barter, or at whatever terms it can get, has scarcely been exercised. I appreciate the objections raised by other great world producers of food to American dumping of farm surpluses. But where people are underfed because they can't afford to buy food, no commercial market can be hurt by making food available to them.

If as much thought and effort were put into this program as is being put into belated missile development, I don't believe we would have much to fear from Communist appeals to these people. It was my conclusion from this conference that under Eisenhower and Dulles, we have a bankrupt foreign policy which more than matches our bankrupt farm policy.

In addition to alleviating hunger abroad, we need a food stamp program here at home for the aged and indigent—again, a group presently outside the effective market for many commodities.

There is much merit, under appropriate circumstances, for various kinds of programs to supplement farmers' cash receipts from their marketings by direct Government payments. The wool program and the sugar program are two examples, the former inaugurated and the latter supported even by this administration, and both of which I have cosponsored. The marketing certificate plan for wheat, of which I am one of the Senate cosponsors, is in its general outline similar to these plans.

Through these approaches lies the future of America's family farms, in my judgment.

But I think it clear that we will never take the road to a prosperous family farm economy under the Eisenhower administration, or under any Republican administration. Without a firmly Democratic Congress in 1958 and a Democratic administration in 1960, the record I outlined at the beginning of this speech will only be extended.

We must make clear to the American people by next November what their alternatives are.

I know the Farmers Union will be doing that.

#### OBJECTION TO THE HARRIS-O'HARA NATURAL GAS BILL

Mr. HUMPHREY. Mr. President, I understand that a substantial delegation of mayors from around the Nation is appearing in Washington to protest the so-called Harris-O'Hara natural gas bill.

I commend these mayors for their vigorous demonstration of opposition, and at the same time I wish to bring to my colleagues' attention the express opposition of the mayor of Minneapolis to passage of this bill. Therefore, Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter dated February 11, 1958, from Mayor P. Kenneth Peterson of the city of Minneapolis.

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

OFFICE OF THE MAYOR,  
Minneapolis, February 11, 1958.

The Honorable HUBERT H. HUMPHREY,  
Senate Office Building,  
Washington, D. C.

DEAR HUBERT: As a member of the United States Conference of Mayors, I have been advised a substantial delegation of mayors of cities in this area will be going to Washington, D. C., to protest the passage of the Harris-O'Hara natural-gas bill.

I certainly would like to join with them, but I will not be able to leave Minneapolis February 18, the day that they will be meeting in Washington.

I have advised Mayor Dilworth, who is heading the delegation, that he can quote me as vigorously opposed to the passage of the above bill. As you know, I am not at liberty to officially quote the council and other members of the official family here unless they act on it in a council meeting, but the sentiment that I have received from them is exactly the same as my own.

It is for this reason that I am writing you, so that you have this expression relative to the city of Minneapolis. We, of course, will appreciate what you can do and will offer any help or information you wish us to give you. Best personal regards,

Yours sincerely,

P. KENNETH PETERSON,  
Mayor.

Mr. HUMPHREY. I wish to state to Mayor Peterson and the other mayors that I continue in my vigorous opposition to the Harris-O'Hara natural-gas bill, and shall do what I can, as one Senator, to defeat it, and to prevent it from becoming law.

#### NOT ONLY LABOR TO BLAME

Mr. HUMPHREY. Mr. President, the Select Committee on Improper Activities in the Labor or Management Field, headed by the Senator from Arkansas [Mr. McCLELLAN], has done useful work in bringing to the attention of Congress and the public malpractices in the labor and management fields.

Publicity given to the committee's disclosures has emphasized wrongdoings by a certain few labor leaders. This has resulted in some distortion of the com-

mittee's objectives to uncover corrupt practices committed by both labor and management.

An article in the February 1958 issue of Fortune magazine, one of the country's leading business publications, presents an excellent summary of the improper practices by some segments of management through the use of hired agents.

Fortunately, for America and our institutions of political and economic freedom, the overwhelming majority of business firms, and labor unions are law abiding, honorable, and committed to sound constructive labor-management relations. The unsavory record of a limited few should never be accepted as the standard of conduct of American enterprise and labor.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD the article entitled "Nate Shefferman, a Union Buster," written by Daniel Bell, and published in Fortune magazine for February 1958.

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

NATE SHEFFERMAN, UNION BUSTER  
(By Daniel Bell)

Of the many tales of flimflammy unfolded in the McClellan committee's investigation, one in particular should give businessmen pause. It is the tale of Nathan Shefferman—a tale that has given business its worst publicity since the days of the La Follette hearings twenty years ago. What first attracted public attention to Shefferman was his business relations with union leader Dave Beck. Ironically, however, as the details unfolded, Shefferman emerged as a professional wrecker of union drives. The full story reveals a rough nether world—which many persons thought had vanished long ago—of union busting and "sweetheart deals," now camouflaged by the trappings of "human relations."

Nathan Shefferman was perhaps the most effective manipulator of industrial-relations problems in the retail field. Later, he branched out into other industries. Of his forty largest clients, twenty-eight used Shefferman to fight union organization. Since an employer is forbidden under the Taft-Hartley law to coerce an employee, or covertly subsidize anti-union groups, Shefferman acted as agent for employers toward this end. Through a variety of ingenious techniques he strove to single out, isolate, buy out, or discharge pro-union "troublemakers" in a company, organize anti-union task forces of employees, and, if unionization seemed inevitable, to bring in a compliant union, usually Beck's Teamsters.

Shefferman's firm, Labor Relations Associates, had an active list of clients that averaged 300 companies a year. It was a lucrative business indeed. Sears, Roebuck paid him \$239,651 in one 4-year period. The Whirlpool Corp. paid him \$136,899 over a 3-year period. Other Shefferman clients that paid from \$30,000 to \$90,000 for retainers and fees included Thomas Industries, Inc., and Mengel Co., both of Louisville, Ky.; Englander Co., Chicago; R. H. Macy, New York; F. & M. Schaefer Brewing Co., Brooklyn, N. Y. From 1949 through 1955, the years for which records are available, the firm earned \$2,481,798 in retainers and fees. Shefferman himself, in the 7-year period from 1950 through 1956, drew \$246,600 in salary, expenses, and bonuses from the Labor Relations Associates. During the same period Shelton Shefferman, Nathan's son, drew \$211,800.



Neither Shefferman's rise nor subsequent influence would have been possible without the extraordinary encouragement of Sears, Roebuck & Co., the largest general merchandise chain in the country. For 22 years, until 1957, Shefferman was a trusted employee and later a consultant for Sears. From 1935 to 1948 he was labor-relations manager, reporting to the operating vice president. In 1939 the top management helped him start Labor Relations Associates, in order to take on outside clients, but kept him as a regular employee. After reaching mandatory retirement age in 1948, Shefferman continued as a consultant for Sears.

In August 1957, as a result of the publicity in the McClellan hearings, he was abruptly dropped and repudiated by Sears. But the record cannot be so easily expunged, nor the problem of responsibility so quietly evaded. Nor can one answer easily the baffling question as to why a company so extraordinarily self-conscious about its organizational structure welcomed such backstairs operations.

#### THE FITCH

One might expect Nathan Shefferman to be a tough, slick operator, yet he is the opposite: a harassed, distracted, medium-set man, now 70, who talks volubly, in a string of catch phrases, homilies, Edgar Guest poetry, and ponderous clichés. "Human relations is an art; you don't make love with a slide rule." But behind this lies the quickness of a pitchman, ready to twist any turn into immediate advantage.

Shefferman's past is fairly obscure. Before World War I, he says, he worked in various personnel jobs and spent a year with the Harrington Emerson Engineering Co., a firm specializing in time study and management engineering. From 1920 to 1926 he sold training courses to management. He had promulgated what he calls "13 principles of personal achievement [which] are as definite and immutable as the principles of any science." These efficiency principles, 7 of them practical, 6 of them inspirational, could teach any man how to organize his tasks. "But industry was too prosperous and making too much money to worry about efficiency," he says. "So I started something called Ideas, Inc. I found inventors and sought to promote their products. By 1932, however, like everybody else, I went broke."

Unable to find a job, Nathan Shefferman began a half-hour program over WMCA in New York, calling himself the Friendly Voice. "Half the program was inspirational, the other half I counseled people on their worries."

When the National Labor Board was set up under the NRA, Shefferman knocked on the door of Senator Wagner and, citing his experience in personnel, obtained a job as a mediator in the Philadelphia office. About this time he met Lessing Rosenwald, son of the builder of Sears, Roebuck, who recommended him to the firm. He was in charge of employee relations, but reported directly to Thomas Carney, the operating vice president (later president of Sears). Quite obviously, Shefferman's work had the approval of General Wood, the boss of Sears.

Shefferman's inspirational patter appealed to a top management that has always had a paternalistic attitude toward employees (even today the paper coasters under the coffee cups remind the Sears employee of the benefits the company provides); the suggestion that talking to employees would stave off unions appealed to the hardheaded business sense. It was a match of a man and a task.

The period from 1935 to 1939 was, of course, one of intensive labor organization. Few management men knew anything about trade unions, their politics, their jargon, etc., but Shefferman talked knowingly of how to resist unions. He proceeded to demonstrate that he could. Over the 4 years he spotted potential prounion troublemakers by en-

couraging them to air complaints; he organized employee councils, and directed the company's antiunion propaganda.

#### FOR SALE, WHOLESALE

His success emboldened him to think of forming a firm that could sell its services to other companies. Sears encouraged him. It feared that if other stores in a locality were organized it would not be able to hold out. In 1939, Shefferman set up Labor Relations Associates. A West Point classmate of General Wood, a General Westervelt, who was just retiring from Sears, became its president. (He left in 1941.)

Sears aided Shefferman in a number of ways. Its top management recommended him to other firms. The company gave him extraordinary privileges such as the right to make large wholesale purchases for clients at discount and to charge to Sears an extraordinary range of entertainment expenses that by no logic should have been borne by Sears. From 1948 through 1956, for example, Shefferman bought \$478,451.79 worth of merchandise at discount for about 421 individuals, including 95 labor leaders and labor lawyers. A total of \$94,000 worth of goods were purchased for Dave Beck and his family. John English, the secretary-treasurer of the teamsters, purchased about \$19,600. Most of the multifarious entertaining of teamster officials by Shefferman was, until 1956, charged to Sears. (Some items: 1955, Dave Beck trip from Chicago to Indianapolis to attend the funeral of Dan Tobin, president of the teamsters union, \$96.50; Miami, deep-sea fishing excursion boat for Beck, \$65; food on boat, \$18; tip, \$10.)

Asked why Sears paid these bills, Wallace Tudor, vice president of personnel at Sears, explained: "Mr. Shefferman convinced those involved (i. e., Mr. Tudor's predecessors) that it was important that he kept himself informed as to what is going on in the labor movement and at the same time I am certain that we thought that it was important that the top union officials know what Sears stands for so that they would know about the rates of pay in our company, our benefit program."

#### AT BECK AND CALL

It was sometime in the mid-thirties that Shefferman met Dave Beck. The friendship was to open up many new financial opportunities for Shefferman, contacts for his business, and, ironically, opportunities for more effective union busting. It was also to lead to his undoing.

The combination of qualities that appealed to Sears—the moral tone and merchant shrewdness—also appealed to Beck. For his part Shefferman realized that in the distributive field the head of the western conference of teamsters was a coming man.

The two hit it off personally. Beck, lacking the small touches of conviviality (he neither drinks nor smokes), liked to talk big. Shefferman made himself available to Beck, would join him if Beck were lonely. Ingratiating himself with an endless flow of jokes and gadgets, he became a constant companion. "He always had a conversation piece," a teamster official recalls, "a wrist-watch alarm clock, a miniature camera, a spring-driven self-powered razor, which he would pull out at the slightest opportunity. And if you were interested, he would offer to supply one at a discount." It is also likely that Shefferman's fabulous abilities to get it for you wholesale appealed strongly to Beck's acquisitive yet parsimonious instincts, and this strengthened the relationship between the two. Gradually, he became Beck's personal buying agent.<sup>1</sup> (In June 1952, for

example, Beck sent Shefferman a bill from Saks Fifth Avenue for \$90.92, scrawling across it, "Nate, please pay this, D. B." plus a coda, "Tell them their socks I purchased are terrible, full of holes." Shefferman paid the bill and forwarded the complaint.)

From 1949 to 1953, Nathan Shefferman paid out \$85,119.92 for the personal bills of Dave Beck, Beck's son, Beck's wife's cousin, and other favorites of the family, for such divers items as diapers, shirts, ties, gardening supplies, and carpets. These bills were not paid by Beck but by the western conference of teamsters, which reimbursed Shefferman, directly, and through a public-relations account in a Los Angeles bank.

#### WHEN IT RAINS

During the years that this close relationship to Beck was in full flower, Shefferman was bringing off his greatest—and financially most successful—coups in union busting. The Shefferman techniques ranged from organizing fake fronts, using industrial psychology as a cover, to bringing in compliant unions—or variants of these.

The Morton story is a case in point. In February 1955, the Morton Packing Co. opened a plant in Webster City, Iowa, employing 300 persons, to make frozen meat and fruit pies and TV dinners. Soon after, it found itself confronted with organizers from the CIO Packinghouse Workers Union. (If the organizers were successful, the company stood to lose about \$200,000 a year; it was paying 26 cents an hour less for women workers and 48 cents less for men than were comparable food plants in Nebraska.)

Morton called for Shefferman; one of his men, John Nevett, scouted the place, and then outlined a campaign for the company. Soon after, the plant manager called in two procompany workers who had been talked to by Nevett and told them to see a local attorney called Stewart Lund. Lund, it was explained, had been hired by Morton, but the two men were to go to him of their own accord and enlist his help in forming a We, the Morton Workers committee. This committee began writing and distributing anti-CIO leaflets. In addition, the company began giving job applicants a family information form, drafted by the Shefferman firm, the responses to which were turned over to the company attorney, Lloyd Karr, for screening out prounion applicants; prounion personnel were singled out, transferred to inferior jobs, and on flimsy excuses of absenteeism and the like, discharged. Just before the NLRB election in November 1955, a five-man Shefferman task force, including Shefferman himself, came to Webster City to put the finishing touches on the antiunion drive. The CIO lost the election.

Just at this time, the Morton Co. was sold to the large Continental Baking Co., largest in the bread industry. Continental is unionized, 14,000 of its 20,000 workers belonging mostly to the bakers and the teamsters. Fearing that the packinghouse workers might win the Morton plant at a second time around, Continental Vice President George Faunce decided that the company would be best served if the bakers organized the plant.

In September 1956 a meeting was arranged in Chicago between Merle Smith, the bakery workers' regional representative, George Stuart, the union's vice president, and Faunce (Jimmy Hoffa was supposed to attend but couldn't make the meeting). Faunce told Smith that management would not oppose an organizing drive by the bakers in the Morton plant.

a promotion device, to teamster locals. Shefferman's Union Merchandising Co., together with two subsidiaries, netted over \$200,000 in 1953-56. Of this the single largest share, \$51,750, went to an inactive partner, Norman Gessert—a cousin of Dave Beck's wife.

<sup>1</sup> The two subsequently became partners in numerous deals ranging from the supply of furnishings for the new teamsters building in Washington to the sale of toy trucks, as

The bakers' drive, however, fared poorly. In mid-October, two men from Shefferman's office, Charles Bromley and James Nielsen, appeared in Webster City to help the drive. Together with the local teamster business agent, the LRA men began to reeducate the Morton workers in favor of unions. In the meantime, the plant manager distributed union authorization cards to the workers. When 280 of the plant's 300 workers signed these cards, the bakers' representative was told that the local was now recognized and that the contract would be negotiated by Faunce and George Stuart.

The contract was drawn up in Nathan Shefferman's office. No union representatives were present. The 3-year contract provided for a 5-cent-an-hour increase a year, but gave management a complete free hand in the modification of a wage-incentive program.

A cruder version of union busting was practiced in the Ohio plants of Whirlpool Corp. The company manufactures appliances under the trademark of Kenmore (distributed through Sears, Roebuck), and RCA Whirlpool, distributed under its own name. In February 1955, Whirlpool bought the physical plant of the Motor Products Corp. in Marion, Ohio. When Whirlpool reopened the plant, it refused to recognize the UAW, which had held a contract with Motor Products. To oversee the hiring of new workers, LRA sent in two staff men. In interviewing new prospects they used a human equation test. The only person who could score the test was the LRA psychologist. The tests were simply a device to screen out pronoun applicants without risking a Taft-Hartley unfair-labor-practice charge.

When the UAW began organizing the Marion plant, the Shefferman team went on to step number 2 of their arsenal of tricks. They created a vote "No" committee—ostensibly a spontaneous group of loyal workers seeking to fight the union. The committee made house calls on other workers, armed with file cards containing pertinent background information from company files.

At Whirlpool's second plant in Clyde, Ohio, the antiunion technique was used in full panoply against the party-line United Electrical Workers and, later, the Machinists Union. The general plan listed the following steps: "(1) Find lawyer and guy who will set up the 'vote no' committee; (2) find the leaders on the inside and outside and sway them; (3) give the American Legion material we have and let the 'vote no' committee get it from them; (4) keep rotating committee actively going. [The rotating committee was a device whereby workers would sit on labor-management committees, ostensibly to air grievances and complaints, but actually, in the easy give-and-take discussions, to ascertain pronoun sentiment. The committeemen were rotated so that each worker in the plant would come under scrutiny]; (5) keep your foremen meeting; (6) save merchants and clergy and use in final drive; (7) build up case against union and get them thrown out of their building; (8) get 'vote no' committee to visit homes. Pay them for lost time."

#### SWEETHEART, SWEETHEART

Where unionization was inevitable, Shefferman often advised that a company deal with "understanding" unions, which, more often than not, meant the teamsters. This was the case in Shefferman's operation for the Englander Co. (mattresses).

In 1951 teamster local 12, of San Francisco, together with the Upholsterers Union began a joint drive to organize a new Englander plant in San Leandro, Calif. (The upholsterers were to take the production workers; the teamsters, the warehousemen and shipping clerks.) At about that time Shefferman and Beck took a trip to Hawaii. On his return, Shefferman called the local teamster leader and explained that Englander had no objection to a union, providing the team-

sters represented the entire plant. A few days later Mike Katz, the upholsterers organizer, quit. (Katz testified that in April 1953 he had been hired by Shefferman to stand outside Englander's plant in Brooklyn one day at arrival time and at quitting time, to see if he could "spot any Communists among the workers." For this 1 day's work Katz was paid \$2,800 by LRA.)

After intermittent dealings on a local basis with the Teamsters, Englander in 1955 negotiated a master contract for 12 of its 17 plants with the Hoffa union. Sidney Korshak, the company's lawyer, subsequently explained why. The teamsters, he said, "claimed they represented the majority of our employees, and we accepted the statement." And in a burst of frankness Korshak said: "There were reports the newly merged AFL-CIO was going to launch a large organizing drive. We were fearful of that, and we felt that we could live with the teamsters."

#### ALL-OUT AT THE BOSTON STORE

It was at the Sears Boston stores that Shefferman's varied techniques came into full play. The warehouse employees of seven Sears stores in the metropolitan area belonged to a quiescent teamsters union; some of the other store employees belonged to a Sears, Roebuck Employees' Council, which had been organized by Shefferman in 1938 to head off the AFL Retail Clerks. In 1950, Roy Webber, head of this Employees' Council, told AFL organizer John Lind that the council wanted to join the AFL Retail Clerks because it was being pushed around by management. In fact, about 80 percent of the council members signed up for making the change. Shortly before an NLRB election, however, Webber changed his mind, and the revolt failed. It was revealed later that Webber had been bought off with a \$20-a-week pay raise.

The dissatisfaction of employees with the Sears Employees' Council continued, however, and in 1953 they voted overwhelmingly to affiliate with the AFL Retail Clerks. A month later an LRA staff man, a Mr. Guffy, arrived in Boston with full plenipotentiary powers to break up this drive. Mr. Guffy was actually James Nielsen, who had done probakers union work at Morton. Sears assigned a personnel manager, Paul Rohrdanz, to carry out Nielsen's instructions.

Over the next 2 years Nielsen and other LRA men did the following:

Trained Rohrdanz in the use of the rotating committee technique; conducted a union-attitude survey among Boston employees; and arranged for the transfer of pronoun employees.

Set up a new Sears, Roebuck Employees' Council (using a few dissidents from the old group) in order to dispute the right of the old council to use the name, and to affiliate with the retail clerks.

Created a vote no committee to oppose all unions.

Set up a diversionary teamsters union drive in competition with the AFL retail clerks.

This final stroke was arranged by Nathan Shefferman. He persuaded the AFL retail clerks' organizer John Lind to leave that union for a job with the laundry workers, who then "loaned" him to the teamsters for the organizing drive. (Lind's house was provided with aid conditioning by Sears, and the bill was paid by Shefferman.)

As one contribution to "confusion," a pro-teamster employee testified he allowed his car to be damaged: the tires were ice-picked and bricks heaved through the windows. The retail clerks got the blame, and the car owner got three new tires, paid for by Sears.

The strategy of the three different groups—the Sears council, the vote no committee, and the teamsters—was directed by LRA, which paid most of the bills. The upshot of these diverse maneuvers was that

in May 1955 the majority of Sears employees voted for no union.

#### A HOUSE DIVIDED

The present Sears management has disclaimed Shefferman and professes to be distressed at the tactics he employed in Boston. In all instances the blame is put on a retired Sears vice president, C. B. Caldwell, who, having suffered some coronary attacks, has been unavailable for comment. Shefferman refuses to talk about this repudiation. He will only say, if he were so terrible, would Sears have kept him for 22 years, up until 1957; and would Caldwell, the vice president, have been made a director?

By all tenets of Sears management ideology, it should have been about the last company in the country to need the likes of Shefferman. Quite aside from the fact that Sears prides itself on its probity and its concept of stewardship, it is a firm that has pioneered the decentralization concept of organization. It has been highly articulate about its policy of giving as much responsibility as possible to local managers. It has argued that through its supervisory training and elaborate morale surveys it is able to take the pulse of workers' feeling. It has sought to prove that its own sense of how to treat employees and the high wages and benefits it pays do away with the necessity of unions at Sears.

#### THE FRUITS OF EXPEDIENCY

Yet, even after 1948, when employee relations and personnel functions were integrated, Sears continued to use Shefferman as a behind-the-scenes, freewheeling agent, reporting only to Caldwell. Even when the group managers of stores in Boston, and in Indianapolis, in 1953 and 1955, protested that they did not want Labor Relations Associates meddling in their affairs, headquarters overruled them, deciding apparently that the Shefferman brand of operation was necessary. In the choice between management ideology and expediency, Sears repudiated its own philosophy and chose expediency.

In one sense the Shefferman technique has paid off for Sears. Of 205,000 workers in Sears, Roebuck, only 14,000 are organized and of these, 7,000 belong to the teamsters. Strange to say, or not so strange to say, the teamsters have not yet mounted a really effective organizing drive.

One of Shefferman's associates has defined his technique simply: "We operate the exact way a union does," he said, "but on management's side. We give out leaflets, talk to employees, organize a propaganda campaign." There is, however, one difference: union operations are generally quite open, those of Shefferman—and Sears—have been covert and perhaps sometimes illegal.

#### THE NATIONAL ECONOMY

Mr. SALTONSTALL, Mr. President, I ask unanimous consent to have printed in the body of the RECORD excerpts from an address delivered by Mr. Gabriel Hauge, Special Assistant to the President, at the Third Annual Conference of State Broadcasting Association Presidents. I believe this brief statement will help all of us to get a clearer picture of the economic situation at the moment.

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

EXCERPT FROM ADDRESS BY GABRIEL HAUGE, SPECIAL ASSISTANT TO THE PRESIDENT, BEFORE THE THIRD ANNUAL CONFERENCE OF STATE BROADCASTING ASSOCIATION PRESIDENTS, UNDER THE AUSPICES OF NATIONAL ASSOCIATION OF BROADCASTERS, SHOREHAM HOTEL, WASHINGTON, D. C., FEBRUARY 19, 1958

To a group of Americans in the field of broadcasting perhaps an economist may ven-



ture a comment on the problem of communication in his own field. Let me take, as an example, last Wednesday's economic statement of the President which apparently has left some people with the impression that he predicted a business upturn in March. That this mistaken impression was gathered from his statement illustrates how difficult and even hazardous communication at times can be.

Consider what the President said bearing on this matter.

First, he stated that indications pointed to the start of a pickup in job opportunities in March. On the basis of the existing schedule of reporting by the Departments of Labor and Commerce, the March figures will become available during the second week of April. It is most unlikely that the February figures, reported in March, will show any improvement over the January figures reported last week—rather the contrary is to be expected.

Second, the President stated that a job pickup in March should mark "the beginning of the end of the downturn in our economy."

This language hardly seems to say that an upturn in the economy will come in March. Improved employment in March, reported in April, should constitute a good sign that the downturn was running out of steam. But, obviously, an economy as vast and complex as ours does not change its direction abruptly and proceed to turn around on a dime. Personally, I would expect to see the downturn slow to a stop during the second quarter of this calendar year. Thereafter, in my judgment, the forces making for an upturn should start to outweigh the downward forces, thus signalling the beginning of a general advance.

I have taken the opportunity here today to analyze a misreading by some people of part of the President's economic statement, because of the relevance of effective communication to the state of confidence. The state of confidence is always an important factor affecting the state of business. It will have a key role to play over the months ahead in influencing the course of the economy.

By the nature of your work in communications, I know that you have a great interest in this matter. While I believe you should vigorously expose fatuous optimism, I think you should as vigorously expose unjustified gloom. I know you seek to reflect the true nature of the news from the economic front. I say this realizing full well that bad news tends to drive out the good. Over the next 60 to 90 days, the judgment people form about the economic future will have much to do with the shape that future takes. Certainly one of the factors bearing on this judgment will be the balance in the news that they read and hear.

Let me give you a few examples of what I mean by balance.

While it is true that 4½ million Americans were out of work at the last count, more than 62 million Americans were reported at work.

While automobile sales are well below expectations, housing starts last month were up 6 percent, and rising applications for FHA mortgage insurance are an augury of further improvement.

While purchases of durable consumer goods are disappointing, retail sales generally are well maintained and scarcely suggest that consumers are taking to their storm cellars.

Economic facts, of course, will determine the economic news. Private or public statements about them will make them neither larger nor smaller. But the balance in which they are reported and the perspective in which they are viewed will have much to do with the nature of unfolding economic events.

Let me illustrate my point by a recollection from an earlier day of economic uncertainty. I recall sitting at lunch with some doctors

a few years ago and heard a new phrase—"iatrogenic symptoms." In medical parlance, this phrase describes symptoms induced in a patient by the way the doctor handles him. The analogy to economics is obvious. The Nation's economic doctors, both in and out of the Government, should conduct themselves so as not to induce iatrogenic symptoms in the economy that can only prolong the malaise and delay the recovery. These doctors can be concerned without being calamitous; they can be careful without being callous.

### THE JET AGE

Mr. BEALL. Mr. President, I wish to bring to the attention of the Senate, as it considers H. R. 5822, three most timely articles, one of them an editorial, which appeared in local newspapers last Friday, February 14. It appears to me that Senators would do well to have these articles before them as they prepare to vote on the bill.

The editorial entitled "Jet Age Legislation," published in the Baltimore News-Post for February 14, 1958, strongly urges immediate passage of H. R. 5822.

The same issue of the News-Post contains an illuminating article written by George Carroll on America's jet future and points up the necessity for passage of the proposed legislation.

The Washington Daily News, on February 14, 1958, and, I am told, other Scripps-Howard newspapers throughout the country, published a story written by Roger Stuart, entitled "United States Finance Hurdles May Put Red Jetliners Ahead." Again, this article stresses the urgency of H. R. 5822.

Mr. President, I ask unanimous consent that these three newspaper pieces be printed at this point in the body of the RECORD.

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

[From the Baltimore News-Post of February 14, 1958]

#### JET AGE LEGISLATION

Scheduled to come up in the Senate for Monday is a bill which will help to get this Nation's commercial airlines on the runway of the jet age.

In simple terms, the bill would permit airlines to use money obtained by sale of old aircraft for the purchase of jets. The airlines would expect to pay capital gains tax on the money from the sales.

This makes such good sense that you may wonder why a bill is necessary. In order to make this operation possible the Civil Aeronautics Act of 1938 has to be amended. As it works now, the Civil Aeronautics Board regards money received from sale of old flight equipment as belonging to the Government, in the form of income to be applied against mail pay.

The crux of it is that the airlines, instead of using such money to move into the jet age, will be depositing it with Uncle Sam unless the act is changed.

Let's consider a few facts. An American-made commercial jet costs about 5.5 million. The Russians already have some 50 of their TU-104 jets in operation and are aiming at setting up a trans-Atlantic route to this country, the British-built prop jet Britannia holds trans-Atlantic speed records in both directions.

It is important to national prestige for the Government to make every legitimate effort to clear the way for our own airlines. The House has passed the bill.

In the Senate it will be supported by Senators MONROE, Democrat, of Oklahoma, chairman of the Interstate and Foreign Commerce Committee, and MAGNUSON, Democrat, of Washington, chairman of the subcommittee for air. It ought to be passed without delay.

[From the Baltimore News-Post of February 14, 1958]

#### SENATE VOTE SCHEDULED MONDAY VITAL TO AMERICA'S JET FUTURE

(By George Carroll)

The Senate will be asked next Monday to help make certain the United States wins its \$2,500,000,000 bet on the commercial jets.

The stakes are high: (1) Supremacy on peaceful world airlines and (2) an up-to-the-minute reserve of jet airlift for our military forces in case of world war III.

The Senators are scheduled to vote on a proposed amendment to the Civil Aeronautics Act of 1938 that would make it easier for airlines to pay for the \$2,500,000,000 worth of new turbine-liners they've ordered.

The House already has voted it and support of both Democratic and Republican leaders in the Senate Commerce Committee indicates the Senate should follow suit.

The seven sponsors of the bill in the upper chamber include both Senator MAGNUSON (Democrat, of Washington), Commerce Subcommittee chairman, and Senator BRICKER (Republican, of Ohio), ranking Republican on the committee.

The amendment would permit an airline, when it disposes of old, piston-driven planes, to bookkeep the proceeds not as operating revenue to be applied against mail pay but as a capital asset subject only to 26 percent capital gains tax.

The big airlines have borrowed up to the hilt from banks and insurance companies to buy new Boeing 707's, Douglas DC-8's, Convair 440's, Lockheed Electras, and Fairchild Friendships.

The current bill, like the 6-percent fair raise which the Civil Aeronautics Board granted not long ago, is meant to insure the lines will have enough cash to meet commitments.

Soviet accomplishments plus capture by a British-made prop-jet airliner of the trans-Atlantic speed record in both directions, ought to prod the bill.

Stanley Gewirtz, vice-president of the Air Transport Association, trade body of the lines, says:

"We know the Russians have six different kinds of turbo-prop and pure jet transports. We're told they have speed, range, and capability equal to our own."

"They're now being used interchangeably in military operations and as part of the air transport system of the Soviet Union and her satellites."

"Last week the TU-104 landed the new Soviet Ambassador at the Baltimore Airport. The Russians see commercial airpower as an instrument of diplomacy, an element of prestige in world politics, as yet another weapon in the cold war."

This may be expected to be pointed up in the Senate Monday along with the record time of 7 hours, 44 minutes flown by the British Britannia from New York to London.

[From the Washington Daily News of February 14, 1958]

WHO'S GOING TO PAY FOR OURS?—UNITED STATES FINANCE HURDLES MAY PUT RED JETLINERS AHEAD

(By Roger Stuart)

The United States may be on the verge of losing out to the Russians in another vital activity causing a decline in American prestige comparable to that when the sputniks went aloft.

This time the battle for supremacy is in the field of air transport. The key is jet-propelled commercial plane service.

Long aware that huge, time-shattering jet planes someday would revolutionize air travel, United States carriers and aircraft manufacturers have planned for years toward the eventual changeover.

#### ON ORDER

All domestic carriers now have new equipment on order. First passenger-carrying jet transports are slated to go into service in 1959.

The domestic trunklines alone have placed orders for some 350 jets and prop-jets for delivery in the next 4 years, while United States international airlines plan to acquire their first half-billion dollars' worth of jets next year.

But at this moment, as far as American passenger-carrying airlines are concerned, the jet age has yet to dawn.

Meanwhile, Aeroflot, Russia's domestic and international airline, is understood to have at least 50 commercial jets already on the job.

Regularly scheduled jet passenger service presently is in operation between the U. S. S. R. and Red China, for example. Meanwhile, the Communists' jet planes serve routes extending across the Scandinavian countries, and negotiations are underway to open a Moscow-Paris route.

#### IMAGINATION

"It doesn't take much imagination to assume that Aeroflot's next big propaganda objective," said one United States airline official, "will be to secure a Moscow-European-New York route. And the Reds will be prepared to supply top jet-plane service."

"Considering how the United States heretofore has led the world in air transport service," he added, "it'll be a hard pill for Americans to swallow if Russia takes the lead."

Said another airline spokesman: "There'd be no question about our being able to compete if it weren't for the profit squeeze. Here we are, doing more business than ever, but with net profits getting smaller and smaller as our revenues mount. Well, the answer to that is plain—rising prices on one hand, and CAB's unrealistic policies on the other."

#### PROBLEM

Caught in this kind of profit squeeze, the airlines say the problem of financing the purchase of billions of dollars' worth of jet equipment is extremely difficult.

Stuart G. Tipton, president of the Air Transport Association of America, asserts: "It took a sputnik to shock the lag out of our missile program."

"Will we have to wait for Aeroflot, the Soviet's airline, to overtake us before the Government appreciates the need for a privately financed United States commercial jet fleet?"

Normally, it was pointed out, the money is available to the airlines to finance their equipment purchases from private banking houses. But bankers are wary of airline securities in view of the continuing decline in net earnings.

#### LEGISLATION

Legislation pending in the Senate will, if adopted, help to some extent. There is a House-approved measure scheduled to come up for consideration February 17. It was approved by the Senate Interstate and Foreign Commerce Committee last summer, but too late for floor consideration before Congress adjourned.

The bill—H. R. 5822—would permit subsidized airlines to retain capital gains from sale of used flight equipment, after payment of capital gains taxes, provided that this money is used to buy new flight equipment.

Need for the legislation, according to its backers, results from the fact that the Civil

Aeronautics Board recently adopted a policy of using most capital gains as an offset against subsidy to be paid to these subsidized airlines. Thus, capital invested in flight equipment is dissipated to pay operating expenses.

The subsidized airlines themselves have complained that the CAB ruling is unique in the history of rate regulation, since no other industry is denied the use of its capital gains.

"Obviously this piece of legislation is not the whole answer," commented a spokesman for one United States international carrier. "But its adoption would help, at least in a small way, to provide the finances required by the airlines to begin receiving the new equipment without which they cannot possibly keep pace with Aeroflot and the other Government-owned competitors."

#### CONSTRUCTION OF U. S. S. "ARIZONA" MEMORIAL AT PEARL HARBOR

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5809) to authorize construction of a U. S. S. Arizona Memorial at Pearl Harbor.

#### PARTICIPATION IN THE ACREAGE RESERVE OF THE SOIL BANK PROGRAM

Mr. AIKEN. Mr. President, the Department of Agriculture finds itself in the position of having a greater demand for participation in the acreage reserve of the soil bank program than it has money to pay for.

This has created a tremendous amount of confusion and disappointment among our farm people, particularly the producers of corn and cotton.

It is obviously impossible for the Department of Agriculture to determine which farmers shall be permitted to participate in the acreage reserve for which there are inadequate funds.

There seems to be a widespread and concerted propaganda campaign to place responsibility for this bad situation upon the Department of Agriculture.

The facts are, Mr. President, that the responsibility for this bad situation rests upon Congress, and upon Congress alone.

In the interest of fair play, I shall state for the RECORD the events which have resulted in the confused situation which now exists.

The Soil Bank Act authorizes a maximum program of \$750 million a year for the acreage reserve.

The budget request submitted in January 1957 called for a total of \$1 billion for the soil-bank program, and did not earmark amounts for acreage reserve and conservation reserve.

The estimates submitted, however, consisted of \$701,173,340 for the acreage reserve and \$267,562,660 for the conservation reserve, with \$31,264,000 provided for contingency reserve.

When the House Appropriations Committee considered this request, it reduced to \$600 million the estimate of \$701 million for the acreage reserve.

The House Appropriations Committee also limited the 1958 program to \$500

million, and expressed doubts about carrying on the program beyond 1958.

I quote from House committee report No. 438, at pages 10 and 25, dated May 10, 1957:

In view of this experience, the committee has reduced the 1958 appropriation for payments under the acreage reserve program from the \$750 million authorized for 1957, and the \$701,173,340 requested for 1958, to a total of \$600 million. Further, based on the record and serious doubts as to the advisability of continuing this program beyond the next year, it has limited the amount of commitments which may be made under the 1958 program to \$500 million.

As discussed earlier in this report, the majority of the members of the committee have serious doubts that the program will reach its basic objective of reducing production—and would question it further if it did.

On May 15, 1957, the House adopted the Harrison of Virginia amendment to suspend operation of the soil-bank program at the end of fiscal year 1957, and to delete the provision of \$500 million for the fiscal year 1958 program.

