

will give you the most satisfaction and that will utilize the best that is within you.)

Far more important than simply making a living, is to make a whole life. In other words, develop your appreciation of the good things of life. All around you and me there are constructive things going on. There is goodness and honesty, purity and beauty, wholesome pleasures, and constructive activities. Participate in them and contribute to them.

Remember this, too: These days, as you know, your country urgently needs able citizens more than ever before.

We are in a tough, technical race with Soviet Russia. Victory in this race depends on you.

#### YOUR RUSSIAN COMPETITORS

On the other side of the world, there are youngsters, very much like you, studying in the Soviet school system. Those youngsters work very hard at school and after school. Many of them are studying science. When they grow up, they will help determine whether their country, Russia, is ahead of our country; not only in military affairs, but in civilian science, in industry, agriculture, and every other pursuit.

It is up to you to compete successfully with them.

But unlike them, you are going to have to compete—not being ordered to do so, but by your own self-determination and patriotism.

You are infinitely freer than a Soviet youngster. You have far more voluntary choices.

But you should use your freedom wisely. Please don't fritter it away. For example, don't just take easy courses, or read easy books, because they are snaps. Don't just try for passing grades.

Remember that the harder you work, the harder you study, the more you will tend to learn. And the greater will be the dividends to yourselves and to your country.

#### TWO FREE PRICELISTS OF JOB PUBLICATIONS

I want to mention now that your Federal Government has made available a number of publications which may help you to find your way in life. Two of these publications are free. They may be obtained by writing to my home office: 119½ Bridge Street, Chipewewa Falls, Wis. Here they are:

1. Occupations—Professions and Job Descriptions. (An 11-page list issued by the Government Printing Office. It sets forth scores of booklets about different types of professions. Most of these booklets can then be obtained by sending 5 cents each to the Government Printing Office, or, sometimes 10 cents or 25 cents.)

2. Occupational Outlook. (A 2-page leaflet also published by the Government Printing Office. It lists publications also available for 5 cents, 10 cents, or so. Each describes the actual job outlook for jobs ranging from architects to diesel mechanics, draftsmen, lawyers, librarians, and others.)

3. Here is a third—available for a dime. How To Get and Hold the Right Job. (A splendid 19-page publication issued by the United States Employment Service. This can be purchased directly from the Superintendent of Documents, United States Government Printing Office, Washington, D. C.)

#### SEEK SOUND ADVICE

Even better help that is provided in these publications can come to you from personal-person talks with people whose judgment you should respect. In this library, where you pick up this letter, is your friend—your librarian, who can be a most helpful aid to you. Your library itself represents an invaluable accumulation of the experience and the wisdom of vast numbers of people over a long period of time.

Your teachers can provide excellent counsel for you. Teachers have been wonderful sources of inspiration for most of us. Naturally, your parents, who know you so well, may give you the personal kind of guidance which almost no one else can possibly match.

Don't hesitate to consult with your clergyman, too. He can see in you, and in life, itself, very important things which might otherwise miss the attention of others.

Great opportunity lies before you. For your own good, for the good of those who love you and whom you love and respect, plan to make the most of your life.

Remember, however, that there are very few things that are worthwhile which don't require work—hard work, and lots of it. Many good things don't come easily. They come from long preparation, from devotion, from sacrifice.

That is why I hope you will work hard in your studies, so as to make the most of yourselves. I have faith in you.

One of you is going to occupy my job some day. One of you in our State may even be in the White House as the No. 1 citizen of our land. Why not?

There is no limit to the good you can accomplish if you set your mind to it and if you pick the right path.

Good luck, and let me hear from you.

Sincerely yours,

ALEXANDER WILEY.

#### GRASSROOTS REACTIONS TO SENATOR WILEY'S REPORT TO TEEN-AGERS ON SELECTING THE RIGHT CAREER

Thank you so much for your inspiring special letter for students. Please send 500

copies for distribution to all our students. (The Arrowhead High School, Hartland, Wis.)

Thank you so much for the wonderful letter you wrote to Wisconsin students. We greatly appreciate it. (Westboro Public School, Westboro, Wis.)

Will you kindly send 35 copies of your letter to Wisconsin students? I think it is very worthwhile and would like to place one in the hands of each of my social studies students. (Amberg, Wis.)

I have just completed reading your special letter to Wisconsin students concerning their choosing the right job. I am very much impressed by this letter and would like at least 50 more copies. (De Pere public schools, De Pere, Wis.)

Thank you for your letter about choosing the right job. May we have about 60 more copies? Our guidance leader is much impressed with your letter. (Durand High School, Durand, Wis.)

Thank you for your special letter to Wisconsin students. If possible, I would like enough copies so that each of our juniors and seniors may have one. (Tomorrow River Schools, Amherst, Wis.)

I shall be very happy to distribute copies of your wonderful letter of advice to students. It is most important today that we awaken our students to the seriousness of the business at hand. (Unity School District, Balsam Lake, Wis.)

After reading your special letter to Wisconsin students and the sound advice it contains, our librarian and I feel that it will be of great benefit to our students. It contains much the same advice that we constantly try to put across to our students, but coming from you it will carry the added prestige of your high office and they will perhaps be more attentive to it. I am sure it will be very helpful. Thank you for your generous interest. (Coleman public schools, Coleman, Wis.)

We would be especially pleased to have additional copies of your special letter to Wisconsin students. And thank you so much; we feel it to be very worthwhile and who knows what spark it may kindle. (Matheson Memorial Library, Elkhorn, Wis.)

Your special letter to Wisconsin students interested me because of its excellent guidance point of view. (Menasha High School, Menasha, Wis.)

We feel this letter is extremely helpful to us in working with our ninth-grade pupils in helping them to plan for the future. (Lincoln ninth-grade advisers, Lincoln Junior High School, Beloit, Wis.)

Please send us 50 letters of special letter to Wisconsin students for our senior class. (Cornell, Wis.)

## SENATE

MONDAY, FEBRUARY 24, 1958

Rev. Everett K. Brown, minister, Mount Vernon Presbyterian Church, Alexandria, Va., offered the following prayer:

O God, who art infinite, eternal, and unchangeable; Thou who art the same yesterday, today, and forever: We confess our unworthiness to seek Thy help, for at best we have been unprofitable servants, and there is no good thing dwelling within us. Yet we rejoice in the knowledge that by Thy grace Thou art now willing and able to grant us Thy holy spirit, if we but ask with humble and believing hearts.

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We pray, O God, that Thou wilt bring us to our knees and humble us, that we may know our need for Thee and our absolute dependence upon Thee.

Quicken within each of us, O God, a consciousness of our duty and our responsibility to Thee.

Open our minds to the counsels of Thine eternal wisdom.

Make us ever willing to follow the leading and the guiding of Thy holy spirit.

Grant to us now the consciousness of Thy presence, which can enable us at all times to stand without fear, and with courage for what is true and what is right.

Breathe into our souls Thy peace, which passeth all understanding.

We make this prayer in the name and for the sake of Jesus Christ, our Lord and our Saviour. Amen.

## THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 21, 1958, was dispensed with.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION AND BILLS

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 the President had approved and signed the following joint resolution and acts:

On February 20, 1958:

S. J. Res. 39. Joint resolution to authorize the construction of certain water conservation projects to provide for a more adequate

supply of water for irrigation purposes in the Pecos River Basin, N. Mex. and Tex.

On February 22, 1958:

S. 1040. An act to amend the acts known as the Life Insurance Act approved June 19, 1934, and the Fire and Casualty Act, approved October 9, 1940; and

S. 2920. An act to provide for small-business disaster loans in areas affected by excessive rainfall.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

#### LEAVE OF ABSENCE

Mr. JOHNSON of Texas. Mr. President, I should like to make two procedural requests, if I may have the attention of the minority leader. I am sure he will have no objection.

I ask unanimous consent that the Senator from Florida [Mr. HOLLAND] be given leave of the Senate today and tomorrow.

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

#### AUTHORITY FOR MR. WILLIAM T. HEFFELFINGER TO BE PRESENT ON SENATE FLOOR DURING CONSIDERATION OF DEBT LIMIT INCREASE BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that Mr. William T. Heffelfinger, fiscal assistant of the Treasury, be permitted to sit on the Senate floor while the debt limit increase bill is under consideration.

I may say that this request is made at the instance of the distinguished chairman of the Committee on Finance [Mr. BYRD].

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

#### 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. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

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

#### ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with.

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

#### 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 report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to 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.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 66) authorizing the enrollment, with certain changes, of the bill (S. 1805) for the relief of Acme Bag & Burlap Co. and others.

The message further announced that the House had agreed to the amendments of the Senate to the following joint resolutions:

H. J. Res. 417. Joint resolution for the relief of Mrs. Sabastiano Poletto, Hideo Konya, Edward H. Turri, and Mario Guiffre;

H. J. Res. 429. Joint resolution to facilitate the admission into the United States of certain aliens;

H. J. Res. 435. Joint resolution for the relief of certain aliens;

H. J. Res. 436. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 437. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

#### ENROLLED BILLS SIGNED

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

S. 969. An act to prescribe the weight to be given evidence of tests of alcohol in the blood, urine, or breath of persons tried in the District of Columbia for certain offenses committed while operating vehicles; and

S. 1805. An act for the relief of Acme Bag & Burlap Co. and others.

#### EXECUTIVE COMMUNICATIONS, ETC.

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

#### REMOVAL OF REQUIREMENT THAT PRESIDENT AND SENATE APPROVE DETAILING OF CERTAIN NAVAL OFFICERS

A letter from the Assistant Secretary of the Navy (Personnel and Reserve Forces), transmitting a draft of proposed legislation to remove the requirement that the President and the Senate must approve the detailing of retired naval officers to command when recalled to active duty, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

#### PARTICIPATION IN MEETING COSTS OF MAINTAINING THE NATION'S CAPITAL CITY

A letter from the President, Board of Commissioners, District of Columbia, Washington, D. C., transmitting a draft of proposed legislation authorizing the Commissioners of the District of Columbia to borrow funds for capital improvement programs and amending provisions of law relating to Federal Government participation in meeting costs of main-

taining the Nation's Capital City (with accompanying papers); to the Committee on the District of Columbia.

#### EXTENSION OF CERTAIN FUNCTIONS OF SECRETARY OF THE INTERIOR

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation providing for the extension of certain authorized functions of the Secretary of the Interior to areas other than the United States, its Territories and possessions (with an accompanying paper); to the Committee on Interior and Insular Affairs.

#### DISPOSITION OF EXECUTIVE PAPERS

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

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

#### PETITIONS AND MEMORIALS

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

#### By the VICE PRESIDENT:

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

"Concurrent resolution memorializing Congress to enact legislation to provide for dairy support prices

"Whereas on December 18, 1957, Secretary of Agriculture Benson announced that dairy price supports for the marketing year beginning April 1, 1958, will be at 75 percent of parity; and

"Whereas the 75 percent of parity will result in a decrease to approximately \$3.02 a hundredweight for 3.95 percent butterfat milk from the current support price of \$3.25; and

"Whereas this decrease will reduce dairy income in the State of South Carolina approximately \$1,500,000; and

"Whereas on January 16, 1958, the President of the United States in his message to the Congress of the United States for a revised farm, food, and fiber program, recommended that the dairy price support should be determined administratively between 60 and 90 percent of parity; and

"Whereas the recommended minimum of 60 percent of parity will result in a decrease to approximately \$2.37 a hundredweight for 3.95 percent butterfat milk from the current support price of \$3.25; and

"Whereas this decrease will reduce dairy income in the State of South Carolina approximately \$5,280,000; Now, therefore, be it

*Resolved by the house of representatives (the senate concurring),* That the General Assembly of the State of South Carolina does hereby memorialize and petition, and does respectfully urge the Congress of the United States to enact legislation to provide that the dairy support price for the marketing year starting April 1, 1958, shall be not less than the current \$3.25 a hundredweight for 3.95 percent butterfat milk and the Secretary of Agriculture shall use a parity equivalent for manufacturing milk based on the 30-month period July 1946 to December 1948, both inclusive; be it further

*Resolved,* That the secretary of the senate transmit a duly authenticated copy of this

resolution to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the South Carolina delegation in Congress."

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Appropriations:

"Concurrent resolution expressing the concern of the general assembly at the inequitable and unjust administration of the soil-bank program, and requesting Congress to appropriate funds to meet the Secretary of Agriculture's obligation to the farmers of South Carolina

"Whereas the farmers of South Carolina and the industries affected thereby have been seriously harmed as a result of the inequitable and irresponsible administration of the soil-bank program by Secretary Benson and the Republican administration; and

"Whereas the allocation of the public funds under the soil-bank program was handled in a highly misleading and unjust manner, and Secretary of Agriculture Benson, through publications and otherwise, has caused many farmers of the State to be lulled into a false sense of assurance that all who applied for soil-bank benefits would be accepted and that sufficient funds would be available to cover same; and

"Whereas many farmers applied within the first few days applications could be filed and have taken steps to place all or major portions of their crops in the soil-bank program and it is now too late to get out of the program: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That the General Assembly of South Carolina expresses its deep concern in the manner of the administration of the soil-bank program and demands that the Secretary of Agriculture administer the program on a fair and equitable basis; be it further

"Resolved, That the Congress of the United States is requested to immediately appropriate sufficient funds to provide payment to all farmers who have applied for participation in the soil-bank program and stop the irresponsible and inequitable handling of that program; be it further

"Resolved, That a copy of this resolution be forwarded to the Speaker of the House of Representatives of the United States, the President of the Senate of the United States, the two United States Senators from South Carolina and the Members of the House of Representatives from South Carolina in the Congress of the United States, Secretary of Agriculture Ezra Taft Benson, and the Honorable D. D. Eisenhower, President of the United States of America."

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

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

"Whereas citizens of New Hampshire residing within this State but employed in the States of Vermont and Massachusetts are now imposed upon by being forced to pay income taxes to those States; and

"Whereas United States Senators STYLES BRIDGES and NORRIS CORRON, of New Hampshire, have joined with United States Senators from other States in proposing an amendment to the Federal Constitution to end the imposition of income taxes by one State upon the residents of other States: Now, therefore, be it

"Resolved by the Senate of the State of New Hampshire (the House of Representatives concurring), (1) The Congress of the United States is hereby memorialized to pro-

pose an amendment to the Federal Constitution by adding a new article to the amendments by which the several States would have no power to impose and collect taxes on income from whatever source derived except in respect to residents of the State imposing the tax; and be it further

"Resolved, That the secretary of state be instructed to forward a copy of this concurrent resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to each Member of the United States Senate.