This amendment was adopted by the House, while in Committee of the Whole, first by a voice vote, and then by a teller vote of 134 yeas to 120 nays. Then, on a record vote, the Harrison amendment was carried 192 to 187.

Voting for the Harrison amendment were 154 Democrats and 38 Republicans. Voting against the Harrison amendment were 141 Republicans and 46 Democrats.

Thus, when the agricultural appropriations bill came to the Senate, it carried no provision for funds for the 1958 acreage reserve program.

The Senate Appropriations Committee voted to restore \$500 million for the acreage reserve program for 1958 crops.

I quote from Senate Report No. 415, at page 13, dated June 7, 1957:

The committee amendment provides authorization to formulate and administer a program for 1958 crops of not to exceed \$500 million.

Under present circumstances there appears to be little or no possibility of getting new farm legislation approved during this session of Congress. There is some doubt that the acreage-reserve program will achieve its objective of reducing surpluses. The Department has requested restoration of a \$750 million program for 1958.

The committee recommendation will provide authority to plan a 1958 program; but unless the 1957 program proves to be more successful than anticipated, it is doubtful that authorization will be given for a 1959 program.

The committee recommendation provides an opportunity to the legislative committees, and to the Department to evaluate the effectiveness of the acreage-reserve program, and to provide new legislation prior to this committee's action on the 1959 program.

Except for a change limiting the amount of payment to any one producer, this action by the committee became the provision of the appropriations act relative to the acreage-reserve program for the fiscal year 1958.

When the bill came to the floor of the Senate for action, on June 11, 1957, an amendment offered by the junior Senator from Ohio [Mr. LAUSCHE] would have restricted to \$2,500 the total compensation paid to any producer.



This amendment was defeated by a vote of 71 to 7.

The conference committee of the House and Senate then wrote into the law the following provision:

*Provided further, That no part of this appropriation shall be used to formulate and administer an acreage-reserve program which would result in total compensation being paid to producers in excess of \$500 million with respect to the 1958 crops, or in total compensation being paid to any one producer in excess of \$3,000 with respect to the 1958 crops.*

So, Mr. President, the record clearly absolves the Department of Agriculture from responsibility for the present confusion in the acreage-reserve program.

The responsibility for the present mess rests squarely on the Congress, and the responsibility for correcting the situation rests squarely on the Congress.

The Department's original estimate of \$701 million as the amount necessary to carry on the acreage reserve for 1958 was virtually correct.

Congress cannot escape its responsibility by trying to put the blame on the executive branch of the Government.

To keep faith with the American farmers, Congress must appropriate without delay \$200 million more for the acreage reserve.

#### MUTUAL SECURITY PROGRAM— MESSAGE FROM THE PRESIDENT (H. DOC. NO. 338)

The PRESIDING OFFICER (Mr. LAUSCHE in the chair) laid before the Senate a message from the President of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President's message on the mutual security program, which already has been read in the House of Representatives, be referred to the appropriate committee, without reading.

The PRESIDING OFFICER. Without objection, it is so ordered; and the message will be referred to the Committee on Foreign Relations.

(For President's message, see House proceedings of today.)

#### AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Calendar No. 1253, House bill 5809, to authorize construction of a U. S. S. Arizona Memorial at Pearl Harbor, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 1178, House bill 5822, the airlines capital reinvestment bill.

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

There being no objection, the Senate resumed the consideration of the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. 28. Concurrent resolution to print a compilation of materials relating to the development of the water resources of the Columbia River and its tributaries; and

S. Con. Res. 57. Concurrent resolution providing additional funds for the Joint Committee on Washington Metropolitan Problems.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 652) for the relief of the Thomas Cruse Mining and Development Co., and it was signed by the President pro tempore.

#### HOLLYWOOD AND MOTION PICTURES

Mr. KNOWLAND. Mr. President, as a Californian, I am pleased to report to my colleagues about a great industry in my own State—Hollywood and its motion pictures—and about Hollywood's current deliberations to name its proudest accomplishments during the past year.

On Monday evening, Hollywood nominated the best motion picture, the best actor, actress, director, the best of its creative and technical talent for this year's academy awards. On March 26, some 70 million people will hear the election results over a nationwide television and radio broadcast.

To my mind, what is significant about these nominations and the election to follow is not who wins the Oscars, much as they are valued and merited. What impresses me is that this is one election in which everybody wins. It signals once again the capacity of men to reach the hearts and minds of other men across all boundaries and through all barricades of difference.

In California, we are proud of this industry. Hollywood took over some fertile acres of lemon and orange and grapefruit orchards in my home State about 50 years ago. With this modest beginning, it became a worldwide influence, creating an art from which has become a universal language, perhaps the most persuasive of all media of communications.

From the outset, the films have struck an appeal that the Chinese philosopher scarcely sensed when he decreed that one picture is worth 10,000 words. Hollywood's motion pictures have for the most part served us well abroad. Without conscious intent, they have been successful American ambassadors, spokesmen of the art and culture, and spirit of our country wherever people watch an image on a screen.

In the broadest international sense they have been highly successful envoys of our country. They embrace the creative talents of all nations. Last year, for instance, an Italian actress won the award for the finest actress of the year. This was a 3-day wonder in the world's

press, with metropolitan Italian dailies hitting the streets with extras. But it was no wonder in Hollywood, which believes that talent, wherever it is from, is the key to the door of the magic screen.

This year, the five nominations made for the best picture, the best actor, actress, and director bespeak the international impact of our film industry. Two of the films in the running were made thousands of miles from America in far-away Asia—one in Japan and the other in Ceylon. Two of the top performers battling for Oscars this year are from abroad, and so is one of the directors.

It is hard for us here in Government, perhaps, to understand the tremendous interest that Hollywood and its films always generate throughout the world. Each year these Academy nominations and awards—the embodiment of the best in the motion picture art—receive, if possible, even keener attention overseas than they do at home. Here is one American enterprise that has made a unique contribution, not merely to our own enjoyment and pleasure, but, in fact, to America's role as a leader in the free world today. I think all of us can be proud of this accomplishment. In my home State of California, we are doubly proud.

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

The nominations were ordered to be printed in the RECORD, as follows:

For best picture: *Sayonara*, *Bridge on the River Kwai*, *Peyton Place*, *Witness for the Prosecution*, and *Twelve Angry Men*.

For best actor: Marlon Brando, Charles Laughton, Anthony Quinn, Alex Guinness, and Anthony Franciosa.

For best actress: Anna Magnani, Deborah Kerr, Joanne Woodward, Elizabeth Taylor, and Lana Turner.

For best director: David Lean, Mark Robson, Joshua Logan, Sidney Lumet, and Billy Wilder.

For best supporting actor: Red Buttons, Vittorio de Sica, Sessue Hayakawa, Arthur Kennedy, and Russ Tamblyn.

For best supporting actress: Carolyn Jones, Elsa Lanchester, Miyoshi Umeki, Hope Lange, and Diane Varsi.

For best songs: *An Affair To Remember*, *All the Way*, *April Love*, *Tammy*, and *Wild Is the Wind*.

#### JOHN W. EMMERT, SUPERINTENDENT, GLACIER NATIONAL PARK

Mr. MANSFIELD. Mr. President, there have been many remarks made on the floor of the Senate today about the 46th anniversary of the Congressional service of our distinguished colleague, the President pro tempore, the senior Senator from Arizona [Mr. HAYDEN]. However, our colleague is looking forward to many more years of active participation in the affairs of his State and the Nation.

On the other hand, this is also the 46th anniversary of John W. Emmert, Superintendent of the Glacier National Park, who is making his last official trip to Washington this week before retiring on March 31.

Jack Emmert has been in the national parks longer than any other employee now on the National Park Service rolls.

In fact, his work antedated the establishment of the National Park Service by 5 years. He was hired at Yosemite National Park as an assistant electrician in 1912, and was, successively, electrician, electrical engineer, and assistant superintendent there. In 1934, he became assistant superintendent of Yellowstone; and he was briefly superintendent of Hot Springs National Park, Arkansas, before transferring to Glacier in 1944.

For generally high quality performance of his duties as superintendent of Glacier, and specifically for his work in connection with the proposed exchange of Federal lands outside the park for some 10,000 acres of State-owned forest inside its boundaries, Emmert received the Distinguished Service Award of the Department of the Interior in 1953. When Jack leaves Glacier, he will go to Coeur d'Alene, Idaho, where he owns a home. It is my understanding that he will undertake to occupy a very prominent position there with the State of Idaho.

Jack Emmert will be succeeded at Glacier by Edward A. Hummel, now superintendent of the Great Smoky Mountain National Park.

Glacier National Park is one of the truly great scenic wonderlands of the world, and in recent years the tourist traffic has grown to proportions never dreamed of before World War II.

The park is our third largest, and its administrative problems are many and complex; but under Jack Emmert's supervision, it has become one of the best managed areas in the entire national park system.

Montana is going to miss Jack Emmert. He has worked well with all State agencies, cooperated excellently with our Canadian neighbors, and has been topnotch and very fair minded in his relations with the general public.

My senior colleague, Senator MURRAY, and I hate to see him go, but we only hope that in his remaining years he will be doing the things he enjoys, the things for which he has sacrificed all these years in serving the National Park Service. Montana wishes Jack Emmert many more years of happiness.

Mr. BYRD. Mr. President, I desire to join the distinguished Senator from Montana in what he has said about Jack Emmert, who is now retiring as superintendent of the Glacier National Park.

Jack Emmert was born near my home, and comes of a very fine family in that section. It has been my privilege to see a great deal of him, since I am one of those who likes to go to the national parks, and especially to the Glacier National Park. To my way of thinking that is one of the most beautiful parks in all the world.

About 2 years ago I had the great pleasure of walking 45 miles with Jack Emmert and with Conny Wirth, the head of the National Park Service. We walked across the Continental Divide, in 3 days, and spent the third night at the Prince of Wales Hotel on the Canadian side.

I say to those who love the outdoors, to those who want to see the most beautiful mountains, there is no place

one can go which will give a better opportunity than the Glacier National Park.

Jack Emmert has been a dedicated public servant for 46 years. He has made a record few men have equaled. He has been in the National Park Service all that time. He believes in giving the people the accommodations they want, in order to enable them to get around to see the beauties of nature. I believe Glacier Park contains a million acres of land. Jack Emmert has provided facilities there to make it possible for people to see all the beauties of that park.

It is with deep regret, Mr. President, that I see Jack Emmert retire, because he is in fine physical condition and could continue his service. He certainly deserves the rest, if that is his desire.

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

Mr. BYRD. I yield.

Mr. MANSFIELD. I desire to express my thanks to the Senator for the comments he has made relative to both Glacier National Park and Jack Emmert. Everything the Senator has said is true.

The Senator from Virginia has a national reputation as an economizer, and I think it is a reputation which is well deserved and well earned. I hope the Senator will not mind if I tell the Senate that perhaps the only occasion on which the distinguished senior Senator from Virginia has advocated an increase in funds was upon consideration of the sum of \$50,000 for the Glacier National Park appropriation.

Mr. BYRD. The Senator is correct, Mr. President, because there were facilities which were badly needed at that park. I wrote, for the first time, to the Budget Director about that.

I have never asked for an appropriation in my own State, but I wrote to the Budget Director for the first time to ask for the appropriation for the Glacier National Park.

Mr. MANSFIELD. And we appreciate that action.

#### UNITED STATES FOREIGN POLICY AND DISARMAMENT

Mr. HUMPHREY. Mr. President, on Tuesday, February 4, I addressed the Senate on the subject of the United States foreign policy and disarmament. Many of my colleagues participated in the debate and discussion that afternoon. Not only was I grateful to them at the time for their helpful and provocative assistance, but in retrospect, I feel that this was just a foretaste of the very considerable public attention which has been paid to the topic since.

My own mail reflects an overwhelming popular concern—I might say relief—that some of these subjects have been publicly aired. On no other single Senate speech in my career have I received a more immediate public response. Anyone who takes a close look at the wires and letters which have come to my desk during the past few days will agree, I think, on the widespread intensity of feeling which people have on the subject of disarmament and negotiations with the Soviet Union.

Among the favorable public comments were editorials in the Minneapolis Tribune for February 6, 1958, entitled "Keep Trying on Arms," and an editorial in the Washington Post on February 7, 1958, entitled "The Price of Rigidity."

I ask unanimous consent that the texts of these two editorials be printed at this point in my remarks.

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

[From the Minneapolis Tribune of February 6, 1958]

#### KEEP TRYING ON ARMS

Two longtime Minnesota political foes, HUBERT HUMPHREY and Harold Stassen, share the belief that the Soviet Union may now be ready for a limited first-step disarmament agreement.

They believe the United States should test Soviet intentions by breaking up the disarmament package on which it has insisted and negotiating cautiously for separate, specific goals.

When HUMPHREY made a 4-hour Senate speech on this and related topics Tuesday it was obvious that he was speaking as well at times for Stassen, who cannot take public issue with his boss, Secretary Dulles.

It should be noted that the Stassen-Humphrey belief that the Soviets may now be ready for a limited step toward arms control is widely shared in Europe. The New York Times says it is also shared by Llewellyn Thompson, United States Ambassador to Moscow, and not a man likely to be naive about the Russians.

There are many reasons why this might be so: Soviet manpower shortages; necessity of increasing production to meet expanding Soviet foreign economic aid commitments; fears of additional countries perfecting nuclear weapons in the absence of a control agreement; fears of having American intermediate missile bases established in Europe next year.

In any event, we agree with HUMPHREY and Stassen that Soviet intentions should be thoroughly explored. We also agree that it is foolish to expect the Soviets suddenly to accept our whole disarmament package.

We see no reason why HUMPHREY's suggestion for a 2-year ban on nuclear weapons tests under mutual inspection safeguards should not be advanced on its own merits, rather than as part of the package.

It is HUMPHREY's impression that the Soviets at one time proposed a test ban that envisaged such an inspection system. Well, why not find out?

It may be true that genuine disarmament can come about only after settlement of the political differences that caused the arms race in the first place. But because of the extreme dangers for all mankind that it now embraces, the arms race has become a major cause, as well as an effect, of world tension.

We should lose no opportunity safely to reduce that cause of tension. The disarmament issue should never die of neglect at our hands.

[From the Washington Post of February 7, 1958]

#### THE PRICE OF RIGIDITY

Senator HUBERT HUMPHREY made a compelling case the other day for piece-by-piece disarmament negotiations with the Soviet Union. In his 4-hour speech—the latest in a succession of serious and constructive Democratic appraisals of the great issues before the country—Mr. HUMPHREY argued that it is futile to proceed in a "package" approach with proposals which this country knows the Soviet Union will not accept. He believes that the most promising beginning lies in singling out items on which there is



a mutual interest, such as the suspension of nuclear weapon tests.

We agree emphatically, while recognizing that a nuclear test suspension would not be disarmament, and that the chances for an effective check through test suspension are not so bright as they were some months ago. The proposed amendments to the Atomic Energy Act, however necessary, would almost certainly spread nuclear weapons to additional countries and could have the unwanted effect of encouraging additional manufacture of such weapons. Dr. Eugene Rabinowitch, in a profoundly disturbing article in the January bulletin of the Atomic Scientists, sees little or no hope for even a test agreement in light of the Soviet sputniks and intercontinental missiles. There will be too much demand in this country for anti-missile missiles and other defensive devices along with the development of American intercontinental weapons.

The idea of a self-enforcing test-suspension agreement to be monitored by existing detection systems was broached in this country long before the Soviet Union took up the proposal. Dr. David Inglis suggested it in November 1954, and this newspaper argued for it 3 years ago. Many reasons for it were advanced, among them being that it would end or at least minimize the radiation hazard. (Opinions differ on the degree of harm caused by radiation from nuclear tests, but there is general agreement that all radiation is harmful and that the danger is cumulative.) Other reasons were that it would be a first step in establishing confidence for broader arms-control measures, that it would retard the development of nuclear warheads for missiles, and that it would prevent the spread of nuclear weapons manufacture to "fourth nations."

Of these reasons radiation control remains a valid consideration, though no one is talking much about it. The value of a test suspension as a confidence-building mechanism has been minimized considerably. Nuclear warheads for missiles are now available and certainly will be developed further; they probably would have been developed irrespective of a test suspension. The fourth point—that of preventing additional nations from undertaking nuclear weapon programs—still is of vast importance, but the practical possibility is rapidly diminishing.

A promising idea has been vitiated so far—and with it also the promising concept of control of missile testing—by the constant counsels of timidity, by the arguments that this country forever needed more, by the expectation that the United States could somehow confirm superiority over the Russians. The administration several times reportedly was at the point of adopting the idea, but always the advocates of no compromise won. In the process, and in company with the shifting American position on disarmament, the Russians may well have been convinced that this country did not want agreement. As matters have turned out, a suspension probably would have been distinctly to the American advantage.

The recognition of what might have been is useful principally as a guide to future courses of action. A balance of mutual terror, such as seems to be impending if it is not already here, is of course preferable to a one-sided Soviet terror. But every step in this race takes us closer to the point where miscalculation may blow up the world. The Explorer and an American intercontinental missile will not change the situation; they will only mean that we are running more nearly abreast in a continuing race. The United States and its allies can and must seek accommodation with the Russians on the basis of equality.

This will not be easy, for the Russians are feeling their oats. Manifestly they will not give up what they now hold merely because we want them to, any more than we will

yield on the basis of Soviet demands. The Soviet attitude toward exploration and control of outer space is scarcely an encouraging omen of cooperation. But we can hardly expect to negotiate successfully with the Russians to halt the self-destruction of mankind by slamming the door in their faces. The point of all this is to urge with Senator HUMPHREY that the doctrines of negativism and unconditional surrender which have characterized American policy be jettisoned in favor of a more realistic and modest approach, beginning with a practical first step, while there is still time to halt the race.

Mr. HUMPHREY. Mr. President, the New York Times covered my remarks in the Senate with the customary excellence of its Washington correspondent, Mr. William S. White. I ask unanimous consent that his article which appeared in the New York Times on February 5, 1958, be printed at this point in my remarks.

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

HUMPHREY URGES PRESIDENT RELAX ARMS TALK STAND—ASKS UNITED STATES TO SPLIT PACKAGE PROPOSAL AND NEGOTIATE ON SEPARATE POINTS

(By William S. White)

WASHINGTON, February 4.—Senator HUBERT H. HUMPHREY asked President Eisenhower today to open a more limited and a more positive approach to the Soviet Union on disarmament.

Mr. HUMPHREY, a Minnesota Democrat, who is chairman of the Senate Subcommittee on Disarmament, accused the administration of an undue rigidity and a lack of realism in dealing with Soviet leaders on the issue.

He proposed that the United States break up the present package of its disarmament proposals and offer separate negotiations on one or another of its various points.

Senator HUMPHREY's tone toward the administration was uniformly polite and more than once he declared that his purpose was only to assist the President in a bipartisan search for a way to peace.

#### OTHERS INDICATE INTEREST

Nevertheless, his 4-hour address in the Senate was interrupted by comments indicating interest in the subject by a score of his Democratic colleagues, including the Senate Democratic leader, LYNDON B. JOHNSON, of Texas.

It was thus made clear that while in the strict sense Senator HUMPHREY was speaking only for himself, his address was a symbol of wide Democratic dissatisfaction with the administration's handling of disarmament.

Mr. HUMPHREY remarked that the administration's present course of offering to the Soviet Union only a package of disarmament proposals involved putting forward nine major and interconnected points.

#### POSITIVE STAND URGED

It is naive to suppose the Soviet Union will agree to all this at one time, he said.

"A policy which is predicated upon the willingness of the Soviet Union to turn overnight from a totalitarian dictatorship out to conquer the world into a peace-loving, co-operating, submissive nation willing to acquiesce in our demands, is doomed to defeat and ridicule," he went on.

The thing to do is to start with a single point, say a suspension of nuclear-weapons test under inspection safeguards, and see what can be done with that, the Senator commented.

Moreover, it is indispensable to approach any disarmament conference in a positive attitude and never to devise proposals that

obviously have no chance of being accepted, he remarked.

"There has all too often been a tendency for spokesmen in the State Department to brush aside the latest letter from Bulganin [Marshal Nikolai A. Bulganin, Soviet Premier] at the first news flash," Senator HUMPHREY declared.

"Such actions may demonstrate alertness to news but they also reveal an automatic reflex of prejudice and skepticism which weakens our stature and posture of leadership," he said.

"If we find it necessary to say 'No' to Soviet proposals, let us do so after careful examination, despite the obvious record of propaganda and cold war political maneuvers that has been so evident in past U. S. S. R. proposals.

"We do no honor to our own character or image by aping the Kremlin."

Senator HUMPHREY suggested these among other specific steps:

A proposal that the United Nations General Assembly establish a special commission on arms traffic to make early recommendations on regulating the flow into the Middle East of all non-United Nations materiel.

An effort to seek agreement with the Soviet Union on a pilot project for aerial and ground armaments inspection system.

Support for the creation by the United Nations of a Middle East development authority to administer a pooling of capital and technical aid in the area.

A proposal that the political and military advisers of the North Atlantic Treaty Organization set out now to formulate alternatives to a withdrawal of United States and Soviet troops from Germany.

A reexamination of United States policies toward Communist China—presumably the policy of nonrecognition—because some settlement of the China issue must take place before any general disarmament can be seriously contemplated.

Mr. HUMPHREY. Mr. President, because of the accuracy of Mr. White's article, I was somewhat concerned with the editorial comment which appeared in the New York Times the following morning, February 6, 1958. I ask unanimous consent that the text of this editorial entitled "Dealing With The Soviets," be printed at this point in my remarks.

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

#### DEALING WITH THE SOVIETS

After studying the latest Bulganin letter, President Eisenhower said yesterday that the prospects for a fruitful summit meeting have not been brightened. He continues to insist, and rightly so, that such a meeting can be useful only if it offers a chance for mutual accommodation of policies, and he finds nothing in the letter to suggest that the Soviets are ready for this. He will, however, continue to explore any possible approach that might appeal to the Soviets to make such a conference possible.

The President indicates that he is ready to accept advice on this matter, but the advice given him by Senator HUMPHREY, in the name of "bipartisan assistance," will not be helpful. For Senator HUMPHREY, whose voice as chairman of the Senate Disarmament Subcommittee bears some weight, denounces the Eisenhower-Dulles policy, which is essentially a continuation of the Truman-Acheson policy, as rigid, unrealistic, prejudiced and doomed to defeat and ridicule. Mr. HUMPHREY holds that it is naive to expect the Soviets to accept the western package proposals on disarmament and asks that they be broken up into smaller pieces. But in taking this position he is naive enough to walk right into the Russian trap.

Two of his proposals in particular would go far to aid the Soviets in achieving their primary objectives of weakening western solidarity and the North Atlantic alliance. Mr. HUMPHREY would start disarmament by ending all atomic and hydrogen bomb tests without ending their production. That would alienate France, which insists that unless all bomb production is ended it must proceed with the testing and production of its own bombs.

Mr. HUMPHREY also urges the North Atlantic allies to study at once plans for a reciprocal Western and Soviet withdrawal of troops from Germany and Eastern Europe. His hope is that a Soviet withdrawal from Eastern Europe would result in a political upheaval there without like repercussions in Germany.

Such a plan might become feasible when Germany and Western Europe are strong enough militarily to defend themselves. But for the present such a withdrawal would leave the NATO armies no room for proper deployment and could only result in complete American and British withdrawal from the continent, which in turn would leave Germany and Western Europe defenseless. The result would be a collapse of the whole alliance and a scramble by the exposed European nations for a deal with the Soviets on the best terms they could get. Senator HUMPHREY cannot desire that.

Mr. HUMPHREY. Mr. President, I have sent a reply to the editor of the New York Times discussing the points raised in his editorial. The editorial implied that I might favor a casual and precipitate approach to a new summit conference. Yet, in my February 4 speech I emphasized that the summit was not a place for "truly responsible, effective, and methodical negotiations," adding that a summit meeting should occur only on a "limited agenda and with agreed-upon items for discussion" after careful preparation at foreign minister and the ambassadorial level.

Mr. President, I ask unanimous consent that the letter to the editor, to which I have alluded, be printed at this point in the RECORD.

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

FEBRUARY 11, 1958.

The Editor,  
The New York Times,  
New York, N. Y.

DEAR SIR: On Thursday, February 6, 1958, you stated editorially that my Senate speech on February 4 would not be helpful on the subject of your editorial entitled "Dealing With the Soviets." I am sure you would expect me to reply.

Reliability and responsibility, both in news gathering and in editorializing, are trademarks of the Times. Consequently I was all the more disturbed in this instance over the apparent misreading of my remarks in the Senate.

Your editorial implies that I might favor a casual and precipitate approach to a new summit conference. Yet, in my February 4 speech I emphasized that the summit was not a place for truly responsible, effective and methodical negotiations, adding that a summit meeting should occur only on a limited agenda and with agreed upon items for discussion after careful preparation at the ambassadorial level.

My February 4 speech was intended and designed to be a broad gaged, yet intensive, survey of the problems of negotiating disarmament and related agreements. As your correspondent, William S. White, wrote at the time:

"Senator HUMPHREY's tone toward the administration was uniformly polite and more

than once he declared that his purpose was only to assist the President in a bipartisan search for a way to peace."

In a lengthy presentation and floor debate, I concentrated on three principal points. The first was the necessity of improving the international climate in a variety of ways peripheral to major political settlements. The second was the necessity of breaking up a large and unwieldy disarmament package into parts which are logically separable. The third was a set of proposals for safeguarded disarmament measures in several regional areas of the world.

My suggestions were manifold and detailed on each of these topics. I felt and stated that the right to criticize must be earned through offering constructive alternatives. Frankly, I wish that your editorial had shown a similar approach. Instead you selected two of my suggestions for adverse comment—weapons testing cessation and disengagement in central Europe—and let it go at that.

An agreement to stop nuclear weapons tests under inspectable safeguards is, you say, impossible because the French Government insists upon linking it with the cessation of bomb production. Despite your editorial statement that I would start disarmament by ending "..." tests, a careful reading of my speech would indicate that I assigned no priority of items from the disarmament package on which negotiations should begin. Perhaps a persuasive case can be made for negotiating first on ending bomb production.

It is, however, not clear that the French position is adamantly opposed to negotiations of a cessation of bomb tests. Particularly in the present state of nuclear development in France, there are entirely too many variables in the situation to speak with the assurance used in your editorial in this connection. In any case, I am sure you would agree that while consultation with our allies is always essential, no country, including France, should have a veto over our foreign policy.

Last September the bipartisan Senate Subcommittee on Disarmament unanimously advocated greater flexibility in approaching the problem of central Europe. Our subcommittee report foresaw a relocation and possible reduction of Soviet forces in Eastern Europe and United States forces in Germany. In my speech I pointed out that powerful political forces in Germany, Great Britain, and elsewhere, are already advocating mutual disengagement in central Europe. If for no other reason than this, the possibilities for reciprocal withdrawal should be covered in current NATO planning.

I raised in my speech, as you did in your editorial, the question of deployment of American troops elsewhere on the eastern side of the Atlantic. I also emphasized that no negotiations on the central European question should ever occur without complete consultation with the West German Republic.

Among the many other suggestions contained in my speech were proposals for relaxing tensions in the Middle East, for the creation of special study groups on arms control, for the reduction of tension in Korea, and for arms limitations in Latin America. Many of your regular readers, including United States Senators, would welcome and benefit from your examination and appraisal of these proposals.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, I have been interested to read during the past few days, however, that the official American position on a summit meeting has eased somewhat. I ask unanimous consent that the text of an article by Mr. Chalmers M. Roberts entitled

"United States Eases Its Summit Talk Stand," which appeared in the Washington Post on February 12, 1958, be printed at this point in my remarks.

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

UNITED STATES EASES ITS SUMMIT TALK STAND—DULLES ABANDONS MINISTERS' PARLEY AS PREREQUISITE

(By Chalmers M. Roberts)

The United States yesterday abandoned a foreign ministers' conference as a prerequisite to a summit meeting with the Soviet Union.

Secretary of State John Foster Dulles did so at a press conference less than an hour after President Eisenhower had put on an unprecedented display of friendliness in accepting credentials of the new Soviet Ambassador, Mikhail A. Menshikov.

Dulles also said that Mr. Eisenhower's forthcoming reply to the last letter from Soviet Premier Nikolai Bulganin probably would deal further "with the question of how to proceed" in setting up a summit meeting. And he expressed hope that the United States and its NATO allies could work out a procedure for a meeting both adequately prepared and with good prospects of success.

While all these moves were in line with the new administration policy of saying "Yes, provided" to the Kremlin calls for a summit conference, such a meeting may still be a long way off.

#### TWO STILL FAR APART

This is because the two sides are still far apart on what could profitably be discussed. And because the administration believes, as Dulles put it yesterday, that to arrive at any result advantageous to both will require "a difficult, long, hard negotiation" and "bargaining," including the preliminaries through diplomatic channels.

When Dulles was asked whether the "sort of Mona Lisa smile you were wearing" in meeting Menshikov last week meant "any changes in your pretty strongly expressed views that the Russians are almost impossible to negotiate with," the Secretary replied, after the laughter died down:

"I haven't changed my views that they are almost impossible to negotiate with."

But he went on to say that all the difficulties he mentioned (including the fact that he had spent a year and a half of the last 12 years negotiating with the Russians, with the Austrian state treaty as the one agreement that has stuck the best) did not mean the effort to negotiate should not be made.

#### SHOULD BE PREPARED, HE SAYS

"I believe that we should be prepared to do it," Dulles added. "But anyone who thinks it can be done easily I think does not know his Russia very well."

Asked if he considered a Foreign Ministers' meeting essential before a summit conference, he replied: "No, but the President's last letter to Bulganin did not say a meeting of the ministers, but only of work being done by the ministers in advance." He added that "the foreign ministers, I can assure you, work even though there is not a meeting."

Dulles was technically correct in his reference to what the President had written about a Foreign Ministers' meeting. But the general view here had clearly been that such a meeting was a prerequisite.

One reason for the switch was British willingness to abandon the idea. Another probably was Dulles' determination, apparently backed by the President, not to agree to a summit conference until the Kremlin backs away from some of its current positions.

Dulles even suggested yesterday that there might be some loosening up in restrictions



on western trade with Russia. But he quickly added that he expected no departure from the principle of blocking trade that adds to the Soviet war potential.

Menshikov arrived at the White House in a Government Cadillac preceded by two motorcycle policemen, the escort being a new bit of protocol started only the day before in such cases. He spent 33 minutes with the President, as compared with the usual 5 to 15 for envoys presenting their credentials.

**"HAD FINE TALK," IKE SAYS**

And the President himself called in photographers even though Press Secretary James C. Hagerty had assured newsmen that photos were never made in such cases. Later, Mr. Eisenhower was overheard telling West Berlin's Mayor Willy Brandt that he and Menshikov had a very fine talk and that the envoy was "a pleasant person who speaks good English," the International News Service reported.

Menshikov himself told newsmen he and the President had agreed on the hope that, as he put it, a summit conference will be organized. He said they had not gone into details.

Later, after a call on Under Secretary of State Christian Herter, Menshikov told newsmen that the sooner a summit conference is organized the better for everyone. Asked about Dulles' statement abandoning the foreign ministers' conference idea, strongly objected to by Moscow, Menshikov said he hoped it would speed a summit agreement.

The President and Menshikov exchanged formal statements, as is customary on such occasions. Each expressed the view that their peoples and Governments wanted only friendly relations and peace. Menshikov said that his Government was firmly convinced differences could be settled by negotiations and that the fate of the entire world depends in many respects on improved Soviet-American relations.

Mr. Eisenhower replied that this Government would strive for settlements of problems on a basis leading to a just and enduring peace. Both men expressed pleasure at the recent Soviet-American agreement on exchanges of persons and organizations.

**Mr. HUMPHREY.** My February 4 speech was intended and designed to be a broad-gaged, yet intensive, survey of the problems of negotiating disarmament and related agreements. Indeed, Mr. President, in my Senate speech I concentrated on three principal points.

The first was the necessity of improving the international climate in a variety of ways peripheral to major political settlements. The second was the necessity of breaking up a large and unwieldy disarmament package into parts which are logically separable. The third was a set of proposals for safeguarded disarmament measures in several regional areas of the world.

Mr. President, my suggestions were manifold and detailed on each of these topics in my Senate speech. I have felt and have stated many times that the right to criticize must be earned through offering constructive alternatives. Hence I was sorry that the New York Times merely selected two of my suggestions for adverse comment—weapons testing cessation and disengagement in central Europe—and let it go at that. I would like to examine those two points again briefly, however, to set the record straight.

An agreement to stop crucial weapons tests under inspectable safeguards is, according to the editor of the New York

Times, impossible because the French Government insists upon linking it with the cessation of bomb production. Despite the Times editorial statement that I "would start disarmament by ending tests," a careful reading of my speech would indicate that I assigned no priority of items from the disarmament package on which negotiations should begin. Perhaps a persuasive case can be made for negotiating first on ending bomb production.

It is, however, not clear that the French position is adamantly opposed to negotiations of a cessation of bomb tests. Particularly in the present state of nuclear development in France, there are entirely too many variables in the situation to speak with the assurance used in the Times editorial in this connection. In any case, I am sure that most informed observers would agree that while consultation with our allies is always essential, no country, including France, should have a veto over our foreign policy.

In this connection, Mr. President, I was delighted to read that on February 6, 1958, the Secretary General of the United Nations urged precisely what I had urged—that we break up our disarmament package and negotiate on a piecemeal basis with the Soviet Union.

I ask unanimous consent that the text of the International News Service dispatch from the United Nations, dated February 6, 1958, concerning Mr. Hammarskjöld's comments be printed at this point in the RECORD.

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

**U. N. CHIEF BIDS WEST SPLIT UP PARLEY GOALS**

NEW YORK, N. Y., February 6.—Dag Hammarskjöld urged the West today to break up its disarmament package and negotiate on a piecemeal basis to get somewhere with Russia.

The U. N. Secretary General at the same time supported an alternate Western plan for separate talks on control of outer space and indicated he would stress this issue on a personal visit to Moscow next month.

He announced he had been invited to the Soviet capital and told a news conference he definitely would make an attempt to stop off there en route to a March 5 U. N. conference in Malaya.

Asked if progress in East-West talks could be expected if the Western powers split up their six-point partial-measures disarmament package, Hammarskjöld replied:

"By breaking it up, it might be easier to get somewhere. You can have a package target in mind and yet negotiate it bit by bit."

The U. N. chief advised against a summit conference at the present time. He said it would not be a useful thing or yield a useful result unless very carefully prepared and directed to fairly concrete questions.

However, he said that if modest progress could be made on disarmament, this might meet conditions for convoking a summit conference. He added that other possibilities for arranging a heads-of-state meeting through U. N. included a Security Council meeting at the Foreign Ministers level.

In reply to other questions on halting the arms race and other space peace, the Swedish diplomat repeatedly referred to his proposal for bit-by-bit negotiations.

The U. N., he declared, should be instrumental in seeking agreements on space control and has undertaken a study of the legal side of this special problem.

**Mr. HUMPHREY.** Mr. President, I have also had made available to me a verbatim transcript of the press conference held by the Secretary General at the U. N. headquarters on February 6, 1958. I ask unanimous consent that excerpts from this conference relating to disarmament be printed at this point in the RECORD.

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

**Miss FREDERICK** (National Broadcasting Co.). Two questions, Mr. Secretary General: Do you see much hope for progress toward a discussion even of method of resuming the disarmament considerations or substance as long as the emphasis in the world today seems to be on rearmament? Secondly, do you think there might be some hope of progress if the so-called package plans for disarmament were broken down into individual parts and each one taken up separately or individual parts taken up separately?

**The SECRETARY GENERAL.** On the first point, we run, of course, into a basic contradiction. We have a situation where the public interest in some kind of progress regarding disarmament is more pronounced, more active, than ever, while on the other hand, of course, there is an armaments race of great strength going on. I understand you to mean that the latter, so to say, renders more or less impossible the meeting of the first demand. I am not quite sure that that is the case. I think that the contradiction may be partly only a superficial phenomenon because it is partly the very fact of the increasing tendency to rearm and arm that is influencing both the public and the governments in their urge towards disarmament.

The armaments race has reached a climax where it is deeply felt not only that the race is dangerous but also that it involves elements of the highest irrationality. In that way, an armaments race can, psychologically, be self-defeating; it can dig its own grave.

As to the other question, I think one should make a distinction between the way in which a problem is tackled and the basic concept of what the solution should be. If the package approach is applied to the question of how to handle the problem negotiationwise, I think it is a dangerous one and I think you are right in assuming that by breaking it up it might be easier to get somewhere. Breaking it up tactically in that way does not mean, on the other hand, that one dissociates the various elements in the picture and is willing to accept this or that solution irrespective of what happens to other points. That is to say, you can have a package of objectives, a package target, in mind and yet negotiate bit by bit. Then, of course, the negotiation result on any one point is, to a certain extent, hypothetical, conditional, because it will depend on what results you will reach on other issues.

Summing up, my conclusion therefore would be that, if you mean that by way of negotiation it may be right and wise to be modest in the technical approach, I would say I agree with you if it is understood, and clearly understood, that that does not mean that the result reached on any one point is an absolute result which can be independent of the results reached on other points.

**Mr. GABRIEL** (Transradio News Agency). Mr. Hammarskjöld, speaking of disarmament and the various handshakes and mechanics and tricks in negotiating the thing, is it not evident from the open exchange of letters between the heads of states that they themselves who have the armaments on their hips are indicating very plainly to the world that

the disarmament question is now almost irrevocably bound up with the grave political issues of the struggle in the world. Therefore, do you not think that it is time all of us here who have microphones in front of us reached a stage where we should frankly alert the public to this important interrelationship, instead of giving the impression that there is some peculiar, little, tight compartment issue in the United Nations called disarmament on which the public can bank its hopes, and that the United Nations has all of this magic in its possession and carries all the responsibility, which is a little unfair, I should think, with regard to public confidence in the World Organization.

The SECRETARY-GENERAL, Mr. Gabriel, what is simple realism, I think, is also sound publicity. That is to say, to indicate, if it is not clear, that disarmament is linked up with the major problems of today, which we usually sum up under the heading "Cold War," is, of course, both true and useful. It is also correct to say that the specific technical disarmament problem is not a closed compartment from the United Nations point of view. It is linked up with the United Nations efforts in a much broader sense. But is it not a little bit in the way indicated by Miss Frederick a moment ago—that it may be a very good starting point if you cut up the general problem in pieces to try to reach at least some kind of agreement on disarmament, because from there you may get on to a more fruitful approach to the other problems to which it is linked up?

Mr. BURKE (Canadian Broadcasting Corporation). In view of the fact that the control of outer space would seem to be linked with the control of launching sites on earth, can you say to what extent you think this can be dissociated from the overall problem of disarmament? And a second question: In your first press conference you mentioned the world as groping for solutions. Have your views changed since then? Are you more optimistic than you were at that time?

The SECRETARY-GENERAL. I would still use the same word on the second point. As to the first point, I could really refer to my reply to Miss Frederick. It is linked up with disarmament. At the same time, of course, it is a problem of a somewhat special character, and I guess it could be treated, therefore, separately.

I would also like again to draw the parallel with the peaceful uses of atomic energy which, as you know, is a problem definitely linked up with disarmament, but yet open for practical approach by the governments irrespective of a solution to the question of disarmament.

Mr. HUMPHREY. Mr. President, the New York Times editorial which I have been discussing also criticized my comments on central Europe. Last September the bipartisan Senate Subcommittee on Disarmament unanimously advocated greater flexibility in approaching the problem of central Europe. Our subcommittee report foresaw a relocation and possible reduction of Soviet forces in eastern Europe and United States forces in Germany. In my speech I pointed out that powerful political forces in Germany, Great Britain, and elsewhere, are already advocating mutual disengagement in central Europe. If for no other reason than this, the possibilities for reciprocal withdrawal should be covered in current NATO planning.

Mr. President, I raised in my speech, as did the Times editorial, the question of deployment of American troops elsewhere on the eastern side of the Atlantic. I also emphasized that no negotiations on the central European question should

ever occur without complete consultation with the West German Republic.

Mr. President, I hope that the editors of the New York Times and, indeed, the editors of many more of our American newspapers, will devote some time and analysis in their columns to many of the detailed proposals which have been made here on the Senate floor on foreign-policy subjects. In my February 4 speech, in addition to the subjects just mentioned, I made several suggestions for relaxing tensions in the Middle East, for the creation of special study groups on arms control, for the reduction of tension in Korea, and for arms limitations in Latin America.

I hope these suggestions will be examined critically and constructively not only by editors but by specialists of competence in the field.

Throughout my February 4 speech, Mr. President, I stressed the importance of conditioning the international environment so that it may become more conducive to negotiations on major political questions, as well as the question of arms control. I said at that time:

There are many ways to help build an environment of confidence. It can be improved through an acceleration of private and public contacts on all levels. \* \* \* Science and technology not only contribute to the arms race and the power drive of aggressive rulers; they also can be made to contribute to peace. Science is not political; it is neutral. Scientists, in the main, place professional and scholarship standards above ideology.

This offers opportunity for association in those broad areas of nonpolitical activities. We must encourage Soviet citizens—as well as people from other countries—to come to this country, to visit, to travel, and to study. More of our citizens should be meeting with Soviet experts in all fields and in as many places as they can be found. International fairs, international scientific conferences, international educational conferences and international health conferences are some of the places United States and Soviet citizens should be meeting and exchanging views and ideas. Let us accept the challenge of competitive coexistence—but let us be sure to compete.

Hence, Mr. President, I was pleased to read an Associated Press dispatch on February 6, 1958, disclosing, through Mr. Sherman Adams, that the President is considering a plan for a worldwide cultural conference.

I ask unanimous consent that the text of this Associated Press dispatch be printed at this point in my remarks.

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

[From the Washington Evening Star of February 6, 1958]

ADAMS SAYS PRESIDENT WEIGHS SCIENCE PARLEY

NEW YORK, February 6.—President Eisenhower is considering a plan for a worldwide cultural conference to seek "new and better ways for human beings to exist peaceably together" and to benefit more from scientific discoveries.

Sherman Adams, the President's chief aide, disclosed the project last night.

He said Mr. Eisenhower last week "asked some able people to consider how such a project might be initiated."

Mr. Adams, describing the scope of the proposed conference, asked this rhetorical question:

"Who is there who can say that a convocation in this country of scholars, historians, artisans, theologians, educators, sociologists, philosophers, artists, and musicians—representatives of the cultural pursuits of all the human race—meeting each other in their respective groups—could not suggest new and better ways for human beings to exist peaceably together and to reap the greatest rewards from man's scientific discoveries?"

#### ADDRESSES DARTMOUTH MEN

Mr. Adams discussed the project in addressing a Dartmouth College national alumni dinner. He is a graduate of Dartmouth at Hanover, N. H.

Mr. Adams suggested that a conference such as the one under consideration might be organized and sponsored better by American colleges and universities than by the United States Government.

He added:

"For this must be no propaganda effort or labeled as such. It must be undertaken by those whose contributions offer the best promise of making it a success."

After his address, Mr. Adams was asked by newsmen for the names of persons to whom Mr. Eisenhower spoke about the project. He declined to elaborate.

#### EXPLORATORY, HAGERTY SAYS

White House Press Secretary James C. Hagerty, when questioned about the identities of these people, said in Washington that the idea of a worldwide convocation "is in the exploratory and talk stage." He declined to provide any further information.

Mr. Adams revealed Mr. Eisenhower's interest in a worldwide meeting after saying that the cultural exchange agreement recently reached by this country and Russia should be broadened measurably.

Last Friday in New York, Adlai Stevenson made this suggestion in a speech:

"Suppose the secretary general of the United Nations appointed a commission to examine all the proposals that have been made to mitigate the arms race.

"This committee would be composed of private citizens, top men of affairs and science, chosen by the secretary general from anywhere and everywhere and acceptable to the nuclear powers. It would work in private. It would render an advisory report."

Last June, Lewis L. Strauss, chairman of the Atomic Energy Commission, proposed at West Branch, Iowa, a new kind of conference among nations to bring together the "chief humanists" of the present day to seek a durable world peace.

Mr. Strauss said that man must learn to live with his inventions or perish because of them.

Mr. HUMPHREY. I conclude, Mr. President, by again urging the administration to persevere and follow through on this kind of suggestion. If this proposal does, as the AP dispatch says, have the support of the President and such diverse personalities as former Governor Stevenson and Adm. Lewis Strauss, then I can see no reason why the administration hesitates to press ahead toward action. This type of conference could symbolize in a very real way the kind of imaginative new effort which today's challenge requires us to make.

#### YOUNG DEMOCRATIC CLUBS OF AMERICA

Mr. HUMPHREY. Mr. President, it was my privilege last November to at-



tend and participate in the national convention of the Young Democratic Clubs of America, in Reno, Nev.

No one could mingle with this alert, energetic group of young citizens without being deeply impressed, and without having one's faith in the future of our democracy bolstered. America's young people are keenly interested in building a better world in which to live—and they gave ample evidence of knowing how to go about it in the convention of the Young Democratic Clubs of America.

Mr. President, because they reflect intelligent thinking of young America, I ask unanimous consent to have printed in the body of the RECORD the resolutions adopted by the national convention of the Young Democratic Clubs of America.

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

**RESOLUTIONS ADOPTED BY THE YOUNG DEMOCRATIC CLUBS OF AMERICA, NATIONAL CONVENTION, RENO, NEV., NOVEMBER 7-10, 1957**  
**EDUCATION**

Since the educational standards in the 48 States of the United States, Alaska, and Hawaii are neither adequately high, nor are they uniform, we propose that—

1. The educational provisions of the GI bill be reinstated since numerous capable young people have been denied an opportunity to advance their academic status by the needless elimination of the educational provisions contained in the GI bill.

2. Federal aid be granted to student teachers and members of the teaching profession to enable them to extend their professional competence without economic strain.

3. Federal aid be given to the States and Territories for public education, and to subsidize construction and maintenance of school property, to eliminate the great deficiency in educational facilities which exists in many areas.

4. A minimum wage for all teachers based on regional living costs, and on teacher qualifications; that wage to be determined by the Department of Health, Education, and Welfare, with upward adjustments pegged to regional living costs in order to enable all teachers to enjoy an equal minimum standard of living.

5. A program be set up under the Department of Health, Education, and Welfare through which the Federal Government would grant scholarships to all persons who qualify academically and financially (based on need), and who wish to extend their education beyond high school.

6. A full tax deduction be granted to teachers, students, or parents of students, for the expenses of higher education.

**RESOLUTION ON FOREIGN POLICY**

Today man stands poised for flight into space; yet the imaginative genius which has prepared him for this scientific marvel has not enabled him to live peacefully on his home planet with his fellows. Instead, the devices which he has designed to conquer space stand ready to bring death and destruction to the earth and perhaps even to render it uninhabitable.

The appearance of the Soviet earth satellite dramatizes the fact that diplomacy has not kept pace with military technology. In the past, before agreement has been reached on methods of international control of one weapon, a new weapon has rendered control of its predecessor meaningless. In conference after conference statesmen have scaled down their goals in a desperate bid for some form of agreement, even if the agreement reached would be too limited to offer real protection. They negotiate for

"open skies" agreements which open only the skies under which weapons are not likely to be concealed, and talk of limiting conflict to "brush-fire wars" in which the participants would refrain from employing the ultimate weapons which they have expended billions of dollars to develop. Disarmament talks take place in a world of make-believe where distrustful adversaries surround themselves with explosives and then negotiate to preserve the right to play with matches.

The important lesson of world history is that any nation, and we do not exclude our own, is capable of rational conduct at one moment and irrational conduct the next. Yet hydrogen weapons have rendered irrationality suicidal. To gamble that irrationality will not affect the decisions of participants in brush-fire wars, and that they will not employ their ultimate weapons, is to wager the future of civilization against the obvious facts of world politics and human nature. Irrationality must be disarmed; any disarmament proposal which permits any nation to exercise the capacity to plunge the world into a thermonuclear holocaust is unrealistic.

The time has come for a new bold approach to the problem of peace, and the United States should take the initiative in proposing a grand and imaginative solution to the problem of peace. We believe that the solution lies in steps toward the development of a world organization to which the nations of the world would surrender their power to make war in return for the protection of international law enacted by an internationally constituted legislative body, interpreted by an international court, and enforced by an international police force.

We recognize the difficulties which lie in the path of the creation of such an organization, but we are more conscious of the consequences of failure to advance toward a realistic solution before it is too late. The beginnings of an effective world organization are present in the United Nations, the lofty ideals of which already claim the loyalty of many governments and millions of people. It is on the foundation of this existing machinery that a true and just peace can be built.

The adoption of a bold policy should be signaled by bold action. We propose that the United States refrain from further testing of thermonuclear weapons that present a major radiological hazard, in the knowledge that a violation of this challenge on the part of other thermonuclear powers can instantaneously be made known to the free world and therefore will constitute a safeguard in and of itself to the interests of this country. We further recommend that the program of the United States Government in basic nuclear research be continued, encouraged, and advanced. We also propose that the Government of the United States revive the far-sighted proposal advanced at the Potsdam Conference in 1945 by Harry S. Truman that the Panama Canal, the Suez Canal, the Black Sea Straits, the Rhine-Danube Canal, and the Kiel Canal be made international waterways.

While keeping our eyes on the long-term oil, we must also turn attention to specific problems which confront us today and which endanger world peace.

**Self-government of colonial areas**

It should be a tenet of American foreign policy that we support the demand for self-government of those areas now under colonial rule. We favor phased programs for the transfer of power to native governments which include specific target dates for the granting of complete independence.

No idea has greater force in the world today than the idea that men should have the right to determine for themselves the form of government under which they live. This idea has penetrated into the most remote regions of the earth and fires the imagi-

ination of even the most primitive peoples. It is an idea for which the United States is in a large part responsible. Our Declaration of Independence, Wilson's 14 points, and our voluntary granting of self-government to the Philippines have earned for us the reputation of a nation dedicated to the right of self-determination of all peoples. It is a good reputation, one which increases our influence in world affairs and one which should be judiciously preserved. Moreover, we believe it is important that the delay in the granting of self-government should not be allowed further to embitter the relations between subject peoples and their foreign rulers. Delay produces frustrations which increase the racial prejudices already inherent in most colonial situations and sows the seeds of future international conflict between white and colored nations.

**Economic development**

We favor increased support to the existing specialized agencies of the U. N. and, in addition, American participation in the Special United Nations Fund for Economic Development (SUNFED) from which this country has so far remained aloof. We favor the turning over of American agricultural surpluses to the United Nations for distribution according to need in areas of food deficit.

In recent years this country has placed more emphasis on military pacts and treaties than on measures to promote the growth of that type of stable democratic society abroad which will remain in the free world, not because it has been coerced or bought, but because it is politically healthy and mature. Since political health and maturity are to a large degree dependent upon a degree of economic development which many countries and colonies of Africa, Asia, and Latin America lack it is in our best interest as well as that of humanity to aid economic development in those areas. To be effective, such aid must not involve political ties or conditions; the best means of achieving this end is utilization of the machinery of the United Nations. By permitting the U. N. to dispose of United States farm surpluses, their distribution is achieved in a manner least likely to endanger price stability in other agricultural regions thus absolving the United States of charges of dumping. Although we favor channeling the major portion of American contributions for economic development through the United Nations, we do not wish to preclude special unilateral programs such as American aid to India, in special circumstances where unilateral assistance is necessary for the strengthening of those nations which are making special contributions to the advancement of democratic forms of government or those whose economic welfare is especially important to international stability.

Although there is a role for private capital to play in the economic development of underdeveloped areas, the necessity of showing a profit limits the type of enterprise in which investors are willing to risk their money. What is needed for the local economy may not always be what is most profitable for the foreign investor, and what is profitable may not always be in the best interest of the local economy. However, private as well as public capital is necessary in the development of underdeveloped areas of the world. Vigilance must be maintained against the formation of cartels which exploit backwardness for private gain and exert undue and unhealthy influence on weak governments.

**Trade**

We favor the progressive reduction of protective tariffs on all commodities and manufactured goods as a step in the direction of a truly free world market. We support United States membership in organizations dedicated to the expansion of world markets through reduction of artificial trade barriers.

We believe that healthy commerce among the nations contributes greatly to the preservation of peace as well as to the prosperity of all. We see no advantage in aiding foreign nations to improve their economies if at the same time we deny them markets for the goods they produce. We look upon trade with the nations of the Communist bloc as an opportunity for lessening tension by steps toward mutual prosperity, and therefore believe such trade should be increased. Although we support the embargo on shipment of strategic materials to Communist countries, we recognize that it has not been effective largely because too many items have been so classified. We favor, therefore, limiting this embargo to the actual materials of war.

#### *The conduct of diplomacy*

We favor the establishment of a National Foreign Service Academy, fulfilling for our diplomatic corps that function which West Point and Annapolis perform for the Army and Navy. Believing that the right of Americans to travel abroad in time of peace should not be restricted, we favor the granting of passports to all applicants who are legally citizens of the United States. Although our Government cannot guarantee protection of American citizens in countries with which we do not have diplomatic relations, travel in those areas at the citizen's own risk should not be limited by the Department of State. Having nothing to fear and everything to gain by encouraging foreigners to visit our country, we favor the liberalization of United States visa restrictions so that a national of a particular country may visit America as easily as an American can visit his country. We also favor increased allotments for exchange of persons programs, fellowships and scholarships, traveling exhibits, visits by cultural groups and athletic teams, and participation in foreign festivals and trade fairs.

We deplore the deterioration of the techniques of diplomacy that has characterized the Republican administration's handling of foreign affairs. The peripatetic personal diplomacy of a Secretary of State has replaced detailed negotiation by trained specialists backed by sound staff work. Contradictory statements on important matters issue from the White House, the State Department, and the Vice President. Invitations to foreign leaders to visit the United States have been hinted at by one executive and withdrawn by another. Ambassadorial appointments have been looked upon as fit patronage for wealthy Republicans without regard to competence or special knowledge. The professional Foreign Service has been demoralized by the refusal of the Secretary of State to defend it from irresponsible political attack. Indeed, he not only failed to defend the Foreign Service against the unfounded attacks of the late Senator McCarthy, he invited McCarthy's aid, Scott McLeod, to head the State Department's Security Division. When McLeod's high-handed methods had completed the demoralization of Department personnel, the Secretary rewarded him with an ambassadorial appointment for which he was eminently unqualified. Such a record is unworthy of a great nation aspiring to world leadership. To serve the diplomatic needs of our Nation we must have a Department of State staffed with professional Foreign Service officers, trained in the techniques of diplomacy and familiar with the language and politics of the countries with which they deal.

In recent years, visits to the United States by foreign nationals have been greatly hampered by excessively stringent requirements for visas. The effect has been to create a "paper curtain" which has given foreigners the impression that we do not wish to have them visit our country. The recent modification of the fingerprinting requirement for visas is a step in the direction of liberalization which we welcome.

#### *Israel and the Middle East*

We recommend that our Government work independently and through the United Nations for immediate peace negotiations between the Arab States and Israel, and for the resettlement of Arab refugees through the United Nations Relief and Works Agency, with the \$200 million which has been allotted for their work. At the same time, we urge the lifting of the embargo on arms to Israel, at least until a general embargo to all Middle East countries can be arranged. We urge that the United States delegates to the United Nations introduce a proposal for such an embargo at the next session of the General Assembly. Further, we propose that Egypt be firmly advised to abide by the United Nations resolution granting free passage through the Suez Canal to ships of all nations including Israel. And we are convinced that the only true deterrent to Communist penetration in this area lies in a justly administered program of economic assistance, including utilization of the Johnston plan for proper use of water in the Middle East for the benefit of the Arab nations and Israel.

#### *Eastern Europe*

We favor a policy which will assist Yugoslavia and Poland in asserting their independence of Moscow. This means economic aid without political strings, for in the near future we cannot see the abandonment of communism in these countries. We also favor expanded information and cultural programs with the conviction that with the wide dissemination of Western ideas and truthful reporting of contemporary international events, the governments of these countries will be forced to concede to their people a greater measure of freedom and closer ties of friendship with the Free World.

The Republican administration came to power in 1953 after having waged an election campaign that promised "liberation" and "rollback" of communism in Eastern Europe. It was an irresponsible promise, for it ignored the difficulties of pursuing such a policy by methods short of war. After taking office the Republicans continued to talk of "liberation" and "rollback," and American broadcasts to Europe implied that outside assistance would be available if the subject peoples would rise up in revolt against their Communist rulers. When the uprisings did occur, the freedom forces looked to the West for aid which never came, for only then did the Republican administration face the hard fact that it had refused to face earlier; direct intervention in Eastern Europe would mean all-out war with the Soviet Union. But by that time thousands of freedom-loving Hungarians and Poles had been killed or imprisoned, and disillusionment and bitterness against the West was widespread. The Republicans had helped to weaken and destroy the most democratic and anti-Communist political elements in Eastern Europe.

Today, American policy toward Eastern Europe remains unimaginative and inadequate. Although, the discredited "rollback" policy has been abandoned, nothing has taken its place. Such a state of affairs strengthens Russian control in Eastern Europe and helps to delay the democratization process for which so many heroic Poles and Hungarians have paid a heavy price.

Our policy should aim at strengthening those forces in Eastern Europe which favor nationalism over unquestioning loyalty to the Soviet Union, even if that nationalism is in large part Marxist or Communist in content. The Communist world is beginning to realize that the most effective "paths to socialism" are not those dictated from Moscow. The leadership in this ideological revolt against Moscow has come from Yugoslavia. Since ideological revolt is the precursor of political revolt, it is in the interest of the

Free World that this opposition continue and gain momentum.

#### *Neutrality*

We favor a policy toward neutral nations which demonstrates that friendliness with the United States does not preclude friendly relations with other states.

Since the beginning of the cold war, many nations have endeavored to pursue policies of nonalignment with either major power bloc. Such nations are described as neutralist. Forgetting America's traditional avoidance of entangling alliances and American neutrality at the outbreak of both World Wars, the Republican administration has been intolerant of neutralist nations and has embraced the doctrine: "he who is not with us is against us." The effect of such a policy has been to push neutralist nations closer toward alliance with the Communist bloc.

We believe this is a policy which strengthens communism while weakening the free world. While we wish to encourage all nations to be our allies in the defense of freedom, we recognize that formal alliance with us and deliberate rejection of the Soviet Union is a policy which is impractical for some nations due to their geographic, economic or domestic political situations. We deplore such actions as the recent administration threat to terminate economic aid to Yugoslavia because of the decision of the Yugoslav Government to extend diplomatic recognition to East Germany.

#### *NATIONAL DEFENSE*

In no way is the ineptitude of the Eisenhower administration better demonstrated than by the present questionable state of our national defense. The United States has lost the position of scientific and military leadership that it held 10 years ago. A 4-year lead in the atomic race has been lost. At the present time, the U. S. S. R. holds a lead of from 1 to 2 years in the development of the guided missiles.

Much of our present military weakness can be traced to the false economies of the Eisenhower administration. Repeated cuts have reduced our tactical armed forces to the point that we may be incapable of fighting a limited war, should one be thrust upon us. We have become committed, in fact as well as in name, to the policy of massive retaliation. Any war must be a war of annihilation.

Equally serious is the condition of our strategic forces. Our capacity for retaliation has to a large extent been nullified by recent scientific advances in the Soviet Union. Since mid-1956, Russia has been testing an average of three IRBM's a week; in September of 1957, she successfully tested an ICBM. On the other hand, we have only recently tested our IRBM; our ICBM remains on the ground. Our efforts have been absorbed in wasteful competition among the branches of the Armed Forces. It is highly questionable whether the United States has either the scientific skill or the financial substance to expand in such competitive programs.

One of the most serious threats to our national defense derives from the general distrust which the Republican administration has shown the public and its scientific community. Continued secrecy or misrepresentation of facts which in many instances are already well known to the Soviets can only produce public doubt and confusion. A full year was allowed to pass, for example, before civil defense personnel throughout the United States were apprised of the lasting radiological hazards of thermonuclear weapons. The public, we believe, is not apathetic on matters of national defense and civil defense, but woefully ignorant because of ridiculous and overbearing security measures.

The United States is lagging behind the Soviet Union in the training of scientists. At the present time, Russia is graduating



twice as many engineers as the United States. While the average high-school graduate in Russia has had 5 years of scientific training, in the United States half the high schools offer no course in elementary physics. Clearly, we are being outstripped both in quality and in quantity. Inasmuch as the present Soviet advancements have been made primarily without the help of these younger scientists, the future is not pleasant to contemplate.

1. To enable us to localize successfully any future war, our tactical forces must be strengthened. The economy cuts in our Armed Forces should be stopped. More peacetime divisions should be set up, to facilitate the wider use of tactical atomic weapons. Their use is the only practical way we have of countering the Soviet Union overwhelming superiority in conventional weapons. Above all, our State Department must stop thinking solely in terms of total war. We cannot continue as we are at the present time, from brink to brink.

2. The United States must make more efficient use of its scientific capacity. We recommend the creation of a Cabinet level director of national science. A single coordinated program without wasteful competition among favored industries under contract to the Government or among agencies of the Federal Government should be established to the end that our widely varied programs of basic and applied research be effectively coordinated and scientific talent pooled for more effective utilization.

3. In order to utilize more fully the scientific potential of the free world, the United States should work more closely with Great Britain, as well as with other members of the North Atlantic Community, in scientific research and development.

4. To facilitate the dissemination of necessary information within the Government, we recommend that Congress establish a joint committee of the House and Senate on missile and space technology similar to that already created for atomic energy. This committee would recommend to the rest of the Congress levels of budgetary support for missile and associated activities. It would be aided by its own scientific advisory board composed of eminent and independent scientists completely divorced from operating responsibilities in the missile program.

And further, Congress should create a full-time scientific advisory committee on missiles and space technology reporting directly to the President and the National Security Council.

5. We believe that unnecessarily strict security regulations in the Government as a whole, and particularly in nuclear research and development, have had the effect of discouraging competent scientists from seeking Government employment, and have choked off channels of information upon which the scientific community relies. Such unnecessary security measures must be relaxed.

6. To provide the basis for future technical progress, the United States should devote more effort toward basic research in mathematics and in the physical and natural sciences. At the present, it is devoting about 5 percent of its scientific funds toward basic research; the U. S. S. R. more than twice as much.

7. In order to prevent the misuse of valuable scientific personnel, engineers, scientists, and science teachers should be exempted from the draft.

8. In order to make it possible for all deserving students to receive scientific training at the college level, the Federal Government should set up a scholarship program to aid deserving science students.

9. To insure that students will get necessary basic training, steps should be taken immediately to improve the science and mathematics training in our high schools.

10. Congress should establish permanently a major educational institution—an Outer Space Center—for missile and space technology to recruit and develop new scientific talent.

#### LABOR

We believe in the need for a free democratic labor movement in our society. We believe that the welfare of the labor movement is closely tied to the economic welfare of the Nation. We stand unequivocally for the rights of all labor to organize, to bargain collectively, and to strike. We stand unequivocally for strong, clean, and honest unionism.

Toward these ends we favor the following six-point program:

1. We urge that the Department of Labor be rebuilt and strengthened. We urge expansion of the Department's mediation and conciliation services.

2. We urge the complete overhauling of the National Labor-Management Relations Act (Taft-Hartley Act) and that it be rewritten based on the principles of the Wagner Labor Relations Act.

3. To preserve the system of free collective bargaining we strongly oppose any so-called right-to-work law.

4. We favor an expansion of the Federal minimum-wage law to cover all classes of employment.

5. We endorse the actions of the AFL-CIO national convention in its adoption of its code-of-ethical practices. We believe that labor can and will clean its own house, and we commend the AFL-CIO for the positive implementation of this code. We do not believe that punitive labor legislation is desirable or necessary as long as labor continues to implement its code-of-ethical practices in a positive and forceful manner.

6. We favor supplementary legislation prohibiting management from engaging in tactics of the sort uncovered by the McClellan committee, and defining as unfair labor practices those activities of management that serve to strengthen the position of corrupt individuals that dominate certain unions and to defeat the efforts of organized labor to unseat them.

Recognizing the need for the Democratic Party to understand the problems of labor, management, and agriculture: Be it

*Resolved*, That a permanent committee be appointed by the president of the Young Democratic Clubs of America to work with representatives of labor, management, and agriculture on problems peculiar to each of these groups and to better inform the membership of the YDCA of their respective problems.

#### AGRICULTURE

Whereas the income of agriculture has been steadily declining; and

Whereas the Republican administration has shown that it has no sympathy for the family-type farmer; and

Whereas we believe the continued independence of the family farmer is a cornerstone of the American way of life: Therefore, be it

*Resolved*, That the National Convention of Young Democrats advocate an agricultural program which will achieve 100 percent parity of income for the American farmer; and be it

*Resolved*, That any farm program must include the following points:

1. A Brannan-type farm program with 100 percent parity income for the family farm production of all agricultural commodities recommended under the Brannan plan through direct production payments in workable combination with price-support loans, purchase agreements, and other methods.

2. The farm program must be democratically administered by farmers through referendums and farmer-elected committees.

3. All production payments and allotments must be aimed at providing an adequate in-

come for family farms, with limitations, to halt the trend toward corporate farming.

4. Assistance to small farmers in the form of low-cost Government credit, technical aid and larger soil conservation allowances.

5. Reestablishment of the Federal food stamp program and expansion of the school lunch program and special milk programs.

6. Support for a world food reserve administered by the United Nations; contributions of surplus foods and adequate funds to the reserve.

7. Expansion of world markets for American farm produce.

8. Support for genuine farm cooperatives, which help farmers reduce the cost-price squeeze.

9. Congressional restriction of the present Eisenhower-Benson administration's insidious undermining of the Rural Electrification Administration.

10. Expansion of the Federal Crop Insurance Corporation, whose funds have been, in fact, cut by the Republican administration.

11. Extension of the agricultural programs to Alaska and Hawaii.

12. Maintaining adequate reserves of food and livestock feeds against an emergency such as war, flood, crop failure, and famine.

#### HUMAN RIGHTS

There is inherent in the nature of man a wonderful dignity. This dignity arises from rights inherent in his nature—to life, to freedom, to the pursuit of happiness, to rights independent of race, color, creed or national origins. These rights include ownership of property, justice under law, and the individual's right to a virtuous reputation among his fellow men unless he by specific action forfeits it. These rights apply every place in the world. They are not given by the state nor by the society, and neither the state nor society can in justice take them away.

The fulfillment of man's rights requires civil order. Civil order requires obedience to law. The decisions of the United States Supreme Court in interpreting the Constitution of the United States are the supreme law of the land. The decisions of the State courts in interpreting their respective State constitutions are the law of their jurisdiction. The responsibility for the enforcement of these laws rest with the President of the United States and the Governors of the various States: Now, therefore, be it

*Resolved*, That the Young Democratic Clubs of America adopt the following principles:

1. We oppose segregation or discrimination on the basis of race, color, creed, or national origin in all areas of the United States. Racial discrimination is a disgrace to the citizens of the United States whether it occurs in Little Rock, Ark., or Levittown, Pa.

2. We urge all young Democrats to encourage registration and voting wherever Democrats are found regardless of the race, color, creed or national origin of these citizens; and we advocate vigorous enforcement of the law against any individual or group that attempts to deny to any citizen these rights.

3. We oppose the action of the Governor of Arkansas in using National Guard troops to prevent the orderly integration of the public schools of Little Rock as it had been planned and developed by the local school board.

4. We favor the liberalization of registration laws, including the abolition of poll tax, in order to facilitate and make easier the process of voting by all citizens.

5. We urge the repeal of the McCarran-Walter Immigration Act and its replacement by an immigration act based on good will toward people of all sections of the world.

6. We favor the immediate enactment of a national fair employment practices act, with adequate enforcement provisions.

7. We favor the enactment of H. R. 429, as introduced by Congressman JAMES ROOSEVELT, and the companion bill S. 1668, introduced by Senator WARREN G. MAGNUSON, which provide that no member of the Armed Forces may be denied an honorable discharge unless convicted by a court-martial for a recognizable crime.

8. We recognize that in the worldwide conflict with communism there are many pressures upon us to adopt totalitarian methods. We reject these methods and reaffirm our intention to preserve our heritage of freedom to dissent and to communicate ideas no matter how unpopular; and we hold, as did Thomas Jefferson, that error can be tolerated so long as truth is free to combat it.

#### Force

Since 1807, Congress has authorized the use of State militia and Federal troops to enforce Federal law. In any democracy, a power such as this should be used only in times of extreme necessity. The resistance to an order of the Federal courts, condoned by local authorities, presents such a time of extreme necessity.

Though the power of the President to use force should be exercised sparingly, the Young Democratic Clubs of America support the enforcement of the supreme law of the land with all the means at the command of the President of the United States.

#### Party loyalty

Whereas in previous presidential campaigns certain elements within the Democratic Party refused to support the Democratic presidential nominee; and

Whereas these same persons supported numerous candidates other than those of the Democratic Party; and

Whereas these supporters of a third party or of the Republican Party ran for Congressional, legislative, and county offices as Democrats rather than on the third party or Republican Party tickets, in order to keep control of the Democratic Party in their States: Now, therefore, be it

*Resolved*, That we favor the loss of Congressional committee seniority and chairmanships for any Democratic Congressman or United States Senator who supports a third party or Republican presidential candidate or aids in the formation of a third party in the 1960 presidential campaign.

#### Compliance with the Supreme Court decision on segregation in the public schools

Whereas it has been 3 years since the Supreme Court of the United States handed down a decision declaring segregation in the public schools of America to be unconstitutional; and

Whereas a majority of public school authorities, public officials, individuals, and organizations have developed orderly methods for complying with the Supreme Court decision in contrast to the so-called massive opposition of some cities and States led by the White Citizens Councils, the Ku Klux Klan, and other reactionary groups in all areas of these United States: Now, therefore, be it

*Resolved*, That the Young Democratic Clubs of America commend these public school authorities, public officials, individuals, and organizations who have devised, aided, and supported these methods for compliance with the decision of the Supreme Court declaring school segregation unconstitutional; and be it further

*Resolved*, That the Young Democratic Clubs of America recommend that those public-school authorities, public officials, individuals, and organizations who, in defiance of the Supreme Court, have obstructed, circumvented, and attempted to defeat the orderly compliance with that decision forthwith cease and refrain from these tactics immediately and follow the outstanding exam-

ple set by those law abiding public-school authorities, public officials, individuals, and organizations who have complied with the Supreme Court decision; be it further

*Resolved*, That in the event of such unlawful obstruction, the Young Democratic Clubs of America approve Federal intervention as a necessary means of effectuating the laws of the land.

#### TAXATION AND ECONOMIC POLICY

##### Preamble

1. We hold to the basic Jeffersonian principle of equal rights for all, special privileges for none.

2. Our economy is productive enough to maintain our world obligations, and at the same time provide a decent standard of living for all Americans, and more for some. Everyone should have the opportunity to make a legitimate contribution to the economy. Everyone who does so is entitled to a decent standard of living. The additional rewards that our economy makes possible should go to people in proportion to their useful contribution. But no one should starve. A person who cannot work or cannot get work should be provided at least a subsistence standard of living.

3. In putting these principles into practice, the Government should assume any role that will best carry them out.

4. Applied specifically to the economic field, these principles lead to the following policies:

5. We should maintain an expanding economy and full employment.

6. The Government should keep in circulation a supply of money and bank credits which will permit all of the national product to be bought, but will keep the purchasing power of the dollar uniform from year to year. When additional money or credit needs to be put into circulation, we should reject the trickle-down theory, and use means which will quickly benefit the great mass of the people.

##### Income tax

1. We do not favor a tax cut at the expense of necessary national defense. When a tax cut is possible, it should take the form of raising personal exemptions.

2. The special tax depletion allowances for oil, gas, and allied industries should be modified, requiring these interests to follow the same rules on depreciation that other industries are subject to.

3. The use of rapid depreciation programs should be restricted.

4. Limitations should be placed on the type of spending deductible as business expenses, for example, on entertainment.

5. Since the income of commercial fishermen and of farmers fluctuates greatly from year to year because of factors beyond their control, they pay more tax over the years than groups with equal but more stable incomes. We believe the Internal Revenue Code should be amended to permit them to report on the current year's tax return the average gross income for the last 5 years.

##### Interest

##### Whereas—

1. Most home buyers have to pay more to the banker, as a result of high interest rates, than they pay to those who supply the labor and materials to build the house, the bricklayer, carpenter, electrician, and lumber dealer;

2. A large and increasing portion of the cost of public construction must go to interest, which has held back necessary projects such as schools, parks, bridges, and other local improvements, while labor and materials go unused;

3. Higher interest rates have proven to be ineffective in combating price inflation, their main effect being to limit necessary home construction and line the pockets of lenders;

4. The \$7 billion a year interest on the national debt results in a regressive redistribution of the national income;

5. Interest on Government borrowing, unlike interest on private borrowing, is revenue without risk and without substantial cost to the Federal Reserve banks and other commercial banks, since Government bonds furnish the backing for inkwell money and Federal Reserve currency with which the banks buy the bonds: Therefore be it

*Resolved*, That steps should be taken to lessen the increasing burden and inequities of high interest rates by—

1. Reversing the acts of the Eisenhower administration which have boosted the prime rate of interest and pushed the rates to small borrowers still higher;

2. Government acquisition of the central Federal Reserve banks;

3. Reliance on the use of taxing and direct price and credit control devices to restrain inflationary pressures, rather than on higher interest rates.

##### Small business

1. We favor a surtax on all undistributed profits of business corporations.

2. We also favor a graduated tax on corporate income, exempt in the smallest corporations.

3. The provisions in the tax laws on the utilization of net operating loss carryovers should be tightened. Net operating loss offsets should be denied to acquiring firms.

4. A reasonable limit on the tax deductibility of advertising and other promotional expenses should be enacted. This would reduce some of the competitive advantages enjoyed by large business as opposed to small business, and loosen the avaricious grasp of big business on our advertising mediums.