"W. DOUGLAS SCAMMAN,  
"Speaker of the House of Representatives.  
"ERALSEY C. FERGUSON,  
"President of the Senate."

A resolution of the Senate of the Commonwealth of Kentucky; ordered to lie on the table:

"Resolution memorializing the Congress of the United States to place the proposed postal rate increases on the classes of mail presently losing money

"Whereas the Senate Post Office Committee by a vote of 7 to 6 on Thursday, February 20, 1958, approved a bill which would increase the postal rates for first-class letters mailed out of town to 5 cents per letter, local first-class letters to 4 cents per letter, airmail letters to 8 cents per letter, and would increase by 30 percent the rate for second-class mail; and

"Whereas the proposed bill continues to favor the users of third- and fourth-class mail at the expense of the users of first- and second-class mail; and

"Whereas it is the third- and fourth-class types of mail which are primarily responsible for the deficit operation of the United States postal service; and

"Whereas the taxpayers and ordinary users of the mail under present rates are forced to subsidize certain types of mail-order businesses and periodicals; and

"Whereas the bill approved by the Senate Post Office Committee would not only continue this forced subsidization by the taxpayers and ordinary users of the mail, but would further increase this unfair burden: Now, therefore, be it

"Resolved by the Senate of the Commonwealth of Kentucky—

"SECTION 1. That the Congress of the United States is urged to place the proposed increases in postal rates on the classes of mail presently causing the deficit operation of the United States Post Office Department.

"SEC. 2. Should the Congress of the United States impose any increases in the postal rates, it is requested they be imposed on third and fourth classes of mail thereby relieving the excessive burden of subsidizing these types of mail from the taxpayers and ordinary users of the mail.

"SEC. 3. That the clerk of the senate is directed to forward copies of this resolution, duly authenticated, to the President and Chief Clerk of the United States Senate, to the Speaker and the Chief Clerk of the United States House of Representatives, to each of the Senators and Representatives from Kentucky now serving in the Congress, and to the Postmaster General of the United States."

A resolution adopted by the California Newspaper Publishers Association, Inc., of San Francisco, Calif., relating to freedom of information, and the free interchange of newsmen with other nations of the world; to the Committee on the Judiciary.

A resolution adopted by Licking Aerie 387, Fraternal Order of Eagles, Newark, Ohio, favoring the enactment of the bill (S. 3188) to prohibit discrimination because of age in the hiring and employment of persons by

Government contractors; to the Committee on Labor and Public Welfare.

A resolution adopted by the board of directors of the Chamber of Commerce of Honolulu, T. H., favoring early completion of the improvements to Kahului Harbor, T. H.; to the Committee on Public Works.

#### RESOLUTION OF GENERAL ASSEMBLY OF THE STATE OF GEORGIA

Mr. TALMADGE. Mr. President, the 20 percent tobacco acreage reduction imposed last year by the Department of Agriculture has worked extreme financial hardship on the farmers of south Georgia who are dependent upon tobacco as their principal source of cash income.

Because of this cut many farmers have been forced to abandon their farm operations altogether—being unable to support themselves and their families on acreage allotments which, in many instances, were reduced to less than 1 acre. The general economy of the entire Georgia Tobacco Belt is suffering as a result.

The General Assembly of Georgia, wisely recognizing that what hurts Georgia's Tobacco Belt hurts the economy of the entire State, has adopted a resolution calling for a restoration of tobacco acreage allotments to the 1956 level.

Georgia growers, Mr. President, are producing a highly desirable type of tobacco for which there are ready cash markets and I consider there to be justice to their request that their acreage be restored. I concur fully with the resolution of the General Assembly of Georgia, and ask unanimous consent that it be printed in the body of 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:

A resolution relative to restoring tobacco acreage allotments to the 1956 level; and for other purposes

Whereas as a result of the 20 percent reduction of tobacco acreage effective in 1957, farmers have suffered and are still suffering a further reduction in purchasing power; and

Whereas as a further result of the recent acreage reduction many farmers are unable to continue growing their small allotted tobacco acreage profitably and it has become necessary that they abandon their farm operations altogether; and

Whereas we know it to be a fact that merchants, businessmen, farmers, and the general economy of the entire Tobacco Belt are suffering the adverse effects of the recent acreage allotment reductions; and

Whereas the economic depression the farmers are experiencing because of the price squeeze they are in will eventually affect the overall national economy; and

Whereas if the farmers are allowed to prosper the overall economy of our Nation will greatly improve; and

Whereas the tillers of the soil constitute the very bedrock of our democracy and the farm families are our greatest bulwark against communism, and history records them as being the first to resist tyranny; and

Whereas among farm families of energetic, patriotic boys and girls reared on the farm close to nature juvenile delinquency is seldom heard of; and

Whereas these farm-reared children are a real contribution to our population and are well worth the cost of a healthy farm program; and

Whereas history records that any nation which destroyed its farm families by forcing the people from the rural areas into overcrowded urban areas where juvenile delinquency runs rampant, crime breeds, and general unrest prevails shall be destroyed also; and

Whereas the condition of the American farmers today constitutes a national emergency; while the country as a whole has been passing through a 10-year cycle of unprecedented inflation and increased income, the American farmers and small-business men have received less and less income above the cost of operations; and

Whereas the steady decrease in farm population and the steady decline in the number of operating farms are the most eloquent witnesses to the plight of American agriculture; and

Whereas it is a matter of general knowledge that cigarette-type tobacco imports as well as other agricultural products are steadily increasing and our domestic demands and use of cigarette tobacco is steadily increasing; and

Whereas reduced acreage of tobacco in the United States is encouraging increased planting of tobacco on foreign soils to the extent that the United States has dropped from 90 percent of world production of tobacco to less than 50 percent of world grown tobacco at this time; and

Whereas increased tobacco acreage is absolutely necessary to the tobacco farmer's survival as increased production will reduce the cost of production, thereby regaining and maintaining our foreign markets of tobacco; and

Whereas the program initiated reducing the support price of undesirable varieties of tobacco will cure about 90 percent of the tobacco industry ills; this program along with the tobacco acreage going into the soil-bank acreage reserve will reduce tobacco production sufficiently and in our opinion to a dangerously low level as the 1957 production is one-third less than the 1956 production. A 3-year supply on hand is nothing to be alarmed about as a 2½-year supply is necessary for tobacco to have ample time to mellow for manufacture: Now, therefore, be it

*Resolved by the General Assembly of Georgia,* That the Georgia delegation in the United States Congress and all other officials be requested to initiate the necessary steps to restore the 20 percent reduction in tobacco acreage allotments, thereby increasing our 1958 tobacco allotment, which requires a 25 percent increase in our 1957 tobacco acreage allotments, to restore the tobacco acreage allotments to the 1956 level; be it further

*Resolved,* That the secretary of state transmit a copy of this resolution to each member of the Georgia delegation in Congress and to the Secretary of Agriculture of the United States.

Mr. RUSSELL presented a resolution of the General Assembly of the State of Georgia, identical with the foregoing, which was referred to the Committee on Agriculture and Forestry.

#### RESOLUTION OF THE AMERICAN LIBRARY ASSOCIATION

Mr. WILEY. Mr. President, the librarians of my State, and of our Nation, have been deeply interested in the fulfillment of the Library Services Act designed to bring to some 27 million Americans in our rural areas benefits which they have not previously enjoyed from

access to good books, and other informational materials.

Unfortunately we find that, because of the budgetary problems in the present and forthcoming fiscal year, funds which had been anticipated under the act have not been allocated.

The American Library Association, at its conference in Chicago on January 30, has, through its executive secretary, David Clift, brought to my attention a resolution urging more adequate funds under the act.

In this technical age, the sooner all Americans can get the benefit of library services, the stronger our country will become in terms of its prosperity, its well-being, and its ability to cope with its adversaries.

I present the resolution, and ask that it be incorporated in the RECORD and be thereafter referred to the Committee on Appropriations.

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

#### RESOLUTION ON THE LIBRARY SERVICES ACT

Whereas a strong and well-rounded program of educational and informational services is indispensable for the preservation and progress of our democratic society, and the free public library is an essential and integral part of that educational program;

Whereas our free public libraries permit each person to continue his self-education throughout his lifetime, thus assisting him to develop to his full potential as a mature citizen and individual;

Whereas the lack of good library service in our rural areas has deprived more than 27 million Americans of the advantages of ready access to good books and other informational materials essential to the development of people, our greatest national resource;

Whereas the Library Services Act was passed by the 84th Congress for the express purpose of aiding the States in extending and developing public library services in rural areas without such service or with inadequate service;

Whereas this act authorizes an annual appropriation of \$7,500,000 for a 5-year period to be used for grants to the States for improving rural library service, and this modest amount is the minimum for accomplishing the established goals;

Whereas the amount received in the first year of the act was only \$2,050,000 and for the second year only \$5 million, and the President's budget for 1958-59 recommends only \$3 million for this purpose;

Whereas 45 States and 4 Territories have initiated programs through the stimulus of these limited Federal grants and have made definite progress in extending library service to their rural inhabitants;

Whereas this reduced appropriation would not only seriously hamper the ultimate attainment of the purpose of the act, but also cause immediate retrenchment in present operating plans and programs of the States and Territories;

Whereas the appropriation of the full \$7,500,000 authorized under the act would enable the States to progress toward the goal of bringing library service to all the people of these United States; Therefore be it

*Resolved,* That the members of the American Library Association at their annual mid-winter meeting at Chicago, on January 30, 1958, recommend to the 85th Congress, sitting in its 2d session, that it appropriate for fiscal 1958-59 the full \$7,500,000 authorized by the Library Services Act; and be it further

*Resolved,* That copies of this resolution be sent to the President of the United States, to

all Members of the Congress, to the Secretary of the Department of Health, Education, and Welfare and to the United States Commissioner of Education.

#### CONTINUED SUPPORT FOR FEDERAL AID TO VOCATIONAL EDUCATION—RESOLUTION

Mr. WILEY. Mr. President, I have received today from Marvin E. Brickson, president, and Earl Krueger, recording secretary, of the Madison Federation of Labor, AFL-CIO, a resolution which was adopted at a meeting of that organization last Monday, February 17.

Its purpose was to convey to President Eisenhower, and to the Congress, the strong support by the Madison federation of continued Federal aid for vocational education.

Mr. President, I, personally, likewise believe that, in view of the great technical challenge which confronts us, we have no alternative but to continue to give our vigorous support toward efforts to expand the pool of trained manpower in the United States.

That includes a continued strong apprenticeship training program, as well as other Federal steps to upgrade the skills of American working people.

I present the letter as sent by the Madison federation to the President. I ask unanimous consent that it be printed in the RECORD, and be thereafter appropriately referred.

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

MADISON FEDERATION OF  
LABOR, AFL-CIO,  
February 23, 1958.

HON. DWIGHT D. EISENHOWER,  
President of the United States,  
United States Capital,  
Washington, D. C.

DEAR MR. PRESIDENT: The following resolution was adopted unanimously by the delegates to the Madison Federation of Labor, AFL-CIO, in meeting on Monday, February 17, 1958, at the Labor Temple, 309 West Johnson Street, Madison, Wis.:

"Whereas the President of the United States has recommended in his budget message the elimination of Federal aids for vocational education by 1960; and

"Whereas an adequate supply of skilled manpower is essential to our national security and welfare; and

"Whereas these recommendations for the elimination of Federal aids are made at the same time that Federal aids are proposed for the training of scientists and engineers; and

"Whereas the neglect of promoting training programs for apprentices and skilled workers endangers our national security and welfare: Now, therefore, be it

*Resolved,* That the Madison Federation of Labor, AFL-CIO, in meeting this 17th day of February 1958, vigorously protests the possible elimination of Federal aid for vocational education; and be it further

*Resolved,* That the executive board of the Madison Federation of Labor, AFL-CIO, be empowered to take whatever action necessary to implement this resolution if and when any bills are introduced in Congress which would eliminate these vitally important Federal aids; and be it further

*Resolved,* That copies of this resolution be directed to the President of the United

States, the Secretary of Labor, and our Members of Congress from the State of Wisconsin."

Sincerely yours,

MARVIN E. BRICKSON,  
President.  
EARL KRUEGER,  
Recording Secretary.

#### RESOLUTIONS OF WOMAN'S CHRISTIAN TEMPERANCE UNION, CONCORD, N. H.

Mr. COTTON. Mr. President, I present two petitions from the Woman's Christian Temperance Union of Concord, N. H. One deals with legislation to prohibit the serving of alcoholic beverages on airlines, and the other with cabaret taxes. I ask unanimous consent that the petitions be printed in the RECORD, and appropriately referred.

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

To the Committee on Interstate and Foreign Commerce:

WOMAN'S CHRISTIAN  
TEMPERANCE UNION OF CONCORD,  
Concord, N. H., February 18, 1958.

Hon. NORRIS COTTON,  
Senate Office Building,  
Washington, D. C.

OUR DEAR SENATOR COTTON: We would like to have you present the following petition to the Senate and have note made of it in the CONGRESSIONAL RECORD:

S. 4 AND S. 593

In view of the increasing danger of travel on planes please do all you can to get one of these bills passed. We are anxious that lives shall be preserved and not endangered. Thanking you,

Mrs. ERNEST A. EKHOLM,  
Secretary.

To the Committee on Finance:

WOMAN'S CHRISTIAN  
TEMPERANCE UNION OF CONCORD,  
Concord, N. H., February 18, 1958.

Hon. NORRIS COTTON, of New Hampshire,  
Senate Office Building,  
Washington, D. C.

OUR DEAR SENATOR COTTON: We would like to have you present the following petition to the Senate and have note of it in the CONGRESSIONAL RECORD:

EXCISE TAXES

Do not repeal or reduce any excise taxes at the present time, especially in view of the problem of national survival. If people can afford to go to the night clubs they are the ones that are to pay this extra 10 percent cabaret taxes.

Thanking you in advance,

Mrs. ERNEST A. EKHOLM,  
Secretary.

#### DAIRY PRICE SUPPORTS—RESOLUTION OF GRANITE STATE DAIRYMEN'S ASSOCIATION

Mr. COTTON. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the Granite State Dairymen's Association at their annual meeting January 29, 1958.

Dairying is the most important agricultural industry in New Hampshire, accounting for more than 50 percent of the net farm income of New Hampshire farmers. Therefore, I believe the views of this association merit the careful at-

tention of the Committee on Agriculture and Forestry and of the Senate.

It is noteworthy that the resolution indicates that the members of the association are taking a broad view of the national interest and a long range view of the dairy industry by urging a reduction in all price supports and not asking for special consideration.

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:

GRANITE STATE DAIRYMEN'S  
ASSOCIATION,  
Concord, N. H., February 13, 1958.

Senator NORRIS COTTON,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR COTTON: The following is a resolution adopted by the Granite State Dairymen's Association at their annual meeting held January 29, 1958:

"Whereas the present system of price supports are not solving the problems of farm surpluses and are expensive to the taxpayers, too; Be it

"Resolved, That we, the Granite State Dairymen's Association, go on record as favoring the gradual reduction of all price supports."

It is hoped that you will bear this resolution in mind in future legislation on price supports.

Yours very truly,

MAURICE L. CHAPIN,  
Secretary.

#### RESOLUTION OF SOUTHERN MICHIGAN LAW ENFORCEMENT ASSOCIATION

Mr. LANGER. Mr. President, I present a resolution adopted by the Southern Michigan Law Enforcement Association, at Battle Creek, Mich., on January 7, 1958, favoring the enactment of legislation to amend the civil-rights law so as to provide that any person who shall falsely accuse any law enforcement officer of violating his civil rights shall be guilty of a crime. I ask unanimous consent that the resolution be printed in the RECORD.

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

RESOLUTION PASSED BY THE SOUTHERN MICHIGAN LAW ENFORCEMENT ASSOCIATION AT MEETING IN BATTLE CREEK, MICH., JANUARY 7, 1958

Whereas the Congress of the United States has passed laws providing for the protection of the civil rights of its citizens by declaring that violation of certain civil rights by law-enforcement officers shall constitute a crime and providing punishment therefor; and

Whereas it is the desire of the Southern Michigan Law Enforcement Association to implement said laws and protect the civil rights of all citizens; and

Whereas certain defendants in criminal actions have from time to time falsely accused law-enforcement officers of violating their civil rights; and

Whereas such false accusations have been an attempt to intimidate said law-enforcement officers in the performance of their duties; and

Whereas it is believed that law enforcement officers also have civil rights; Therefore, be it

"Resolved by the Southern Michigan Law Enforcement Association, That Congress be petitioned by this organization and requested to amend the civil-rights law to pro-

vide that any person who shall falsely accuse any law-enforcement officer of violating his civil rights shall be guilty of a crime and shall be punished therefor.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1438. A bill to amend section 544 of title 28, United States Code, relating to the bonds of United States marshals (Rept. No. 1300);

S. 2239. A bill for the relief of Wadiha Salime Hamade (Rept. No. 1301);

S. 2493. A bill for the relief of Maria G. Aslanis (Rept. No. 1302);

S. 2613. A bill for the relief of Cedomilj Mihailo Ristic (Rept. No. 1303);

S. 2691. A bill for the relief of Hiroko Ozaki (Rept. No. 1304);

S. 2718. A bill for the relief of Haseep Milhem Esper (Rept. No. 1305); and

S. 2819. A bill for the relief of Mrs. Hermine Melamed (Rept. No. 1306).

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

S. 803. A bill for the relief of Claudio Guillen (Rept. No. 1307); and

S. 2712. A bill for the relief of Milosav Mares (Rept. No. 1308).

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

S. 2538. A bill for the relief of Florica Bogden (Rept. No. 1309);

S. 2621. A bill for the relief of Olive V. Rabiniaux and her two minor children, Annette Marcella Rabiniaux and Rochelle Jean Rabiniaux (Rept. No. 1310);

S. 2650. A bill for the relief of Tokiyo Nakajima and her child (Rept. No. 1311);

S. 2657. A bill for the relief of Jesus Romero Sotelo-Lopez (Rept. No. 1312);

S. 2733. A bill for the relief of Natalia Kutowyj (Rept. No. 1313);

S. 2818. A bill for the relief of Sarina L. De Trabou, Lina Trabou, and Esther Trabou (Rept. No. 1314); and

S. 2849. A bill for the relief of Pog Moon Jung and Moo Wah Jung (Rept. No. 1315).

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

S. 213. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law (Rept. No. 1316).

By Mr. MANSFIELD (for Mr. JOHNSTON of South Carolina), from the Committee on Post Office and Civil Service, with amendments:

H. R. 5836. An act to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes (Rept. No. 1321).

#### EXTENSION OF ARMED FORCES DAIRY PRODUCTS PROGRAM—REPORT OF A COMMITTEE

Mr. ELLENDER. Mr. President, from the Committee on Agriculture and Forestry, I report an original bill to extend the Armed Forces dairy products program for 3 years, and I submit a report (No. 1318) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 3341) to extend the Armed Forces dairy products program for 3 years, reported by Mr. ELLENDER, from

the Committee on Agriculture and Forestry, was read twice by its title, and placed on the calendar.

#### CONTINUATION OF SPECIAL MILK PROGRAM FOR SCHOOLCHILDREN—REPORT OF A COMMITTEE

Mr. ELLENDER. Mr. President, from the Committee on Agriculture and Forestry, I report an original bill to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools, and I submit a report (No. 1319) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 3342) to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools, reported by Mr. ELLENDER, from the Committee on Agriculture and Forestry, was read twice by its title, and placed on the calendar.

#### EXTENSION OF ACCELERATED BRUCELLOSIS CONTROL PROGRAM—REPORT OF A COMMITTEE

Mr. ELLENDER. Mr. President, from the Committee on Agriculture and Forestry, I report an original bill to extend the accelerated brucellosis control program under section 204 (e) of the Agricultural Act of 1954 for 2 additional years, and I submit a report (No. 1320) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 3343) to extend the accelerated brucellosis control program under section 204 (e) of the Agricultural Act of 1954 for 2 additional years, reported by Mr. ELLENDER, from the Committee on Agriculture and Forestry, was read twice by its title, and placed on the calendar.

#### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution favoring the suspension of deportation in the cases of certain aliens, and I submit a report (No. 1317) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 67) was placed on the calendar, as follows:

*Resolved by the Senate (the House of Representatives concurring).* That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6013531, Conrad, John Eddy.  
A-6854175, Khan, Young.  
A-5609821, Lago, Manuel.  
A-8024172, Romero-Garcia, Jose Esteban.  
A-5919886, Karlquist, Karl Runar.  
A-10375272, Ming, Dan Ah.  
A-4994479, Schmidt, Anton.

A-4778249, Tapia-Palacios, Leandro.  
A-7927373, Antoncich, Anthony Joseph.  
A-5270094, Grammatikos, Nicolaos T.  
A-4403972, Li, Ru-Chao.  
A-6899735, Garcia-Travesi, Carlos.  
A-3470764, Hicks, Prudence.  
A-3535360, Ares, Leonide Ituarta.  
A-5987407, Gavaletz, James.  
A-8001256, Kim, Lim Hong.  
A-9561104, Yan, Sang.  
A-2482835, Ali, Manan Bin.  
A-7083633, Lyras, Sozon.  
A-8976987, Olivera-Gonzalez, Juan Manuel.  
A-9836556, Tamm, Salme.  
A-8996122, Jing, Yee Fong.  
A-6859008, Ornelas-Alvarado, Carlos.  
A-7390668, Fong, Ng Ben.  
A-6590561, Lopez, Vincent Manuel.  
A-5091348, Panzani, Natale.  
A-3247674, Pellegrini, Fert.  
A-7266069, Wong, Henry.  
A-10256415, Freund, Eva.  
A-9652037, Muk, Fong.  
A-2627821, Reinhardt, Fritz Willy.  
A-3247674, Pellegrini, Fert.  
A-4735205, Sponza, Pietro.  
A-4572014, Lorusso, Mauro.  
A-2716669, Pena-Morales, Victor.  
A-5753916, Gonzalez-Campos, Francisco.

#### EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,  
The following favorable reports of nominations were submitted:

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

Leonard Page Moore, of New York, to be United States circuit judge, second circuit; Herbert Barnes, of Delaware, to be United States marshal for the district of Delaware, vice Clarence H. Spence, term expired;

George M. Yeager, of Alaska, to be United States attorney for division No. 4, district of Alaska, vice Theodore F. Stevens, resigned; Edward L. McCarthy, of Rhode Island, to be United States marshal for the district of Rhode Island;

Clark W. Gregory, of Michigan, to be United States marshal for the eastern district of Michigan;

William B. Butler, of Texas, to be United States attorney for the southern district of Texas; and

Axel J. Beck, of South Dakota, to be United States district judge for the district of South Dakota.

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

Julius H. Miner, of Illinois, to be United States district judge for the northern district of Illinois, vice John P. Barnes, retired.

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

Edwin M. Stanley, of North Carolina, to be United States district judge for the middle district of North Carolina.

#### BILLS AND A JOINT RESOLUTION INTRODUCED

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

By Mr. CARLSON:  
S. 3332. A bill to provide for the issuance of a special postage stamp in commemoration of the 50th anniversary of the American Society of Animal Production; to the Committee on Post Office and Civil Service.

By Mr. ELLENDER (by request):  
S. 3333. A bill to facilitate the insurance of loans under title I of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 28, 1937, as amended (relating to the conservation of water resources), and for

other purposes; to the Committee on Agriculture and Forestry.

By Mr. STENNIS:  
S. 3334. A bill to authorize the Secretary of the Army or his designee to convey a portion of the former Camp McCain Military Reservation, Miss., to the State of Mississippi; to the Committee on Armed Services.

By Mr. FULBRIGHT:  
S. 3335. A bill to provide for a National Capital Center of the Performing Arts which will be constructed, with funds raised by voluntary contributions, on part of the land in the District of Columbia made available for the Smithsonian Gallery of Art; to the Committee on Public Works.

By Mr. CAPEHART (for himself and Mr. HOBLITZELL):

S. 3336. A bill to extend the loan guaranty program for World War II veterans for 2 years, extend the direct loan program for a like period, authorize an interest rate on guaranteed and direct loans commensurate with that applicable to mortgages insured under section 203 of the National Housing Act, to increase the maximum direct loan to \$13,500, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. POTTER:  
S. 3337. A bill to amend the Medals of Honor Act in order to authorize awards for acts of heroism on vessels on the inland waterways of the United States engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

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

By Mr. DOUGLAS:  
S. 3338. A bill for the relief of Erminio Neglia; and

S. 3339. A bill for the relief of Christos Fassoulis; to the Committee on the Judiciary.

By Mr. BARRETT (for himself, Mr. O'MAHONEY, and Mr. MUNDT):

S. 3340. A bill to exempt brand inspectors connected with the livestock raising industry from certain provisions of the Fair Standards Act of 1938; to the Committee on Labor and Public Welfare.

By Mr. ELLENDER:  
S. 3341. A bill to extend the Armed Forces dairy products program for 3 years;

S. 3342. A bill to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools; and

S. 3343. A bill to extend the accelerated brucellosis control program under section 204 (e) of the Agricultural Act of 1954 for 2 additional years; placed on the calendar.

(See the remarks of Mr. ELLENDER when he reported the above bills from the Committee on Agriculture and Forestry which appear under separate headings.)

By Mr. HENNINGS (for himself, Mr. ANDERSON, Mr. CARROLL, Mr. CLARK, Mr. CHAVEZ, Mr. FLANDERS, Mr. HUMPHREY, Mr. IVES, Mr. JAVITS, Mr. LANGER, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIER, and Mr. SYMINGTON):

S. 3344. A bill to prescribe procedures relating to the issuance of passports, to recognize the right of United States citizens and those owing allegiance to the United States to travel free of arbitrary governmental interference, and for other purposes; to the Committee on Foreign Relations.

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

By Mr. HUMPHREY:  
S. 3345. A bill authorizing the Secretary of the Army to compensate certain persons who sustained damages by reason of fluctuations in the water level of the Lake of the Woods; to the Committee on the Judiciary.

By Mr. MORSE:

S. 3346. A bill to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities; to the Committee on Rules and Administration.

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

By Mr. IVES (for himself and Mr. JAVITS):

S. J. Res. 154. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Aviation Show to be held in New York, N. Y., from September 6, 1958, to September 14, 1958; to the Committee on Foreign Relations.

#### CONCURRENT RESOLUTION

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 67) favoring the suspension of deportation in the cases of certain aliens, which was placed on the calendar.

(See concurrent resolution printed in full, when reported by Mr. EASTLAND from the Committee on the Judiciary, which appears under the heading "Reports of Committees.")

#### RESOLUTION

Mr. MONRONEY submitted a resolution (S. Res. 264) favoring the establishment of an International Development Association in cooperation with the International Bank for Reconstruction and Development, which was referred to the Committee on Banking and Currency.

(See above resolution printed in full in the remarks of Mr. MONRONEY, which appear under a separate heading.)

#### AMENDMENT OF MEDALS OF HONOR ACT

Mr. POTTER. Mr. President, I introduce, for appropriate reference, a bill designed to amend the Medals of Honor Act in order to authorize awards for acts of heroism on vessels, on the inland waterways of the United States, engaged in interstate commerce.

The Medals of Honor Act was enacted on February 23, 1905, permitting the award of bronze medals of honor to persons who, by extreme daring, endanger their own lives in saving, or endeavoring to save, lives from any wreck, disaster, or grave accident, or in preventing or endeavoring to prevent such wreck, disaster, or grave accident, upon any railroad, within the United States, engaged in interstate commerce.

Public Law No. 50, 85th Congress, signed by the President on June 13, 1957, amended the Medals of Honor Act to authorize awards for acts of heroism involving any motor vehicle.

The history of our country is replete with acts of heroism by personnel on vessels and barges of our inland waterways. It is fitting and proper that these courageous people shall also be eligible for awards of honor for their heroic acts,

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

The bill (S. 3337) to amend the Medals of Honor Act in order to authorize awards for acts of heroism on vessels on the inland waterways of the United States engaged in interstate commerce, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

#### PROCEDURES RELATING TO ISSUANCE OF PASSPORTS

Mr. HENNINGS. Mr. President, on behalf of myself and Senators ANDERSON, CARROLL, CLARK, CHAVEZ, FLANDERS, HUMPHREY, IVES, JAVITS, LANGER, MAGNUSON, MORSE, MURRAY, NEUBERGER, PROXMIER, and SYMINGTON, I introduce, for appropriate reference, a bill which establishes new statutory provisions for the issuance of passports. It also provides new provisions regarding other aspects of foreign travel. The purpose of this bill is to solve many of the problems and complexities which have arisen under our present laws.