##### Freight rates

1. Whereas the railroad-freight rates of the past 10 years have been increased by the percentage method, to over 100 percent of the 1946 rate structure, and it is expected that the next two decades will witness an increase of at least another 100 percent; and

2. Whereas the percentage method of rate increases has discriminated unfairly against distant shippers, because the linehaul costs have not increased as much as terminal costs, and this discrimination has disrupted trade relationships between many parts of the country, obstructing the free flow of economic activity within the United States;

3. We urge that Congress direct the Interstate Commerce Commission to restore the dollars-and-cents rate relationships existing in 1946, and to make any future rate increases on a dollars-and-cents basis, based on actual increases in costs.

##### Department of Consumer Affairs

##### Whereas—

1. The cost of living in the past decade has risen by some 20 percent and the Nation has suffered price inflation despite a great increase in productivity and despite a relative abundance of foods;

2. Prices for steel, automobiles, and other hard goods have been raised allegedly because of rising wages but actually much more than the rise in labor costs, resulting in record profits for huge corporations;

3. The cost of housing, insurance, and financing has risen excessively;

4. Regulation of utility services—electricity, natural gas, telephone, and transportation—has not prevented unjustified rate increases and unreasonably high utility profits;

5. People as producers are organized in innumerable ways and have many governmental agencies to help them, but consumers lack organization and help, leading to weakness on the consumer side in the operations that determine prices;



6. And yet the ultimate aim of economic activity is to serve people as consumers: Be it

*Resolved—*

We advocate a Federal Department of Consumer Affairs with full Cabinet status. To it should be transferred those Federal agencies that are supposed to be concerned with protecting, representing, and serving the consumer. Within the Department should be an office of consumer counsel, to intervene in all Federal proceedings that significantly involve the American consumer, and advisory committees of consumers to recommend studies and legislation for the benefit of Americans as consumers.

*Publications*

Since it is vital for the public to understand economic principles as they apply to everyday political questions, and the Republicans have done their best to mislead people on many matters, we wish to commend the Democratic Digest and the Democratic National Committee for their fine work in clarifying economic issues, in the Digest, the Fact Sheets, and other publications, and we hope that this work will be extended.

*SOCIAL LEGISLATION*

*Medicine and public health*

1. We severely criticize the Department of Health, Education, and Welfare for its inability to develop proper distribution procedures and public education techniques relative to the combating communicable or paralytic diseases. We call upon the Surgeon General of the United States to establish a liaison between drug manufacturers and medical associations for the purpose of keeping the American public informed of recent medical and scientific discoveries.

2. We further call upon the National Institute of Health to publish its findings on the extent of radiation hazards without censorship by the Atomic Energy Commission.

3. We recommend the establishment of a continuing commission for long-range study in geriatrics to aid in solving some of the medical and economic problems of our senior citizens.

4. We favor Federal aid to medical schools and medical scholarships to alleviate the serious shortage of trained medical personnel. We favor increased aid for medical research to provide a speeding up of efforts in determining new and improved methods of prevention and cure of injuries and diseases.

5. We favor increased funds and strengthened laws to insure effective protection of our citizens from fraudulent advertising, dangerous drugs and impure foods.

*Social security*

1. We favor a universal system of social security with adequate benefits pegged to the cost of living.

2. We favor increased allowances to widows and orphans under the Social Security Act.

*Housing*

1. We favor a more comprehensive program of Federal aid to local governmental units for slum clearance, low-cost housing, industrial development and unified city planning and development.

2. We favor legislative action designed to provide long-term low interest rate mortgage money for the construction of new private housing units.

*Narcotics*

The continuing and rapid increase in drug addiction in the United States particularly among young people demonstrates that current methods of control of this major medical and sociological problem are ineffective. The total number of drug addicts (and the percentage as well) has increased. Two thousand persons are arrested every month on narcotic charges in this country.

Furthermore, in the large cities there is a direct connection between drug addiction, and half of all crimes committed. We recommend a four-point program to be administered by both State and Federal narcotics agencies:

1. A program in the public and private schools to educate the young people in all facets of the drug addiction problem through teacher education, the education of parents through the parent-teachers' associations and other service groups, playground and recreation leaders; and law enforcement agencies;

2. Federal grants to hospitals, universities, and research institutes for basic research in the alleviation and cure of drug addiction;

3. Federal grants-in-aid to local governmental units to promote the establishment of carefully controlled outpatient clinics to furnish minimal requirements for addicts at cost and psychiatric aid, for narcotics administered to proven addicts under the supervision of licensed physicians and psychiatrists will serve to take the profit out of the narcotics trade and remove the addict's need to turn to crime to support his expensive habit; and

4. Additional legislation to aid law enforcement agencies dealing with narcotics addiction and violations, providing such legislation does not infringe upon individual civil liberties.

*NATURAL RESOURCES*

We believe the following to be true:

1. We believe that our Nation's greatest assets are its natural resources. The rapidly increasing population and expanding economy of this country are causing increased pressure from conflicting demands upon our natural resources. We firmly believe that they should be developed on a sound progressive basis with a view to development and conservation rather than destruction and exploitation. We believe that our natural resources are vital to the livelihood and general welfare of all citizens of the United States without regard for geographic location and they must not be permitted to become the private preserves of monopoly and private interest.

2. Republican administrations have attempted to subvert and destroy the historic policies and programs of conservation and proper development of natural resources for the public good by such means as giveaways of public lands, their fraudulent partnership plan, and stacking of regulatory bodies with officials opposed to the programs these agencies were designed to protect.

3. The greatest benefit to the most people from the standpoint of development of natural resources, needed power, and irrigation water, while at the same time preserving the natural beauty of wilderness areas, recreational areas, and fishing areas, is realized in the comprehensive planning and Federal development of the entire river basin, watershed areas, and our natural resources supplies.

We therefore urge the adoption of the following program:

1. Support of all sound measures for Federal multipurpose development of the power and water potentials of areas such as the Columbia River Basin, Central Valley of California, Upper Columbia Basin, Missouri Valley, and the Colorado River; we further implore the Democratic leadership in Congress to use every method including the discharge petition to bring the Hells Canyon bill to the floor of the House.

2. That the Government should retain primary responsibility for insuring that resources are properly developed and should retain ownership and firm regulation of public lands.

3. That the Federal Government proceed with all speed to develop economic nuclear power facilities; and authorize appropriation of funds for basic research in conver-

sion of water and the utilization of solar energy.

4. We urge that the administration of conservation agencies should be returned to the professionals in these fields by replacing present incompetent political appointees.

5. That increasing needs for recreational facilities should be recognized by programs emphasizing the multiple use of national forests placing greater weight upon recreational values, passage of a bill creating a national outdoor recreational research review commission and passage of a bill to create a national wilderness preservation system.

6. Expansion of programs for reforestation, for the improvement of grazing lands, mill-tant protection of national forests from grazing, lumber and mining land grabs exemplified recently by the Al Sarena deal and the D'Ewart bill to deed control of forest grazing land to private interests.

7. The establishment of programs for the stockpiling of strategic minerals and the encouragement of a sound domestic mining industry, reversing the recent trend developed by our Republican administration to destroy our domestic mining industry.

8. In order to insure the proper development of the Glen Canyon Dam project Federal funds must be appropriated to complete the access road connecting Utah and Arizona. In order to connect Utah with Arizona this project will necessarily have to include construction of a bridge across the Glen Canyon Dam site making it possible to cross the dam site by traveling 1,200 feet rather than journeying 225 miles. If such funds are appropriated this access road with the bridge will become a major highway to carry commerce and tourists past the dam area and provide a direct link between Utah and Arizona.

9. Preservation of the antimonopoly provision of the reclamation law that include preference of public agencies for power distribution and the excess land clause (160 acre limitation). We oppose piecemeal undermining of these protections by such devices as special bills exempting particular projects.

10. We further urge public hearing after ample public notice designed to educate the American public and Congress on the necessity for vigilance in preserving existing principles of protection of our natural resources of water and power against any selfish monopolistic tendencies.

*STATEHOOD FOR ALASKA AND HAWAII*

Whereas the Territories of Alaska and Hawaii have demonstrated political maturity and have fulfilled every historic qualification for statehood; and

Whereas proposed legislation to grant immediate statehood for both Territories is now pending before the present session of Congress: Now, therefore, be it

*Resolved*, That we endorse without qualification the proposed legislation now in the 85th Congress, 2d session, to grant immediate statehood for both Alaska and Hawaii.

*HATCH ACT*

Whereas the Federal Corrupt Practices Act and other laws protect civil-service workers from the application of obnoxious political pressures and the Hatch Act gives little protection; and

Whereas we consider that full participation in the political activity of our Nation is the natural and constitutional right of every United States citizen; and

Whereas sections 9 and 12 of the Hatch Political Activities Act severely restrict the political activities of millions of Federal, State, and municipal governmental employees; and

Whereas these sections have been declared unconstitutional by the United States Supreme Court; and

Whereas prohibitive Civil Service Commission regulations interpreting the Hatch Act

have resulted in the political sterilization of millions of United States citizens; and

Whereas a majority of these millions are in industrial, clerical, or non-policy-making positions; and

Whereas no sound reason exists for the complete stifling of political activities by these citizens; and

Whereas the Supreme Court decisions and civil service regulations have eliminated the hope of judicial or administrative remedy; and

Whereas legislative action by the Congress affords the only means of relief; and

Whereas in H. R. 406, August 22, 1957, the House of Representatives declared its intention to grant the greatest possible freedom of political activity to the greatest possible number of persons whose political activities are now restricted under the Hatch Act: Now, therefore, be it

*Resolved*, That we support H. R. 406 and any forthcoming legislation which liberalizes sections 9 and 12 of the Hatch Act without weakening other laws which protect Government workers from political pressures, or without weakening the merit system.

#### GERRYMANDERING

Whereas the Democratic Party has long supported the principle that one citizen's vote is as important as that of any other citizen regardless of geographic location; and whereas this principle can best be upheld by a representative form of government based on equal representation of citizens in all legislative bodies: Be it

*Resolved*, That we urge that each State club work toward eliminating the evils of the practice of gerrymandering legislative districts whenever it exists in that State; and be it further

*Resolved*, That we urge Congress to reenact the law which expired in 1929 which requires that Congressional districts be reasonably equal in population and reasonably compact.

#### ADVISORY COUNCIL OF THE DEMOCRATIC NATIONAL COMMITTEE

The young people of the Democratic Party note with pride the great achievements of the advisory council of the Democratic National Committee in giving a living voice to Democratic ideals.

Each time the national Republican administration attempts to conceal the latest national crisis from the people, the Democratic Party is now able to sound a loud and clear demand for the truth.

No longer are half-truths and cleverly twisted pleasantries permitted to go unchallenged.

No longer are lofty Republican campaign promises allowed to lie forgotten.

A new and exciting element has been added to the American political scene: Now, therefore, be it

*Resolved*, That the Young Democratic Clubs of America commend the Democratic National Committee for establishing the Advisory Council; and be it further

*Resolved*, That we commend the Advisory Council for all that it has already done in pointing out the crisis which the Nation faces in its foreign and domestic policies; and be it further

*Resolved*, That we urge the Advisory Council to continue its great work so that people of all political beliefs will be better able to understand the problems which confront them.

#### UNANIMOUS ADOPTION OF THE FOLLOWING RESOLUTIONS

Whereas Congressman STEWART UDALL, by his excellent chairmanship of this convention, has contributed materially to the success of this convention: Therefore be it

*Resolved*, That the Young Democratic Clubs of America thank Congressman UDALL and wish him the greatest success in a po-

litical career which is a credit to the Democratic Party of the Nation and to himself.

Mr. HUMPHREY. Mr. President, it was also my privilege to address delegates to the convention at its concluding annual banquet, reviewing some of the national and international problems with which we are confronted. I ask unanimous consent also to have printed in the body of the RECORD at this point a summary of excerpts from those remarks.

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

#### MOBILIZATION FOR PEACE

(Excerpts from an address by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, before National Convention of Young Democrats, Reno, Nev., November 9, 1957)

Our Nation faces a critical hour in its history.

The world is teetering between threatened annihilation, and the greatest era of new discovery and new progress mankind has yet known.

All of us share the sobering responsibility of guiding our destiny on its precarious course—to avert the destructive disaster of war, and to achieve, instead, a far greater fulfillment of man's aspirations than history has yet recorded.

Those twin objectives are inseparable, each dependent upon the other.

In an age when war could mean annihilation, the maintenance of peace is our most urgent business. It is everybody's business, yours as well as mine.

Faced with the gravest dangers we have ever known, our foreign policy is in a state of confusion and disarray. We have relied too long upon a series of patched-up arrangements and improvised reactions to crisis after crisis.

Formosa, Indochina, Egypt, Suez, Syria—and now sputnik in the sky: each one has left our position more precarious, and our adversaries stronger.

Yet with our very national survival at stake, budget ceilings inspired by a business-as-usual mentality have seriously weakened our defense program. After 4 years and \$150 billion of President Eisenhower, our defensive power relative to our commitments and to the strength of the Soviet Union is weaker, rather than stronger.

Is it any wonder that there is a rising chorus of apprehension and criticism, both in the United States and among our friends abroad?

We must talk frankly, and yes, even bluntly, about the situation that confronts us.

The administration has not been candid with the American people.

It has fed the public political tranquilizers. We are now undergoing a rude awakening—with quite a hangover.

The last 10 years have seen almost incredible changes in our world.

Atomic energy, with all its shattering dangers and unlimited opportunities, is intruding into our lives more each month. We have a bear by the tail, a locomotive that threatens to run away downhill with us. We have to tame this great power, before it enslaves us—or destroys us.

The beep-beep-beep of the first Russian satellite told us that we have crossed another threshold—into the age of space flight.

No longer is it idle speculation that man may some day reach the moon and the planets.

The new speeds of today, of a revolutionary nature, are destroying all our old ideas of space and distance, revolutionizing military strategy, revealing new concepts of communication and travel.

But the vast political changes in the world, in the relationship between nations, the breakup of the old colonial empires, the creation of a new Soviet empire headed by ruthless and tenacious leaders, the birth of new nations and the rising tide of nationalism in Asia and Africa: these political social changes in the world pose an equal challenge to American leadership.

They dramatize the imperative need to find, among our young people, not only brilliant research and technical workers, but also leaders for the next generation in every area of our social economic life.

If we needed more scientists and technicians 10 years ago, we need them doubly now. If we needed then more people trained to work with the peoples of other nations, and to lead our own, we need them doubly now.

If we needed in 1947 to seek out and encourage the creative, industrious, intelligent men and women for every field of American effort, that need is more imperative, more desperate than ever before.

For the truth is that the backward peasant nation that was the Soviet Union even 30 years ago has raised itself (at what cost in human suffering and the loss of human dignity we can only estimate), to a high level of technological accomplishment.

Such a remarkable feat cannot help but attract the young nations of the world who are themselves now taking their first faltering steps out of their age-old poverty and domination by colonialism.

The sputnik merely dramatizes the whole broad field of Soviet accomplishments.

It is not only Soviet missiles and rockets that face us.

There is indeed, a formidable Soviet military challenge, in the form of intercontinental ballistic missiles in a vast fleet of missile-equipped submarines, and in its huge standing army. We do face a shrewd and ruthless Soviet leader, not at all adverse to the use of threats and of force, if need be. It is literally true that, through the most incredible kind of complacency, we have permitted the Soviet Union to leave us some months and perhaps years behind in rockets and missiles.

But make no mistake about it. It is not only Soviet missiles and rockets we face.

Nikita Khrushchev has thrown down the gauntlet across the board. He boasts that the Soviet will be supreme in nuclear power, in consumer goods production, in cultural activities, in agricultural production, in education.

It is time we realized that the Soviets are waging all-out war on us, without a shot being fired. It is economic warfare, political warfare, cultural warfare, educational warfare, and scientific and technological warfare.

They are challenging us in every field—and the new nations of Asia and Africa, representing the great uncommitted weight of the world's manpower and resources, are watching intensely the onrushing Soviet drive.

We are locked in a struggle which will demand every resource of our intelligence and our spirit if we are to survive. We are in a one-game world series, and we cannot afford to lose any more innings.

Soviet Russia has shrewdly embarked on a campaign to conquer the world bit by bit—rather than just blow it to bits.

That is the all-out challenge we face.

It must be met with faith and determination, not with fear and frustrations.

We must decide to compete—and win—in every area of challenge. We must compete all the way, not with one hand tied behind our backs. We must compete with the greatest mobilization of our resources, our talents, our national will that we have ever known.

The decision to meet Russia's challenge at every hand is a decision which must be taken by the President, specifically but ulti-



mately it must be taken by us all, as a people, as a nation.

We have not yet fully faced up to the implications of this competition. We have not really assayed the costs in energy, in money, in worry, in sacrifice to compete effectively with the Soviet Union, across the board.

If we are to compete effectively, there must be a fundamental change in America toward the intellectuals and the scholars in our midst.

What America needs is more eggheads, and fewer fatheads.

We are paying a grim and tragic price for the wave of anti-intellectualism that has gripped our country in recent years.

Fear and distrust of thinking people is a disease we simply must stamp out. We cannot afford any more the luxury of laughing at eggheads as too often some have done, or of suggesting there is something treasonable about being an intellectual.

If we are really to mobilize for peace, the place to start is with our brainpower, our experience, our intellectuals.

Just as we are suddenly facing the necessity of mobilizing our scientists to compete with Russia, so too do we need immediately to mobilize our intellectuals in every field who have a contribution they can make toward meeting Russia's challenge in other fields.

And we cannot cast aside valuable resources of brains, experience, skills, and judgment just because of differing political convictions.

If we are to expect the Nation to rally in a bipartisan spirit to meet with determination the challenges confronting us, then bipartisanship must consist of more than occasional consultation when the administration is in trouble.

It must start with a sincere recognition of the vast unused resources available today for mobilization into our struggle, and a recognition that Republicanism has no priority on Americanism—and most certainly no exclusive cartel on knowledge and judgment.

At a time when we urgently need full mobilization of the Nation's intelligence in the struggle for freedom's survival, why must an Adlai Stevenson be relegated to practicing law in Chicago—instead of, for example, serving in the long-needed and yet-unfilled role of United States Ambassador to NATO?

If the President is sincere about wanting to strengthen NATO—and that necessity is urgent—here is an opportunity confronting him.

At a time when our prestige abroad is steadily faltering, why must a Chester Bowles be relegated to touring the country on private lectures—instead of being called to duty to raise the calibre of America's representation abroad? Why isn't this great American who has won such confidence and respect in the world sent as a new Ambassador to Yugoslavia, for example, as a listening-post for democracy in the explosive central European area, a man whose sympathetic understanding of human aspirations everywhere would inspire new hope in the hearts of captive peoples in Poland and Hungary—and strengthen freedom's chances for an eventual breakthrough to independence for now satellite nations?

Why, if we are mobilizing our Nation's resources, must George Kennan perhaps the country's greatest authority on Soviet Russia, be ignored as a valued adviser to our Government, and left lecturing in London? Why isn't he summoned to Washington to help design and guide our all-out competition with Soviet Russia so necessary to preserve freedom in the world?

Why isn't better use made of a Chip Bohlen, another great American with keen insight into Soviet machinations, than to have him farmed-out in Manila at a time

when we need all the experts we can get on how to match wits with the Russians?

Why isn't there a role of useful public service for a man like former Senator William Benton, who on one trip through Russia learned more about the Soviet educational system in 2 months than we had otherwise accumulated in 20 years?

It will be difficult to convince the American people that any administration really wants all-out bipartisan mobilization for peace if it neglects the available services of such great Americans—and great Democrats—just because they are Democrats.

Yet it will take the kind of dedicated service such men can and will give our country to win in the struggle we face.

All of us in the Democratic Party have a contribution to make toward winning the cold war. As young Democrats, you have such opportunities, for you represent the spirit and idealism of democracy with a small "d" that above all must prevail if our foreign policy has any hope of achieving our goals of a just peace.

As young Democrats and young Americans, you can and must help awaken the Nation to the challenges we face—and to guide public understanding to the all-out nature of our struggle.

And, above all else, you can continue always to press vigorously toward a governmental policy at home and abroad designed to make sure we're presenting an image of America and Americans to the rest of the world as we really are—not as the Soviets portray us to be.

The image of America which has been projected abroad for 4 years is a distorted image. In its changing and misshapen character, it is like a shadow leaping on the wall thrown by the light of a flickering candle. This is an image which has never in 4 years become stabilized—which has expanded and shrunk, leaned this way and that, until the world does not really know what this Nation is.

And it is vitally important that our enemies, as well as our friends, know what we are, what we intend, what we will do—we must make very clear our basic policies.

At the moment, I am afraid, both our friends and our enemies see us as a belligerent giant, threatening to set the world on fire with nuclear weapons. It sees us pressing forward with more and more thermonuclear tests. It hears open threats of massive retaliation, liberation of satellites. Yet in the next breath the world has seen us back down when the chips were down, after the powerful boasts and open threats we have uttered. We cannot build a world of security on bluff and backdown. Neither can we build it with dependence on the deterrent power of the nuclear weapon as our sole defense.

Our history, our heritage, our experience in self-government, yes, our own revolution, are in fact the sources of our strength.

Our foreign policy is weakened and limited, to the degree that we forget, or fail to apply, the yardstick of our own democratic experience to the complex and intricate problems of the world in which we live.

Nor will we not enhance freedom, by aping the enemies of freedom.

Democracy and free institutions are not made more secure by utilizing totalitarian techniques.

To be strong, we must be true to ourselves. It is time that we walk confidently, with the full stature and strength of our history—and our present capacities as a people, if we will but fully use them.

In a world that is desperately in need of capital, we have the greatest capital resources of all.

In a world where people are anxious for the blessings of science and technology, we are richly endowed with these blessings.

In a world where the majority of people are ill-housed, ill-fed, and ill-clad, we are

privileged to have an abundance of food and fiber and the knowledge of scientific progress for health and shelter.

In a world where tyranny and cynicism are widespread, we have faith and confidence in our democracy.

For too long, our foreign policy has been based on fear rather than hope; on reaction, rather than action.

We have been afraid of revolutions in Asia and Africa, when in actual point of fact we should have helped develop and harness these revolutions, and helped the new nations along the road to independent development.

The greatest hope we can hold out to millions of people in Asia and Africa is our own dramatic story of American independence.

This is our message to the world—the message of self-determination, liberation, faith in human dignity, and human ability.

It is this message of brotherhood and human equality that is our reservoir of good will.

We need to join with the spirit of independent nationalism that grips the underdeveloped and underprivileged countries and remind these people that we, too, are the children of self-determination, of revolution, and of a will to freedom and independence.

We must make greater use, not less, of our economic strength to help other free nations develop themselves, and bring the blessings of freedom to their eager and impatient peoples.

This is a weapon of peace and plenty which the Soviet Union cannot match.

Yet we must not use our economic development funds to subvert the independence of other free countries by attaching military or political conditions humiliating to them, or by trying to shape them in the image of the United States.

We must remember that their independent development, in forms suitable to their people, their circumstances, and their resources, is in our interest as well as in theirs.

We should step up our own point 4 program, at the same time that we continue to work through the U. N. and help expand U. N. technical assistance. We should more actively, constructively, and imaginatively use our blessings of food and fiber as a powerful force for freedom. A breakthrough in the conquest of hunger is more meaningful to millions of people today than the conquest of outer space.

We need to strengthen the United Nations, to use its facilities and champion its objectives. We need a dramatic expansion of student exchanges, along with the exchange of technicians, professional people, farmers, laborers, businessmen, journalists, and others engaged in public communications. Yes, an exchange of students from Iron Curtain countries, too.

Even as we go forward with programs of international good will, we must remember that we still confront a formidable and implacable adversary—and we must keep our defenses strong.

We can only deal with the Soviet with strength. We cannot risk thinning our defenses to the danger point or—what is equally dangerous—leave ourselves with no effective force but massive retaliation.

If we had no weapons but the ultimate weapons of total annihilation, for use only under the ultimate provocation, we can be sure our adversaries would construe this as a weakness and take advantage of it.

But all our military strength can buy is time—time to build in other ways toward the peace we seek.

While we maintain our armed strength, we must continue to explore all possibilities for agreements to control armaments. And we must manage to convey to the world the positive sincerity of our passion for peace, and for control of arms as a means of diminishing the danger of war.

Above all else, we must keep ever foremost in our minds and hearts the knowledge that our strength is far more than military—that it must be the strength that comes from the spirit of human equality, economic progress, political liberty, and social justice.

Ours is a nation of compassion.  
Ours is a people of generosity.

Our heritage befits us for the great challenges we face.

That challenge, to you and me and to all of us, is to show the world a way to eradicate the shame and scandal of poverty, of exploitation, of oppression, or of greed—without resort to social revolution and class struggle and dictatorship.

If we can place these material values in their proper subordinate place within the context of a mighty spiritual movement which will be revolutionary without being subversive, which will draw its substance from the riches of the western tradition, then our faith will not have failed us. It will have sustained us through this present period of doubt and drift, and it will have led us on to the achievement of our goals of freedom, justice, and peace.

#### FIVE-CENT POSTAL RATE TO HELP FINANCE CONSTRUCTION OF NEW POST OFFICE BUILDINGS

Mr. NEUBERGER. Mr. President, for many months now the distinguished and beloved Senator from Arizona [Mr. HAYDEN], who today attains such an epic milestone in Senate service, has talked to us about raising postal rates in order to save him and his colleagues on the Appropriation Committee from encountering larger and larger deficits.

I pay tribute to him on this occasion by following along in the general policy he has advocated. If imitation is truly the highest form of flattery, then the Senator from Arizona may be said to have received such an accolade from me today.

With reluctance, Mr. President, I have reached a decision to support the request of President Eisenhower and the Postmaster General for a 5-cent postage rate for first-class letters, in conjunction with related increases in other classes of mail.

I realize that such an increase in postal rates will be unpopular. Certainly, if we were to admit political considerations, the 3-cent stamp has long been considered sacrosanct, and supporting its abandonment for a nickel stamp is likely to meet much criticism and little credit. But, as a member of the subcommittee which has been considering the postal rate structure, I honestly believe the increases are in the public interest, and that is why I shall support them.

First, Mr. President, as the sponsor of legislation to provide substantial salary increases for postal employees, I know how desperately an increase in the total payroll of the Post Office Department is needed. Many of the men in this service must struggle to support their families on pay scales as low as \$4,000 a year. This is a situation requiring immediate correction, at substantial additional cost to the Department. The Department operates on general Federal funds, not from its own revenues—yet it takes revenue from some source to provide the men and women in the postal service

with salaries essential to an American standard of living. I believe that, on reflection, people will not resent contributing to this objective when buying 5-cent stamps for their letters.

Secondly, Postmaster General Summerfield has told our committee that he intends to commence a vast program of modernization and construction of new post-office buildings and facilities if the 5-cent stamp is authorized. Certainly present post-office facilities are shamefully inadequate. My own home city of Portland is much in need of new structures, and I am sure every Senator knows of communities in his State that are in similar straits.

#### JOBLESS MEN IN OREGON NEED CONSTRUCTION EMPLOYMENT

Furthermore, I help to represent in the Senate a State which now suffers from the highest unemployment rate in the Nation. Men in Oregon's building trades are near the top among the jobless categories. The administration has, I think, greatly exaggerated the total economic impact that might be expected from its post-office construction program; yet even a less grandiose impact could be helpful in the present situation if started soon enough. An early start on construction of new post-office structures in cities like Portland and Pendleton can afford urgently needed employment opportunities, with beneficial consequences for mercantile business in those communities. Looked at only as means of obtaining Federal post-office buildings, straight Federal construction seems to me to have many long-run advantages over the leasing plans proposed by the administration. But given the administration's position, we in Congress do not now have that choice if we want quick action, and to get quick action I for one am prepared to give the Postmaster General the green light if he will go ahead at once as he has said.

Finally, Mr. President, as a matter of principle, legislators cannot always support every appropriation and oppose every means of raising new revenue. We were reminded of this last autumn by the able chairman of the Senate Committee on Appropriations, the senior Senator from Arizona [Mr. HAYDEN], whom we honor today. Senator HAYDEN's wise and experienced counsel on many occasions in the 3 years I have served in this body has had an important bearing on my own thinking. His great sense of responsibility toward the financing of the Federal Government's manifold and vital activities reflects his years of experience as chairman of the Senate committee which must act as the valve controlling the annual outpouring of scores of billions of dollars, as well as his unmatched length of service in the Congress since Arizona first became a State.

Upon the committee headed by Senator HAYDEN converge the demands from all regions of the United States, usually supported by their representatives in this body, for funds for Federal programs of importance to the people of those regions. Many of us are demanding public works, expanded slum clear-

ance and public and private housing programs, and tax reductions and other means of coping with the present recession. We, from the Pacific Northwest, have been in particular need of heavy Federal investment in the development of our natural resources, particularly the water resources of the Columbia Basin. In the years that I have served in the Senate, I know that Oregon has always stood high in such appropriations as, for instance, the funds spent by the Corps of Engineers for river development. At the same time, we also have a great stake in the repeal of the Federal excise taxes on transportation, which are so discriminatory against any area such as the Far West, where transcontinental transportation costs are such a great factor in everything we must buy and sell in the eastern centers of our national economy.

#### GOVERNMENT REQUIRES INCOME TO SUSTAIN ESSENTIAL FUNCTIONS

Yet, legitimate as these needs are, we cannot always advocate only the spending of public funds and the lifting of burdensome taxes. We cannot always evade the responsibility of facing up to the need to collect revenue.

The 5-cent stamp, unpopular though it might momentarily be, is one way to pay for some of the necessary expenditures which we favor, such as better pay for Government workers and new post office construction throughout the Nation.

As many of my constituents realize, I began my Senate service opposed to postal rate increases. However, I believe that a closed mind is a mind unworthy of leadership in a democracy. I have sat attentively through hours and even days of hearings on this whole question. Leaders in the Senate like Senator HAYDEN, Senator LYNDON B. JOHNSON, and Senator MIKE MONROE have talked to me earnestly of the difficulty in raising revenues to cope with the ever-increasing demands on Government. There has been brought home to me the fact that the things which the Post Office Department must pay for—telephone service, lights, gasoline, trucks, stationery, office equipment—these things continually go up in cost. Can we for long justify a policy under which the Post Office Department pays ever-higher prices for such equipment and still must maintain its own charges and rates at a static level?

Then we have the further question of post office salaries, which I have already discussed. Is it fair to take out of the clothing, medical needs and dinner-table servings of the children of postal workers what would be in effect, a continued subsidization of certain postal rates which have not changed for a quarter of a century? These questions have disturbed me profoundly, and they have contributed to my change of mind on this issue. I have no apologies to make, Mr. President. Abraham Lincoln's favorite poem was the Present Crisis, by Lowell, and one stanza of that great rhyme went as follows:

New occasions teach new duties,  
Time makes ancient good uncouth;  
They must upward still and onward,  
Who would keep abreast of truth.



# ADMISSION OF REFUGEE ORPHANS TO CITIZENSHIP IN UNITED STATES

Mr. NEUBERGER. Mr. President, among the finest of our American citizens are Mr. and Mrs. Harry Holt of Creswell, Oreg. They have devoted themselves to helping hundreds of mixed-blood war-orphan children in Korea find good homes in the United States. They have expended freely of their time, efforts, and good health; and members of the Holt family have made many trips to Korea in behalf of these children. I know of no family which has better symbolized the Biblical Good Samaritan.

Mr. President, I had the honor to sponsor private legislation which was enacted in the 1955 session of Congress which permitted Mr. and Mrs. Holt to bring to the United States their eight adopted Korean children. Mrs. Neuberger and I have visited the Holt home and have seen the wonderful care which the Holt family is giving to their children.

Mr. and Mrs. Holt have found American homes for almost 700 Korean war orphans. Mr. Holt's great work has been internationally recognized, and only recently the Republic of Korea has presented him with the ROK public-welfare medal in recognition of his humanitarian work. He has indeed been an apostle of international good will and understanding.

Mr. President, I ask unanimous consent to place at this point in my remarks a news story from the Oregonian, Portland, Oreg., for January 25, entitled "Korea Renders Thanks to Holt," and an editorial from the Oregon Journal of the same date entitled "Humanitarian and a Diplomat."

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

[From the Portland Oregonian of January 25, 1958]

## KOREA RENDERS THANKS TO HOLT

SEOUL, KOREA.—The Republic of Korea Saturday thanked a 52-year-old Oregon farmer for his selfless untiring efforts in finding American homes for nearly 600 Korea orphans.

Health and Social Affairs Minister Sohn Chang Whan pinned a medal for public welfare service on a beaming Harry Holt of Creswell in a simple ceremony.

He made the presentation in behalf of President Syngman Rhee.

"I'm surprised and happy," Holt said humbly. "It came so suddenly I don't know what to say about the honor being done here."

Holt is only the fourth person to receive the top civilian honor.

The citation called him "a benefactor to orphaned children and apostle of international understanding and good will."

It said "his resourcefulness enabled him to overcome countless difficulties and he ignored physical discomforts to develop the Holt adoption program."

Holt first came to Korea in June 1955, and has since taken to America 575 orphans, mostly of mixed blood, adopting eight himself.

Holt said he will continue to work "as long as I'm here. You see I'm not as young as I used to be."

[From the Oregon Journal of January 25, 1958]

## HUMANITARIAN AND A DIPLOMAT

Diplomacy is not for governments only. Sometimes private individuals can strike powerful blows in its behalf.

Harry Holt, Creswell, Oreg., farmer who is devoting his life and his treasure to bringing abandoned mixed-blood orphans from South Korea to the United States, does not consider himself a diplomat. He does what he does out of a great compassion which the average person is not capable fully of understanding.

But the government of Korea, through its ministry of health and social affairs, has given Holt the ROK public welfare service medal in recognition of his humanitarian work. Official acknowledgement of what he has done, which must be shared in by the people of Korea, puts his work in the realm of diplomacy.

In view of the shabby legacy left by American GI's who fathered these infants who later were abandoned by their Korean mothers, Holt's work stands out like a beacon light. We may hope that the Korean people judge America just a little bit by his standards.

Mr. NEUBERGER. Mr. President, it was my privilege to sponsor legislation last year, that has since been enacted into law, which provides for the admittance of orphan children up to 14 years of age who have been or will be adopted by American families. These homeless orphans who have been adopted by American families have come from many countries of the world.

Under the provisions of Public Law 85-316 which provides for the admission of orphan children, the special nonquota immigrant visa must be issued on or before June 30, 1959. I do not anticipate any difficulties in obtaining a renewal of legislation providing for the admission of orphan children, but it is my hope that the new legislation will take effect promptly so that there will not be a period of time when orphan children adopted by American families will not be able to enter our country. Last year there was a 7-month delay which forced great hardship on many American families and their adopted children and many hundreds of private orphan bills were introduced in the Congress.

In our Senate discussion of the orphan legislation last August 21, 1957, the distinguished chairman of the Senate Judiciary Committee, Senator JAMES O. EASTLAND, stated he did not think that there would be objection to extending the orphan legislation beyond June 30, 1959.

Mr. President, Mr. Holt recently returned to the United States from Korea with 90 additional orphan children who have been adopted by American families and he plans to carry on his great humanitarian endeavor as long as there are children who need help.

Mr. President, I ask unanimous consent to place in the body of the CONGRESSIONAL RECORD at this point in my remarks the fine story of February 2 by Dan Sellard of the Eugene, Oreg., Register-Guard entitled "Holt Surveys His Operation Orphans."

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

## GETTING MEDAL "KINDA AWKWARD"—HOLT SURVEYS HIS OPERATION ORPHANS

(By Dan Sellard)

When the Republic of Korea gave Harry Holt its medal for public service last week, the Creswell farmer pinned it on his only white shirt, one that he had just laundered himself.

"It was kinda awkward for an old farmer like me," he said in his study Saturday morning.

When a reporter asked to see that medal Saturday, Holt had to go find it, saying "I haven't even shown it to my wife yet." He had just returned from Korea with the latest batch of the more than 700 Korean-American orphans he is placing in American homes.

Holt looks wan and tired, and he admits that this last trip was the roughest of the dozen he's made. But he insists he feels fine and is raring to go again.

## NO SLEEP

This trip was doubly rough: He brought back 28 children that are suspected to have tuberculosis, and his chartered plane flew part way on only three of its four engines. Consequently, Friday night Holt had his first sleep in 4 days.

The children who may have TB were en route Saturday to sanitariums in California and Denver.

Holt admits that he has been severely criticized in several quarters for bringing "kids with TB" into this country, but he has an explanation of his action.

First, he says he's not at all convinced that the children have tuberculosis. He says there are no facilities for adequate testing in Korea and that the children are only TB suspects.

## QUALIFIES DISEASE

And, he says, if the children have TB, it's a childhood type of the disease and is not contagious to adults. He says he has handled many cases himself and has never developed any symptoms.

If they do have TB, he continues, they'll get better treatment in the United States than they would in Korea.

"Besides all this," Holt says, "it's not costing the taxpayers anything at all. The kids that went to California will be treated at the expense of their adopted parents and me. And the kids that went to Denver will get their treatment at the National Jewish Hospital on the house. The hospital is a private hospital and is not financed by public money."

## FOUR RELEASED

Holt says that of the four tuberculous children he sent to the States in November, three were immediately released from this hospital. He is sure the same will be true with the recent arrivals. "I think they'll be hospitalized about a week," he said Saturday.