Mr. President, I have prepared a memorandum setting out the need for such legislation, and a summary of the provisions of the bill. I ask unanimous consent that this memorandum, and the text of the bill, which is very short, be printed in the RECORD.

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

The bill (S. 3344) to prescribe procedures relating to the issuance of passports, to recognize the right of United States citizens and those owing allegiance to the United States to travel free of arbitrary governmental interference, and for other purposes, introduced by Mr. HENNINGS (for himself and other Senators), 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 Passport Act of 1958.*

#### TITLE I. AUTHORITY TO ISSUE PASSPORTS—PERSONS ENTITLED TO PASSPORTS

SEC. 101. The Secretary of State for and on behalf of the United States may grant, issue, renew, or revoke passports in the United States and cause passports to be issued, renewed or revoked in foreign countries by diplomatic representatives of the United States, and by such consuls general, consuls, or vice consuls when in charge, as the Secretary of State may designate, and by the chief or other executive officer of the insular possessions of the United States or Territories over which the United States exercises trusteeship.

SEC. 102. (a) The Director of the Passport Office shall be appointed under the classified civil service and shall be compensated at the rate of GS-18 under the Classification Act of 1949 as amended.

The Director of the Passport Office shall report directly to the Secretary of State.

(b) The Director of the Passport Office may appoint passport agents within the United States and such appointments shall be under the civil service laws.

SEC. 103. Passports shall only be granted or issued to persons who are citizens or nationals of the United States or who owe allegiance to the United States. No person

other than those enumerated above shall be included in a passport issued to another.

SEC. 104. A passport shall be issued upon a completed application to any person who is qualified under section 103 and does not fall within one or more of the following excepted classes:

(1) persons who are members of the Communist Party or any organization which is registered or as to which there is in effect a final order of the Subversive Activities Control Board requiring registration with the Attorney General of the United States as a Communist-action, Communist-front, or Communist-infiltrated organization, or who have terminated such membership under such circumstances as to warrant the conclusion that they continue to act in furtherance of the interests of the Communist movement or who, regardless of the formal state of their affiliation with the Communist Party, engage in activities which support the Communist movement under such circumstances as to show that they have engaged in such activities as a result of direction, domination, or control exercised over them by the Communist movement;

(2) persons under indictments or informations for felonies or treason; or

(3) persons who are free on bail pending appeals from a criminal conviction.

SEC. 105. The Secretary of State may authorize issuance of a passport to an applicant who falls within one or more of the excepted classes in section 104 if he shall determine that such issuance is in the national interest of the United States. Such passport may be limited with respect to duration and areas for which it is valid.

SEC. 106. A diplomatic passport may be issued only to the Vice President of the United States, the Secretary of State, ambassadors extraordinary and plenipotentiary, envoys extraordinary, ministers plenipotentiary, and officers of the Foreign Service of the United States, former Presidents and Vice Presidents and such other persons as the President may designate as his personal envoy to a foreign state or states.

SEC. 107. Special passports may be issued to other persons who are going abroad on official business for the United States Government.

SEC. 108. Upon application therefor, duly completed, a passport shall be issued, or the applicant shall be informed in writing of a denial thereof, within 60 days after the receipt of such application by any person authorized to act for the Secretary of State as set out in sections 101 and 102. A denial shall set forth the reasons therefor as specifically as is consistent with national security. Such denial shall also inform the applicant of his right to request a hearing before the Passport Review Board, established under section 301 of this act.

SEC. 109. A passport shall not be revoked or taken from the holder thereof except when such holder falls within one of the excepted classes set out in section 104. When a passport is revoked or taken from the holder thereof, such holder shall be informed in writing of the reasons therefor as specifically as is consistent with national security. Such information shall also inform the person of his right to request a hearing before the Passport Review Board.

#### TITLE II. REQUIREMENTS FOR ISSUANCE OF PASSPORTS

SEC. 201. Before a passport is issued to any person by or under authority of the United States, such person shall subscribe to and submit a written application, duly verified by his oath or affirmation before a person authorized to take passport applications containing a true recital of each and every matter of fact which may be required by law or by any rules authorized by law to be stated as a prerequisite to the issuance of any such passport.

SEC. 202. There shall be collected and paid into the Treasury of the United States quarterly a fee of \$2 for executing each application for a passport and \$9 for each passport issued to a citizen or person owing allegiance to or entitled to the protection of the United States: *Provided*, That nothing contained herein shall be construed to limit the right of the Secretary of State by regulation to authorize the retention by State officials of the fee of \$2 for executing an application for a passport. No fee shall be collected for passports issued to officers or employees of the United States proceeding abroad in the discharge of their official duties, or to members of their immediate families, accompanying or residing with him abroad, or to seamen, or to widows, children, parents, brothers, and sisters of American soldiers, sailors, or marines, buried abroad whose journey is undertaken for the purpose and with the intent of visiting the graves of such soldiers, sailors, or marines, which facts shall be made a part of the application for the passport.

SEC. 203. Whenever a fee is erroneously charged and paid for the issuance of a passport to a person who is exempted from the payment of such a fee by section 202 of this act, the Department of the Treasury is authorized to refund to the person who paid such fee the amount thereof upon proper notice from the passport office.

SEC. 204. Whenever the appropriate officer within the United States of any foreign country refuses to visa a passport issued by the United States, the Department of State is authorized, upon request in writing and the return of the unused passport within 6 months from the date of issue, to request the Department of the Treasury to refund to the person to whom the passport was issued the issue fee of \$9.

SEC. 205. All persons who shall be authorized to grant, issue, or verify passports, shall make return of the same to the Secretary of State, in such manner and as often as he shall require. Such returns shall specify the names and all other particulars of the persons to whom the same shall be granted, issued, or verified, as embraced in such passport.

SEC. 206. The validity of a passport shall be limited to a period of 3 years: *Provided*, That a passport may be renewed for a period of 2 years, upon the payment of a fee of \$5 for such renewal: *Provided further*, That diplomatic or special passports, or passports issued under section 105 may be limited to a period of less than 3 years.

#### TITLE III. PROCEDURE FOR REVIEW OF PASSPORT DENIAL

SEC. 301. A Passport Review Board shall be established within the State Department. It shall consist of five officers of the Department to be designated by the Secretary of State. The Board shall act on all cases wherein hearings are properly requested, and its decision in any such case shall be the final administrative determination. The Board shall establish and make public its own rules of procedure, to be approved by the Secretary of State. The rules shall accord the applicant or passport holder the right to appear personally, to be represented by counsel, and to offer oral or documentary evidence. The applicant or passport holder shall receive a copy of the transcript of proceedings and be permitted to cross-examine all of the witnesses against him and examine all other evidence which is made a part of the open record in the case. The Board shall insure, consistent with national security, that all evidence and witnesses relied upon are produced and made a part of the open record.

SEC. 302. Any person who has been refused a passport or has had his passport revoked or taken from him may, within 60 days after notification of such action, file a request for

a hearing before the Passport Review Board. The Board shall hold a hearing within 30 days of the filing of the request unless such time limit is waived by the person who so filed.

SEC. 303. The United States District Court for the District of Columbia shall have jurisdiction to hear and determine any appeal from a final decision of the Passport Review Board.

#### TITLE IV. RESTRICTIONS ON TRAVEL

SEC. 401. The Secretary of State may designate certain countries as "unsafe for travel," if the United States is unable to offer protection to citizens traveling in such countries due to the lack of diplomatic relations or to disturbances within the designated countries. The names of such countries shall be stamped on each passport.

SEC. 402. No person who holds a passport or is included on the passport of another, shall enter a country which to his knowledge has been designated as "unsafe for travel": except that this prohibition shall not apply to such person who has completed a sworn affidavit at a designated office of the State Department, or the office of any diplomatic representative of the United States, consul general, consul, or vice consul when in charge, in a form prepared by the Secretary of State, which sets out in substance that the affiant desires to enter a country or countries designated as unsafe for travel, and waives the protection of the United States while inside such country or countries.

SEC. 403. In time of war, as declared by Congress, the President may prescribe regulations governing the entering and leaving of the United States and travel by United States citizens and nationals in foreign countries which shall supersede any contrary provisions of this act.

SEC. 404. Whenever the Armed Forces of the United States are engaged in open hostilities, the President may prescribe regulations governing the travel of United States citizens and nationals in the combat area which shall supersede any contrary provisions of this act.

SEC. 405. It shall be unlawful for any United States citizen or national to travel to a foreign country (other than countries within the Western Hemisphere) without a passport.

#### TITLE V. PENALTIES

SEC. 501. Any person who violates the provisions of sections 402 or 405 shall be guilty of a misdemeanor and upon conviction be punished by imprisonment for a period not exceeding 1 year or by a fine not exceeding \$1,000, or both.

SEC. 502. Any person who violates any regulation prescribed by the President under sections 403 and 404 shall be guilty of a felony and upon conviction be punished by imprisonment for a period not exceeding 5 years or by a fine not exceeding \$5,000 or both.

SEC. 503. Nothing in this title shall be construed to apply to members of Armed Forces of the United States who enter a foreign country under official orders.

#### TITLE VI. LAWS REPEALED

SEC. 601. (a) The following acts or parts of acts and all amendments thereto are repealed:

(1) Section 4076 of the Revised Statutes (22 U. S. C. 212);

(2) Section 4077 of the Revised Statutes (22 U. S. C. 218);

(3) Section 1 of title IX of the act of June 15, 1917 (22 U. S. C. 213);

(4) Sections 1, 2, and 4 of the act of June 4, 1920 (22 U. S. C. 214, 215, 216);

(5) Sections 1, 2, and 3 of the act of July 3, 1926 (22 U. S. C. 211a, 217a, 214a).

(b) All other laws, or parts of laws, in conflict or inconsistent with this act are, to

the extent of such conflict or inconsistency, repealed.

#### TITLE VII. EFFECTIVE DATE

SEC. 701. This act shall take effect 90 days after its enactment.

The memorandum presented by Mr. HENNINGS is as follows:

#### MEMORANDUM IN SUPPORT OF PASSPORT BILL

The present passport laws are based on a set of facts and a philosophy which is completely outdated. They were enacted in an environment where a passport was not necessary for travel abroad. In this environment, a passport was merely an identification document which identified the holder as a citizen of the United States, and requested protection from the foreign government. At this time, travelers were not required to have a passport. This environment was also one lacking in continuous national emergency such as we have had for the past 20 years. Under these conditions, Congress adequately fulfilled its obligation by authorizing the Secretary of State to issue passports under rules and regulation prescribed by the President.

In this past era, it was not improper to leave it up to the State Department to use its discretion in issuing and denying passports, because a passport was a more or less special request for protection of a traveler and should be held only by those of good character. At that time, if the person's character was doubtful, it may have been desirable that he have no special consideration shown to him by a foreign government at the request of the United States.

But today, the environment is greatly changed. A passport is necessary to enter almost every foreign country. It is unlawful for an American to travel abroad (other than countries within the Western Hemisphere) without a passport during a national emergency. A national emergency has existed for almost 20 years. So, today, to deny a passport is to deny the right to travel.

The right to move from place to place free of governmental restriction has long been a part of our democratic society. This right and freedom is complete only when it includes the right to move anywhere in the world. This right was recognized in the Declaration of Human Rights adopted by the United Nations. This right, like all others, is subject to certain restrictions. This right to travel must conform to the safety of our Nation. But conformity does not require that the right to travel be left to the sole discretion of the Secretary of State.

The Secretary of State under the present law has the power to use his discretion arbitrarily and capriciously. He may deny and revoke passports according to his personal whims. Apparently, up until this year, no Secretary of State has been willing to allow his decisions to be tested before the Supreme Court. They have changed their decisions when pushed to the wall. In this way, the question has become moot and not subject to the Supreme Court's jurisdiction.

The primary basis for denying passports should be national security, since the effect one person can have on our foreign policy in traveling abroad is infinitesimal. The field of national security is within the purview of the legislative branch of our Government as well as the executive. It is time that the Congress assume its obligation to the people in the field of passport law. Congress can no longer subject the right of the people to travel to the personal whims of the Secretary of State, whoever he may be. Congress must reassert its authority in this field.

The bill which I have introduced, if enacted, will protect the right to travel. It will require the Secretary of State to issue passports to all Americans with certain specific restrictions. These restrictions protect our national security by withholding passports

from Communists and Communist supporters. It also withholds passports from persons who are attempting to evade criminal justice.

The bill also insures due process to those who are denied passports. It requires the State Department to state why a passport has been denied, as specifically as is consistent with national security. It also provides an appellate procedure which is open to all those denied a passport.

The bill allows the President to declare certain countries unsafe for travel if the United States cannot furnish protection for travelers in such countries. But the bill allows a person to travel into such countries provided the person signs an affidavit waiving the protection of the United States and agrees to travel at his own risk. This provision upholds a person's right to travel to any part of the world while also protecting the foreign policy of the United States. A person has always been able to waive his constitutional rights as long as he does so voluntarily and with full knowledge. This provision merely extends this principle to a person's right to the protection of the United States while abroad. The fact that the person knows the country has been designated unsafe for travel and deliberately signs an affidavit waiving protection will insure that the act is done voluntarily and with full knowledge. By this procedure, an American can realize his freedom to travel anywhere in the world. And he will know where it is safe to travel and where it is not. If he insists on traveling where our Government cannot give protection, he may do so. But, beforehand, he must expressly waive this protection, thus bringing home to him explicitly the fact that he is going to a country where the United States cannot give protection.

This bill also provides that the Director of the Passport Office will be under the civil-service laws. This will stabilize the administration of the passport laws and allow the Office to operate efficiently according to sound business principles, for the Passport Office is strictly a business office and not a policymaking office.

The bill provides criminal penalties for violations of the passport laws. It extends the validity of a passport from 2 to 3 years, with an extension of 2 years. The bill retains the present provisions as to applications for a passport. It changes the fee provisions by raising the application fee from \$1 to \$2 in Federal courts to make it uniform with the present State-court fee.

The bill gives to the President power to control travel during time of war as declared by Congress or in areas where our troops are engaged in open hostilities, though there be no such declaration.

By passage of this bill, the Congress will resume its obligation in the field of passports, and the right to travel will be restored to our people.

There is one issue which I have not included in the bill, but which I think should be considered by the committee to which the bill is referred.

Under the present law, persons who are traveling abroad on official Government business must pay the application fee of \$1 or \$2, but the passport is issued free of charge. The person who obtains the passport then files a voucher and receives a remittance of his application fee. This causes the Passport Office a book loss of \$9 for each free passport issued. The Passport Office is a business office, and should operate on a sound business basis. This could be accomplished by charging the applicant the full cost of a passport, and then he could file his voucher for \$11, instead of \$2. This would put the Passport Office on a sound financial basis.