Harry will stay at home longer than usual this time. He plans on going back to Korea about the end of March. His next mission will be to build an orphanage and that will have to wait until better weather.

"I enjoy doing this," he says. "I've never had such an interesting job in my life. Making these little kids happy is fun. It's hard work, but it's enjoyable. I made some money so that I can afford to do this, and I do not believe in leaving any of my money behind."

## TOTAL COST

The bushy-browed farmer, who has been dubbed the "Pied Piper of Creswell," admits the program has cost more than \$100,000 so far. It's costing less per trip as he learns

the ropes, though. For instance, he's found it cheaper to charter a Korean plane than an American plane and he's learned how to take more passengers per trip (by removing the seats and installing cribs).

How long will it take to finish his project? Holt has no hopes of finishing, for "as long as there are soldiers in Korea," there will be orphans to bring home. More funds are being donated by the day and Holt admits he hasn't yet spent all his money.

Holt suffered a severe heart attack last year and this brought up the question of who will eventually take over his project. "I don't know," he said Saturday, "there doesn't seem to be anyone who wants to. I just don't know what would happen. I don't think about it. I feel fine now. These trips seem to agree with me."

#### RATES BY HIMSELF

A succession of such strenuous trips would wear down any ordinary man. But Harry Holt hardly seems to fall into that classification; he simply doesn't fit into the usual patterns.

It is easier to say what Holt isn't than to say what he is:

He isn't a publicity seeker. He handles reporters and photographers with very little aplomb and sometimes hardly seems conscious they're around. There have been times when he's been a little peeved with the handling he's had in national magazines and news reels.

He's not a religious fanatic. When he speaks of God he speaks of a friend who's helping, rather than a commander who is telling him what to do. But he does credit God as the inspiration for his action in seeking out and caring for the Korean orphans. "I wanted to do something for God and I'd sure hate to be a preacher," he says.

He's not a wealthy philanthropist who pats himself on the back with one hand while spending big with the other. He has money, but it's new to him. He made it by buying some cheap timber and milling it when the market was good.

He isn't a devoted social worker. He says right out he dislikes social workers and the "redtape barriers they put in my way." Rather than being a starry eyed do-gooder, he is a forceful man with practical ways of doing things.

He's not smug and proud of himself. Rather, he's over modest and inclined to belittle his achievements.

Holt sees his program as an interesting job to be done and he's doing it.

While Holt is resting up at his comfortable Creswell home, his daughter Barbara, 20, will be working in Korea. Another daughter, Wanda, is in Denver at the hospital with the sick children, and probably will fly to Honolulu to care for one wail left there Thursday.

And when he announces he is going to take it easy until March sometime, he doesn't sound too sincere. There's always work to be done on the farm, he says. But he also says there's work to be done in Korea.

**Mr. NEUBERGER.** Mr. President, there has been considerable criticism in Oregon regarding the admission of orphans and other persons who are suffering with tuberculosis. I have received angry phone calls and indignant letters. The Immigration Act of 1957, which I cosponsored with the distinguished and able junior Senator from Massachusetts, **JOHN F. KENNEDY**, provides for the admission of persons into the United States with tuberculosis under strict safeguards.

After receiving such protests, I could only think of the moving lines by Emma

Lazarus on the pedestal of the Statue of Liberty:

Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore, send these, the homeless, tempest-tossed to me.

Somehow, I feel that the author of the Sermon on the Mount and the writer of the Declaration of Independence would approve of granting sanctuary in America to abandoned orphans and other persons who are wracked by sickness and misery.

I have contacted the Public Health Service and the Immigration and Naturalization Service regarding their administration of section 6 of Public Law 85-316 which provides for the admission of those suffering with tuberculosis.

The Assistant Surgeon General of the United States reports that there are sufficient safeguards in the law and the regulations prescribed by the Attorney General to prevent those aliens suffering from tuberculosis from acting as sources of infection to other people, if the regulations are properly carried out.

Under the regulations, an alien may not be admitted to the United States with tuberculosis until arrangements have been made for his care at a hospital or sanatorium in the United States and he cannot be discharged from the institution until approved by the Public Health Service. The costs of such treatment are borne by the individual or his sponsors and a showing must be made that adequate financial resources are available before the visa for admission to our country is issued. I cannot believe that this law would cost our Federal Government or the various State governments additional money.

Mr. President, I ask unanimous consent to place at this point in my remarks in the CONGRESSIONAL RECORD, the letter I received, dated January 24, 1958, from Dr. John W. Cronin, Assistant Surgeon General, Chief, Bureau of Medical Services, United States Public Health Service, and a letter from the Commissioner of the Immigration and Naturalization Service, dated January 23, 1958, dealing with the administration of the law and regulations for the entry into our country of persons suffering from tuberculosis. I also ask unanimous consent to place in the RECORD a brief news item by the Associated Press which appeared in the February 2, 1958, Eugene Register-Guard entitled "New Drugs Whipping TB."

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

DEPARTMENT OF HEALTH, EDUCATION,  
AND WELFARE,  
PUBLIC HEALTH SERVICE,  
January 24, 1958.

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

DEAR SENATOR NEUBERGER: This is in reference to a telephone call from Mr. Walter Dodd of your office to Dr. Ralph Gregg of this Service on January 17, 1958, regarding section 6 of Public Law 85-316 which amends the Immigration and Nationality Act to permit the admission, under controls, of tuberculous aliens who are close relatives of United States citizens or resident aliens.

Mr. Dodd referred to a letter you received from a constituent expressing concern that

this law would result in admission of large numbers of persons who would endanger the public health and become financial burdens to the people of the State of Oregon.

We appreciate your constituent's concern, as tuberculosis in years past has been a major cause of illness and dependency. However, in recent years great advances have been made in the treatment of the disease, notably with surgery and drugs, resulting in dramatic reductions in the numbers of cases and deaths.

Certainly we would not want to lose ground in the control of tuberculosis in the United States by admitting aliens who were liable to infect other persons. We believe there are sufficient safeguards in the law and the regulations prescribed by the Attorney General to prevent the aliens from acting as sources of infection to other people if the regulations are properly carried out.

Under the regulations the alien may not be issued a visa until arrangements are made for his care by a hospital or sanatorium in the United States. Assurances are required from the alien that he will place himself under care of the institution upon arrival and will remain under its care or supervision until his discharge is approved by the Public Health Service. A written statement is also required from the institution agreeing to provide care for the person and not to discharge him until agreed upon by the Public Health Service.

The regulations provide for keeping the alien from becoming a public charge. Before receiving a visa he is required to furnish an affidavit from a sponsor or other responsible individual that financial arrangements for his care have been made.

When aliens with tuberculosis are admitted at United States ports, the quarantine officer reports them to the State health departments of destination for such follow-up as is deemed necessary.

We trust this information will assist you in replying to your constituent.

Sincerely yours,

JOHN W. CRONIN, M. D.,  
Assistant Surgeon General, Chief,  
Bureau of Medical Services.

UNITED STATES DEPARTMENT  
OF JUSTICE,  
IMMIGRATION AND NATURALIZATION  
SERVICE,

OFFICE OF THE COMMISSIONER,  
Washington, D. C., January 23, 1958.

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

DEAR SENATOR NEUBERGER: In response to your inquiry on January 17, 1958, concerning the procedures followed by this Service pursuant to section 6 of the act of September 11, 1957, the following information is furnished.

The statute authorizes the American consular authorities to issue a visa to any alien who is the spouse or child of a citizen or lawful permanent resident of the United States, or has a son or daughter who is a citizen or lawful permanent resident of the United States notwithstanding affliction with tuberculosis, if otherwise admissible under the general laws relating to immigration. The statute further provides that the alien be admitted to the United States for permanent residence in accordance with such terms, conditions, and controls, if any, including the giving of a bond, as the Attorney General, in his discretion, after consultation with the Surgeon General of the United States Public Health Service, may by regulations prescribe.

Effective January 9, 1958, title 8, Code of Federal Regulations, section 212.7, provides that an alien who is excludable and seeks a waiver under section 6 of the act of September 11, 1957, shall establish, among other things, that if required he will be hos-



pitalized upon admission into the United States and will remain so hospitalized until the United States Public Health Service approves his discharge, and thereafter submit to such examinations, treatment, isolation, and medical regime as the United States Public Health Service shall direct; shall furnish an affidavit from a sponsor or other individual that financial arrangements for his care have been made, and a statement from a hospital or sanatorium, recognized by the United States Public Health Service as an institution for the treatment of tuberculosis, agreeing to submit its clinical evaluation and X-rays of the patient to the United States Quarantine Station, Staten Island, N. Y., and not to discharge the patient until agreed upon by the Chief Quarantine Officer; and an acknowledgment that he will comply with the provisions of "Sanitary Measures for Travel of Aliens with Tuberculosis," a copy of which is to be furnished to him, and intends in good faith to submit to the hospitalization and subsequent course of treatment as arranged for him.

On January 16, 1958, as required by the statute, a report was furnished the Congress concerning the seven individuals who had been admitted to the United States pursuant to section 6, act of September 11, 1957. For your further information, I am attaching two copies of the pamphlet entitled "Sanitary Measures for Travel of Aliens with Tuberculosis."

Sincerely,

#### NEW DRUGS WHIPPING TB

What is happening in the tuberculosis hospitals is evidence that the TB problem may be licked before long. New drugs provide most of the answer.

The State's three TB hospitals—in Salem, The Dalles, and Portland—have 525 beds. They now have only 284 patients, or 45 fewer than a year ago.

That is why the legislature is asking the people to approve next November the closure of the 170-bed hospital at The Dalles, which now has only 55 patients.

In fact, the Portland hospital could be closed, too, because all of the tuberculosis patients in the State now could be cared for in the Salem hospital.

Mr. NEUBERGER. Mr. President, I know of no more worthy project than to help the orphan children of the world. While our country spends many billions of dollars in the field of mutual aid, we can strike a blow for freedom and people-to-people understanding by our country's orphan program. These orphans are in no danger of bringing to our country foreign ideologies perilous to the American traditions of freedom and liberty. The great work by the Holt family and many other devoted people has done a great deal to make the brotherhood of man a reality.

#### BLOOD, BREATH, AND URINE TESTS AS EVIDENCE OF INTOXICATION IN DISTRICT OF COLUMBIA COURTS—CONFERENCE REPORT

Mr. CLARK. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 969) to prescribe the weight to be given to evidence of tests of alcohol in the blood or urine of persons tried in the District of Columbia for operating vehicles while under the influence of intoxicating liquor. I

ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of February 10, 1958, p. 1975, CONGRESSIONAL RECORD.)

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

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

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

The Senate resumed the consideration of the bill (H. R. 5822) to amend sec. 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, to strike out all after the enacting clause, and insert:

That section 406 (b) of the Civil Aeronautics Act of 1938, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"In determining the need of an air carrier for compensation for the transportation of mail, and such carrier's 'other revenue' for the purpose of this section, the Board shall not take into account gains derived from the sale or other disposition of flight equipment if (1) the carrier notifies the Board in writing that it has invested or intends to reinvest the gains (less applicable expenses and taxes) derived from such sale or other disposition in flight equipment, and (2) submits evidence in the manner prescribed by the Board that an amount equal to such gains (less applicable expenses and taxes) has been expended for purchase of flight equipment or has been deposited in a special reequipment fund. Any amounts so deposited in a reequipment fund as above provided shall be used solely for investment in flight equipment either through payments on account of the purchase price or construction of flight equipment or in retirement of debt contracted on and after April 6, 1956, for the purchase or construction of flight equipment, and unless so reinvested within such reasonable time as the Board may prescribe, the carrier shall not have the benefit of this paragraph. Amounts so deposited in the reequipment fund shall not be included as part of the carrier's used and useful investment for purposes of section 406 until expended as provided above."

SEC. 2. The amendment made by this Act to such section 406 (b) shall be effective as to all capital gains realized on and after April 6, 1956, with respect to the sale or other disposition of flight equipment whether or not the Board shall have entered a final order taking account thereof in determining all other revenue of the air carrier.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the committee amendment in the nature of a substitute.

The Chair recognizes the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, the pending bill will make possible a policy decision affecting the subsidized airlines. The bill was introduced during the last session of the Congress, and also was reported from the committee during the last session.

The bill has been reported with amendments which would make it more positive and certain that any capital gains realized from the sale of used flight equipment must be re-invested in more modern flight equipment.

Our committee held long hearings. A copy of the printed hearings is on the desk of each Senator. At the hearings, careful study was given to all possible aspects of the subject so far as we could determine them.

The bill would allow airlines which receive a Government subsidy to retain the profits received from the sale of used flight equipment, provided they reinvest the amounts so received in new flight equipment.

The bill has nothing whatever to do with the so-called capital-gains tax. Under the present law, if an airline receives a subsidy, the amount of the capital gain is applied to reduce the subsidy which the airline otherwise would receive.

Under the pending bill, if the subsidized airlines are allowed to retain their capital gains from the sale of used aircraft, they must pay the regular 26 percent capital gains tax; but then they can retain the balance, provided they reinvest those amounts in more modern flight equipment.

Under Section 406 (b) of the Civil Aeronautics Act of 1938, the Civil Aeronautics Board is directed by the Congress to fix the compensation of the carriers for the transportation of mail at such amount which, "together with all other revenues," will enable them to provide the quality of air transportation required for the commerce and defense of the United States. The Board has construed the words "all other revenues" to include capital gains realized from the sale of used flight equipment. The effect of that interpretation is to deduct the amount of such gains from the amount of the subsidies to which the carriers are determined to be otherwise entitled.

The bill directs the Civil Aeronautics Board not—and I emphasize and repeat the word "not"—to include gains from the sale of flight equipment in computing a carrier's revenues, provided such gains are reinvested in new flight equipment. The subsidy would no longer be reduced by the amount of such gains.

Gains from the sale of flight equipment are exempt from confiscation, under the bill, only if reinvested in new flight equipment. Such gains cannot be

paid to stockholders or used for any purpose other than reequipment, or else the carrier's subsidy will be reduced by a like amount.

In order to insure that the use made of the gains actually results in modernization—that is, that they are used for new equipment—the bill limits the equipment for which gains may be used to that contracted for by the carrier after April 6, 1956.

The bill, as amended by your committee, would be effective as to all capital gains realized on or after April 6, 1956, in connection with the sale or disposition of flight equipment, irrespective of any Board orders which may have taken into account such gains in the determination of all other revenue of air carriers.

The effective date of April 6, 1956, was chosen by your committee because on that date the Board opened all subsidized carrier rates with respect to the treatment of capital gains; and the question has been undecided since that date. A more detailed statement as to the background of this action by the Board is contained in the following portion of the committee report:

Section 406 (b) of the Civil Aeronautics Act of 1938, as amended, provides, in pertinent part, that the Board, in fixing the amount of subsidy for mail transportation is to consider:

"The need of each \* \* \* air carrier for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other revenue of the air carrier, to enable such air carrier, under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the postal service, and the national defense."

The words "all other revenue" have been construed by the Board to apply to capital gains realized on the sale of flight equipment, as well as operating revenue and gains from other tangible assets sold by the carrier. The Board, therefore, has deducted from mail subsidy otherwise payable the amount of the net capital gain, in computing the need of any carrier during an open-rate period. If realized during a closed-rate period, the subsidized carrier was not so penalized.

This policy, the Board claims, was upheld by the Supreme Court in *Western Air Lines v. CAB* (347 U. S. 67 (1954)). However, the Board also claims certain language in this decision raised the question as to whether the Board is legally entitled to allow even carriers on a closed rate to retain their capital gains. Formal proceedings finally to determine its powers in this respect are now being conducted by the Board—CAB Docket 7902. In connection therewith, the Board, on April 6, 1956, opened all subsidized carrier rates with respect to capital gains disposition, pending its determination of the matter. If the Board should decide it has no power under the law to allow the retention of capital gains, no carrier whose mail compensation is computed under section 406 (b) could hope to apply a gain realized on the sale of old flight equipment to the purchase of new and more costly replacements, without suf-

fering a loss equal to the amount of the gain in its mail payment from the Government. This would be the case, whether the capital gains were realized during an open-rate or during a closed-rate period.

It should be emphasized that the bill does not affect in any way the tax paid on capital gains. Airlines will continue to pay the same tax on their capital gains—whether from the sale of flight equipment or from the sale of other property—as does any other business.

It should also be noted that the bill conforms to the general practice in ratemaking. In other cases of regulated business, including railroads and other utilities, capital gains are not taken into account in ratemaking. In the most comparable industry, namely, our merchant marine, the capital gains realized by the steamship companies from the sale of old ships can be retained for investment in new equipment.

In other words, the airlines are the only ones penalized when they show a capital gain on their sales of used equipment, and they are the only ones which are not allowed to retain the gains for reinvestment in new equipment. Of course, the airlines which do not receive the subsidy may retain such gains. The result is that an advantage is given to the lines which do not receive the subsidy, as compared to the lines which are in such financial position that they must receive the subsidy if they are to maintain their operations.

#### PURPOSE OF THE BILL

The principal purpose of the bill is to encourage subsidized carriers to replace obsolete flight equipment with more modern and efficient equipment, enabling such carriers to reduce costs, and thus hastening the day when they can operate without subsidy.

The bill does not affect the nonsubsidized carriers. However, it does eliminate the advantage which they enjoy in retaining their gains while those of the subsidized carriers are in effect confiscated by the Government. At the present time the more prosperous airlines, who have worked their way off subsidy—and this includes all domestic trunk lines—are able to plow these gains back into new equipment, thus further widening the gap between themselves and the smaller subsidized lines.

#### NEED FOR THE BILL

Under the present policy, the feeder and territorial airlines, which are vitally affected by this bill, would realize only the depreciated book value upon the sale of their present fleet of DC-3's. This involves about 200 planes. The depreciated book value of the DC-3 is about \$15,000, as compared to the current market value of about \$80,000 each.

At the time this bill was originally scheduled for debate, near the end of the first session, the market value of a DC-3 was about \$100,000—some \$20,000 above the market price six months later. This illustrates the fact that the principal benefit from the bill may be to permit the subsidized carriers to retain a one time gain, since it is very unlikely that the inflated prices which have prevailed in recent months for DC-3's and

DC-4's will continue for very long, or apply to other aircraft. The high price has been caused by the shortage of any small type of transport plane. Neither of these planes have been made since the end of World War II, and up until very recently no aircraft companies have even considered bringing out a replacement.

The most popular replacement is the Friendship 27, now on order by several feeder airlines. This plane will replace the DC-3, and will cost around \$555,000. Other planes to be used by the international airlines which are still on subsidy will cost from \$2,250,000 for the DC-7C, up to \$5 million to \$6 million for the DC-8 and Boeing 70 jet transports.

Note the tremendous difference between the price of the present aircraft and the cost of the replacement aircraft. Even after receiving the benefit of this bill, and being allowed to apply the gains from the sale of the old equipment to the purchase of the new planes, the carriers will still have to borrow an additional \$10 for every dollar they realize from the old equipment before they can buy the new.

It will be apparent why the policy of pre-empting all of the gain above the residual book value seriously hampers the subsidized carrier in attempting to modernize his fleet. It wipes out virtually the only equity which he has to use as a downpayment on the new aircraft. If we continue to strip the subsidized carriers of their equity in their present planes, they will be reluctant indeed to mortgage literally everything they own to buy the new, competitive aircraft. They can keep their old planes and give up trying to improve their financial condition, collect a higher subsidy each year, and not worry about improving their service. I submit that this is not the condition which Congress desires to create.

However, these airlines are more anxious to get themselves off subsidy than we are to have them off, so that they can run their business without constant Government interference and checking on every phase of their operation. When they are off subsidy, they enjoy much more freedom, under a free competitive system. But they have little prospect of getting off subsidy as long as they are hampered by obsolete and uneconomical equipment, and prevented from improving it by the present policy of confiscating capital gains. Unless they improve their efficiency through modern equipment, the annual subsidy will remain with us and probably increase year by year.

The magnitude of the reequipment problem facing our airlines is tremendous. The best estimate by the CAB is that the nonsubsidized and subsidized airlines will be forced to spend to modernize their fleets some \$2½ billion in the next 5 years. The net worth of all these airlines companies today is slightly in excess of \$1 billion.

This is not the first big capital need that has hit the airlines. After World War II, they had to modernize their fleets with DC-6's, Constellations and Convairs. This required large borrowings for this modernization. Then came the im-



proved models of these planes, the DC-7's, and 7C's, the new Constellations and improved Convairs. Still a third conversion to newer and more costly equipment is in the immediate offing.

It is interesting to note how much faster and how much more complete has been the conversion to new and competitive equipment by the airlines who are allowed to reinvest the profits they receive than by those who would have this full profit taken from them.

One of the best illustrations of this problem at the hearings was the case of Allegheny Airlines. Mr. Leslie O. Barnes, president, testified as to their efforts to modernize their fleet by replacement of DC-3's with used Martin 202's. Before this replacement, the hearings reveal, this line had no debt whatsoever. Today, because of their efforts to improve service, they owe \$1 million.

On December 31, 1956, having exhausted their credit lines for financing the purchase of these Martin planes, they arranged a trade. They exchanged two DC-3's and 12,000 shares of stock, worth \$4 a share, for one Martin plane. Under the present interpretation of the law, the CAB will recapture a theoretical profit of \$169,000 on the two DC-3's.

Two airplanes and \$48,000 in stock for one more modern, secondhand plane; and then it will cost them another \$169,000 in cash.

Mr. Barnes said to the committee: "This \$169,000 is admittedly not a great deal of money. It is to us. My further remarks deal with what we would like to do and what we feel we must do to get off subsidy."

Then Mr. Barnes discussed his company's effort to get off subsidy, described the progress of his company which has increased by 80 percent the amount of plane-miles and expanded by 100 percent the seat-miles flown. The subsidy paid has decreased from about 65 cents per mile in 1952 to about 38 cents today.

I feel that everyone will readily agree that the case made by the feeder and territorial airlines—small lines serving small intermediate towns—justifies the change in the law to make clear that they should be allowed to retain their net capital gains, after taxes, if they are reinvested in new flight equipment.

The principal objection raised to this bill in the Senate last year, when it was passed by a 2-to-1 vote, was in the international field.

These international lines compete around the world with wholly owned or completely subsidized airlines of foreign governments. The competition for international traffic is severe—even violent. For many years our international carriers were heavily subsidized.

Gradually, through better planes and better service, this subsidy has not only been drastically reduced, but in most cases entirely eliminated.

For fiscal 1958, the CAB considers only Braniff International to be on subsidy. Based on their present status, this will be the only line outside the small feeder and territorial lines which will receive any benefit whatsoever from this bill. The other international carriers, not being subsidized, can already convert

their capital gains from the sale of their old aircraft into dividends, into reserves, or, as most of them will, into purchases of new aircraft.

Pan American was claimed to have been favored by the bill when it was before the Senate last year. Because we wanted to get the fullest possible facts on the application of the law to this large company, the committee hearings were exhaustive on this score.

According to the testimony of the Vice Chairman of the CAB, Mr. Chan Gurney, a former Member of this body, the Board does not consider Pan American on subsidy for the year 1958. We asked the CAB to specifically check up on the status and reprint in the report the significant parts of Mr. Gurney's testimony.

The testimony related to the subsidy status of Pan American is as follows:

Senator MONRONEY. During the consideration of the bill in both the Senate and House last year, the matter of one airline receiving a lion's share of the benefits under this bill constituted almost the complete consideration on the floor of the House and on the floor of the Senate. Since this bill would not apply to any airline that is not on subsidy at the time the bill is passed, or at the time the equipment is traded in, could you advise me whether Pan American, one of the world's largest airlines, is today on subsidy?

Mr. GURNEY. I have the answer written out, Mr. Chairman. Since October 1, 1956, Pan American has been on a temporary mail rate without any subsidy whatever. This temporary rate is subject to adjustment in the final rate proceeding, retroactive to October 1, 1956.

The carrier is claiming substantial amounts of annual subsidy for its certificated operation. For CAB subsidy purposes, however, the Board advised the Appropriation Committee of each House of Congress this spring that it was the Board's best judgment that on the basis of the latest available information it was proper to assume, for the budget purposes, that Pan American's system would receive no subsidy for fiscal year 1958. Pan American is, of course, entitled to notice and hearing before a final decision is reached by the Board on the question of the final subsidy-rate determination.

Senator MONRONEY. They are entitled to hearing before the Civil Aeronautics Board?

Mr. GURNEY. Yes, sir; before the Civil Aeronautics Board.

Senator MONRONEY. But your decision, then, is final?

Mr. GURNEY. No; it is appealable.

Senator MONRONEY. They can appeal it to the courts?

Mr. GURNEY. Yes.

Senator MONRONEY. In other words, the finding has already been made that, based on the final mail rate that you are paying, that there would be no other payments from the Federal Government to Pan American?

Mr. GURNEY. For 1958, we made that finding already—we haven't made a finding but it is our best estimate, as I have just stated.

Senator MONRONEY. Therefore, if that is the case, the best estimate that you have made, and since you have asked for no money for subsidy, and unless Pan American is able to overturn that calculation in hearings before the Board or before a court, this bill would not apply to Pan American or give them an opportunity to realize anything from the bill unless it is made retroactive?

Mr. GURNEY. Remember my statement, there is no subsidy estimated by the Board for Pan American for 1958. The rate is open from October 1, 1956.

I am also advised that the CAB has not included any amount for subsidy to

Pan American in its budget estimate for fiscal year 1959.

Thus, on the basis of the best information available from CAB, it would appear that Pan American will be able to keep or reinvest its profits from the sale of its obsolete aircraft without any consideration from this bill.

They have, and I wish to make this crystal clear, the right to a review by the CAB and also to an appeal to the courts if they claim they are still entitled to a subsidy on their operations. But unless the findings of the Board are overturned, they will continue to be subsidy free and the bill will have no effect as far as they are concerned.

Again, I want to express my firm belief that this is not only a necessary bill if we are to have a modern fleet of aircraft, but also that it is our best hope of reducing subsidies. We must retire the obsolete and inefficient equipment that these subsidized airlines are flying today.

It is fair in treating all carriers and all businesses alike—in not confiscating the recoveries from the sale of old aircraft and using this once-in-a-lifetime profit as an offset to subsidies they would otherwise be entitled to.

This is a policy decision, that the Congress instead of a Government department should make. If it is in the interest of lowering the cost of our airline subsidies, then we should pass this bill. I sincerely feel, based on our hearings and on the knowledge of the need for new aircraft, that it will not only be in the interest of fairness but also in the long-range interest of economy.

Mr. CARROLL. Mr. President, will the Senator from Oklahoma yield, or at this time does he prefer to continue his statement?

Mr. MONRONEY. I am happy to yield at any time; and I yield with pleasure to the Senator from Colorado.

Mr. CARROLL. Will the Senator explain to me the statement he has made about other subsidized carriers?

Mr. MONRONEY. Well, with respect to the merchant marine, which is the case in point, when a merchant marine steamship line which is subsidized by the Federal Government, sells an old ship and reinvests in a new ship, it is allowed to retain the full capital gains on the sale of that ship, to be applied on the new ship which the company is buying. That is about the only direct subsidy we have in the Federal Government, other than subsidized airlines.

Mr. CARROLL. Is there a comparative standard of need? Do other subsidized carriers have a mail contract that affects the subsidy?

Mr. MONRONEY. The lines are subsidized both for the cost of the ship and for the difference between the cost of operating an American ship—because of the difference between American wage rates and foreign wage rates—and that of operating a foreign ship. I believe I am correct in that statement. I see the chairman of the full committee present.

Consequently, the shipping lines are given direct payments to make up for the higher cost of building ships in this

country in order to keep alive our ship-building industry. They are also subsidized to provide for keeping American seamen on the high seas and making up the difference in cost of operation because of the higher costs and salaries paid to men in the American merchant marine.

Mr. CARROLL. Does the Senator from Oklahoma have other illustrations of the application of subsidies?

Mr. MONRONEY. This is not quite exactly in point, but the junior Senator from Oklahoma was pointing out that in the case of utilities, for example, where real property is sold and capital gains are made, that income does not go into operating income. In other words, the capital gain received is set in a special income fund and not taken into consideration in fixing the rate paid for electricity, gas, or other utility service.

For example, the Washington Gas & Light Co. in this city has in Foggy Bottom some of the most valuable property in Washington. The company has abandoned that property for the use of gas towers and gas tanks. When that property is sold, the company will get many, many millions of dollars; but the sale of that capital asset and the resulting capital gain cannot, under the rate-making procedures, be used to reduce the gas rate of the Senator from Colorado. That income, under the normal rate-making processes, is not considered to be operating income at all.

Mr. CARROLL. Referring to the decision just cited by the Senator from Oklahoma, the Western Airlines decision, which established the basis of need, if the Senate passes the bill under consideration, will it in turn in any way widen the gap in the basis of the determination of need, and overcome the Supreme Court decision on this question, or will it apply only to flight equipment?

Mr. MONRONEY. It will apply only to flight equipment, and then only in the event the money is reinvested in new flight equipment or more modern flight equipment.

Mr. CARROLL. It is not the purpose of the bill to overturn the Supreme Court decision which has interpreted the term "need" under section 406 (b) of the Civil Aeronautics Act?

Mr. MONRONEY. Such income cannot be used for dividend or surplus in any way. It must go into reinvestment in new or modern flight equipment.

Mr. CARROLL. I should like to ask the Senator one further question on that matter. Is there a time limitation within which the money that is derived from capital gain has to be put into re-equipment? How long can the money stay in surplus? How much leeway is given an aviation company to manipulate the money in the fund?

Mr. MONRONEY. The language of the bill provides that it shall be done within such reasonable time as the Board may determine. In other words, the control of how much time the money may remain in the flight equipment fund before it is recaptured by the CAB is up to the Board itself.

Mr. CARROLL. That would be up to the CAB?

Mr. MONRONEY. Yes. Many airplanes are delivered 2 or 3 years after the order is placed. Progress payments are made, but the full amount is not paid until delivery date.

Mr. CARROLL. Does the bill not say something about intent with respect to reinvestment in equipment? What I am searching for is fulfillment of the intent.

Mr. MONRONEY. The bill itself reads:

In determining the need of an air carrier for compensation for the transportation of mail, and such carrier's "other revenue" for the purpose of this section, the Board shall not take into account gains derived from the sale or other disposition of flight equipment if (1) the carrier notifies the Board in writing that it has invested or intends to reinvest the gains (less applicable expenses and taxes) derived from such sale or other disposition in flight equipment, and (2) submits evidence in the manner prescribed by the Board that an amount equal to such gains (less applicable expenses and taxes) has been expended for purchase of flight equipment or has been deposited in a special reequipment fund. Any amounts so deposited in a reequipment fund as above provided shall be used solely for investment in flight equipment either through payments on account of the purchase price or construction of flight equipment or in retirement of debt contracted on and after April 6, 1956, for the purchase or construction of flight equipment, and unless so reinvested within such reasonable time as the Board may prescribe, the carrier shall not have the benefit of this paragraph. Amounts so deposited in the reequipment fund shall not be included as part of the carrier's used and useful investment for purposes of section 406 until expended as provided above.

That provision would prevent the airlines from building up a fund from capital gains, on which they could claim earnings of 8 percent. The money would go into a sterilized fund, so to speak. It would be usable only for the purchase of new equipment. If an airline made \$8 million on a sale, if it were fortunate enough to make that much, the money would be earmarked for reinvestment in new equipment. It must be reinvested in new equipment in such reasonable time as the Board may require. The money could not possibly be used to increase the rate base, because it would not add to the value of the capital equipment until the money was actually reinvested in new equipment. If the money is not reinvested in new equipment, then the Board can recapture the full amount of the capital gains.

Mr. CARROLL. Was there any discussion in committee, from the able Senator's knowledge of this subject, respecting any decisions by the Board as to what constitutes a reasonable time?

Mr. MONRONEY. No; I do not think there has been. I hardly think that could be determined and put in the law, because, for example, the time to produce a DC-3 might have been 3 months in the days when the DC-3's were built. Today the lead time is about 3 years from the time a contract is made until delivery of a DC-6, DC-7, or DC-8. Some of those airplanes have been on order about 3 years. The Fairchild Friendships, which most of the feeder lines are buying, have been on order since before the cutoff date in the bill, April 6, 1956.

Mr. CARROLL. The Senator has been most helpful. That was one point which was giving me concern, and it was due to lack of knowledge of this subject.

Let us assume that the DC-3's were sold under a contract for what they call the F-27's.

Mr. MONRONEY. Yes.

Mr. CARROLL. It might require several years for delivery. The capital gain received from the sale of the DC-3's would be put into a fund.

Mr. MONRONEY. That is right.

Mr. CARROLL. That fund would gather until they were ready to make payment for the F-27's.

I think we ought to get this fact in the Record. Could that fund be used for any purpose other than reequipment?

Mr. MONRONEY. For no other purpose whatsoever. It cannot even be used as a rate base, or for anything else.

Mr. CARROLL. Could that fund be used as a pledge or as collateral for business loans or for other types of equipment?

Mr. MONRONEY. It could not.

Mr. CARROLL. It is for this specific purpose?

Mr. MONRONEY. Whenever it leaves the funds for reequipment it is subject to being recaptured by the Civil Aeronautics Board and applied to a reduction of subsidies that the line would be earning.

Mr. DOUGLAS. Mr. President, will the distinguished Senator yield to me?

The PRESIDING OFFICER (Mr. HOLTZELL in the chair). Does the Senator yield to the Senator from Illinois?

Mr. MONRONEY. I am happy to yield to my distinguished colleague, the Senator from Illinois.

Mr. DOUGLAS. May I inquire whether under the terms of the bill the capital gain would be used to increase the subsidy which otherwise would be paid?

Mr. MONRONEY. Under the terms of the bill the capital gain will go into the reinvestment fund for new equipment.

Mr. DOUGLAS. Right.

Mr. MONRONEY. Therefore, the airline would not suffer the expropriation of the value of its airplane, which is done under the current procedure of the Board.

Mr. DOUGLAS. And the subsidy paid by the Government would be correspondingly greater?

Mr. MONRONEY. The subsidy paid by the Government would be correspondingly greater in that particular amount.

Let me say to the able Senator from Illinois, who I know is a great economist, that unless these feeder airlines particularly are equipped with something besides the old workhorse, the DC-3, they will forever be on subsidy, and the subsidies will continue to go higher, because one cannot, with a full 100-percent load, operate a DC-3 under today's operating cost and possibly come out in the black. It is impossible to get that many people on a DC-3, so unless one can get modern equipment, 50-passenger planes for heavy density runs, we shall have to content ourselves with a continuing, increasing subsidy.

Mr. DOUGLAS. Is it not true that the cost of the so-called DC-3 will already have been retired, either out of



rates or out of subsidies, so that in effect such a procedure would be a clear gain for the company? While it may result in the purchase of new equipment, it also will result in a higher future cash subsidy from the Government, is that not true?

Mr. MONRONEY. It would not do that at all, because the purpose of the bill mainly is to see that the airlines re-equip with modern equipment, which will work them off subsidy. We can only be sure of their remaining on subsidy, at a higher and higher cost, by forcing them to stay with the DC-3's.

Let me give the Senator an illustration, which came up at the time we discussed the bill last August 16. The DC-3 was then selling for \$125,000. Those planes were built either before or during World War II. They are all from 10 to 15 years old. Obviously they have been depreciated in value. The planes cost most of the airlines in the beginning around \$40,000, and they have been written down to about \$20,000. That is the amount carried on the books as the rate-making base.

If we desire to permit the law to stand as it stands today, Central Airlines or the Lake Central Airline, which serve the Senator's area—

Mr. DOUGLAS. And Pan American.

Mr. MONRONEY. We will go into a discussion of Pan American later. They are not on subsidy. All of the testimony in the hearings was that Pan American is not entitled to a subsidy, in the opinion of the Board.

I would be happy to discuss this matter fully with my distinguished friend, who is always fair in these matters. I will refer him to the hearings, if he has read them, and to the fact that every aspect of the Pan American situation was put in neon lights.

I have no higher regard for Pan American than does the Senator from Illinois. I have not found them to be co-operative with smaller airlines in any degree. I resent their use of the power that comes from their dominating position. I have said so often in the committee hearings.

Everyone who has had the benefit of the hearings knows the committee has gone into this matter as fully as possible, and as far as we can determine the facts they are in the hearings. If the Senator has read the hearings, I think he will recall that on almost every page there were searching questions to ascertain if Pan American would claim any part of the benefits of the bill under the present conditions.

Mr. DOUGLAS. It is perfectly true, of course, that Pan American is not now on subsidy, but that is not a final decision and there are rumors it may shortly be compelled to go back on subsidy. If that should happen, is it not true that the capital gains which Pan American will make on the sale of planes and equipment will operate to keep up that subsidy, which otherwise would be diminished?

Mr. MONRONEY. Let me say to the distinguished Senator that all Pan American has to do to retain all their capital gains now, when they are off subsidy, is to sell the aircraft and take

the capital gain. They can get rid of all the equipment today. The equipment will probably bring a higher price this year than it will next year. If Pan American wants to clean this equipment out they can accomplish that without the provisions of the bill. Since they are off subsidy, they can sell the equipment. If they go back on subsidy, they will be entitled to the same treatment as will be afforded the little feeder airlines and others.