#### FILING OF STATEMENTS OF INCOME DISCLOSURE BY MEMBERS OF CONGRESS AND OTHERS

Mr. MORSE. Mr. President, along the same lines on which I have previously spoken, and on which I spoke again last Friday, concerning my income-disclosure bill, which I first introduced in the Senate in 1946, and which has been periodically introduced on various occasions, through an oversight it has not been introduced this year. I therefore introduce, for appropriate reference, the bill, along with a résumé of the parliamentary record of this bill since it was first introduced in 1946. I ask unanimous consent that the bill, together with the résumé, be printed in the RECORD.

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

The bill (S. 3346) to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties, to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That each Member of the Senate and House of Representatives (including each Delegate and Resident Commissioner); each officer and employee of the United States who (1) receives a salary at a rate of \$10,000 or more per annum or (2) holds a position of grade GS-15 or above, and each officer in the Armed Forces of the rank of colonel, or its equivalent, and above; and each member, chairman, or other officer of the national committee of a political party shall file annually with the Comptroller General a report containing a full and complete statement of—

(1) the amount and resources of all income and gifts (of \$100 or more in money or value, or in the case of multiple gifts from one person, aggregating \$100 or more in money or value) received by him or any person on his behalf during the preceding calendar year;

(2) the value of each asset held by or entrusted to him or by or to him and any other person and the amount of each liability owed by him, or by him together with any other person as of the close of the preceding year; and

(3) the amount and source of all contributions during the preceding calendar year to any person who received anything of value on his behalf or subject to his direction or control or who, with his acquiescence, makes payments for any liability or expense incurred by him.

Sec. 2. Each person required by the first section to file reports shall, in addition, file semiannually with the Comptroller General a report containing a full and complete statement of all dealings in securities or commodities by him, or by any person acting on his behalf or pursuant to his direction, during the preceding 6-month period.

Sec. 3. (a) Except as provided in subsection (b), the reports required by the first section of this act shall be filed not later than March 31 of each year; and the reports required by section 2 shall be filed not later than July 31 of each year for the 6-month period ending June 30 of each year, and not later than January 31 of each year for the

6-month period ending December 31, of the preceding year.

(b) In the case of any person required to file reports under this act whose service terminates prior to the date prescribed by subsection (a) as the date for filing any report, such report shall be filed on the last day of such person's service, or on such later date, not more than 3 months after the termination of such service, as the Comptroller General may prescribe.

Sec. 4. The reports required by this act shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, and dealings in securities or commodities, when separate itemization is not feasible or not necessary for an accurate disclosure of a person's income, net worth, or dealings in securities and commodities.

Sec. 5. Any person who willfully fails to file a report required by this act or who willfully and knowingly files a false report shall be fined \$2,000 or imprisoned for not more than 5 years, or both.

Sec. 6. (a) As used in this act—

(1) The term "income" means gross income as defined in section 22 (a) of the Internal Revenue Code.

(2) The term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (U. S. C., title 15, sec. 77b).

(3) The term "commodity" means commodity as defined in section 2 of the Commodity Exchange Act, as amended (U. S. C., title 7, sec. 2).

(4) The term "dealings in securities or commodities" means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity.

(5) The term "person" includes an individual, partnership, trust, estate, association, corporation, or society.

(b) For the purposes of any report required by this act, a person shall be considered to be a Member of the Senate or House of Representatives, an officer or employee of the United States and of the armed services as described in the first section of this act, or a member, chairman, or other officer of the national committee of a political party, if he served (with or without compensation) in any such position during the period to be covered by such report, notwithstanding that his service may have terminated prior to December 31 of such calendar year.

Sec. 7. The Comptroller General shall have authority to issue, reissue, and amend rules and regulations governing the publication of reports, or any part of them. He shall prescribe fees to cover the cost of reproduction. In formulating such rules and regulations, he shall seek to maximize the availability of reports for purposes of informing the public and agencies and officials of the Federal and local governments, and to minimize use of such records for private purposes.

The résumé presented by Mr. MORSE is as follows:

#### INCOME DISCLOSURE BILLS

(Introduced by Senator WAYNE MORSE)

Seventy-ninth Congress, second session (1946): Senate Resolution 306, requiring Senators to file annual statements of income and financial transactions; referred to Committee on Banking and Currency.

Eightieth Congress, first session (1947): Senate Resolution 31, amending rules so as to require Senators to file annual statements of income and dealings in securities; referred to Rules Committee.

Senate Resolution 33, requiring Senators to file annual statements of income and

dealings in securities; referred to Rules Committee.

Eightieth Congress, second session (1948): S. 2086, to require certain members of legislative, judicial, and executive branches of Government to file statements relating to amount and sources of income and dealings in securities and commodities; referred to Rules Committee.

Eighty-first Congress, first session (1949): S. 109, to require certain members of legislative, judicial, and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities; referred to Rules Committee.

Eighty-second Congress, first session (1951): S. 561, to require certain members of the legislative, judicial, and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities; referred to Rules Committee.

Eighty-second Congress, second session, (1952): Senate Resolution 334, requiring annual reports showing names of persons employed by each Senator with their compensation; referred to Rules Committee.

Eighty-third Congress, first session (1953): S. 334, to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities; referred to Rules Committee.

Eighty-fourth Congress, first session (1955): S. 2747, to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities; referred to Rules Committee.

#### REVISION OF BASIC COMPENSATION SCHEDULES OF CLASSIFICATION ACT OF 1949—AMENDMENTS

Mr. STENNIS (for himself and Mr. CARLSON) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, which were ordered to lie on the table, and to be printed.

#### TECHNICAL CHANGES IN FEDERAL EXCISE-TAX LAWS—AMENDMENTS

Mr. TALMADGE submitted an amendment, intended to be proposed by him, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

Mr. MAGNUSON. Mr. President, on behalf of myself, and Senators SMATHERS, SCHOEPEL, PURTELL, PASTORE, MONRONEY, BIBLE, THURMOND, BRICKER, BUTLER, POTTER, PAYNE, COTTON, and MORSE, I submit an amendment, intended to be proposed by us, jointly, to the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes.

The Senators who have participated in this action, who are mainly from the Committee on Interstate and Foreign Commerce, will have more to say later in explanation of the amendment.

The Senator from Florida [Mr. SMATHERS], the chairman of the subcommittee, has been holding lengthy and detailed hearings on the entire transportation problem, starting with the railroads and the trucklines, because the subject concerns their entire economy. But because time is of the essence, the members of the committee are submitting the amendment jointly. They have been doing yeoman work in examining the tangled, complex problem of the economy of the Nation's transportation system. We feel this is one of the ways in which we can be of some help, especially in these times.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance.

Mr. SMATHERS. Mr. President, the Subcommittee on Surface Transportation, in the course of conducting hearings on the deteriorating situation of the railroad industry has heard many railroad, trucking, and allied witnesses. Without exception, they have pointed out the desirability of allowing the for-hire transportation industry relief from the transportation excise tax of 3 percent on freight and 10 percent on passengers.

From the statements issued by Secretary of Commerce Weeks, it is clear that the downturn in the economy is now acknowledged to be a recession. In view of this situation, it is extremely important to take every practical step to arrest declines in the Nation's economic activity without delay. To the extent that this may be done by tax reductions, with minimum loss of necessary tax revenues, it is imperative that such steps be taken now.

When a man is feeling a bit run down, needed vitamins may be sufficient to restore him to full strength and vitality. But if he waits and puts off early remedies, he may find himself with a deepening malady and serious costs of delayed recovery. So it is with our economy.

There seems to be no other tax whose elimination could give more of a stimulant and restorative treatment to our economy at this particular time than the repeal of the 3-percent excise tax on the transportation of freight and the 10-percent tax on transportation of passengers. The net revenue loss to the Treasury on the transportation property tax, allowing for the fact that it is a deductible business expense for income-tax purposes, would not exceed \$225 million, and might be considerably less than that. As was pointed out in the course of the hearings, if the tax is repealed one of three things probably would happen:

First, some shippers might continue to charge the same prices for their goods as now, in other cases they would—after the repeal of the tax, raise their prices by 3 percent. In this case the money involved would be added to their income, and therefore, be subject to the income tax.

Second, the carrier might raise his rates by 3 percent and the shipper still charge the same price for his products. In this case the income again would be mostly profit to the carrier and it would be subject to increased income tax.

Third, the carrier may leave his rates the same and the shipper might reduce his selling price by 3 percent. This, of course, is the hoped for result—and it would mean more money in the pocket of the consumer, thus giving our economy a modest boost.

These are all possibilities. Bear in mind that this transportation tax applies at every successive stage of production, from raw material to finished product. Not only does it apply at each stage of production and marketing involving transportation, but through standard markups it builds up to much larger amounts than would seem to be indicated by a seemingly nominal tax rate of 3 percent. If there are five transportation movements, there would be five 3 percent individual tax assessments on the transportation of the one item. It is this total cumulative impact that counts. That is precisely why this tax is such a serious drag on production, and business—particularly small business—throughout our entire economy.

The consumer in the end pays this punitive tax. It, therefore, obstructs not only production but checks consumer purchases. The economy is adversely affected from beginning to end. It affects every consumer, reaches into every home and pervades an entire economy, all that we eat and all that we wear is transported.

Shippers far distant from their markets are especially disadvantaged.

The people of the far West and the South are acutely aware of this fact. Farmers and other business enterprises, which have been particularly hard hit by this recession, would be given much needed relief. Shippers of bulk commodities, whose transportation bills mount high, would quickly react to relief from this onerous tax. Industries that would save considerable money by the repeal of this 3-percent tax would be encouraged to resume expenditures for plant and equipment on the scale needed to supply jobs and aid in our economic recovery. Hence, existing employment dislocations and unemployment in the affected industries would no longer be aggravated by the burdens of the transportation tax.

No less important, repeal of these taxes would help to arrest further deterioration of our essential transportation industries. The transportation industry, in its entirety, is an extremely important part of the national economy, comprising about 21 percent of the gross national product. Unless we continue to maintain a strong transportation system, which is undeniably essential to both commerce and defense, other efforts to strengthen our national defense would be largely nullified.

Small business particularly would benefit by repeal of the excise taxes on transportation because many small-business men cannot easily provide their own transportation services and by necessity use for-hire carriers, on which there is this 3-percent tax. A small-business man today who has to use common carriage on which he pays an extra 3-percent tax, cannot compete with his larger, more affluent competitor who has the

money to purchase a fleet of trucks and have his own articles free from the 3-percent excise tax. Consequently, repeal would lessen the tax burden on small business. Those small businesses that are being forced into purchasing their own transportation fleets because of this tax would thus be relieved of the uneconomic burden of purchasing equipment and operating such service.

The repeal of the 10-percent excise tax on passenger travel would also give widespread relief to the depressed economy. Enacted as a war emergency tax to discourage travel, this punitive tax continues to do just that at a time when it should be our policy to promote travel and economic recovery. The tax works hardships on many different groups who can ill afford to pay an extra premium for necessary transportation, it increases business costs, and it puts another economic handicap upon our essential public carriers.

The passenger tax yields the Treasury a little over \$200 million annually and is not, therefore, a substantial part of our total tax structure. Moreover, for those engaged in travel for business purposes, the tax is a deductible expense, so that the net revenue loss from its repeal would probably not be much more than \$100 million, and possibly less than that. In view of all of its undesirable consequences, and particularly since it acts as a deterrent to economic recovery, it would be shortsighted indeed to keep this penalty on personal transportation in effect any longer.

Thus, from every point of view, these unound and burdensome taxes are an unhealthy obstruction to economic recovery and should be removed forthwith. The stimulus to the economy would be greatest where present dislocations are most in evidence. Happily, the revenue losses to the Treasury would be relatively small; indeed, they would be insignificant compared with the economic impetus which repeal would bring. The resulting uplift to our economy, now so urgently needed, might well mean that resurgent economic activities would bring in much more tax revenues than would be initially given up by repeal of this tax.

For these and other reasons, members of the committee have sponsored the amendment to the Internal Revenue Act designed to repeal the 3 percent excise transportation tax on property transportation and 10 percent tax on passenger service.

The proposed amendment reads as follows:

That parts I and II of subchapter C of chapter 33 of the Internal Revenue Code of 1954, as amended, being sections 4261, 4262, 4263, and 4264, dealing with the tax on the transportation of persons, and sections 4271, 4272, and 4273 dealing with the tax on the transportation of property, respectively, are hereby repealed.

Sec. 2. The amendment made by this act shall take effect on the first day of the month which begins more than 10 days after the date of the enactment of this act for transportation which begins on or after such first day.

Mr. President, not only do the majority of the members of the Subcommittee

on Surface Transportation sponsor the amendment, but the entire remainder of the membership of the Committee on Interstate and Foreign Commerce also sponsor the amendment.

#### AMENDMENT OF INTERNAL REVENUE CODE—AMENDMENTS

Mr. CASE of South Dakota (for himself, Mr. MARTIN of Pennsylvania, Mr. MALONE, Mr. MUNDT, Mr. BENNETT, and Mr. FLANDERS) submitted an amendment, intended to be proposed by them, jointly, 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 was referred to the Committee on Finance and ordered to be printed.

Mr. IVES submitted an amendment, intended to be proposed by him, to House bill 8381, supra, which was referred to the Committee on Finance and ordered to be printed.

#### TRANSFER OF CERTAIN PROPERTY AND FUNCTIONS OF HOUSING AND HOME FINANCE ADMINISTRATOR TO SECRETARY OF INTERIOR—DISCHARGE OF COMMITTEE AND REREERENCE OF BILL

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of S. 2594. S. 2594 is a bill which would transfer the rights and responsibility of the Federal Government with respect to a housing project—ALAS-50080—from the Housing and Home Finance Administrator to the Secretary of the Interior. Once this delegation of authority is completed, the Secretary of the Interior is authorized to take certain actions with respect to this housing which will benefit Indians who now occupy the project.

There is, I will concede, some reason for originally referring this bill to the Senate Banking and Currency Committee. It is true that the Banking and Currency Committee normally has jurisdiction over the activities of the Housing and Home Finance Agency and of the transfer of title of housing projects owned by the Federal Government. This bill, however, deals in the main with subjects other than the transfer of the Federal Government's interest in a housing project, and as the housing agency itself points out, the bill "involves social considerations as well as special local problems which are within the competence of the Bureau of Indian Affairs rather than of the housing agency."

Because the bill authorizes the Secretary of the Interior to take certain actions with respect to the affairs of Indians, it would seem more appropriate that this bill be referred to the Committee on Interior and Insular Affairs.

Mr. CARLSON. Mr. President, as the acting minority leader, I should like to inquire of the Senator from Arkansas if

he, as the chairman of the Committee on Banking and Currency, has conferred with any of the minority members of the committee regarding this subject.

Mr. FULBRIGHT. I am afraid not.

Mr. CARLSON. I certainly have no objection personally—

Mr. FULBRIGHT. I wonder if the Senator would go over my statement at this point. The reason for my request is that the Department of the Interior has an interest in the field of Indian affairs.

Mr. CARLSON. I am sure the distinguished Senator from Arkansas realizes that I have no objection.

Mr. FULBRIGHT. I apologize for not having cleared the matter with the minority membership of the committee. I overlooked that.

Mr. CARLSON. I have no interest in it. However, I do have a responsibility on this side of the aisle at the present time.

Mr. FULBRIGHT. I understand.

Mr. CARLSON. I sincerely hope that the distinguished Senator will understand that.

Mr. FULBRIGHT. I will withhold my request until I have finished my remarks on another subject. Then I shall renew my request, after the Senator has had an opportunity to go over the statement I have made.

Mr. CARLSON. Mr. President, the distinguished ranking minority member of the Committee on Banking and Currency, the Senator from Indiana [Mr. CAPEHART], tells me he has no objection to the request of the Senator from Arkansas. I certainly have none.

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

Mr. FULBRIGHT. Mr. President, I thank the Senator from Kansas.

#### 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. CAPEHART:

Statement by him on the 10th anniversary of the communization of Czechoslovakia.

#### NOTICE OF HEARING ON NOMINATION OF JOHN M. ALLISON TO BE AMBASSADOR TO CZECHOSLOVAKIA

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of John M. Allison, of the District of Columbia, to be Ambassador to Czechoslovakia, vice U. Alexis Johnson.

Notice is given that the nomination will be eligible for consideration by the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule.

### NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Don A. Tabbert, of Indiana, to be United States attorney for the southern district of Indiana for the term of 4 years, vice Jack Chapler Brown, resigned.

Roy McKinney Amos, of Indiana, to be United States marshal for the northern district of Indiana for a term of 4 years.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, March 3, 1958, any representation or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

### NOTICE OF HEARING ON NOMINATION OF CLAUDE F. CLAYTON, TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF MISSISSIPPI

Mr. EASTLAND. Mr. President on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, March 3, 1958, at 10 a. m., in room 424 Senate Office Building, upon the nomination of Claude F. Clayton, of Mississippi, to be United States district judge, for the northern district of Mississippi, vice Allen Cox, retired.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY], chairman, the Senator from North Carolina [Mr. ERVIN], and the Senator from Indiana [Mr. JENNER].

### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 24, 1958, he presented to the President of the United States the following enrolled bills:

S. 969. An act to prescribe the weight to be given to evidence of tests of alcohol in the blood, urine, or breath of persons tried in the District of Columbia for certain offenses committed while operating vehicles; and

S. 1805. An act for the relief of Acme Bag and Burlap Co. and others.

### VALLEY FORGE ADDRESS BY HERBERT HOOVER

Mr. SMITH of New Jersey. Mr. President, last Saturday our two ex-Presidents spoke to an America which is concerned over the state of the economy and is anxiously awaiting signs of recovery from the present recession.

Mr. Truman spoke at the Democratic \$100-a-plate campaign dinner here in Washington, while Mr. Hoover spoke at the Freedoms Foundation awards program at Valley Forge. The messages

they brought our troubled people make an interesting study in contrast.

The Truman address, which received wide attention, and had an advance publicity buildup, offered the country nothing but doom and despair. It presented the Republican Party with the big campaign issue of 1958: namely, whether we are to return to Trumanism and the planned economy of the welfare state as the only solution of our problems. This would, of course, include a return to the New Deal and the Fair Deal policy.

At Valley Forge, in sharp contrast, Mr. Hoover rose to the heights in expressing his faith that America would rally again to a period of greatness. In his outstanding address he pointed out that our present economic difficulties arise, as did those of 1931, from the inheritance of the mistakes of the peace and the aftermaths of destruction from world war.

Mr. President, because of the timeliness and eloquence of Mr. Hoover's address, and because of its relevance to present conditions, I ask unanimous consent that it be published in the body of the RECORD at the conclusion of my remarks.

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

[From the New York Times of February 23, 1958]

#### TEXT OF HOOVER'S ADDRESS AT THE VALLEY FORGE CEREMONIES

I wish to express my appreciation of the honor which you and the Freedoms Foundation have conferred upon me. I shall speak briefly but with a surprise statement for you at the end of this address.

We gather here on this 22d day of February 1958 to pay our homage to the 226th anniversary of the birth of George Washington. There is no place which more greatly marks his immortal grandeur than these fields of Valley Forge.

This national shrine needs no description; the events enacted here require no recounting to the American people. The very name, Valley Forge, swells within us pride in our Nation.

These peaceful fields hold a glory peculiarly their own. It was not the glory of war for which these fields are remembered. No great battle was fought here. It was not the pomp of victory, for no martial triumph was won here. It was not the scene where peace was signed by which independence of a great Nation was won. A thousand other fields mark the tombs of the courage, the glory, the valor, the skill, the martial triumph of our race. Yet, the instinct and the judgment of our people after the abrasion of the years has appraised this place as a foremost national shrine.

#### OUR DARKEST HOUR

It was the transcendent fortitude and steadfastness of these men who in adversity and in suffering through the darkest hour of our history held faithful to an ideal. Here men endured that a nation might live. It is a shrine to the things of the spirit and of the soul.

George Washington and his men at any moment could have surrendered their ideals to the widespread spirit of despair and discouragement. They could have abandoned their claims to freedom. They could have deserted their hopes and forsaken their faith.

Here Washington and his little band of hungry and almost naked patriots kept alive the spark of liberty in the world. They met

this, the deepest crisis of the Revolution, with steadfast fortitude; they conserved their strength; they husbanded their resources; they seized the opportunity which, with the turn of the tide led on to victory. It was a triumph of character and idealism. Here was one of those moral victories that are the glory of the race. Without such victories the life of man would descend to a sheer materialism for "where there is no vision the people perish." There mankind could claim no distinction, sing no songs, dream no dreams, inspire no hope, and grasp no faith.

#### NATION'S IDEALS CITED

Our citizens in every war have flocked to arms at the call of country. They have responded willingly, because in every emergency they have had before them an ideal of liberty and the freedom of their country. Some wars in history have been instigated by old and cynical men for cruel or selfish reasons. Some wars have been fought for power and possessions. But war for liberty has endowed our race not alone with the precious possession of freedom but has inspired every succeeding generation with that idealism which is the outpouring of man's spirit.

An ideal is an unselfish aspiration. It is a thing of the spirit. Our ideals are the cement which binds our society. They provide the mainspring of progress. It is this spirit which has made possible the success of our great democratic experiment. They have tempered our acquisitiveness, have strengthened our sense of civic responsibility, and have made service to fellow man a part of our national character.

This peculiar significance of Valley Forge should strike with especial force in this particular moment of our national life. To each and every one of us it is an hour of unusual stress and trial. The Nation is beset with difficulties and confusions. These temporary reverses in the march of progress have been in part the penalty of the malign inheritances of world forces beyond our control.

#### SEES A PASSING TRIAL

Many have doubt and grave concern for the future. But no one who reviews the past and realizes the vast strength of our people can doubt that this, like a score of similar experiences in our history, is a passing trial. From this knowledge must come the courage and wisdom to improve and strengthen us for the future.

Numerous are the temptations under the distress of the day to turn aside from our true national purposes and from wise national policies and fundamental ideals of the men who built our Republic. Never was the lure of the rosy path to every panacea and of easy ways to imagined security more tempting.

For the energies of private initiative, of independence, and a high degree of individual freedom in our American system we are offered alluring substitutes with the specious claim that everybody collectively owes each of us individually a living rather than an opportunity to earn a living.

And the equally specious claim that hired representatives of scores of millions of people can do better than the people themselves, in thinking and planning their daily life.

Our Government was an experiment in securing to a people the maximum of individual freedom. And the human spirit has blossomed in independence and self-respect. It brought America to a greatness unparalleled in the history of the world.

Amid the scene of vastly growing complexity of life we must preserve the independence of the individual from the deadening restraints of government, yet by the strong arm of government equally assure his fair chance, his equality of opportunity from the encroachment of special privileges and greed or domination by any group or class.

—We must not be misled by the claim that the source of all wisdom is in the Government. Wisdom is born out of experience, and most of all out of precisely such experience as is brought to us by the darkest moments. It is in meeting such moments that are born new insights, new sympathies, new powers, new skills. Such conflicts as we are in the midst of today cannot be won by any single stroke, by any one strategy sprung from the mind of any single genius. Rather, we must pin our faith upon the inventiveness, the resourcefulness, the initiative of every one of us. That cannot fail us if we keep the faith in ourselves and our future, and in the constant growth of our intelligence and ability to cooperate with one another.

#### RECALLS GLORY OF REVOLUTION

The memory of Americans who glory in Valley Forge even as they glory in Yorktown tell us the truth which echoes upward from this soil of blood and tears, that the way to the Nation's greatness is the path to self-reliance, independence, and steadfastness in time of trial and stress.

Valley Forge met such a challenge to steadfastness in times and terms of war. Our test is to meet this challenge in times and terms of peace. It is the same challenge. It is the same test of steadfastness of will, of clarity of thought, of resolution of character, of fixity of purpose, of loyalty to ideals and of unshaken conviction that they will prevail.

We, too, are writing a new chapter in American history. If we weaken, as Washington did not, we shall be writing the introduction to the decline of American character and the fall of American institutions. If we are firm and farsighted, as were Washington and his men, we shall be writing the introduction to a yet more glorious epoch in our Nation's progress. If, by the grace of God, we stand steadfast in our great traditions through this time of stress, we shall insure that we and our sons and daughters shall see these fruits increased manifold.

Valley Forge is our American synonym for the trial of human character through privation and suffering, and it is the symbol of the triumph of the American soul. If those few thousand men endured that long winter of privation and suffering, humiliated by the despair of their countrymen, yet held their countrymen to the faith, and by that holding held fast the freedom of America, what right have we to be of little faith? God grant that we may prove worthy of George Washington and his men of Valley Forge.

#### REVEALS SOURCE OF TALK

And now, Mr. Chairman, I turn to the surprise which I promised at the closing of this address.

You may recollect that 27 years ago the world was in the depths of the greatest economic depression in our history. It was an inheritance from mistakes in the peace and the aftermath of destruction from the First World War. Again today we inherit the mistakes of the peace and the aftermaths of destruction from the Second World War. Our people are today again confused and some are discouraged.

The address I have just made to you is, with slight elimination of less pertinent paragraphs, the identical address which I delivered on this spot on Memorial Day, 27 years ago in the depths of that period of anxiety and discouragement. But we rallied to a period of greatness as we will again today.

#### IMMEDIATE ACTION NEEDED TO PREVENT CUT IN DAIRY PRICE SUPPORTS

Mr. PROXMIRE. Mr. President, the Secretary of Agriculture has chosen April 1 as a day on which to deal a

lethal blow to the dairy industry. On that day he is determined to add a cut in dairy price supports to the other burdens of that sorely beset industry.

This morning I appeared before the Senate Committee on Agriculture and Forestry, to make an urgent plea that this disaster be prevented. This is a matter of such overwhelming importance to the people of Wisconsin that I desire to repeat here the statement I made earlier today before the committee:

My State—Wisconsin—produces more dairy products than any other State in the Union. In recent years it has steadily accounted for about 15 percent of all of the Nation's dairy products.

Wisconsin will be the No. 1 victim of the dairy price support cut, announced by the Secretary of Agriculture to take effect April 1.

This is why I will say nothing in this appearance about the major piece of legislation I will introduce in this session—my long-term farm bill encompassing all commodities and featuring detailed legislation for dairy farmers. I will say nothing about it because, Mr. Chairman, my dairy farmers are literally threatened by the April 1 support cut with annihilation.

This unfortunately cannot be the time to talk about how to achieve long-term prosperity for dairy farmers. It must be the time to spend every minute of a precious opportunity such as this pleading for survival. That means fighting full time, all out against the April 1 support cut.

Because most Wisconsin milk is produced outside any marketing agreement area—beyond any protective umbrella of any sort—the April 1 cut would hit Wisconsin farmers directly, immediately, with full force and with no recourse.

University of Wisconsin economists have conservatively estimated that this reduction to 75 percent of parity will cost our State's dairy farmers between \$43 million and \$46 million a year. It will reduce their gross income by 8 percent. But because it will of course not diminish their costs it will slash their net income far more, conservatively by a cruel one-fifth.

This reduction in income comes after a steady, relentless 5-year month-after-month squeeze in a relentless vise between falling dairy income and skyrocketing farm costs.

The survivors of this dairy-farm depression are by any standard efficient and hard working.

They have earned time for this Congress to take a good, long, hard look at what has become a ruthless and destructive farm marketing system and to pass legislation correcting it.

There are a number of excellent bills introduced and before this committee which would not only increase dairy-farm income, but do so at a lower cost to the Nation's taxpayer than the present farm program, and without sacrificing the farmer's freedom. But everyone knows that none of these bills will be passed and signed into law before April 1. What we need is time, what we need is the enactment of legislation to stop the support cut.

The reduction of dairy-price supports to 75 percent of parity will not only lift hundreds of millions of dollars of urgently needed income out of the pockets of the Nation's dairy farmers, it will keep the dairy producers of America on the same endless treadmill of overproduction and underconsumption which has been so destructive in the past 5 years.

This cut will not reduce dairy production. The proof of this is overwhelming. For 5 years dairy prices have been falling—steadily year after year. During the same 5 years dairy production has been rising relentlessly and regularly until it is now a full 10

percent higher than in 1952. Dairy production in 1952 was 114.7 billion pounds. Last year it was 126.6 billion pounds. Obviously lower farm prices for dairy products will not cure the farmers' plight by diminishing supply.