There is no major domestic trunkline on subsidy today. We are talking primarily about the feeder lines. I think only one international carrier is on subsidy, and involved in the bill. That is Braniff in the South American operations. The other international airlines are not on subsidy.

Unless the Board reverses itself, or unless the court reverses the Board in its decision, Pan American is not on subsidy. Therefore, Pan American could sell the total amount of the equipment, and they would not have to reinvest a penny. They could disburse that amount in dividends to their stockholders.

It is the subsidized airline which must take its capital gain which we still keep tied up with strings and to whom we say, "You have to reinvest this or else the Board will take it away from you."

Mr. DOUGLAS. May I ask a question of my good friend, the Senator from Oklahoma, who is always courteous, accurate, and public spirited in his arguments and in his conduct as a Senator? Is it not true that if Pan American were to sell those aircraft while off subsidy, and realized a large capital gain, and were later compelled to go back on subsidy, then the fact that the capital gain had been taken would operate to increase the subsidy which otherwise would be paid? Is that not correct?

Mr. MONRONEY. Any airline is involved in this. American Airlines is a big purchaser of the Boeing 707's. We could consider United or TWA or any of the airlines. The bill applies to all of them, because, whatever the base of new equipment is, they are going to be entitled to 8 percent or 6 percent or whatever the base is.

Mr. DOUGLAS. Is it not probable that American Airlines will stay off subsidy?

Mr. MONRONEY. I would not guarantee that for a minute. Under the Republican prosperity we are having I would not be surprised.

Mr. DOUGLAS. I join with the Senator in his skepticism about the extent of the Republican prosperity, but I thought American Airlines was somewhat better "heeled" in this respect than some of the other lines, and that therefore there was less danger of it.

Mr. MONRONEY. The Senator will be interested to know that the rate of return on investment of most of the lines, as I believe the chairman of the full committee mentioned this morning, is 1½ percent. The Senator can see that is a pretty narrow margin.

What the Senator is saying is that if we are afraid later on Pan American may go back on subsidy and thus be entitled to a higher-rate base it would discourage us from encouraging the pur-

chase of modern equipment for any American airline.

I do not mean Pan American. I mean any American-flag line. I know that it is not the Senator's economic theory that we should retain a cheap, inefficient, run-down plant. If an airline has a big plant, it is entitled to greater earnings on the additional investment. We want modern aircraft. We want to keep the aircraft industry alive with the most modern machines of today, which we think will finally afford the greatest opportunity to pay dividends and get the airlines off subsidy.

Mr. CARROLL. Will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. I observe from the hearings that Frontier Airlines has a commitment for a \$2 million loan for the purchase of four Convair 240 aircraft. Frontier is now flying DC-3's. If it sold the DC-3's, it could use the capital gain to apply on the debt with respect to the Convairs, and that would not affect its subsidy.

Mr. MONRONEY. That is correct; but if Frontier, under the present machinery of the Board, decides to sell its DC-3's, and if the price is \$125,000, which it was when the hearings were held, the Board will keep \$100,000, and Frontier will have only the depreciated book value \$25,000 to apply on the purchase of the Convairs. We are still dealing with used planes, but because of the holding of the CAB, the \$100,000 in capital gains would be seized by the Civil Aeronautics Board because over the years the price of the planes has been written down to \$20,000.

The \$100,000 would be seized by the Civil Aeronautics Board, reducing the subsidy by that amount, which would mean that the airline would actually receive only \$25,000 from the sale of a \$125,000 plane.

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

Mr. MONRONEY. I yield.

Mr. CARROLL. Again my lack of experience and knowledge in this field handicaps me. Who handles the money for the subsidy? Does the CAB handle the money? Congress appropriates it, but who makes the determination?

Mr. MONRONEY. The Civil Aeronautics Board.

Mr. CARROLL. How much is the subsidy for the next fiscal year?

Mr. MONRONEY. The distinguished chairman of the full committee, Mr. MAGNUSON, could probably give a more accurate figure than I could. I have the figure here somewhere.

Mr. MAGNUSON. Let me say to the Senator from Colorado that up until approximately a year and a half ago the Post Office Department paid the subsidies, and the money was appropriated to the Post Office Department on the basis of subsidies for carrying the mail. Since the trunklines have been getting off subsidy, and longer contracts have been made with the airlines to carry the mail, the administration of the operation has been transferred to the CAB itself. It determines the subsidies under a formula of operating costs received periodically from the airlines. I have

not the figure for last year, but I will furnish it for the RECORD.

Mr. MONRONEY. As I recall, the figure was about \$39 million, \$27 million of which went to the feeder airlines.

Mr. MAGNUSON. I shall furnish the exact figures for the RECORD. The amount has been running between \$32 million and \$38 million or \$39 million a year for all the airlines involved.

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

Mr. MONRONEY. I yield.

Mr. CARROLL. I remember the splendid fight made by the distinguished Senator from Oklahoma last year when we enacted Public Law 307. I remind the Senator of the problems of the Frontier Airlines. It needed new equipment to operate more efficiently in the mountains.

Mr. MONRONEY. In order that the pilots and passengers may be safe, pressurized equipment is necessary. Otherwise a pilot might black out at an altitude of 15,000 feet. Such altitudes are frequently encountered in Idaho, Utah, and Colorado. Obsolete equipment is not only expensive and wasteful, but it is dangerous. It is only because of skilled pilots that Frontier, Bonanza, and other mountain airlines have been able to maintain such a fine safety record.

Mr. CARROLL. I have been very much impressed with the wise questions put by the distinguished Senator from Illinois, and the very fine answers given by the Senator from Oklahoma. I, too, have been disturbed about current reports as to how the proposed legislation would affect some of the large trunk lines if they were to go on subsidy. This is a question involving perhaps a great sum of money. The question is how it is to be used, and by whom, and who will be the direct beneficiaries of the proposed law. Have we a record of the airline companies, showing how they would benefit under the proposed program? Has such information been placed in the RECORD?

Mr. MONRONEY. That information has been placed in the RECORD.

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

Mr. MONRONEY. I yield.

Mr. MAGNUSON. The problem will take care of itself. It will eventually run itself out. The old equipment which could be sold is rapidly diminishing. The number of aircraft available and the market for such aircraft are rapidly diminishing. So the question of old equipment will eventually solve itself. With the coming of jet equipment, I do not know whether some of these planes could be resold, in view of the fact that airplanes are now being manufactured in every country in the world. If any trunkline wished to go back on subsidy—and it seems to me that any remote possibility of such an event would have to be determined by the Board—it would be too late. The trunkline would have to go into the market and buy airplanes. The procedure contemplated by the bill is merely an exchange of old equipment, involving mainly DC-3's, the price of which has gone down. The only place where most of

such equipment could have been sold was in the South American countries. All countries are now back in the business of manufacturing aircraft, following the war, and there is not much opportunity for making sales. Most of the airlines in the world are operated by the respective governments, and they are making their own aircraft.

Mr. MONRONEY. Let me give an illustration. In the hearings will be found complete data, compiled by the Air Transport Association, as to the anticipated sales and replacements of obsolete aircraft between 1956 and 1960. That information is found on page 35 of the hearings. The compilation shows the numbers and types of the various aircraft. The information was obtained by circularization of the subsidized airlines. The compilation shows the numbers and types which might possibly become available. At that time Pan American was on subsidy, so it is included in the compilation, although it is not covered by the terms of the bill, because of its unsubsidized condition. However, when these statistics were compiled, it was on subsidy and was included.

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

Mr. MONRONEY. I yield.

Mr. DOUGLAS. The estimated net capital gain was \$67,276,000.

Mr. MONRONEY. That is correct. That is the total exposure as of August 24, 1957, on the assumption that every used aircraft of every subsidized airline was traded in, and brought the then-prevailing prices.

We made a survey of the airlines on the basis of the price of the equipment today, and what it is bringing on the market. Instead of a DC-3 being worth \$125,000, as it was in August of last year, it is worth \$80,000 or \$85,000 today. A DC-4, which was worth \$400,000 at the time of our hearings, is worth around \$250,000 today.

So, recapitulating the current prices, if Pan American were included—which it is not—and if all the obsolete airline planes were sold within the next 2 years, the total exposure would be \$47,320,000. The value of the aircraft has gone down to the extent indicated by the figures which I have given.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the original table, as printed in the hearings.

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

TABLE 5.—Net capital gains from sale of aircraft for the period 1956-60 as estimated by the subsidized airlines

[Money items in thousands]

Type aircraft	Number owned at Dec. 31, 1955	Number estimated to be sold	Estimated gross selling price		Less		Estimated net capital gain
			Per unit	Total	Residual values	Capital gains tax, at 26 percent	
DC-6B.....	49	19	\$1,400	\$26,600	\$3,719	\$5,949	\$16,932
DC-6.....	16	12	1,100	13,200	1,219	3,115	8,866
L-049.....	8	6	720	4,320	833	907	2,580
B-377.....	26	19	800	15,200	4,884	2,682	7,634
DC-4.....	33	25	440	11,000	1,149	2,562	7,289
M-202.....	7	5	280	1,400	129	330	941
CV-340.....	36	27	440	11,880	1,929	2,587	7,364
CV-240.....	9	7	380	2,660	347	601	1,712
DC-3.....	248	186	100	18,600	1,089	4,553	12,958
Total.....	432	306		104,860	15,298	23,286	66,276

Source: Joint exhibit No. 30 submitted by the subsidized airlines in the capital gains proceeding, docket No. 7902.

Mr. MONRONEY. I now ask unanimous consent to have printed in the RECORD at this point the revised table as of February 1958.

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

Net capital gains from sale of aircraft for the period 1956-60 as estimated by the subsidized airlines: Revised table as of February 1958

[Money items in thousands]

Type aircraft	Number owned Dec. 31, 1955	Number estimated to be sold	Estimated gross selling price		Less		Estimated net capital gains
			Per unit	Total	Residual value	Capital gains at 26 percent	
DC-6B.....	49	19	\$1,250	\$23,750	\$3,719	\$5,182	\$14,749
DC-6.....	16	12	750	9,000	1,219	2,023	5,758
L-049.....	8	6	550	3,300	833	641	1,825
B-377.....	26	19	400	7,600	4,884	706	2,010
DC-4.....	33	25	275	6,875	1,149	1,489	4,237
M-202.....	7	5	180	900	129	200	571
CV-340.....	36	27	400	10,800	1,929	2,306	6,565
CV-240.....	9	7	300	2,100	347	455	1,298
DC-3.....	248	186	80	14,880	1,089	3,585	10,206
Total.....	432	306		79,205	15,298	16,587	47,320

Source: Joint exhibit No. 30 submitted by the subsidized airlines in the capital-gains proceeding, docket No. 7902. Reproduced in hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, U. S. Senate, 85th Cong., 1st sess., on S. 1753 and H. R. 5822, at p. 35. Revised by reflected estimated market values of aircraft as of February 1958.



Mr. MONRONEY. Mr. President, by delaying on the pending bill, which we have been doing because a great many people did not want to see it passed last year, we have cost these little airlines just about \$20 million in the value of their airplanes, because they could not sell them or did not want to sell them until Congress allowed them to put that money in a reequipment fund.

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

Mr. MONRONEY. I yield.

Mr. CARROLL. Based upon the Senator's knowledge of the industry, and as a result of the hearings, has he found that the feeder airlines are adding new equipment?

Mr. MONRONEY. They are very anxious to add new equipment. They are big purchasers of new equipment in many cases. I would be glad to put all the information on equipment in the Record, if the Senator wishes me to do so. I may say that all of them have gone forward with their orders for new equipment. They just do not have the cash to swing contracts for new equipment unless they can regain the capital gains.

Mr. CARROLL. In other words, some of the feeder lines do not have the capital with which to make the downpayment. Is that correct?

Mr. MONRONEY. Of course not. Let me give the Senator a typical case, about which there was testimony before our committee. A great many people think this is just another way of fattening already fat feeder airlines. I should like to have Senators listen to these figures. I cited the case of the Allegheny Airline. That is a little feeder airline which flies over the Allegheny Mountains. It has developed a high degree of competent service. The Allegheny Airline would realize, from the passage of the bill, a capital gains retention—instead of it being seized by the CAB—of \$169,000. This gain was realized by Allegheny only on paper, however. Here is the way it happened. The line had to have new equipment. It wanted to buy a used Martin 202, which is a 40-place aircraft, and a faster aircraft than they are using now. It would help them to work themselves off subsidy.

Allegheny Airlines wanted to buy one Martin 202, which was given up by Eastern Air Lines, because it was not modern enough for Eastern. They had to give two DC-3's for the Martin 202, plus putting up 12,000 shares of stock worth \$4 per share. They now own one airplane as a result of the transaction.

If they cannot retain their "capital gain," although there was no money that changed hands, they are held to have received \$169,000 gain on the two DC-3's. That will be deducted from their subsidy allowance from the CAB.

That is just how this thing works. They traded two DC-3's and 12,000 shares of stock for one Martin 202, because it would be better equipment for them and they would be able to work their way off the subsidy. As a result they will have to forego \$169,000 in subsidy.

Mr. CARROLL. In other words they have to put up all that collateral, not-

withstanding the bill that we passed last year?

Mr. MONRONEY. That was done before the bill was passed. The transaction I refer to occurred in December 1956.

Mr. CARROLL. In other words, the bill we passed last year would not change the situation?

Mr. MONRONEY. It would help them, of course, because it would reinsure the loan. In other words, if a private financier were to make the loan, it would reinsure that loan up to a certain point.

Mr. CARROLL. Then it is the Senator's opinion that we ought to give the feeder lines the opportunity to which the Senator has referred, which would change the situation in this particular field. Is that correct?

Mr. MONRONEY. Absolutely.

Mr. MAGNUSON. The 90 percent bill we passed last year has had little or no effect on financing in this field. I do not know why that should be. We tried the same basis in connection with the merchant marine, and it has no effect there either. The lines just cannot get the money for their airplanes. The manufacturers demand a rather stiff downpayment. It is not possible to buy the planes on long-term installment arrangements. The result has been that the airlines have not been able to finance themselves in these particular cases.

Another factor is added. With the high interest rates involved, an additional cost is added to the operating expense, and that adds to the subsidy.

I should like to give one example. There is a little airline in my part of the country, the Alaska Airlines, which flies to Fairbanks, Alaska. The Alaska Airlines have been negotiating for perhaps 9 or 10 months in an attempt to get new planes. A bank said it would lend 50 percent of the money, but at a pretty high interest rate. I do not remember the exact rate. The CAB was asked to approve the loan, but the CAB turned it down. Apparently even the CAB was not impressed with the financing features of the guaranty.

That has been the result so far as the small airlines are concerned. I may say that I have the figure for last year. The figure last year was \$40,750,000 for all airlines. The domestic trunklines got approximately 1 million. Local service operations received \$26 million; helicopters, \$3 million; Alaskan operations, \$5 million; Hawaiian operations, \$215,000; international operations, \$3,574,000. That is the way the figure is broken down, approximately.

Therefore the bulk of the subsidy—and this has been true for some years—goes to the small feeder airlines. That has been my experience since I have served on the Committee on Appropriations.

Mr. CARROLL. Whatever loss is sustained by virtue of the capital-gains proviso, would that be spread over a period of years?

Mr. MONRONEY. I do not quite follow the Senator's thought on that question.

Mr. CARROLL. I had reference to the statement which I understand the distinguished Senator from Oklahoma made, to the effect that the benefit of the provisions of the pending bill would be spread over a long period of time.

Mr. MONRONEY. They would be effective with the passage of the bill. The returns from the sale of aircraft would be put into the investment fund. Anticipating the passage of the bill, many of the feeder airlines have ordered aircraft. The bill would apply to any purchases of planes that have been made since April 6, 1956.

Mr. CARROLL. I understand. Perhaps I did not make myself clear. There will undoubtedly be a loss, because when a benefit is extended, it will affect the subsidy the airline will receive.

Mr. MONRONEY. If the airlines make more money by way of income, and they can operate their planes cheaper, they can, in that way, work themselves off their subsidy.

Mr. CARROLL. Of course, I am assuming they are on subsidy. If they do not apply capital gains to income, that would affect the subsidies, would it not?

Mr. MONRONEY. It would be no more than they are making now. In fact, it would be less subsidy that would be required, because their earned income would be going up. Certainly the subsidy would not be more.

Mr. CARROLL. Let us assume \$1 million worth of capital gains after taxes. That amount would be treated as income. On that basis they might not get as much subsidy.

Mr. MONRONEY. Under the bill it would not be treated as operating income. It is not so treated in any other type of utility or in the merchant marine.

Mr. CARROLL. I am talking about the situation that exists today, under present law.

Mr. MONRONEY. Under present law the capital gains are all seized by the CAB, and the airline does not get anything, except the residual value of the airplane, which is very small. In other words, why would an airline ever bother to sell a plane for \$125,000 or \$80,000 if it is going to lose it all?

Why should airlines make any endeavor along that line? They have said to us, "You want us to work ourselves off the subsidy. What incentive do we have? If we sell a plane in order to get new equipment, you take all of the proceeds." It is interesting to note that not one dividend has been declared by any feeder airline.

Mr. CARROLL. The capital gains, then, might be used to offset the subsidy payment. If we pass the pending bill the contracts for the purchase of airplanes could be fulfilled over a period of 3 or 4 years, perhaps. Is that correct?

Mr. MONRONEY. That is correct. It would be years before all these planes that are now on order would be delivered.

Mr. CARROLL. So that any loss in revenue that might come from the Government would be spread over a long period of time.

Mr. MONRONEY. Three years or more.

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

Mr. MONRONEY. I yield.

Mr. WILLIAMS. Mr. President, am I correct in understanding that the passage of the bill would in no way affect any airline which is not now or will not be under a subsidy?

Mr. MONRONEY. I will say to my distinguished friend from Delaware that it can have no effect on an airline that is not on a subsidy now, because such an airline can keep all its capital gains after it has paid 26 percent in taxes.

Mr. WILLIAMS. But if this bill is enacted the Government, in computing the subsidy, which is around 8 percent on investment, will take into consideration the earnings the company might have made in the sale of equipment.

Mr. MONRONEY. The bill would make it correspond to the merchant marine subsidy. It would make it correspond to the ratemaking practices in respect to utilities, where the capital gains are not used as operating income to lower the rate base.

Mr. WILLIAMS. Utilities are in a different category, because they are not subject to subsidy in ratemaking.

Mr. MONRONEY. A utility is guaranteed a 6 percent return, so we arrive at the same place as we do when we guarantee a 6 percent return to an airline.

Mr. WILLIAMS. Is it not true that to the extent a company which is on subsidy, if it makes a million dollars in capital gains in X year, with the passage of the bill the subsidy payment by the Government would be \$1 million more than it would be without the bill?

Mr. MONRONEY. A company making a million dollars?

Mr. WILLIAMS. Suppose a company makes a million dollars through the sale of used equipment during X year.

Mr. MONRONEY. A subsidized airline?

Mr. WILLIAMS. A subsidized airline. If the bill passes, that company will get \$1 million more than it would without the passage of the bill.

Mr. MONRONEY. Only if it reinvests in new equipment.

Mr. WILLIAMS. That is true; but it would get \$1 million.

Mr. MONRONEY. But that money may not be used for dividends. It cannot be used for any other purpose than for reinvestment in new equipment.

Mr. WILLIAMS. The company could use it for reinvestment in new equipment, but could use some of its other money for the payment of dividends. So how could it be known which dollar was which?

Mr. MONRONEY. In the first place, if the company is paying dividends, it goes off subsidy.

Mr. WILLIAMS. Not necessarily. I understand, even with a 6-percent or an 8-percent return, the company can still pay dividends.

Mr. MONRONEY. The Government makes up the difference between 2 percent or 3 percent—

Mr. WILLIAMS. And the 6- or 8-percent return on investment?

Mr. MONRONEY. That is correct.

Mr. WILLIAMS. This would increase the subsidy. As I understand the principle of the bill, it is that the capital gains made from the sale of used equipment will not be taken into consideration when computing the subsidy.

Now, suppose there is a capital loss. Suppose the company loses money on the sale of this secondhand equipment. Suppose a plane is lost or destroyed. We have heard of situations in which secondhand equipment has been sold for less than the depreciated value. How does the bill deal with that situation? Under the bill you mention only the exclusion of gains but apparently losses would be includible.

Mr. MONRONEY. That is where the unfairness of the law comes into play. There is no case today, according to our research, in which the Civil Aeronautics Board has ever given any credit to the subsidized airline if there is a loss on capital equipment.

Mr. WILLIAMS. Has the Senator found any cases in which the Board has denied the exclusion of capital losses?

Mr. MONRONEY. Yes; I think there is.

Mr. WILLIAMS. Can the Senator cite it?

Mr. MONRONEY. I think I can find it in the hearings.

Mr. WILLIAMS. Then, do we have the understanding that capital losses, as well as capital gains, would be denied? Is that the intention of the bill?

Mr. MONRONEY. The Civil Aeronautics Board has never taken into consideration the payment of capital losses.

Mr. WILLIAMS. And the Civil Aeronautics Board has never taken into consideration the payment of capital gains. They now insist that capital gains be included in the computation of subsidies. If we pass the bill, then, as I understand, we will be overriding the precedents of the Civil Aeronautics Board and will be establishing a new policy whereby they will be excluded.

Mr. MONRONEY. Oh, no. The Senator should read the hearings.

Mr. WILLIAMS. I have.

Mr. MONRONEY. Under the date of April 6, 1956, the Board began reconsideration of a longtime policy in which a subsidized airline on a closed rate could keep all of its capital gains, just as can a nonsubsidized airline.

Mr. WILLIAMS. If that is the present rule, why pass the bill?

Mr. MONRONEY. I do not believe in turning over to bureaucracy the control of policy that should be decided by Congress. I do not believe any examiner in the Civil Aeronautics Board has as much judgment as has the Senator from Delaware, the Senator from Illinois, the Senator from Ohio, the Senator from Oklahoma, or the Senator from Washington. I do not believe in turning over policymaking matters to a board downtown which says, "We simply are not competent to write policy."

Mr. WILLIAMS. But the Board has already ruled that capital gains are to be included in the computation. On page 9 of the hearings, Mr. Gurney, Chairman

of the Board, was testifying. I read from his statement at the bottom of page 9:

Inasmuch as the Board will be required to pass upon these matters in docket No. 7902, I am sure you will readily understand why the Board should not take a position at this time on the substance of the proposed legislation.

In other words, they say they are again about to rule on this question. He goes on in his testimony and says he cannot take a position either for or against, because he thinks it would be improper to do so until such time as the Board has made a ruling. This testimony was in August. Have they made the ruling?

Mr. MONRONEY. No; they are still "fiddling around."

Mr. WILLIAMS. I thought the Senator from Oklahoma said the Board has ruled.

Mr. MONRONEY. No; I said they had changed their position on April 6, 1956, and had reopened the question as to carriers, on both open and closed, mail rates. This meant that the airlines which had been allowed to retain their capital gains, if they were on a subsidy and a closed mail rate, were no longer able to retain their capital gains.

The matter is grinding away in the CAB, in the absence of a policy decision by Congress.

What the bill seeks to do is to have Congress make the policy decision. In the hearings—and I think I can find the statement in a minute—Mr. Gurney said that he thought this was a policy matter.

Mr. WILLIAMS. I think that is correct. Mr. Gurney testified that it was a policy matter. But, as the Senator said, if capital gains were to be excluded from the computation of the subsidy, it would have the indirect effect of raising the subsidy.

Mr. MONRONEY. Momentarily.

Mr. WILLIAMS. Momentarily. Would it be the intention of the committee to have the bill amended to provide clearly that neither capital gains nor capital losses would be taken into consideration on all cases in the future?

Mr. MONRONEY. I would have no objection. They have never taken a loss. Let me read a statement on this subject which, I think, is quite illustrative:

#### CAPITAL LOSSES

Capital losses occur infrequently and are excluded from subsidy computations when due to mismanagement or inefficiency. A chart appearing in the July 9, 1956, CONGRESSIONAL RECORD (vol. 102, pt. 9, p. 12129) shows the total of capital gains used to reduce subsidy payments and capital losses underwritten with subsidy for a 5-year period covering 1951 through 1955. Out of a total of \$21,900,790, capital losses accounted for only \$22,300. These losses were sustained wholly by small feeder lines or local service companies, viz: Helicopter, New York, Alaska Airlines, Alaska Coastal, Cordova, Wien, and Trans Pacific.

In 1956, our predecessor bill (S. 3449) contained a provision which would forbid the Board to make up capital losses on sales of flight equipment as well as to ignore capital gains. We removed it at the specific request of the Board staff. Mr. Fitzgerald, Chief of the Bureau of Air Operations, strongly recommended that during our hearings. (See p. 30 of 1956 hearings.) He said it would penalize small feeder and local service lines



unnecessarily. Our report that year mentioned that. (See pp. 1 and 2 of S. Rept. 2105 on S. 3449.)

Hence, capital losses are such a minor matter on the whole picture, but of possible importance to small airlines, little good would be done in excluding them from subsidy computations. However, some harm might be done to the small feeder lines.

Mr. WILLIAMS. Would the Senator have any objection, on page 3, line 1, after the word "gains," to inserting "or losses," so that we could clear up this question? Why work it as a one-way street with the Federal Government?

Mr. MONRONEY. Would the Senator from Delaware then agree that the bill is a fair one, and help to support it?

Mr. WILLIAMS. I should say the bill would be much fairer.

Mr. MONRONEY. I am asking if the Senator would then support the bill. I would perhaps be willing to go along with the Senator, although I think it is an insignificant matter.

Mr. WILLIAMS. It depends on other factors of the bill. We are now dealing with this particular question. The Senator has said it was not the intention of the committee that this be a one-way street, in which the Government would ignore the profits in their computation but that the Government would assume the loss when there is a loss. I know that in the resale of secondhand equipment, very often the losses exceed the profits.

Certainly it cannot be the intention of the committee that the Government underwrite all the losses and then neglect to recapture the extra profits.

Mr. MONRONEY. Nor do we anticipate such effect. If we do not pass the bill, the losses may exceed the profits again. The airlines will be lucky to get \$20,000 for their DC-3's.

Mr. WILLIAMS. I wonder if the Senator from Oklahoma would be willing to go along with this proposal.

Mr. MONRONEY. The last time the bill was before the Senate, the principal objection of the Senator from Delaware was that the requirement that the capital gains be used for the purchase of new equipment was not copper-riveted enough. The committee spent days and days to copper-rivet the bill so as to satisfy the Senator from Delaware that every dollar would be used for the purchase of new equipment and would not be spent for dividends. If the Senator wants the other provision in the bill and would then be willing to support the bill, I would have no objection to including it.

Mr. WILLIAMS. I will support that change in the bill. But there is another question about section 2. I notice that the House rejected section 2 which is the retroactive part of the bill. Much has been made about the action taken by the House in passing the bill by unanimous vote. As I understand, the House passed by unanimous vote the bill without section 2. The House rejected the provision providing for retroactivity to April 6, 1956.

Mr. MONRONEY. That is correct, except that the date in the House bill was January 1, 1956. Does the Senator from Delaware take the position that all the feeder airlines which have this

equipment on order should not be allowed to apply the amounts of any gains to the purchase price of the equipment they already have ordered?

Mr. WILLIAMS. I would not support the retroactive feature of the bill. I certainly do not believe this retroactive feature should be included, inasmuch as it would make it possible for these airlines to appeal to the Board for greater retroactive subsidies. They are getting enough now.

Mr. MONRONEY. No, the Senator from Delaware must remember that airplanes must be ordered years in advance. The companies should have the right to apply this amount of money to the orders.

Mr. WILLIAMS. The Government now guarantees 90 percent of the cost, under a bill which was passed last year. Let us stop kidding ourselves. This provision would allow Allegheny Airlines and all others to receive retroactively the benefits of the bill being considered today.

Mr. MONRONEY. But the Senator from Delaware certainly would not want to require Allegheny Airlines to lose the \$169,000 to which it otherwise could be entitled.

Mr. WILLIAMS. I am not singling out Allegheny Airlines or any other airline. I do not think any of them are entitled to larger subsidies.

Mr. MONRONEY. I understand that.

Mr. WILLIAMS. Is it not true that the House rejected the retroactive provision?

Mr. MONRONEY. I am not sure to what extent it was considered. I understand that the bill was passed by the House of Representatives by unanimous consent.

Mr. MAGNUSON. And the House of Representatives left the date wide open.

Mr. WILLIAMS. The bill as passed by the House of Representatives will be effective at the time of its enactment; that will be its effective date.

Mr. MONRONEY. That is possibly correct. There is some question. But would the Senator from Delaware desire to eliminate all the feeder airlines that have been so progressive and so effective?

Mr. WILLIAMS. The point I now make is that the retroactive provision was rejected by the House of Representatives.

Mr. MONRONEY. As the bill was passed by the House of Representatives, there would be no time limitation on the new equipment which could be purchased with capital gains; for instance, equipment purchased in 1954 could be included.

Mr. WILLIAMS. Where in the bill as passed by the House of Representatives is such a provision to be found?

Mr. MONRONEY. The House did not provide for any limiting date.

Mr. WILLIAMS. In the absence of such a provision, is it not true that a law becomes effective only upon its enactment?

Mr. MONRONEY. If a definite date were specified, it then could be said that planes purchased before then would not be eligible for such treatment.

Mr. WILLIAMS. The committee's intent is perfectly clear. The committee report itself shows that the committee voted to include section 2, in order to make the provisions retroactive to April 6, 1956. That was not a part of the House bill.

Mr. MONRONEY. But the Senator from Delaware is confused as regards capital gains made after the passage of the act. Under the provisions of the bill as passed by the House of Representatives, such gains could be applied to contracts for the purchase of equipment made even before 1954.

Mr. WILLIAMS. Where is such a provision to be found?

Mr. MONRONEY. The bill as passed by the House of Representatives provides for setting up the fund.

Mr. WILLIAMS. That is correct, but where is there any retroactive feature in the House bill?

Mr. MONRONEY. But my staff informs me—I myself am not a lawyer—that it does not limit the expenditure of such funds to equipment purchased on or after April 6, 1956.

Under the terms of the bill as passed by the House of Representatives, this provision could be applied to equipment which the airlines already had purchased.

The purpose of the bill is to enable the airlines to obtain new equipment.

Mr. WILLIAMS. All the testimony given before the committee, as I have read it, was to the effect that the purpose of including this provision—section 2—was to make it retroactive. While I disagree with that suggestion, certainly that was the intent of the committee.

Mr. MONRONEY. The purpose was to eliminate hardship to feeder airlines, such as Allegheny, which otherwise is going to lose 2 DC-3's and 12,000 shares of stock and \$169,000 which is already has paid on the purchase price of 1 used Martin 202.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. PROxmire in the chair). Does the Senator from Oklahoma yield to the Senator from Pennsylvania?

Mr. MONRONEY. I yield.

Mr. CLARK. I am interested in the retroactive feature, but not because I want to see a private bill passed for the benefit of Allegheny Airlines, for, as I understand, not only the retroactive provision but all the other provisions of the bill would apply to the airlines generally.

Mr. MONRONEY. I have referred to Allegheny Airlines only because of its attempts to purchase new equipment.

Mr. CLARK. Of course, Allegheny Airlines primarily serves small cities in the Commonwealth of Pennsylvania. Our Commonwealth was very greatly in need of the service of Allegheny Airlines when it was established there, to provide for the first time what might be called puddle-jumping service between Erie, Williamsport, Harrisburg, Allentown, Reading, and other cities of comparatively small size. If Gifford Pinchot's roads took the Pennsylvania farmers out of the mud, certainly Allegheny Airlines has made it unnecessary for our

businessmen to drive their automobiles over miles and miles of icy roads during the winter.

Mr. MONRONEY. Allegheny Airlines is one of the most progressive airlines; and, as may be seen by reading its statement, it is fighting very hard to purchase new equipment.

Mr. CLARK. I am glad to hear the Senator from Oklahoma say that. I believe Allegheny Airlines is entitled to the subsidy, and is entitled to the additional subsidy which will be received if April 6, 1956, is established as the effective date.

Let me ask the Senator a question: What is the logic behind the selection of that date?

Mr. MONRONEY. It is the date on which the Civil Aeronautics Board reopened its former practice of allowing subsidized airlines with closed mail rates to keep their capital gains. In other words, a subsidized line, on a closed rate, could keep its capital gains, thereby increasing its subsidy, so to speak. But a subsidized line on an open rate could not. Therefore, on that date, the Civil Aeronautics Board reversed itself and threw all the subsidized airlines into the same pot. At present there is complete uncertainty as to the situation facing them. They will not know where they stand until this matter has passed through the slow-grinding mill at the Civil Aeronautics Board or until the Congress has reached a policy decision on the matter.

Mr. CLARK. In other words, if the Congress is going to pass the bill, that is one thing—

Mr. MONRONEY. And certainly there is good reason for the Congress to include the clear-cut date.

Mr. CLARK. That is the date when the provision is to take effect; is that correct?

Mr. MONRONEY. Yes. And it will apply to most of the equipment for the delivery of which the airlines are waiting.

Mr. CLARK. As one of the outstanding experts on small business, the distinguished Senator from Oklahoma is well aware of the fact that many small businesses are not able to raise the capital they need if they are to expand, whereas big businesses are able to do so. Yet the prosperity of the small businesses is essential to the prosperity of the Nation.

Mr. MONRONEY. Exactly.

Mr. CLARK. I think the Senator from Oklahoma will agree that the principal effect of the bill will be to enable Allegheny Airlines and the other small feeder airlines to make downpayments on needed modern equipment, whereas otherwise they would not be able to raise the necessary funds. Is that correct?

Mr. MONRONEY. All they would receive would be the capital gains they can realize from the sale of used aircraft, and which they wish to apply to the purchase of modern aircraft.

Mr. CLARK. In other words, they would be able to use it for the purchase of Martin aircraft—which Allegheny Airlines happens to be purchasing; and that Martin aircraft will enable Allegheny Airlines to get out of the red and

to operate successfully as a small business and to provide the service which is essential to the carrying on of the work of the Commonwealth of Pennsylvania.

Mr. MONRONEY. That is correct. As the Senator from Pennsylvania knows, the Fairchild Friendship plane is the one which most of the feeder airlines are purchasing. I believe that Allegheny Airlines wanted quick delivery, so it purchased used Martins; and that is good business, of course.

Mr. CLARK. That is correct.

Mr. MONRONEY. The opponents of the bill take the view that all the capital gains should be taken away—regardless of whether a DC-3 sells for \$125,000, as it would have at the time when we tried to have the bill passed last fall, or whether such a plane sells for \$80,000.

In that event, all the airline would have left would be \$20,000 for each DC-3. So it would require sale of 3 DC-3's to make a 10-percent downpayment on a Fairchild.

Mr. CLARK. It should be a matter of record that Allegheny Airlines has been able to get rid of 13 DC-3's and has been able to purchase Martins to replace them; and its finances are exhausted, insofar as the completion of that conversion is concerned. Unless the bill is passed and is enacted into law, I think it highly unlikely that Allegheny Airlines will be able to give the Pennsylvania cities the service they should have, service which can be supplied to Allegheny at a profit.

On the other hand, the Senator from Oklahoma knows that in today's operations, if a DC-3 operates without being pressurized, when it reaches the higher altitudes at which it is required to fly under existing conditions, many of the passengers will suffer from earaches or from other unfortunate illnesses, although when the DC-3 was built it was one of the best planes ever invented, I believe; and it is still far from being obsolete.

Mr. MONRONEY. Yes; the DC-3 is a great plane.

Mr. CLARK. I see no way, under the free enterprise system, in which a small airline company like Allegheny can make a successful business venture unless we get it started and put it over the hump by enabling it to buy modern equipment which it can operate at a profit. For that reason, I am prepared to support the bill.

I should like to ask this question, because I know the Senator wants to put everything out on the table.

Mr. MONRONEY. We have been putting everything on the table. If the Senator will read the hearings, he will see that we tried to put everything up in neon lights and copper rivets, so we will not have any more "guesstimates" by the proponents or opponents of the bill.

Mr. CLARK. It has been alleged—not on the floor yet, but it has been alleged—and strongly urged that if this retroactive date is put into the bill, and if our friends from Pan American are able to persuade the CAB that it should go back on subsidies, the extra cost of the retroactive features of the bill will be \$5 million, out of which Pan Amer-

ican and its subsidiaries will receive \$3,800,000, leaving only \$1,200,000 to be divided among the small airlines. Pan American is entitled to that money. The mere fact that Pan American is a huge airline is no reason why I should vote against the bill; but I think my friend will agree that the primary purpose of the bill is to help the small feeder lines we have been talking about, and not help Pan American, which no doubt is a splendid company also. If Pan American does go back on subsidy, and if the retroactive date is put into the bill, out of a total additional \$5 million, Pan American and its subsidiaries will get \$3,800,000. Is that a correct statement?

Mr. MONRONEY. I do not know how the Senator has arrived at those figures. If every airline on subsidy sold its airplanes between 1955 and 1960, all the capital gains would not exceed \$67 million. At today's prices, that amount has dropped by about \$20 million, because the prices of aircraft have gone down.

Mr. WILLIAMS. Mr. President, will the Senator yield, because I think I have the answer to that question.

Mr. MONRONEY. I yield.