This cut will not increase milk consumption. Again the proof is irresistible. The only way lower farm prices for dairy production could increase dairy consumption is through per capita retail sales. But since 1952 while the farmer has been getting less and less, the housewife has been buying less. In 1952, per capita consumption of dairy products was 694 pounds. Last year consumption was 680 pounds, a drop during the 5-year period of 2 percent. Fluctuation of per capita consumption was slight during this period. But it is overwhelmingly clear that slashing dairy-farm income will not help the farmer by increasing demand.

The consequences of this cut will be bad for dairy farmers immediately. The consequences will be progressively worse in the future.

The consuming housewife will not benefit.

From the standpoint of the national interest, this would seem to be the worst possible time to cut dairy-price supports. The economy is already in a slump. It would be hard to find a worse time to shove farm income down. Past depression in this country have been farm led and farm fed. The farmer is an important consumer. Certainly in his present plight this cut in dairy-price supports will mean a drastic and immediate cut in his purchases. Of course the Wisconsin economy will be especially hard hit. But the consequences will be national. It would be hard to find a more effective way to give the economy a downward shove, because we know very well from past experience that this reduction in farm income will not be balanced by a reduction in the prices housewives will pay for their milk. We know it will not result in an increase in dairy-product purchasing. We know this support cut, if it goes through, will do one thing. It will play an important part in decreasing dairy farmer purchasing and the business income and jobs that directly depend on it.

I cannot stress the timing of this support cut strongly enough. This Congress may be on the verge of doing a number of things to snap the economy out of its slump. Many of these proposals are good and constructive. But certainly the wise and conservative action at a time when the economy is getting into serious trouble is to hold onto the income protecting safeguards we already have. There is no antirecession measure that would do more for its cost to help the economy than action by this committee to arrest the threatened cut in price supports.

Mr. President, the cut in dairy-price supports which Secretary of Agriculture Benson has ordered to take effect on April 1 will be a terrible blow to the entire economy of Wisconsin, and one over which the farmers and businessmen of my State are deeply concerned.

I have received a great number of letters from farmers and farm organizations in Wisconsin opposing this price-support cut, and I have promised them to do everything I can, not only to prevent this blow to Wisconsin farmers, but to work for a new farm program which will lay the foundations for permanent farm prosperity.

Mr. President, I ask unanimous consent to have printed in the RECORD five resolutions I have received within the past few days from Wisconsin farm organizations in opposition to the announced price-support cuts.

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

TWIN BLUFFS FARMERS UNION,  
Juneau County, Wis.

Senator WILLIAM PROXMIRE,  
Washington, D. C.

DEAR SENATOR PROXMIRE: As a representative group of 92 farm families of the townships of Orange, Lisbon, Fountain, and Clearfield of Juneau County, we urge that you as our representative in the Congress oppose Secretary Benson's proposed cut in farm prices. We, as small-farm operators, would suffer a serious loss of income from our dairy products which would force many to seek other employment in cities which already have employment problems.

Many farmers, due to age, would be unable to seek other employment; others who have just started farming would suffer severe losses on their current investments. Our milk prices have continually decreased while prices we have had to pay for machinery have risen at least 10 percent each year.

Again, we as an organization and as individuals, urge that you oppose this cut in farm prices.

LAWRENCE SCHULTZ,  
President.

RICHLAND COUNTY  
HOLSTEIN-FRIESIAN ASSOCIATION,  
Richland Center, Wis., January 18, 1958.

Resolved, That the members of this association go on record as opposed to any cut in the present support price on dairy products until such time as a suitable program of self-help can be enacted and put into operation; be it further

Resolved, That a copy of this resolution be sent to each of the following, together with a plea that each may use any influence at his command to hold the line against the proposed cut announced by Secretary of Agriculture Ezra Taft Benson.

C. VICTOR GOODRICH,  
Secretary.

WESTERN BURNETT COUNTY  
FARMERS UNION,  
Grantsburg, Wis.

Hon. WILLIAM PROXMIRE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR:

Whereas the Secretary of Agriculture has ordered a cut in the support of dairy products effective April 1, 1958, to 75 percent of parity; and

Whereas this area is dependent upon the income from dairying and the only other alternative we now have as farmers is to still further increase our production of such dairy products to compensate for the reduction in price if this is allowed to become effective; and

Whereas our cost of manufactured goods is still advancing without any power seeming to curtail such advance in the future: Therefore be it

Resolved, That the Western Burnett County Farmers Union go on record urging our honorable Senator to use the power of his high office to protest and vote against such an anticipated reduction in dairy products supports as advocated by the Secretary of Agriculture. Our enrollment is at present 84 members. This resolution was adopted February 11, 1958.

Thanking you for your support,

Very truly yours,

VERNON PETERSON,  
President.  
FLOYD GLAZE,  
Secretary.

BARNEVELD ADVANCEMENT ASSOCIATION,  
Barneveld, Wis.

Senator WILLIAM PROXMIRE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR PROXMIRE: Our advancement association is appealing to you and your office to do all in your power to bring about the veto of Ezra Benson's order to cut milk supports in 1958.

Respectfully yours,  
WILLIAM R. THOUSAND,  
President.

FALUN COOPERATIVE CREAMERY,  
Siren, Wis.

Senator WILLIAM PROXMIRE,  
Senate Office Building,  
Washington, D. C.:

At the annual meeting of the Falun Cooperative Creamery, Route 1, Siren, Burnett County, Wis., the following resolution was unanimously adopted:

"Whereas the Secretary of Agriculture has given notice that the support price of dairy products will be lowered as of April 1, 1958, to 75 percent of parity, and

"Whereas the main source of income to the farmers of this area is dependent on dairy, and their purchase power will be further curtailed by a reduction of at least 25 cents a hundredweight; and

"Whereas the costs of manufactured items to be used in agriculture have advanced and are steadily advancing, we therefore here gathered at the annual meeting of the Falun Cooperative Creamery, Route 1, Siren, Burnett County, Wis., this 4th day of February 1958, do urge you to use all the power of your high office to oppose any further reduction in the proposed price of dairy products."

A. E. JOHNSON,  
Secretary-treasurer.

DISPOSITION OF GERMAN AND JAPANESE ASSETS BLOCKED AND VESTED UNDER THE TRADING WITH THE ENEMY ACT OF 1946

Mr. HRUSKA. Mr. President, on July 31, 1957, the administration submitted a statement indicating that it would propose a supplementary plan concerning disposition of German and Japanese assets blocked and vested under the Trading With the Enemy Act of 1946. A couple of weeks ago I addressed a letter to the White House with reference to the progress being made on this proposed supplementary plan. Under date of February 20, 1958, Mr. Gerald D. Morgan, special counsel to the President, replied to my letter, and I asked unanimous consent that the text of the letter be printed in the body of the RECORD at this point.

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

THE WHITE HOUSE,  
Washington, February 20, 1958.

The Honorable ROMAN L. HRUSKA,  
United States Senate,  
Washington, D. C.

DEAR SENATOR HRUSKA: The President has asked me to reply to your letter of February 7 concerning the disposition of German and Japanese assets blocked and vested under the Trading With the Enemy Act of 1946.

As you know the administration shares your concern with respect to this problem and is most anxious to see it resolved. At the time of the July 31, 1957, announcement it appeared that the balance of liquidated assets was substantially greater than earlier

estimates had indicated. Accordingly, it was expected that a fair and equitable distribution of the proceeds could soon be proposed.

However, the situation appears to be in a constant state of flux. On July 31 it seemed that the controversy concerning the General Aniline and Film Corp., involving \$100 million, had been set at rest. Since that date the Supreme Court has granted certiorari in the action and the matter has been presented to the World Court. Inescapably the question arises as to whether or not it will be necessary to temporarily defer specific recommendation as to return until the situation is clarified.

The administration is very actively considering all aspects of the disposition of these assets with the purpose of making recommendations to the Congress at the earliest practicable date. I am certain you are fully cognizant that under the existing limitations the problem is not easy of resolution.

Sincerely,  
GERALD D. MORGAN,  
Special Counsel to the President.

TRIBUTE TO SENATOR HARRY F. BYRD, OF VIRGINIA

Mr. HRUSKA. Mr. President, those of us who have devoted any substantial amount of time to public service know that one of its most rewarding aspects consists of the close ties which we form with selected colleagues and the camaraderie resulting therefrom.

When prospect of termination of any of these ties arises, we are saddened. It means we will lose something fine and good, something hard to come by in a line of endeavor which may have its rewards, but which also has its many prices and its many disillusionments.

That feeling of sadness came to many upon announcement by the senior Senator from Virginia [Mr. BYRD] that he did not intend to run for reelection this year. But the sadness is not limited to Senator BYRD's colleagues. It is felt by many who have come to know and love him on a sustained, low-pressure basis during his many years of service to his country in Washington.

Among very notable examples in this respect is the head of the Washington bureau of the newspaper of my home town of Omaha, the Omaha World-Herald. Mr. John Jarrell has held that position for over 12 years, from the very inception of which he has obviously been a devotee of Senator HARRY F. BYRD.

This is clearly discernable from the tenor and spirit of his recent write-up occasioned by the Virginia Senator's announcement to retire from public life. This story not only outlines a splendid and accurate personality sketch, but likewise portrays the admiration and respect which the reporter holds for his subject—and justly and understandably so after all these years of close association.

I ask unanimous consent that this article be printed in the CONGRESSIONAL RECORD at this point.

I also ask consent, that there be printed in the RECORD editorial comments which appeared in many Nebraska newspapers when the senior Senator from Virginia announced his plans for retirement.

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

[From the Omaha (Nebr.) World-Herald of February 16, 1958]

#### BYRD WEALTHY BUT IT DOESN'T SHOW

WASHINGTON.—You walk into the big office, each wall of which is chock full of the original drawings of famed cartoonists. You step over the little black cocker spaniel, named Happy, snoozing on the rug.

Behind the littered desk, the rosy-cheeked, smiling man arises, offers his hand, invites you to a seat.

He talks frankly, answers questions freely. If he knows you and trusts you, he will provide background information that cannot be published, but which helps in understanding various complexities of Government.

#### INDEPENDENT

This is Harry Flood Byrd who, after 50 years in public life, has announced his retirement as United States Senator from Virginia.

A Democrat, of course, as were his forebears, he is an independent Democrat who usually was at cross purposes with his party's last two Presidents, Franklin D. Roosevelt and Harry S. Truman.

Harry Byrd, descendant of a famed Virginia family, but a poor boy who achieved wealth strictly on his own, first was elected to office—the City Council of Winchester—just before he was 21 years old.

#### GOVERNOR AT 39

At 28 he was a state senator. At 39 he was governor. For a quarter century he has been a United States Senator.

For years he has been leading the fight for economy in our Government. It has been pretty much a losing fight—the spenders have been in control in Washington all that time.

But without his rear-guard fighting, many people believe spending would have been greater, the national debt even higher.

Said to be the largest individual apple grower in the world, Senator BYRD is wealthy. But it doesn't show.

#### NO CADILLAC

While colleagues whose bank accounts are a fraction of his drive to work in their big cars, HARRY BYRD uses a Chevrolet. And only a few days ago, when Budget Director Percival Brundage asked Mr. BYRD's interpretation of a nonessential expenditure, he got a typical BYRD answer.

Automobile transportation is necessary for him to transact his work both in Washington and Virginia, said Mr. BYRD.

"Chevrolet transportation is completely adequate," Senator BYRD told Mr. Brundage. "I drive a Chevrolet. I don't own a Cadillac.

"A Cadillac would cost 3 times as much to buy, 3 times as much to operate. So that difference is for me a nonessential expenditure. A great many Chevrolet activities in the Federal Government are driving around in chauffeured Cadillacs."

#### DECLINED CABINET

Five years ago, when the Eisenhower administration came to power, Mr. BYRD could have been Secretary of the Treasury, a Democrat in a Republican administration. He turned it down. He is glad now, because he since has split with Mr. Eisenhower's administration over fiscal policy.

#### NO STEMWINDER

His Senate influence is not due to his oratory. Mr. BYRD isn't any stemwinder of a speaker.

In 1952 Mr. BYRD became disenchanted with Adlai Stevenson, the Democratic presidential nominee. So the Senator made a radio speech, in which he said he could not support Mr. Stevenson, and he told why.

Virginia went Republican for the first time since 1928.

Mr. BYRD supported Franklin Roosevelt enthusiastically in 1932. He liked the Roosevelt platform—reduction of Government spending, adherence to States rights. He still likes it. But Mr. Roosevelt abandoned the platform soon after he became President. That's when the two men parted.

#### RESENTMENT

He broke with Harry Truman over fiscal policy. He supported President Eisenhower's money policies until the administration spending began to climb.

Last year he strongly opposed that \$71,900,000,000 budget and is credited with a big part in spurring the nationwide wave of resentment over big spending.

On retirement, he and Mrs. Byrd, an invalid, will spend their time at Rosemont, their beautiful home in the Shenandoah Valley, overlooking his orchards.

It is one of Virginia's garden spots and in the spring, when the dogwood is in bloom and the apple trees loaded with blossoms, it is a sight never to be forgotten. No one who has seen it blames the Senator for wanting to spend all his time there.

[From the Sidney (Nebr.) Telegraph of February 19, 1958]

#### LOSING OUR WATCHDOG

The Treasury—which consists of the money which belongs to you and us—will lose its staunchest watchdog when Senator HARRY BYRD, of Virginia, retires from office. The venerable southerner hasn't always had his way about fiscal policies, but he's made enough noise (and enough good sense) that he has headed off some pretty drastic schemes to spend money where it would do absolutely no good. Those of us who appreciate diligence to a job will recognize the void left in the Senate when Mr. BYRD steps out of office. His passing from the public scene will be welcomed with glee by many bureaucrats, but not by the people who have to fork over the money so Uncle Sam can continue to be the world's most prolific spender.

[From the Norfolk (Nebr.) Daily News of February 18, 1958]

#### SENATE LOSING ITS CONSERVATIVES

Senator HARRY BYRD's announcement that he would retire at the end of his term has cast a shadow over conservatives of both political parties in the upper House.

The shadow is deepened because the Virginian is only one of several Senators of rightist slant who have left or are about to leave the Senate. Some of these have retired, or are about to retire; others have died, and some have been defeated. Among those best known for their leadership, in addition to Senator BYRD, are these, listed by James Reston of the New York Times:

Walter F. George, of Georgia; Eugene D. Milliken, of Colorado; William F. Knowland, of California; Edward Martin of Pennsylvania; H. Alexander Smith of New Jersey; Joseph R. McCarthy, of Wisconsin, Herman Welker, of Idaho; and William Jenner, of Indiana.