Mr. WILLIAMS. Page 5 of the committee report shows the amount. Reading from the last paragraph on page 5 of the report, it states:

The retroactive effect, of course, would tend to increase the liability of the Government for mail subsidy, in the approximate amount of \$1,704,000, the principal amount of which, namely, \$1,147,000 would be payable to Pan American, if it were determined by the Board that this company was to be on a mail-subsidy basis for the period April 6 through December 31, 1956.

Continuing in that same paragraph, it is pointed out that Allegheny would, if the bill be passed, be permitted to receive \$169,000, which would otherwise be excluded from the subsidy computations.

Mr. MONRONEY. So far as I can determine positively, the following subsidized airlines have had capital gains from the sale of flight equipment since April 6, 1956, and in the following amounts:

Alaska Coastal	\$6,000
Allegheny	162,000
Chicago Helicopter	21,000
Continental	218,000
Pan American	180,000
Panagra	711,000
Total	1,298,000

Continental Air Lines and Pan American are of course no longer on subsidy, but these amounts represent the gains realized while they were on subsidy. In the case of Pan American, these were gains realized between April 6, 1956, and October 1, 1956, the date they went off subsidy.

Allegheny would not lose its \$169,000. The company did not sell anything anyway. It gave 2 DC-3's and 12,000 shares of stock.

Continental has had gains of \$218,000. It sold 3 DC-3's for a total of \$331,000 in April of 1956. Through a technicality, 1 sale was recorded as having taken place on April 5, while CAL was on closed rate, and 2 sales involving \$218,000 on April 6.



Since they were on a closed rate they were entitled to keep their capital gains for the sale made on April 5, but not the gain from the 2 airplanes sold on April 6. So there is \$218,000 involved in that.

I believe that Northern Consolidated has also had gains of about \$8,000, and Pacific Northern of about \$10,000, during this period.

As to Pan American World Airways, a few days after it went off subsidy in 1956, the line lost a Boeing Stratocruiser in the Pacific. Senators may remember that event. Some heroic rescue work was done in connection with that crash.

This crash produced a \$967,000 gain. Had Pan American been on subsidy when it lost the plane on October 16, 1956, the CAB, under its ruling, would take that insurance money for the airplane. Pan American paid for the insurance. Pan American lost the plane.

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

Mr. MONRONEY. I yield.

Mr. WILLIAMS. It is true that the particular example which the Senator pointed out refers to payment of insurance on a lost plane and in this case the amount of insurance represented more than the depreciated value of the airplane. But is it not true that in the subsidy payment to this company the depreciation on the plane which was destroyed and the insurance which was paid on the plane had all been taken into consideration by the Government in computing the amount of their subsidies?

Mr. MONRONEY. Pan American received \$3,305,000 for selling 6 aircraft prior to April 6, 1956. It was allowed to keep that. The company was on subsidy, but was on a closed rate. CAB would then say, "You are no longer on a closed rate. You are on an open rate. You cannot take the insurance money, but you can take the money for the aircraft sold, because you were on a closed rate."

It is a crazy policy. I do not know anybody who would support the operation of a business in as cockeyed a manner as that.

Mr. WILLIAMS. Without going into the merits of whether the bill should or should not be passed, my question is: Is it not true that the depreciation on the original plane and the insurance cost for that plane were taken into consideration when the subsidy was computed, and that therefore the company, when it received the subsidy, was reimbursed by the Federal Government?

Mr. MONRONEY. The Senator is assuming that all of the income—

Mr. WILLIAMS. I am not assuming anything—

Mr. MONRONEY. The Senator missed a very basic factor. The Senator speaks as though all the income coming into Pan American is coming from the United States Government. The amount of subsidy the Government pays Pan American is a very small percentage of its total income. In other words, other income has helped to pay for the depreciation. Ninety-eight percent of the insurance was paid by Pan American.

Mr. WILLIAMS. I fully recognize that, but the point I am making is that in com-

puting the amount of the subsidy which is due a company, any company, in order to bring the company up to the guaranteed return on its investment, the Board includes all of these factors which the Senator mentions here. All are taken into consideration.

Mr. MAGNUSON. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. MAGNUSON. A great deal has been said here this afternoon about the possibility that some of the trunklines might come back on subsidy. I should like to ask the Senator a question. If the bill passes, there will be absolutely no reason for a trunkline to come back under subsidy for this particular purpose, will there?

Mr. MONRONEY. They would gain nothing under the bill that they do not have now.

Mr. MAGNUSON. They have it now. If the trunklines went back on subsidy for this purpose they would be more limited than they are now?

Mr. MONRONEY. They can distribute the capital gain now as a dividend.

Mr. MAGNUSON. Now they can do whatever they want, but if the bill is passed and the trunklines come back on subsidy they will have to reinvest such money in new equipment, so there would be no reason for them to follow that procedure.

Mr. MONRONEY. They can declare dividends of all their capital gains, if they want to, so long as they are off subsidy.

Mr. MAGNUSON. The Senator is correct.

Mr. MONRONEY. I should like to return to my colleague's statement that all of the money Pan American gets comes from subsidy.

Mr. WILLIAMS. Mr. President, I do not think the Senator will find that I made such a statement.

Mr. MONRONEY. The Senator said that the Federal Government paid for insurance and the Federal Government paid for depreciation.

Mr. WILLIAMS. I said that the Federal Government took into consideration, in determining the amount of a subsidy, the depreciation on all the planes and all of the equipment of any company, as well as the amount which such company paid for insurance. All of those factors are taken into consideration in computing the earnings of the company involved. That is true with respect to Pan American or any other company. I think there is no disagreement on that point.

Mr. MONRONEY. If the Senator will refer to page 34 of the hearings before the Subcommittee of the Committee on Interstate and Foreign Commerce, held August 16, 1957, he will observe the chart furnished by the CAB. The Senator will find under the column of the chart entitled "Relation of Subsidy to Total Operating Revenues" that Pan American receive in subsidy eighty-four one-hundredths of 1 percent of its total revenues.

Therefore, since the Federal Government is paying at that rate, the insurance provision would be less than 1 per-

cent. Less than 1 cent out of every dollar would go into the insurance premium, and the same would be true with regard to the depreciation factor.

I will say that the eighty-four one-hundredths of a percent is not an accurate figure for a full year, because Pan American went off subsidy after the fiscal year opened July 1. It went off subsidy October 1.

Mr. WILLIAMS. Pan American may be off subsidy or it may be on subsidy. I think that question is still pending before the Board. Whether Pan American will be determined to be on subsidy or off subsidy is a question which will be solved in the future. I think I am correct in making that statement.

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. Mr. President, will the Senator yield so that I may ask a question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. MONRONEY. I yield to the distinguished Senator from Illinois.

Mr. DOUGLAS. I think I have a suggestion which will meet the requirements of the situation.

The Senator from Oklahoma has been arguing very ably that the bill refers primarily to the feeder lines.

Mr. MONRONEY. That is right.

Mr. DOUGLAS. And the Senator from Washington has just stated that there is no need for the big trunklines to come under the provisions of the bill at all. Therefore, I now make the suggestion that an amendment be put into the bill exempting the domestic and international trunklines from the provisions of the bill, if enacted into law, so that it will be very clear the provisions apply only to the feeder lines, and therefore, the national and international trunklines will be exempted.

The Senator from Washington has stated that the trunklines have no need for this subsidy, and I think now we may have a solution which will clear up the whole thing. I hope very much that the Senator from Oklahoma, on behalf of the sponsors of the bill, will accept that amendment.

Mr. MONRONEY. I am rather surprised to find my distinguished friend, whom I have admired so much for his able fight against the monopolistic power of Pan American, taking such a position. If he attached such a provision to the bill, he would insure, I am certain, that Pan American would remain dominant. He would finally realize for Pan American the goal of being the only American-flag carrier, because Braniff would go under water and Northwestern would go under water, and so would Panagra and the other lines.

Mr. DOUGLAS. Panagra is half owned by Pan American—

Mr. MONRONEY. Half owned, but not a very happy half ownership. It is a violently erupting union, I may say to the Senator, because Pan American always grabs the traffic to the east coast, which they have the whole right over, and they only give a crumb to Panagra, to go down the west coast; so they are always in trouble.

May I say to the Senator that I would be certain such a provision would deny Braniff a chance to become competitive.

Mr. DOUGLAS. But my proposed amendment would take care of the problem which the Senator has been weeping about most of the afternoon. Our good friend, the Senator from Washington [Mr. MAGNUSON], said that the trunklines will not go on subsidy, or will not need the act; so such a provision would reconcile all the conflicting possibilities.

Mr. MONRONEY. The Senator was not here when I made my original speech. I said there is a possibility, under this Republican prosperity—

Mr. DOUGLAS. I was present in the Chamber.

Mr. MONRONEY. That even American Airlines, United Air Lines, and the giants of the field will be back on subsidy.

I do not think if I were the Senator from Illinois, with the fine record which the distinguished Senator has as a fighter against monopoly, I would be trying to put Braniff and Northwestern and the other competitive international routes—the little boys—out of business by denying them use of their gains.

Mr. DOUGLAS. May I say to the Senator from Oklahoma that the heart of the Senator from Oklahoma is just as pure as the heart of the Senator from Illinois. I do not think I can claim to have more virtue than the Senator from Oklahoma.

Mr. MONRONEY. The Senator from Illinois has been more vocal in his fight against monopoly than has the Senator from Oklahoma, I regret to say.

Mr. DOUGLAS. I merely wish to say, since the Senator from Oklahoma weeps about what may happen to me, that I weep about what may happen to him, also. I would hate to have the Senator from Oklahoma put in the position of getting the bill passed and then finding that Pan American had sold its equipment before it went on subsidy, making a very large amount—let us say possibly \$26 million—and then, after having sold the equipment, had gone back on subsidy and collected an increased amount of subsidy, because it was not exempted under this act.

Mr. MONRONEY. No. If Pan American sold its used equipment when it was off subsidy, they do not have to answer to anybody. They can declare that money as a dividend.

Mr. DOUGLAS. Then they can go back on subsidy, and the capital gain which they made previously from the sale of the equipment, while they were off subsidy, will then operate to increase the subsidy which they will be paid.

Mr. MONRONEY. That does not make sense. I might say, though I am trying to follow the Senator, I do not understand.

Mr. DOUGLAS. I am trying to find the Ethiopian in the woodpile. I would hate to have my good friend, the Senator from Oklahoma, discover a joker in the bill after he used his great talents to get the bill through.

Mr. MONRONEY. I may say to the Senator that there has never been quite so diligent a search. There has never been such a search for something in the wood-

pile as there has been on this bill. We have had the staff of the committee searching and re-searching and re-searching to find if there are any jokers in the bill which will do something we did not think would be done, after having had the hearings.

Mr. DOUGLAS. May I ask the Senator about the possibility which the Senator from Illinois has just indicated? Pan American is now off subsidy and can sell its equipment and make, let us say, \$26 million in capital gains on the sale of the equipment.

Mr. MONRONEY. Capital gains.

Mr. DOUGLAS. Capital gains; yes. Pan American can pocket that money.

Mr. MONRONEY. They can do it now.

Mr. DOUGLAS. Pan American already, I believe, has a claim before the CAB for a \$14 million subsidy, which has not been adjudicated. If that claim is granted, Pan American will have the \$14 million, and they will have made \$26 million in capital gains, which would not be included as a part of their income for subsidy purposes. The \$26 million would not be credited against the \$14 million, but would be used to diminish their income and thus increase their need so Pan American could walk off with \$40 million.

Mr. MONRONEY. I think that is a rather fantastic line of reasoning. I would say that Pan American cannot have it both ways. Pan American is either off subsidy or on subsidy. If they are off subsidy, then they are entitled to do what they will with their capital gains. On that the law is wide open and clear. However, if they are on subsidy and the court should find, even though the Board thinks they are not, that the law requires them to be on subsidy, then all Pan American can do is to reinvest its entire capital gain in new equipment and planes to be delivered after the date specified.

Mr. KNOWLAND. Mr. President, will the Senator yield to me, if the Senator from Illinois will permit an interruption at this point, since I desire to bring out a point in connection with the present discussion?

Mr. MONRONEY. I yield to the Senator from California.

Mr. KNOWLAND. Whether it be the Allegheny Airlines or any other company, is it not to be required that if advantage is taken of the provisions of the bill such capital gain as is involved must be put into new equipment?

Mr. MONRONEY. That is exactly true.

Mr. KNOWLAND. The purchase of new equipment or used equipment, as the case may be?

Mr. MONRONEY. Improved equipment.

Mr. KNOWLAND. Improved equipment?

Mr. MONRONEY. That is right.

Mr. KNOWLAND. What would happen to either a domestic line, or, for that matter, a line which travels overseas, if it did not keep its equipment up to date? Suppose, in a few years, we find that the Soviet Union is flying commercially with modern jet equipment, while our flagline carriers are flying old equipment, and it is advertised in all the countries

of the world that the latest equipment is being flown by the Soviet airlines. In the Senator's judgment, would not such a situation do great damage to this country internationally, in our air transportation and otherwise?

Mr. MONRONEY. I thoroughly agree that it is most important for our American-flag lines overseas not to fly beaten-up DC-4's. I was ashamed to ride into Berlin, where we meet the Russian airlines in that divided city, and find that a beaten-up DC-4 the only way of getting between Frankfurt and Berlin. Why the CAB has not given TWA, which has new equipment, the right to go into Berlin I do not know. Pan American has a beaten-up DC-4 which we would be ashamed to put on any milk run in the United States. Today the new Russian jet is operating on many of the European airports. We have some on order—the 707 Boeing and the DC-8's, which are coming in. However, those are \$5½ million planes.

Whether we allow Pan American, Braniff, or Panagra to put down, on that \$5½ million purchase, the \$200,000 it may realize in capital gains from the sale of a DC-4 is, in my judgment, not a question of the great importance which the distinguished Senator from Delaware has attached to it. If an airline is off subsidy, it can keep the money. It does not have to reinvest it. But if it is on subsidy, it needs it the worst, because it can work its way off subsidy only with better equipment. If a certain airline is low man on the totem pole, and is flying the oldest and most beaten-up planes, even Americans will not ride on them. Who wants to fly the Atlantic Ocean in a beaten-up rattletrap? I do not.

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

Mr. MONRONEY. I yield.

Mr. DOUGLAS. Am I to understand that my good friend from Oklahoma will accept the amendment which I proposed, namely, that the domestic and international trunklines be exempted from the operation of the bill and that its provisions be limited to the feeder lines?

Mr. MONRONEY. If we wish to give Pan American a monopoly in its field, that is the best way to do it. The Senator from Oklahoma does not choose to do that. Neither do I choose to be so careless in my economics as to say that a DC-3 is worth \$20,000 if it is sold by a trunkline carrier which might be back on subsidy, but that if it were sold by a feeder, it would be worth \$125,000. It does not make sense to me to have a difference of value of \$100,000 on the same plane.

Mr. DOUGLAS. Then the Senator's answer is—

Mr. MONRONEY. The answer is definitely "No."

I would be ashamed to be identified with a bill so obviously aimed at blocking out a very important part of our aviation spectrum, namely, our trunklines and our international lines. We have competition in those fields. I do not wish to see that competition diminished. I should like to see it increased.



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

Mr. MONRONEY. I yield.

Mr. WILLIAMS. I should like to clear up one question without, for the moment, going into the merits of the retroactive feature.

Earlier the Senator made the argument that if section 2 were eliminated, there would be no limit as to how far back the provisions of the bill would be retroactive. I disagreed with that conclusion and I now invite the attention of the Senator to the language on page 5 of the committee report, beginning about the middle of the page. The reason I am bringing up this question again is that it should be clear, when we vote, as to what we are doing. I read from page 5 of the report:

Your committee recommends that section 2, as introduced, but which was stricken by the House Committee on Interstate and Foreign Commerce in executive session, be restored with a retroactive date of April 6, 1956, rather than January 1, 1956. Briefly, this section permits the bill to apply to all capital gains realized on the sale or disposition of flight equipment since that date. It is also recommended that the same date, April 6, 1956, be used as well in section 1 to establish the earliest date for orders of new equipment toward which capital gains may be credited, H. R. 5822, as passed by the House not being clear on this point.

Mr. MONRONEY. That is the point I made a while ago.

Mr. WILLIAMS. I continue to read from page 5 of the report:

Your committee believes that such retroactivity is essential in order to avoid unwarranted discrimination against carriers which have recently been enterprising enough to begin modest reequipment programs. April 6, 1956, is selected as an appropriate date to correspond with the Board's freezing order in connection with its before-mentioned capital gains proceedings.

Without going into the merits of the question as to whether this provision should or should not be retroactive, the point I make is that, without section 2, I do not believe it would be retroactive. It would be effective only from the date of enactment. That was the position of the House.

Mr. MONRONEY. It was not clear to us whether the House bill, without the retroactive feature, and effective upon the enactment of the bill, as applying to capital gains, would have required such capital gains to be reinvested in new equipment. We did not want, by any possible inadvertence in the language of the House bill, to allow 1954 planes to be chargeable against the reequipment fund. That is one of the reasons why the deadline of April 6, 1956, is in the bill.

Mr. WILLIAMS. Whether or not we agree upon the question of retroactivity, it was proper for the committee to seek to clear up the question. The record of the House proceedings, and the proceedings in the House committee, indicate that Members of the House thought they were striking out the retroactive feature.

When the Senator speaks of going back to 1954 or 1953, is it not a fact that prior to April 6, 1956, all the airlines

were already governed by this procedure?

Mr. MONRONEY. Subsidized airlines on an open rate could not retain their gains. Those on closed rate could. Those not on subsidy do not have to account to anyone. Then suddenly, on April 6, the CAB challenged whether any subsidized airline was allowed to keep its capital gains. That is the way the situation stands today. Unless the bill is passed, there will be confusion. I believe that our version is much clearer than the House-passed bill. It does justice to the small airlines which have placed orders for new equipment, which might be barred under the terms of the House bill.

Mr. WILLIAMS. Was it not the understanding of the committee that, as the House passed the bill, it was the intention of the House, as well as of the House committee, that the bill should not be retroactive?

Mr. MONRONEY. There was quite a hassle over that question. In the brief time the bill was on the floor of the House, it is doubtful if there was a full understanding as to what elimination of section 2 would do. Section 2 was stricken, and the bill was sent over to the Senate. Careful hearings were held on the subject. I am sure the Senator from Delaware knows that the Senate is not prohibited from improving any bill which the House sends over. I had many years of enjoyable service in the House, but I always felt that the two-chamber system was good. What mistakes one house makes, the other can correct, and vice versa. I think the House saves us from many a "blooper."

Mr. WILLIAMS. Apparently, I have more confidence in the House than does the Senator from Oklahoma. I do not believe that the House is passing bills without knowing what it is doing. The proceedings clearly indicate that section 2 was stricken in order to eliminate the retroactive feature.

Mr. MONRONEY. I think the Senator will find that there was a very brief discussion on the question of whether to make the provision retroactive to 1950, with respect to charging to the equipment fund capital gains which would accumulate after the passage of the act. I believe that retroactivity with respect to the planes which have already been purchased is possible, and very likely, under the House-passed bill without the specific retroactive date.

Mr. WILLIAMS. I believe the record shows that the bill which was introduced in the House called for a date of January 1, 1956. In the course of the debate on the floor of the House, an amendment was offered striking out the retroactive feature. I believe that very definitely the House thought the bill it passed would eliminate the retroactive feature.

I think they were right in taking such action and hope the Senate will at least sustain that part of their action.

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

Mr. MONRONEY. I yield.

Mr. CHURCH. I wish to say that the Senator has always been most persuasive in his arguments.

Mr. MONRONEY. I thank the distinguished Senator from Idaho.

Mr. CHURCH. I have listened with a great deal of interest, and I have just one or two brief questions to ask him, because I should like very much to support him and the committee on the pending bill.

I am very much interested in the feeder airlines. I recognize they have a peculiar problem, with the large areas they serve and the limited traffic they carry. It is my understanding—and if I am incorrect in my understanding I would appreciate it if the Senator from Oklahoma would correct me—that under present Federal law any airline which is operating at a deficit is entitled to a public subsidy which will give to that airline a fair return on its capital investment.

Mr. MONRONEY. Yes. It is about 8 percent for foreign airlines and 6 percent for domestic airlines.

Mr. CHURCH. In computing the operating loss for any given airline, for purposes of determining what the subsidy should be, is it not the practice for the airlines to keep a depreciation account to which they allocate a certain amount each year in order to make up for depreciated equipment?

Mr. MONRONEY. Yes. The depreciation is usually figured on a 7-year basis. Most of the equipment involved consists of DC-3's and similar planes, most of which were acquired prior to World War II or following World War II. Much of that equipment was acquired as war surplus.

Most of these planes were acquired at an average cost of \$40,000. Since then they went up to \$125,000 and then back down to \$80,000. That shows how the market fluctuates with regard to the supply of planes. That would result in a writeoff of one-seventh on a \$40,000 investment, until they depreciate down to about \$25,000, which is the residual value. The value does not go below that amount. Consequently, an airline can get only \$25,000, no matter what it sells the airplane for, if the airline is on a subsidy. Of course if an airline is off subsidy, it can keep all the money for the airplane it sells.

Mr. MAGNUSON. Will the Senator yield?

Mr. MONRONEY. I yield.

Mr. MAGNUSON. Although the law is as the Senator has stated it, and there is depreciation, it does not work out that way, and the average writeoff is about \$11,000 or \$12,000.

Mr. CHURCH. That is the question that perplexes me, because I wonder if it is in the public interest to give an added subsidy when the public law already guarantees a fair return and when the airline is entitled to take depreciation on its existing equipment in determining that fair return.

Mr. MONRONEY. I might say that in the case of the trunk lines, with their valuable DC-6's and DC-7's, the depreciation and write-down on those planes will be terrific, and it is entirely possible that lines which are not now on subsidy will be applying for it.

Mr. CHURCH. The problem of the feeder lines is that their depreciation

reserves, which they have built up, are very small, owing to the small cost of the planes, in that they are largely surplus planes.

Mr. MONRONEY. Most of them are DC-3's and DC-4's, practically all of which were war surplus planes. A DC-4, selling for \$400,000, cost probably \$50,000 at the time of acquisition.

Mr. CHURCH. Furthermore, the purchase price for new equipment is very high.

Mr. MONRONEY. Yes.

Mr. CHURCH. And the lines are faced with a critical cash shortage. Is that correct?

Mr. MONRONEY. They have no cash. They must trade in their old equipment in order to acquire new equipment.

Mr. CHURCH. Therefore, for purposes of financing, they are faced with a very serious problem.

Mr. MONRONEY. They have to trade in old equipment for new equipment. They are faced with the same problem that a buyer of an automobile is faced with. He must trade in an old car for a new car. At least that is the case with the Senator from Oklahoma. I must make a down payment with the old car. If I were to receive \$300 for my old car but could keep only \$100 of it, I could not go out and buy a new car.

Mr. CHURCH. It is the feeling of the distinguished Senator from Oklahoma, if the bill is passed, that it will not only facilitate the procurement of new equipment, but, in the facilitating of that procurement, it will also improve the financial position of the feeder airlines, so that the public subsidies can be decreased or limited?

Mr. MONRONEY. That is the purpose of the bill. It is hoped that the feeder airlines will be able to break even. They cannot pay the pilots' wages and the copilots' wages, or the salaries of the stewardesses and the necessary ground personnel as long as they use a DC-3, which has a seating capacity of 21 or 24. That kind of operation is against them. On the other hand, if it is possible for them to carry freight, and perhaps some of the 4-cent first-class mail—

Mr. CHURCH. I am happy that the Senator has not referred to it as nickel mail.

Mr. MONRONEY. Not nickel mail, but 4-cent mail.

Mr. CHURCH. I thank the Senator.

Mr. MONRONEY. In that case there would be a great future, as I see it. Many people realize the problems faced by these vigorous, pioneering feeder lines. The situation today is similar to the early pioneering days of the railroad lines. The great trunklines crossed the country from coast to coast, and our whole system of transportation was built up when the lateral feeder lines were built which fed the great trunklines of the country. The same situation obtains today in the airline industry.

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

Mr. MONRONEY. I yield.

Mr. DOUGLAS. The Senator from Illinois offered to provide an allowance for the feeder lines, and feels very solicit-

ous about the feeder lines. If the Senator from Oklahoma will accept the amendment the Senator from Illinois is proposing, excluding the national and international trunklines, we can pass the bill very quickly, and the name of the Senator from Oklahoma will shine high and bright over the Rocky Mountains.

Mr. MONRONEY. We had this fight a year ago, when the Senate voted overwhelmingly against saying that a DC-3 owned by Braniff or Continental was worth \$20,000, but was worth \$125,000 if it was owned by a small feeder line. It is as simple as that. We are talking about equipment. In other words, if the plane is owned by Braniff or Continental or some of the other big airlines—

Mr. DOUGLAS. Or Capital.

Mr. MONRONEY. Or Capital, it is worth \$20,000, but if a little airline owns it, it is worth \$125,000. That might make sense to the Senator from Illinois, but it does not make sense to me. I cannot see why, when Mr. Big owns a DC-3, and happens to be on a subsidy, that he can have only a \$20,000 income from the sale of that plane, although it sells for \$125,000. All the big domestic airlines today are off the subsidy. The junior Senator from Oklahoma does not want to forestall Capital Airlines, if they go back on subsidy—

Mr. DOUGLAS. Or Pan American.

Mr. MONRONEY. Or Pan American. I do not have a dagger to stick into anybody's heart, big or little. If we are to have a principle, it must apply equally to the big and the little.

Mr. DOUGLAS. The Senator from Illinois does not have any dagger, either.

Mr. MONRONEY. I know the Senator does not have one.

Mr. DOUGLAS. The Senator from Illinois is trying to give relief to the group the Senator from Oklahoma has been so eloquently arguing for; namely, the feeder airlines.

Mr. MONRONEY. There are 14 feeder airlines that will be affected by the passage of the bill. There is only one international line that will be affected at present.

Mr. DOUGLAS. But the international lines would get the greatest share of the money, I believe.

Mr. MONRONEY. No. The one affected by it is Braniff. I can look up the amount for the Senator.

Mr. DOUGLAS. If the act had been in operation from 1945 to 1956, the international lines, and not the feeder lines, would have received the largest share.

Mr. MONRONEY. I wish the Senator would please read the hearings. Pan American received their capital gains up until the April 6 date because they were for a long period of time on a closed rate.

They collected \$3 million that they kept. Nobody could tell them what to do with it. Pan American realized \$3,505,000 in capital gains from the sale of 6 aircraft prior to April 6, 1956. But since the carrier was on a closed rate basis, those funds could not be touched. They would not be affected by the bill.

But on April 6, 1956, the CAB did a flip-flop. On any sale after April 6, 1956, the CAB takes all of the funds.

Then they ruled that Pan American was off subsidy on April 6, 1956, so they could sell their planes and keep all the capital gains that they wanted to keep.

If the Senator from Illinois will read the hearings, I think he will find that our committee certainly went into every phase of the matter. Table II on page 33 might interest the Senator. It is entitled, "Estimated Subsidy Accrual For 1955." It gives the list of subsidies in Latin American operations. The 3 are: Braniff, \$982,000; Pan American, \$1,500,000; and Panagra, \$986,000.

The major subsidy is \$27 million for the local service airlines.

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

Mr. MONRONEY. I am happy to yield. I shall be happy to yield the floor.

Mr. BIBLE. I wish to take a moment to compliment and commend the able chairman of the Subcommittee on Aviation for his very fine handling of the proposed legislation. He has been on his feet for 2 or 2½ hours and has very clearly pointed out the reasons why the bill should be enacted.

I do not know whether the Senator has commented upon the profitable operation of the feeder lines. It seems to me that underlying a great many of the questions asked today is some theory that possibly those are profitable operations. I wonder whether that is true. As I understand, the feeder lines have been operating for a period of 10 or 11 years. Have they shown any operating profit?

Mr. MONRONEY. I thank the Senator from Nevada for that question. Actually, we know of no case in which any feeder airline has ever paid any dividend to any stockholder. If a person invested \$100,000 10 years ago in any of the feeder lines, he would have had the pleasure of investing \$100,000, but he would have received no dividends during the 10 years. If he could normally anticipate a 5-percent dividend, he would actually have lost \$50,000 of income over that period of time.

Mr. BIBLE. I certainly can testify of my own knowledge concerning the Bonanza Airline, which is a fine feeder airline in my own State, and which has been operating at a constant loss since it first started operations. I recognize that the guaranteed-loan bill was of some assistance to them in attempting to sell their DC-3's and to purchase F-27's; but I also recognize that that is not all the assistance that is required.

It seems to me that a very clear case has been made, not only at this session but also at the last session, that one of the few ways in which we will ever accomplish the happy event of taking feeder airlines off subsidy is by the enactment of legislation such as is proposed in the bill.

I think there was testimony—although it was merely a guess—that, if the bill became law, and the feeder airlines could get better equipment they would be off subsidy in a period of 5 or 6 years. Is that correct?

Mr. MONRONEY. The only way they will ever get off subsidy is by getting better equipment. That is fundamental. But that will depend on their load and their enterprise in building up their sys-



tems, and also upon the CAB providing better route structures, which will enable the airlines to get into better terminals and better territory, such as that served by Lake Central and Piedmont.

When an airline gets good terminals, its load goes up to a startling degree.

Piedmont has become one of the fine feeder airlines. So long as their only routes were around in the hills of North Carolina they were not getting a good load. As soon as it got a Washington terminal, it got a full load. But so long as they run their DC-3's, they will stay in the red, because the DC-3's will eat up their profits.

Mr. BIBLE. As I understand, prior to April 6, 1956, in a closed rate case, any capital gain which would have come about through the sale of DC-3's would not have been taken into consideration in rate-making. It could have been usable for reinvestment in better equipment. Is that correct?

Mr. MONRONEY. It could also have been usable for dividends. If the subsidized line was on a closed rate prior to April 6, 1956, it could have spent its gain on whisky for the directors if it had wanted to, or the directors could have gone on a trip to Europe, or could have declared a dividend.

The company had full control of its earnings. After the 6th of April, 1956, the Board said, "You cannot even invest the gain in new equipment."

But the bill provides that the gain can be invested in new equipment, if that be done within a reasonable time, as determined by the Civil Aeronautics Board. So the situation is much tighter than what it was for the subsidized airlines which were operating on closed rates. There was no control over their capital gains.

Mr. BIBLE. It seems to me that the policy of the CAB prior to April 6, 1956, was a correct policy.

Mr. MONRONEY. I think so.

Mr. BIBLE. It seems to me that the bill now before the Senate has been copper-riveted as the Senator from Oklahoma has correctly described it, and is a step in the right direction, namely, in assisting of the airlines to get off the subsidy. I am sure that that is what the Senator from Oklahoma has in mind, as do the other members of the committee.

Mr. MONRONEY. The very able Senator from Nevada has been a tower of strength in the consideration of all proposed aviation legislation. In all matters affecting the small airlines, he has always been in attendance at the hearings and has been anxious to champion the cause of small business.

While the bill does not provide aid exclusively to small business, as the distinguished Senator from Illinois [Mr. DOUGLAS] would like it to do—as a small business bill—it is an economic bill, one which provides that only the airlines which must have a subsidy can participate.

Consequently, we are not helping the rich and the strong. If a company is making a 6 percent return on its invested capital in its domestic operations, 8 percent on its overseas operations, then if they have capital gains they can keep them and spend them for anything they desire.

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

Mr. MONRONEY. I yield to another distinguished member of the subcommittee, an aviation enthusiast who has always participated actively in the consideration of proposed aviation legislation by our subcommittee.

Mr. PAYNE. I thank my colleague. It has been a great pleasure to serve on the subcommittee under his leadership. I compliment him for the presentation he has made this afternoon of what I think is a very deserving case.

I ask my colleague if in all the discussion of subsidy it is his opinion that \$1 of a so-called subsidy ever went to the direct, private benefit of any of these airlines?

Mr. MONRONEY. No. It was simply used to make up the loss or lack of revenue from their operation in order to provide a 6-percent return.

Mr. PAYNE. The purpose, under the act, of giving certification to the airlines has been to meet the public need. Is that not correct?

Mr. MONRONEY. The public convenience and necessity.

Mr. PAYNE. Correct. It has not been tied only to commerce as such—the transportation of individuals back and forth—but also embraces the carrying of post office items as well as of commercial cargo, in many instances.

But, furthermore, the most essential reason, perhaps, has been to provide, in the event of an emergency, for the national defense needs of the Nation.

Has there been any organization that has been more loyal, that has been more alert, in making available for the needs of the country in time of emergency, facilities for the rapid transportation of either troops or commodities, to points to which they had to be transported, than the airlines of the Nation?

Mr. MONRONEY. I am very glad my distinguished colleague raised that point. Uncle Sam is getting for his military security a free ride on the most valuable air logistics system of any nation in the world. The air carrier system of the Nation largely earns its own way. But overnight it is convertible into the greatest air armada the world has ever seen.

When the United States entered World War II, it was the airline pilots and airline planes which were ready to go on December 8, 1941.

Mr. PAYNE. And also in the Berlin airlift.

Mr. MONRONEY. Yes, indeed. Many of our planes made possible the Berlin airlift and the Korean war supply.

Mr. PAYNE. That is correct.

Mr. MONRONEY. It did not cost the Government anything to have them available on a standby basis. Of course, the Government paid for the service supplied when they were called into use; but that was done on a charter basis.

Mr. PAYNE. I should like to ask a question. Much concern has been expressed about certain airlines, particularly those engaged in international carrier service. Is it the opinion of the Senator from Oklahoma that our Government and our country are exercising the same interest in United States air

carriers that is being evidenced by foreign countries in their air carriers?

Mr. MONRONEY. Mr. President, I am very glad the Senator from Maine has brought up that point. I did not think of it when the Senator from Illinois [Mr. DOUGLAS] was seeking to bar the international lines from participation, no matter how great their competition may be. All the airlines in other countries are completely owned by the governments of those countries. So our airlines are competing, not with foreign lines, but with the treasuries of those other countries.

Mr. PAYNE. Are the channels of the Export-Import Bank open at reasonable rates of interest to the airlines of the United States, in the case of our airlines which wish to modernize their equipment?

Mr. MONRONEY. I doubt very seriously whether it is possible for a domestic line of any degree of strength to borrow money as advantageously as can be done from the Export-Import Bank by foreign airlines which wish to enter into competition with United States airlines.

Mr. PAYNE. Have not Air France and a number of other foreign airlines participated in such loans for reasonable periods of time?

Mr. MONRONEY. Yes, from 1946 through 1956, loans totaling approximately \$38 million were made by the Export-Import Bank to foreign nations, for the procurement of aircraft and related equipment. It should also be noted that as of December 31, 1956, the Export-Import Bank authorized additional loans to foreign countries amounting to approximately \$59 million—largely for the procurement of modern transport aircraft.

I do not say that it is wrong for the United States to export American aircraft. I know that the distinguished Senator from Maine and all other Members of the Senate are glad to have American aircraft flown in all countries of the world.

Mr. PAYNE. Yes; but we want our own airlines to be in a position in which they likewise can use more efficient, more effective aircraft, not only for our domestic needs, but also for other needs.

Mr. MONRONEY. That is entirely correct. The Senator from Maine has made a far better answer to the Senator from Illinois than I have made. The Senator from Maine has made it crystal clear that we do not want our overseas flag lines, particularly, to disappear, through obsolescence.

Mr. PAYNE. Finally, is it the opinion of the distinguished Senator from Oklahoma that enactment of the pending bill will constitute a big step forward in enabling our feeder lines, particularly, to get into a position in which they can obtain modern equipment of a type which will enable them to reach a satisfactory position?

Mr. MONRONEY. I agree 100 percent. Enactment of the bill will enable them to make a down payment of 10 percent on a new Fairchild, which costs \$555,000. We would like them to be able to do that by turning in only one DC-3,

whereas, under present conditions, for that purpose they have to turn in 3 DC-3's.

Mr. PAYNE. Mr. President, I assure the Senator from Oklahoma that I shall support the bill.

Mr. MONRONEY. I thank the Senator from Maine.

Mr. POTTER. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. MONRONEY. I yield to the Senator from Michigan, who has been extremely helpful in connection with aircraft matters.

Mr. POTTER. Mr. President, I desire to commend the Senator from Oklahoma on his presentation of a bill which has been misunderstood by many persons as being one providing for the giving of a bonanza to a certain limited number of airlines, whereas in reality the ones to be helped actually serve as the weakest link of our full air transportation system. I refer to the small feeder lines.

I know the distinguished Senator from Oklahoma is one of the outstanding experts in this field. Let me ask him whether it is true that today if we have a weak link in our air transportation system, it exists in the case of our feeder services. There has been a tendency to overlook the fact that they have to start from scratch, and they have not been able to develop in the way that they should if they are to feed into the large trunk airlines.

In Michigan there are many areas which need air transportation service, and there are feeder lines which would like to provide it. But those lines simply do not have the financial means to enable them to purchase the equipment they must have if they are to provide service to these communities.

Therefore, to enable them to hook up with the trunk airlines, enactment of the bill will serve a great need. Furthermore, by doing so, if we ever expect the feeder lines to get out of the subsidy class, we must allow them to plow back their capital gains into new, efficient equipment.

Mr. MONRONEY. Certainly the Senator from Michigan has stated in the strongest possible terms the case for enactment of the bill. He has clearly shown the need for enactment of the bill. I know he is as aware as I am that unless the feeder lines are made strong, unless they are able to be in a strong, competitive position in the case of picking up passengers in small groups, whereas the trunklines pick them up in groups of 50 or 100, we shall not have intrastate air transportation in this Nation.

Today the railroads are decreasing their passenger service in every State of the Union. So, if there is to be de luxe, rapid service to the various communities, it can be provided only by the feeder airlines. They have a great opportunity—in view of the abandonment of service by the railroads—to provide service even better than the service they are providing today.

Mr. POTTER. On the other hand, Mr. President, if the bill is not enacted, who

will be hurt? Those who will be hurt will be, not the big trunk airlines, directly, but the feeder lines, or the small lines, which really are serving the people who reside in the smaller communities.

Mr. MONRONEY. Mr. President, the Senator from Michigan is entirely correct. None of the larger airlines is concerned. Today they keep their capital gains. For instance, today Pan American will keep its capital gains.

The only ones who will be hurt if the bill is not passed will be those who need this assistance the most. Although it is said that we are attempting to conceal the fact that the bill, if enacted, will apply to the international air carriers, the record shows that 14 local carriers are in that business, and only one—Braniff—would be entitled to the subsidy internationally.

Mr. President, I yield the floor.

Mr. LAUSCHE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. Of course. I regret that I have taken so much time. I have merely tried to respond to the questions which have been asked by various other Senators who are interested in the problem.

Mr. LAUSCHE. I understand.

Will the Senator from Oklahoma accept the following amendment: Instead of allowing possibly \$67 million to be received by the subsidized carriers, let us allow them to use it for the purpose of purchasing new equipment; but let us provide that the Civil Aeronautics Board shall have the power to require repayment in equal annual installments, over a 6-year period, so the Government will recoup that money.

Mr. MONRONEY. No, Mr. President; I would not agree at all to such an amendment. Either they are entitled to keep their capital gains, or they are not entitled to keep them. Let us stop fiddling around and let us stop saying, "You cannot keep your capital gains. We will allow Delta and the rest of them to keep their capital gains; but because the feeder lines are small, we shall put them in the jail house for 6 years, in order to be sure that they do not purchase any more equipment than the bureaucrats on the Civil Aeronautics Board think they should have."

Certainly that is not my idea of a free economy.

Mr. LAUSCHE. The Comptroller General of the United States, who is an arm of this body, recommended that, instead of providing for an absolute gift, by means of which Pan American is likely to obtain \$21 million, the money be loaned to them, but to be recouped in six or seven equal annual installments.

Does the Senator from Oklahoma subscribe, or does he not subscribe, to the recommendation on that subject made by the Comptroller General?

Mr. MONRONEY. I do not subscribe. I would say that the Congress is the policymaking branch of the Government, and I shall not wait for the Comptroller General to tell the Senate or the House of Representatives what the policy is to be.

This bill was passed last year by the Senate. It was passed this year by the

House of Representatives, by unanimous consent.

I think the bill involves a policy decision. Therefore, I, for one, am not going to hide behind anyone in the agencies downtown, anyone in the Office of the Comptroller General, so as to allow anyone there to dictate to the Senate or to the House of Representatives what is to be the policy in dealing with capital gains.

If the Senator from Ohio wishes to vote against the bill, that is his privilege. If other Senators wish to vote for the bill, that is their privilege. But let us make the decision ourselves, and not always think that someone in one of the executive agencies downtown must take us by the hand and must lead us and must say to us, "This is what you are supposed to do."

Mr. LAUSCHE. Mr. President, I have deep respect for what the Senator from Oklahoma has said, but I do not feel that I can justly be placed in that category.

Mr. MONRONEY. I do not believe that the Senator from Ohio is in that category. But I am saying that there is too much tendency to yield our power as the Members of the mightiest legislative body in the world, to the executive departments.

Mr. President, it is proper for the Congress to obtain the opinion of the Comptroller General, and we want to have it. But after we obtain it, then we ourselves, as Members of the Congress, have to make up our minds.

That is what Senators have been doing today. That is what Senators did at the Senate committee hearings, and that is what Members of the House of Representatives did at their committee hearings. After we obtain all the advice, finally we, as Members of the Congress, must make up our minds. When we cease to do that, we cease to have the democracy which was intended by those who wrote the Constitution of the United States.

Mr. LAUSCHE. My question is in line with that asked by the Senator from Maine [Mr. PAYNE], who pointed out that moneys are probably being loaned for the purpose of developing airlines in foreign countries.

Mr. MONRONEY. We are certainly loaning money to many of them.

Mr. LAUSCHE. Therefore, I thought that if it is correctly argued—although I do not believe it is—that these airlines cannot finance themselves, under the provisions of the laws the Congress has passed thus far, then it would be well for the Congress to pass a bill allowing the money to be loaned, and then to have the loan recouped in the course of 6 or 7 years.

Mr. MONRONEY. Mr. President, I am amazed that the Senator from Ohio would propose that we loan back to the feeder airlines their own money. Actually, the only way that could be justified—

Mr. LAUSCHE. I think I shall prove that the Senator's amazement is unfounded. In a moment I shall make my own argument on the subject.

Mr. MONRONEY. The only way the Senator from Ohio can say he is not



proposing to loan them back their own money is to assume that the airlines are 100 percent subsidized, whereas the record clearly shows that during the fiscal year 1956 the average subsidy of the small feeder airlines was approximately 25 or 26 percent, or approximately 25 or 26 cents of each dollar. The highest is 44 percent for Southern.

Lake Central, which serves the community of the Senator from Ohio, gets 47 percent. It gets one of the highest percentages. It has one of the best little airlines. It is serving a very good purpose. It is owned by the employees, as I understand, and they are doing a good job.

Mr. LAUSCHE. Yes. I would like to help them, but I do not feel justified in dipping the ladle into the Public Treasury and giving them money.

Mr. MONRONEY. I say to my colleague that no one will give them anything. We are trying to keep the lines, their own gains, from being expropriated and give them the same treatment as is accorded the merchant marine, utility companies, and others.

Mr. LAUSCHE. I think the Senator from Delaware [Mr. WILLIAMS] put his finger on the pulse of the situation when he said that we already have given them the money.

Mr. MONRONEY. How did we give them the money?

Mr. LAUSCHE. By guaranteeing to them an 8-percent return on the capital investment and by guaranteeing to them a 12-percent depreciation a year, guaranteeing that that depreciation will be paid either through consumers' purchase of tickets or through the Public Treasury by the Government.

Mr. MONRONEY. That is correct. About 25 cents out of every dollar of the revenues of the smaller airlines is coming from subsidies, which amount to \$27 million. A large number of pilots, copilots, and airplanes not only serve the public and earn 75 percent of their way, but they represent the best airlift capacity in the event of war. They are ready to take up the load when the railroad lines close down.

Those airlines represent a good investment. Every passenger riding on them pays a 10-percent tax into the Federal Treasury, which would not otherwise be received. Furthermore, they pay a 3-cent gasoline tax, of which the Federal Government keeps 2 cents.

I think the "little boys" are carrying a pretty big part of the load. I do not want to be a party to saying, "We are going to lend back to you your own money, but space it over a 6-year period." I do not think that would be showing good judgment or good business sense.

Mr. President, I yield the floor.

Mr. LAUSCHE. Mr. President, in my considered judgment, H. R. 5822 should not be passed in its present form. In my opinion, it would make an outright gift of possibly \$67 million to air carriers on subsidy by permitting them to retain net capital gains on sale of flight equipment without demonstrating a need within the meaning of the Civil Aeronautics Act.

My opposition to H. R. 5822 is based on the following reasons:

#### NEED OF CARRIERS FOR CAPITAL GAINS NOT ESTABLISHED

The retention of capital gains by the air carriers is not needed to finance the purchase of new flight equipment.

Last year we passed Senate bill 2229. That bill provided a guaranty to each little air carrier that, if it bought new equipment up to the sum of \$5 million, the Federal Government guaranteed 90 percent of the loan.

When that bill was passed, the argument was made that "we must help the little carrier." I opposed the bill. Let me repeat, the bill provided that the Government should guarantee 90 percent of the loans for the purchase of new equipment up to \$5 million for each carrier.

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

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Pennsylvania?

Mr. LAUSCHE. I shall yield when I reach the end of this first chapter.

We have a provision for a 90-percent guaranty of borrowings; but we then get to the most important fact in connection with subsidy to the air carriers. I do not believe the people of the country know how liberal the provisions of the law are, and I wish to speak on that phase of the question for a few moments.

The Government guarantees to each subsidized air carrier that it will receive, either from customers or from the Federal Government, a full return on every penny which the carrier honestly and efficiently spends in the operation of its business. That is the first guaranty. The United States Government says, "You will be paid back every penny you spend in the operation of your business. We guarantee that you will not suffer one penny of loss."

Second, the Federal Government guarantees that on the capital investment of the carrier there will be a return of 8 percent a year.

I ask my colleagues to ponder that statement. The law guarantees a return of 8 percent a year.

Third, the Federal Government says that "If you buy a plane for \$1 million, at the end of the first year you can depreciate it 12 percent." If the plane cost \$1 million and it were depreciated at 12 percent, it would be depreciated by \$120,000. The Government says, "We will guarantee you the return of \$120,000, a year for 7 consecutive years."

I respectfully submit to my colleagues that that guaranty puts the United States Government in a position where it says, "We will capitalize you and we will guarantee that you will receive income adequate to cover every penny which you spend in the operation of your business."

I ask whether or not it would be quite an inducement to have the Government say: "Go into business. We guarantee that you will not lose a single penny in your operating expenses, and we guarantee to repay you, for 7 consecutive years, at the rate of 12 percent a year,

depreciation on your capital investment."

That is exactly the law as it stands today.

Let us take a look at this picture. About 30 subsidized air carriers have now about 408 planes, which are on the books at a value of \$174,625,000. The Government guarantees an 8 percent return on that \$174,625,000. On the 308 new planes, at a cost of \$620 million, the Government will guarantee an 8 percent return, or \$49,625,200.

In addition, in the second year the depreciation will be \$74,400,000. The Government says, "We guarantee that you will recoup that depreciation, and for six consecutive years thereafter."

Applying that formula to a single airplane, a DC-3 which originally cost \$25,000, and which was depreciated down to a \$5,000 level, the Government would pay \$20,000.

That plane will be sold for \$125,000, and a new plane, costing \$750,000, will be purchased. Even if we subtract the net capital gain after taxes, which is \$90,000, from the \$750,000 cost of the new plane, the new plane will go on the books at \$660,000. The Government will then guarantee the payment of 8 percent on \$660,000, whereas up until now it has guaranteed a payment of 8 percent on \$5,000.

I should like to proceed now to a second phase of this problem. For nearly 2 years there has been pending before the Civil Aeronautics Board, Capital Gains Proceeding No. 7902. In that proceeding the Board is determining whether such procedure is just and fair, and whether the companies need the capital gains with which to buy the new equipment. A hearing examiner of the Civil Aeronautics Board conducted lengthy hearings and last September 19 he issued his report. He made the specific finding that these capital gains are not needed by the carriers to buy the new equipment. Despite that, we have pending in the Senate a bill which would take away from the Civil Aeronautics Board the power now vested in it to make a determination of that question.

On page 3 of the document which I sent to my colleagues are set forth the findings of the hearing examiner. The hearing examiner deals specially with local carriers and deals specially with Pan American and the Alaska territorial carriers, as shown on page 4 of the document.

What is the purpose of the bill? In my opinion the purpose is to bypass the Civil Aeronautics Board. In my opinion the Congress should not tolerate the efforts of the air carriers to procure through Congressional act that which on the basis of merit they fear they will not be able to obtain from the Civil Aeronautics Board.

As stated earlier, there is pending before the Civil Aeronautics Board, Initial Decision of Paul N. Pfeiffer, hearing examiner, Capital Gains Proceeding No. 7902, to determine whether the Civil Aeronautics Board has the legal authority to permit the carriers to retain capital gains under section 406-B of the Civil Aeronautics Act, upon the showing of a need qualifying them for the grant. The

hearing examiner has rendered his decision that the Civil Aeronautics Board does have the legal authority to make the grant if the carriers have proved a need for it. Counsel for the air carriers has taken the same position. Counsel for the Bureau of Air Operations, a representative of the public interest, has held that the Board does not have such authority. The Board itself has said, "We do not know, but we are now conducting a hearing to determine the facts." At the end of that hearing, the Board will announce whether the carriers have established the need and whether under the law the Board can make the grant.

A question propounded by the Senator from Colorado [Mr. CARROLL] to the Senator from Oklahoma was whether the bill, if passed, would reverse the decision rendered by the Supreme Court of the United States. I wish to quote from that decision.

The Supreme Court has ruled in *Western Air Lines v. Civil Aeronautics Board*, 347 U. S. 67 (1954) that "the 'need' in a given case may be so great that profits from other transactions should be allowed in addition to the normal rate."

In conclusion on this chapter, I wish to make a statement which is reflective of my honest conviction as to what is motive in the bill. To make the grant mandatory, as the bill provides, instead of discretionary as provided by existing law, can only be motivated by a liberal desire to make an additional gift of \$67 million to the subsidized carriers.

#### PROFIT ON A PROFIT

The Senator from Delaware [Mr. WILLIAMS] spoke about a profit on a profit. I think the Senator from Illinois [Mr. DOUGLAS] spoke about the same subject.

There is no question that the capital gain is a profit which the Federal Government helps create through its subsidy. It is now proposed that we give that profit to the air carriers. When we give it to them we shall then be paying 8-percent interest on a new capital investment, and 12-percent depreciation a year on the new capital equipment purchased.

If the capital gains are fully and absolutely granted to the carriers, they will be enjoying a profit on a profit both substantially paid by the Federal Government.

Flight equipment is normally depreciated down to a residual value of approximately 15 percent. Let me explain that figure. If we consider a \$1 million plane, it is depreciated at the rate of 12 percent a year. Seven times 12—for 7 years—is 84 percent. The \$1 million plane is then depreciated down to \$160,000, and the depreciation of \$840,000 is guaranteed by the Government in the form of a reimbursement through moneys collected from the passengers or a subsidy granted by the Government.

I now point out what our Government has done for the air carriers, and I move for my discussion to page 6 of my paper.

There has already been paid in subsidy to all air carriers, from fiscal year 1939 through fiscal year 1956, the amount of \$561,162,000.

Pan American has been on subsidy since 1939. Pan American has received \$219,109,000.

If the bill under consideration is passed and Pan American is put back on subsidy, it will receive, as a result of the provisions of this bill, \$21 million. It will buy new equipment. The Government will guarantee it an 8 percent return on the new equipment and will guarantee it a recoupment of the investment by allowing it to depreciate the equipment at the rate of 12 percent a year.

With regard to the little airlines, Allegheny has received \$17,046,000 since 1946; and Frontier, about which much has been said, received \$17,691,000 since 1950.

The total amount given to all the airlines who will benefit by the passage of this bill, since 1939, is \$506,863,000.

In addition, the Federal Government has expended \$1,309,438,000 in providing facilities to direct traffic in good weather and bad weather. It is estimated that 50 percent of that expenditure is directed toward serving private commercial carriers, and the balance of 50 percent toward the service of our military planes. On that basis we have provided more than \$650 million for that field of subsidy.

Third, \$327,218,554 has been provided for the building of airports in the form of grants-in-aid to local governments. We have been exceedingly liberal in helping subsidize the air carriers of our country.

In the question I put to the Senator from Oklahoma I asked if the Senator would accept an amendment as recommended by the Comptroller General of the United States, who opposed the passage of the bill now under consideration. I have prepared an amendment which I shall offer for the consideration of the Senate. That amendment, if adopted, would make positive the fact that the Civil Aeronautics Board shall have the discretionary power, if the Board determines that the subsidized air carriers need these moneys with which to purchase new planes, to allow them to use the money for the purchase of new planes, but thereafter the Board would have power to recoup the money in six annual installments, by depreciating the amount of money paid to the carriers in the form of a return on their capital investment and a break-even return on their operating expenses.

I thank Senators for the attention which they have given me. I have probably become a little vehement in my expressions on this subject, but I feel rather keenly about it. The sum of \$67 million may not mean much in a \$73 billion budget. Someone might say it is but a drop in the bucket.

If these carriers are not entitled to it, it would make no difference whether it was \$66, we ought not to give it to them. Can there be any complaint about the proposal that, instead of making it a gift, we lend the money? What is wrong with that proposal? I might suggest that there was no hearing on that item, and no discussion of it before the committee. The referee recom-

mended that the money be loaned. I think that is the course we ought to follow.

We are gradually moving in the complete direction of the Government lending and giving and granting everywhere. The railroads take the position, "You give to the barge carriers. You give to the air carriers. You give to the truckers. You might as well give to us."

Uncle Sam's pocketbook is growing thinner and thinner, and the time will come when we shall not be able to continue giving. We are now sailing between Scylla and Charybdis. On the one hand the rocks threaten our country through the power of the Communists, and on the other hand the whirlpool threatens us because of the huge and inordinate fiscal obligations we have. I believe the bill ought to be amended, or completely defeated, as I suggested.

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

Mr. LAUSCHE. I yield.

Mr. CARROLL. The Senator made reference to the colloquy between the junior Senator from Colorado and the junior Senator from Oklahoma with reference to the Supreme Court decision. What I sought to do in putting those questions was to narrow the scope and the effect of the bill insofar as I could, so that we will not be opening the door to a broader interpretation of need other than the replacement of equipment. In other words, if the bill were passed, the Senate would be forming a policy to give a stricter construction of need. I invite the attention of the Senator from Oklahoma to this statement. If I understand the purpose of the proposed legislation, it is that in the future the CAB, in determining need, will not take into consideration the capital gains of airlines on subsidy.

Mr. MONRONEY. Mr. President, will the Senator from Ohio yield so that I may answer the question of the distinguished Senator from Colorado?

Mr. LAUSCHE. I yield for that purpose.

Mr. MONRONEY. Actually the bill provides that the capital gains on the sale of used aircraft shall not be counted as operating income and used to offset the subsidy which would otherwise have been paid, provided that such gains are invested in a reequipment fund or paid directly for new aircraft.

In other words, equipment would be replaced with equipment. It would not be possible to cannibalize a fleet of airplanes for the purpose of building up operating income. That would be living off one's own blood. The capital-gains procedure is a once-in-a-lifetime proposal. It is doubtful if there will ever come another period in history when a plane will be worth more 5 years after it is built than it was worth originally. However, we are in that kind of crazy situation. It is correcting itself. The distinguished junior Senator from Ohio used the figure of \$67 million. If all the aircraft that were owned by subsidized airlines were to be sold as obsolete aircraft, they would be worth \$67 million, according to the Senator from Ohio.



That was true last August. The figure today is \$47 million, because the price has dropped \$20 million since then.

The Senator from Ohio has said that we would be giving away \$67 million. I trust he will say that the current price is \$47 million, if the price has been reduced to that extent.

Mr. LAUSCHE. I am quite certain that the value of the planes must have dropped. Whether it is \$47 million or \$67 million, the principle remains the same. I have not checked on it, but undoubtedly the amount involved now is less than \$67 million.

Mr. MONRONEY. These are capital gains which everyone else except the subsidized airlines can take advantage of. The bill merely provides that it belongs to the carrier if he reinvests it in replacement equipment. That is all that is involved. I do not know why anyone is against the use of modern airplanes. I want to fly in a modern plane. I do not want to fly in one that is held together by baling wire.

Mr. CARROLL. I commend the distinguished Senator from Ohio for his very fine statement. I agree with his interpretation of what the Supreme Court has said. In the case of the Western Airlines the Board sought to reduce the subsidy by the entire amount of the profit. They held it was not mandatory that that be done. However, as the junior Senator from Ohio has pointed out, the Court said that the standard of the need in a given case may be so great that profits from other transactions should be allowed in addition to the normal rate. Perhaps the CAB could determine that need. From what the junior Senator from Ohio has said, they are perhaps in the process of determining whether these airlines under subsidy have such a need.

Mr. LAUSCHE. I am deeply disappointed in the fact that CAB has had this case before it since September 19 and has done nothing about it. I do not like to see such a situation. It appears to me that there is probably a willingness on the part of the Board to have the Congress pass the pending bill and thus permit the Board to escape the administration of an act which might be contrary to what we are doing.

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

Mr. LAUSCHE. I yield.

Mr. CARROLL. I have read the statement of the distinguished junior Senator from Ohio, and have studied his brief. They are very excellent, in my opinion, and they have stimulated my own thoughts. The purpose of my asking questions of the Senator is to clarify in my own mind that this is a limitation in a sense of the "need" power which the CAB will exert, and that Congress will set a policy from here on out if the bill becomes law. In other words, we will fix a policy by limiting the need in this category, when airlines need new equipment.

Mr. LAUSCHE. That is correct. Congress will say to the CAB "You have no discretion, and no right to inquire about the need. The company can have as much money as is imaginable, but this

capital gain must be given to it, even though the Federal Government has spent millions of dollars in subsidies in the past." That is exactly what the bill means.

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

Mr. LAUSCHE. I yield.

Mr. WILLIAMS. Is it not true that under the bill as reported by the committee, if there were a loss, the loss would be included in the computation, and the airline would be reimbursed by the Government, but if the airline made money, it could set that profit over into another fund?

Mr. LAUSCHE. It would follow under the provision of the bill that the Government must insure a full 8-percent return on the airline's investment, and a return in money adequate to compensate the airline for all operating expenses. That would cover losses sustained by the company.

I yield the floor.

Mr. PAYNE subsequently said: Mr. President, I ask unanimous consent that, following the statement which was made by the junior Senator from Ohio [Mr. LAUSCHE], a statement I have prepared in connection with the matters covered in his statement may be printed in the RECORD.

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

STATEMENT BY SENATOR PAYNE IN RE H. R. 5822

Senator LAUSCHE bases his opposition to this bill on a number of assumptions which in my opinion are in error. Several of these deserve specific comment.

#### EFFECT OF GUARANTEED LOAN BILL

My colleague states that enactment of the guaranteed-loan bill during the first session of this Congress is an answer to the reequipment problems of the subsidized air carriers. Hearings before the Senate Commerce Committee on both the guaranteed-loan bill and the capital-gains bill developed the point that the guaranteed-loan bill was not a substitute for the capital-gains bill in any sense of the word. The carriers must have some equity to support their debt structure, regardless of the source of their loan, and a part of this equity must be found in the capital gains realized from the sale of presently used equipment. It was pointed out by several witnesses before our committee, that, in fact, the capital-gains bill was the cornerstone upon which reequipment financing would have to be arranged. It is also important to note that the guaranteed-loan bill guarantees not 90 percent of the purchase price of the new aircraft but 81 percent (90 percent of 90 percent); that it does not apply to all subsidized airlines; and that it fixes a maximum which will not take care of even some of the lines covered.

#### ASSUMPTION THAT CAB GUARANTEES EARNINGS

Another mistaken assumption is that the Government guarantees at least 7 to 10 percent return on a capital investment. The Board has been less than generous in this regard, as is well illustrated by the fact that the local carrier industry has experienced an actual operating loss over the life of its operations. What is referred to almost casually as administrative disallowance actually constitutes serious inroads into the operating income of the air carriers, and frequently finds the Board substituting its hindsight for the carrier's business judgment, which is necessarily based on the facts

at hand at the time of the decision. In a recent opinion of the United States Court of Appeals (District of Columbia circuit) in *American Overseas v. CAB*, the court said: "... honesty, economy, and efficiency are broad terms of varied factual content; they are not terms of mathematical precision. Many different operations—different in policy, in mode, and in result—may all be honest, economical and efficient. It is not enough for the Board to say that an operation it designs and favors meets those tests and it will approve that course and none other. The operation by the company may also be honest, economical and efficient. The statute contemplates, we think, that the figures, past or prospective, of the operation of the carrier in question be used unless some item or items are due to dishonest, inefficient, or uneconomical management."

Disallowances are not a matter of excluding extravagances or improper expenditures, but rather, as I said before, involve a determination by the Board of what should have been spent.

#### SUBSIDY

We all share an earnest desire to avoid payment of excessive or unnecessary subsidy, and we would not support passage of this bill if we had any fear that it would, in fact, have any such result. But the Senator has overlooked a number of very important considerations which completely refute his line of reasoning.

A principal error is in overlooking the purpose for which subsidy is paid to airlines. The Government has never paid even one dollar of subsidy for the private benefit of the airlines. On the contrary, the sole purpose has been for the public benefit. As stated in section 406 (b) of the Civil Aeronautics Act, subsidy is paid to enable the air carriers, who are certificated only for the public convenience and necessity, "to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the postal service, and the national defense."

The Court of Appeals for the District of Columbia recently commented on this section of the law in terms which are extremely pertinent to our discussion today.

"The objective of the Congress is plain. It is the maintenance and continued development of air transportation to the extent and of the quality required for the national commerce, postal service, and defense. The objective is on a grand scale. It is for the public interest. It is vital. The words used are important, because they depict with clarity a Congressional policy. Moreover the payment is 'to enable such air carrier.' Congress did not put the responsibility for development of an air transportation system wholly upon Government agencies. In this statute the Congress sought to utilize the abilities and the capacities of the private air carriers. The purpose of the compensation is to enable the carriers 'to maintain and continue the development.'"

"... The need which the statute seeks to meet is not the need of the carrier for funds for its own private purposes; for its own operation or profit. It is the need of the carrier for funds to enable such carrier to carry on for the purposes depicted by the Congress in the interest of the Nation."

It cannot be emphasized too strongly and unfortunately my colleague has completely overlooked this, that the reequipment program of the airlines, for the carrying out of which the airlines must be permitted to use their capital gains, is not something which they are doing for their own private benefit, but is something required for the public benefit.

Any injection of the Federal airways and Federal airport program costs into this discussion brings two totally separate and unrelated problems into the picture. Both of these matters are receiving the separate attention of the executive department and the Congress, and only serve to confuse the issue before us today.

#### CONCERN ABOUT EFFECT ON FUTURE SUBSIDY

Senator LAUSCHE works out some elaborate arithmetic in an effort to prove that the bill would lead to a snowballing of subsidy and airline profits. For this purpose he uses an illustration applying the law to a single plane. For one thing, his whole argument is irrelevant to a discussion of the capital gains bill, since it skips over the real problem of how the airlines are going to be in a position to buy these planes. Unless this bill is passed, the airlines will not be able to arrange financing for their reequipment programs which are so much in the public interest. Before worrying about whether these new airplanes might some day lead to excessive profits for the airlines, we must first worry about how they are going to be able to buy them.

So far as the question of how much subsidy these lines might some day get for operating these new planes, I have two brief comments. In the first place, the CAB examiner's arithmetic is a little too quick and easy. He has overlooked the fact that even if the airlines were to receive the return which he assumes is guaranteed, but which in fact is not, most of this would be required to repay interest on the loans that would have to be made to provide the bulk of the financing. In addition, he has also overlooked the fact that the CAB will continue to have control over the level of earnings of the subsidized carriers. Thus, the opposition to the bill is not so much that it is something the airlines do not need now, but that it might some day lead to an abuse in the future. However, the hearings have made it clear that reequipment with modern, more efficient aircraft offers the only real prospect of substantially reducing subsidy requirements in the future. Far from increasing subsidy, as fears have been expressed, the effect will be quite the contrary.

#### RELiance ON CAB EXAMINER

My colleague relies extensively on the findings of the CAB hearing examiner's decision. This represents just one man's opinion which, in this instance, is at variance with the views of both the Board's lawyer, the bureau counsel, and the carriers themselves. All parties to that proceeding have filed strong briefs taking exception to the hearing examiner's findings.

In particular, reliance on the hearing examiner's finding that 6 of the 30 subsidized airlines did make firm arrangements for financing despite the past recapture of their capital gains. This is a broad-brush statement which simply does not bear analysis. For one thing, the Senator and the examiner are talking about a small percentage of the airlines. Most of the subsidized airlines have not yet been able to arrange any financing. In the second place, when we examine the situation with respect to the few carriers who have made some arrangements, we find that it is not quite as bright as the examiner would have us believe. These arrangements typically incorporate seriously limiting conditions, which require that the carriers maintain or create a minimum level of equity capital, a minimum working capital level, and so forth. Without the assistance offered by this legislation, the carriers which do have some financing arrangements would not be able to meet the conditions upon which they are based.

Further, to the extent that arrangements have been made, they provide only for minimum initial programs, and by no means provide all of the financing which will be re-

quired if the airlines are to carry out their responsibilities to the public interest. The conditions in the few arrangements that have been made actually limit their ability to borrow further moneys for completion of their programs and in some cases, due to increased prices of aircraft, will not cover even their initial programs.

These considerations which fully refute the validity and significance of the findings of the CAB examiner, are set forth in exceptions and briefs which a number of the air carriers have filed.

#### BYPASSING THE BOARD

It has been pointed out that there is a proceeding before the CAB to determine a policy with respect to capital gains, and he suggests that the carriers have come to Congress in an effort to bypass the Board. This is entirely incorrect. In point of fact, the CAB proceeding was not instituted until after the 84th Congress began to consider capital-gains legislation. The further suggestion implicit in Senator LAUSCHE's statement that the Congress should wait for the CAB decision is clearly untenable. For one thing, there is a serious question whether the CAB has power under the law as now written, to permit retention of capital gains. Its own counsel has argued vigorously to the contrary. Even aside from that, however, I can see no point whatsoever in delaying this legislation for a decision of the CAB. The Board is a creature of Congress, and the Congress is not a creature of the Board. What difference will it make what the Board would decide if the Congress believes that the policy set forth in this bill is wise policy? The House has already expressed its opinion by passing this bill, and the Senate passed a similar bill in the 84th Congress. It seems clear to me that the Congress does believe that this is wise and desirable legislation.

Let us consider for a moment what would happen if we were to delay action to await a decision by the CAB. If the Board were to decide that the carriers should be deprived of the use of these funds to help finance badly needed replacement aircraft, then we must surely reverse this decision by passing the bill. If on the other hand, the Board were to decide that the carriers may use these funds, such policy should be written irrevocably into the law, thereby not exposing the airline reequipment program to the uncertainties and vacillations of administration policymaking.

#### DOUBLE DEPRECIATION

It is claimed that this legislation would be equivalent to providing the airlines with double depreciation, on the theory that the CAB has already paid depreciation once. This is altogether misleading. Subsidy is determined on the basis of the total need of the carrier and depreciation is only one element of cost which goes into such a determination. Subsidy is paid to the carriers for performing services which are in the national interest and the amount of subsidy when established by the CAB is after full investigation and full knowledge of the elements on which subsidy is determined. It is no more correct to say that subsidy is paid for depreciation than to say it is paid for pilots' salary or gasoline.

This double depreciation argument also ignores the fact that capital gains obtainable from sale of obsolete equipment are due, in by far the major part, to inflation of the dollar. To permit subsidized carriers to retain capital gains, therefore, would merely enable them to keep themselves relatively in the same position they would have been in had there been no inflation.

#### EXECUTIVE DEPARTMENT SUPPORT FOR THE BILL

Both the Department of Commerce and the Bureau of the Budget have endorsed the legislation we are now considering. By contrast, the Comptroller General's opposition

is based on considerations which I have previously discussed, and which should not, in fact, cause us to question the desirability of passing this bill.

Mr. PAYNE. Mr. President, I thank my colleague from Ohio for the courtesy he extended to me in making available to me the statement he was about to make. I think he has covered the ground, from his viewpoint, at least, very clearly and concisely. Even though I do not agree with the viewpoint he has expressed, I have very great respect for the Senator from Ohio, because I was privileged to serve together with him for a number of years when we were fellow governors.

Mr. LAUSCHE. I thank the Senator from Maine. Even though my respect for him in the past was high, it has increased because of the kind remarks he has just made.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The committee amendment is open to amendment.

Mr. MONRONEY. Mr. President, there is at the desk a committee amendment to the committee amendment, which was reported favorably without the vote of the distinguished Senator from Ohio.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 14, in the committee amendment, after the word "contracted", it is proposed to strike out "on and after April 6, 1956", and, in line 21, after the word "above", to strike out the period, insert a colon and "Provided, That the flight equipment in which said gains may be invested shall not include equipment delivered to the carrier prior to April 6, 1956."

Mr. MONRONEY. Mr. President, this is merely a technical amendment to make more certain the intent of the committee. It places the date April 6, 1956, in a different part of the bill, so that it will be impossible for any airline to claim credit for the use of the investment fund for planes purchased before that date. In other words, it will not be possible to apply gains to planes purchased in 1953, 1954, or 1955. The amendment makes the bill less ambiguous. The committee decided that this revision would make the bill much better. The amendment also removes some doubt as to letters of intent being firm contracts, which could have blotted out the opportunities of some of the feeder lines which had issued letters of intent before the cut-off date by having them construed as purchases of planes.

I think there is no real objection to the clarifying amendment, and I ask for a vote on it.

Mr. LAUSCHE. Mr. President, I think the amendment is well founded. If the bill is to be passed, this amendment ought to be included. I am still opposed to the bill.

Mr. MONRONEY. The Senator from Ohio is always fair. I appreciate his willingness to agree to this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma to the committee amendment in the nature of a substitute, as amended.

The amendment to the amendment was agreed to.



The PRESIDING OFFICER. The question is on agreeing to the committee amendment, in the nature of a substitute, as amended.

Mr. LAUSCHE. Mr. President, I offer an amendment containing the provisions which I described a moment ago. To my colleagues who were not on the floor at the time, I make this explanation—

Mr. JOHNSON of Texas. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. JOHNSON of Texas. Mr. President, the weather is very inclement. A number of Senators have engagements. It is now 5 minutes before 6. I wonder if it would be agreeable to the Senator from Ohio to yield to me for the purpose of moving that the Senate stand in recess until tomorrow, and to continue our discussions at that time.

Mr. LAUSCHE. Certainly.

#### RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 20, 1958, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate February 19, 1958:

Marion C. Matthes, of Missouri, to be United States circuit judge for the eighth circuit, vice Charles E. Whittaker, elevated.

George A. Colbath, of New Hampshire, to be United States marshal for the district of New Hampshire for the term of 4 years. He is now serving in this office under an appointment which expired July 31, 1957.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 19, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Isaiah 40: 31: *They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint.*

Eternal God, our Father, Thou art always seeking to renew our strength and courage with assurances and promises of Thy divine counsel and companionship.

We humbly confess that so frequently we follow the paths of our own choice instead of those which Thou hast marked out for us.

Grant that when this day comes to a close and the evening shadows fall there may be within our minds and hearts no disturbing memories but only Thy peace.

Show us how we may heal our fear-ridden and brokenhearted world of the maladies of hatred and ill will, of selfishness and prejudice.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

#### CONVEYANCE OF CERTAIN PUBLIC LANDS IN THE STATE OF NEVADA

Mr. ASPINALL submitted a conference report and statement on the bill (S. 1568) to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada.

#### INVESTIGATIONS BY COMMITTEE ON ARMED SERVICES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 457), with an amendment, and ask for its immediate consideration. The Clerk read the resolution, as follows:

*Resolved*, That the further expenses of conducting the investigations and studies authorized by House Resolution 67, 85th Congress, incurred by the Committee on Armed Services acting as a whole or by subcommittee, not to exceed \$100,000 in addition to the unexpended balance of any sums heretofore made available, for conducting such investigations and studies, including expenditures for the employment of a special counsel, investigators, attorneys, experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee, and approved by the Committee on House Administration.

With the following committee amendment:

Page 1, line 5, strike out "\$100,000" and insert "\$75,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged concurrent resolution, Senate Concurrent Resolution 57, providing additional funds for the Joint Committee on Washington Metropolitan Problems, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That the Joint Committee on Washington Metropolitan Problems as authorized by House Concurrent Resolution 172, agreed to August 29, 1957, is hereby authorized to make expenditures from February 1, 1958, through January 31, 1959, which shall not exceed \$80,000, to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

#### COMMITTEE ON WAYS AND MEANS

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I offer the concurrent resolution, House Concurrent Resolution 246, authorizing the printing of additional copies of the compendium of papers collected for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That there be printed for the use of the Committee on Ways and Means, House of Representatives, 1,500 additional copies of the compendium of papers entitled "Foreign Trade Policy—Compendium of Papers on United States Foreign Trade Policy Collected by the Staff for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means."

With the following committee amendments:

Line 3, strike out "one" and insert in lieu thereof "two."

Line 4, strike out "five hundred."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

#### COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I offer the resolution, House Resolution 404, authorizing the printing of additional copies of House Report No. 1182, current session, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That there be printed for the use of the Committee on Un-American Activities nine thousand additional copies of House Report No. 1182, current session, entitled "Communist Political Subversion."

With the following committee amendment:

Line 2, strike out the word "nine" and insert in lieu thereof "five."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I offer the resolution (H. Res. 449) providing for the printing of additional copies of the staff consultation entitled "The Communist Mind," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That there be printed for the use of the Committee on Un-American Activities 50,000 additional copies of the staff consultation held by that committee during the 85th Congress, 1st session, entitled "The Communist Mind."