These men will be missed for their leadership in opposing the present leftward trend, both in and out of the administration. But especially Senator BYRD will leave a vacancy hard to fill because of his persistent fight for budget cuts and economy in Government.

So far as their votes are concerned, those whose places are still to fill may be followed by conservatives. But this is much less than half the story.

Whoever takes their places in the Senate will have to start from the bottom with seniority zero. And seniority is important in making a Senator powerful. Conservative Democrats have taken a place of great in-

fluence on legislation, because it has been the practice in the South to send a favorite back for term after term. Those from other sections usually have a fight on their hands, both in the primary and at the election.

And the political breeze is beginning to veer to the left. The South is no more the stronghold of conservatism it used to be. Industrialization is turning it away from its traditional low tariff conviction. TVA has given it a bias toward public ownership. Conservatives of the Middle West have to meet conditions caused by the discontent of the farmers. And the threat of a recession is enough to turn many voters toward high spending and welfare policies they would not have supported before.

The future is full of political uncertainty which may turn the Congress further to the left than President Eisenhower and his advisers are willing to go.

The loss of rightist leadership in the Senate may speed the change.

[From the Kearney (Nebr.) Hub of February 19, 1958]

#### WITH BYRD RETIREMENT, SPENDING LID IS OFF

A number of Washington observers agree that the retirement of Senator HARRY F. BYRD, Virginia Democrat, at the end of this year, will mean that the lid on spending, upon which the Senator has been seated, will promptly blow off.

It is a sad commentary of our times that the spending mania has so permeated the atmosphere of Washington that the Virginia Senator is the lone defender of orderly Government spending.

There are politicians who will hotly debate Senator BYRD's sole interest in the Nation's financial welfare, but there are few who can refute the Virginian's effective interest in maintaining some semblance of financial responsibility.

Reading Senator BYRD's statements the past decade supports the belief that he is more statesman than politician—and in many respects—a better Republican than many who stand in the GOP ranks.

It can truthfully be said, too, that the financial views of Senator BYRD have not been shared by many of his colleagues in the Democratic Party.

The Virginia Senator never has been stampeded into the heady belief that this Nation can blithely spend its way to prosperity. He has stated many times that this free-wheeling spending is a two-way street—namely, that this Nation also can spend its way into bankruptcy.

When the history of this century is written, it may be discovered that many of our difficulties stemmed from the decline in statesmanship in the Senate. This will not apply to Senator BYRD.

Much of the confusion which exists in Washington and in the minds of Americans comes from the irresponsible statements of those elected to be leaders. Too many Senators, it appears, take the stump for those things which they believe are popular with the public. In other words, their primary concern seems to be the gaining of an imagined political advantage.

Holding a firm hand on Federal spending has not been a popular pastime, as Senator BYRD well knows. The giveaway boys have had the bit in their teeth too long. The Virginia Senator has remarked that he still believes in former President Roosevelt's original campaign platform back in the 1930's. The trouble is, the campaign promises were immediately dropped following Roosevelt's election.

It is hoped that other Senators will take up Senator BYRD's work following his retirement. This Nation needs qualified leadership and spokesmen who believe in more

than making headlines. We must at some time in the near future get off this inflationary binge, and return to sane fiscal policies. Senator BYRD has been taking that stand ever since the end of World War II.

The Nation will miss the services of this doughty gentleman from Virginia.

[From the Norfolk (Nebr.) Daily News of February 19, 1958]

#### ECONOMY BLOC LOSING LEADER

Senator BYRD's retirement from the Senate at the close of the current term could create a void at a time when his presence is most needed.

As everyone knows, the Virginia Democrat is the Senate's leader of the so-called economy bloc. His understanding of Federal fiscal policies and spending practices is exceeded by no man and his unswerving stand in support of balanced budgets and respect for debt limits have served as a deterrent against many Washington excesses, whether Democrat or Republican-inspired.

His leaving will coincide with the emergence of new assaults on the Public Treasury. His peculiar role in American politics, which he has performed so admirably, will be hard to fill.

[From the Hastings (Nebr.) Daily Tribune of February 20, 1958]

#### WATCHDOG RETIRES

With Senator THEODORE GREEN, of Rhode Island, pressing on toward his 90th birthday, 70 seems a tender age for Senator HARRY BYRD of Virginia to call it quits. Brother of the famed late explorer Richard E. Byrd, he has been a fixture in the Senate for 24 years.

The Senator is most celebrated, of course, for his long-time advocacy of economy in Government. He's been a faithful watchdog, standing at the Treasury door and barking loudly at those he regarded as questionable suitors for the Government's money hand.

BYRD is a financial conservative, and his departure from the chairmanship of the powerful Senate Finance Committee evidently will open that post to a more left-of-center fiscal leadership. The committee itself may take its cue from this development.

How you view the change will depend, naturally, on your own leanings in finance.

But wherever one may stand on the political scale, he must admit that BYRD, a true professional in politics, has followed his conservative economic task consistently and intelligently, without seeming to make a fetish out of it.

[From the Omaha (Nebr.) World-Herald of February 13, 1958]

#### WITHOUT HARRY BYRD

Since he came to the United States Senate 25 years ago, HARRY BYRD, of Virginia, has fought for responsible, prudent management of the Government's finances.

He became the one recognized authority in Congress on the complexities of the budget.

He was the man who knew most about spending, and as much as the best informed on taxation. Almost single-handedly he induced his fellow Senators and Representatives to establish a joint Congressional committee to check on executive department expenditures.

His was the voice of fiscal sanity from the days of the New Deal to the present worried time when panicky Congressmen are again laying plans to cure a business slump by raiding the Federal Treasury.

Often Senator BYRD's has been a lonely voice, and often it has not been heeded. He has seen the public debt climb to awesome heights, even while he warned of the dangers of increasing debt. He has stood firmly for taxes high enough to cover the vast Govern-

ment spending, even when his fellow conservatives sometimes deserted him.

He has, in short, been a responsible man, dedicated in his public acts and everlastingly dedicated to what he believes are the vital interests of his country. Even his strongest opponents concede his great integrity and his patriotism.

It is therefore little less than a calamity for the country that Mr. BYRD has found it necessary to announce his retirement from the Senate next January.

Only the most compelling personal reasons—his advancing age, the illness of his wife—could induce him to give up the fight.

At the same time he may have been influenced to some extent by the odds against fiscal prudence, as his colleagues blaze away with their spending guns.

This is not to say that the fight for sane finances is lost. A surprising stir has been noted among younger people—the National Young Republicans who met recently, for example—concerning the profligacy of Government and the dangers of unrestrained spending and mounting debt.

Yet the loss of HARRY BYRD next year will be a massive blow to the Senate. He is not merely a fiscal specialist, but an all-round Senator, an expert on defense problems, a moderate, conservative voice in the Congressional councils.

Now that he is going—and Senator KNOWLAND, and Indiana's JENNER as well—the Senate will have lost some of its best minds and most courageous hearts. The one great consolation is that though out of the Senate, they will still be around to give counsel and encouragement to their fellow Americans.

#### TENTH ANNIVERSARY OF COMMUNIZATION OF CZECHOSLOVAKIA

Mr. THURMOND. Mr. President, February 25 is the 10th anniversary of the communization of Czechoslovakia.

This communization did not occur all at once. The move toward communism and the stifling of democratic voices began in 1945, and continued, through a number of steps, until the process was completed and formalized on February 25, 1948.

During the decade since that date, the pendulum has not started a swing away from enslavement.

It is true that optimistic reports have been spread about. The communistic government of Czechoslovakia has encouraged politicians of the National Front who, under the guise of exiles, have preached the doctrine that communism in Czechoslovakia would gradually democratize itself.

These are the same illusions which brought communism to Czechoslovakia 10 years ago, when other leaders of that country believed that their Communist colleagues would democratize themselves.

On the occasion of the 10th anniversary of the completion of the communization of Czechoslovakia, we should express our sympathy for the enslaved victims of Communist aggression, and we should strengthen our efforts to bring about the return of full political and economic freedom, through peaceful means, to the nations and territories now under Communist rule.

#### EXECUTIVE DETERMINATION OF ROLES AND MISSIONS

Mr. MANSFIELD. Mr. President, there is an alarming indication that in-

creasing attention in the Pentagon is being directed toward removing basic roles and missions of the armed services from existing statutes and making them subject only to executive determination.

Such a move is being advocated under the guise of strengthening the Secretary of Defense and streamlining the Defense Department. This may strengthen the executive agency, but it will weaken legislative authority and status in an area in which Congress has wisely and resolutely insisted on the exercise of its prerogative and responsibility since the founding of our country.

What are these roles and missions? Briefly, these constitute the specific provisions of the National Security Act of 1947, as amended, which set forth the fundamental and basic roles and missions of each of the armed services. In a sense these provisions of law constitute a charter for each branch of the armed services, a kind of directive from Congress stating the purpose for which Congress, in accordance with its constitutional responsibility, creates, provides for, and maintains each of the armed services.

It must be clearly understood that the statutory prescription of roles and missions is not a detailed statement of the specific day-to-day jobs, weapons, techniques, research projects, and routine activities. Rather, roles and missions in law are stated in broad, flexible and elastic terms, which do not make this statutory assignment of roles and missions a straitjacket, a restriction, or an impediment to scientific and technological progress.

I doubt if anyone today could prescribe in more fundamental and more flexible terms the roles and missions of the armed services as they were written into the National Security Act of 1947, with its subsequent amendment.

It must be clearly understood that the roles and missions of the National Security Act are separate and distinct from the detailed assignment of functions of the armed services. The functions of the armed services are the details of the jobs and duties of the armed services, stated in more specific terms than exists in law. Essentially, the functions, which are prescribed by the executive authority of the President or the Secretary of Defense, are adjustable from time to time to new techniques, new weapons, new scientific discoveries. Such functions are amplifications of the basic roles and missions prescribed by law.

So, in the combination of the wording of the roles and missions in the National Security Act as written by Congress and the detailed, adjustable assignment of specific functions by the Executive, there is a completely proper, workable, and successful device by which the legislative and the executive can exercise appropriate authority with respect to what the armed services are to do.

This matter of statutory prescriptions of roles and missions is no new issue. In fact, it was probably the fundamental issue connected with the National Security Act of 1947. It certainly received more attention from Congress in its consideration of that bill than any other feature of that law.

I should like to review briefly some of the pertinent facts in connection with the inclusion of roles and missions in the National Security Act of 1947, as amended.

As originally proposed, the National Security Act of 1947 did not include the statutory outline of roles and missions. Rather, it was proposed that an Executive order on roles and missions would be issued upon passage of the Security Act. However, Congress, in its wisdom, decided that it was not only the right of Congress to prescribe basic roles and missions for the armed services but it was an inescapable responsibility of Congress to do so. Such an attitude on the part of Congress was not readily accepted by the executive sponsors of the proposed National Security Act. Congress was resolute in its position and set forth in properly worded provisions the fundamental roles and missions of each of the armed services.

I should like to point out that Congress, alert to the practical realities of defense matters, recognized that two elements of the armed services were in jeopardy. Because they considered those elements to be necessary to the attainment of a properly balanced defense organization and because such jeopardy should not be permitted to continue, Congress was more precise in the prescription of roles and missions for naval aviation and the Marine Corps.

Congress reaffirmed in even more emphatic terms, through Public Law 416, 82d Congress, 2d session, its insistence upon a continued maintenance of a combat-ready Marine Corps as a national force in readiness. Congress underlined its attitude and determination in this respect by stating that the Commandant of the Marine Corps should have coequal status with other members of the Joint Chiefs of Staff in consideration of all matters pertaining to the Marine Corps and that, among other provisions, the Marine Corps should be maintained at a strength of 3 combat divisions and 3 air wings.

It was perfectly obvious at that time that powerful factions within the armed services bitterly opposed this Congressional decision.

There is not the slightest doubt in my mind that the Marine Corps will be destroyed as a combat force in readiness if present efforts to remove roles and missions from the law are successful. There is no place for the Marine Corps as it has developed, as Congress wants it, and as the country needs it, in the master plan of those who wish to centralize all military authority under somebody in the Pentagon.

It is just as certain that our balanced naval power, with its unsurpassed naval aviation, as well as its Marine landing forces, will be destroyed if the roles and missions are removed from statute. We will find the United States, which is in fact an island Nation dependent upon maritime power for economic and military survival, possessing a Navy which no longer will contain the unique American attribute of seapower—the balanced fleet.

This effort—and it is a persistent one—to remove roles and missions from law,

is not only a matter of military importance, it is of basic constitutional importance which is impossible to over-emphasize in matters of legislative-executive relationship. In a practical sense the statutory prescription of roles and missions is one of the few meaningful instruments by which Congress can discharge its proper responsibility with respect to defense policy. If roles and missions for the armed services, as now prescribed by law, are removed from existing statute and made subject to executive whim, little will remain for Congress to do except appropriate moneys for the Pentagon.

This effort, which is gaining momentum within the Pentagon today, is one of the most fundamental issues of our times. Congress could not, and I predict will not, look lightly or casually upon attempts to divest Congress of its authority and its responsibility to prescribe these basic roles and missions. Those persons who have, since 1947, refused to accept the decision of Congress to include roles and missions in the National Security Act must not be permitted to succeed with their efforts to undo this Congressional decision.

There has not, in recent years, been a more clear-cut manifestation of a Congressional mandate in defense policies than the Congressional determination to prescribe roles and missions rather than leave it to the Executive.

I do not believe that Congress will permit this Pentagon power play to succeed. I do not believe that Congress and the American people will ever permit the Pentagon to erase the statutory safeguards that assure a continued existence of the Marines as an ever-ready combat force.

#### STATEHOOD FOR ALASKA

Mr. CHURCH. Mr. President, the Democratic National Committee, at its meeting in Washington last Friday, adopted unanimously a resolution offered by the States of Washington, Oregon, Montana, and Idaho, and the Territories of Alaska and Hawaii. In substance, the resolution called upon the Congress to consider and act upon the statehood bills for Alaska and Hawaii separately, and, as a minimum, that the Alaskan statehood bill be acted upon favorably at this session of Congress.

I think it especially significant, Mr. President, that this resolution was placed before the Democratic National Committee, and urged most movingly, not by the national committeeman from Alaska, or by the national committeeman from Washington, Oregon, Montana, or Idaho, all of whom are signatories of the resolution; but the presentation was made by Dr. Ernest I. Mural, the national committeeman from Hawaii.

Mr. President, it is long past time for quibble and cavil on statehood. The Hawaiian Delegate to Congress, Hon. JOHN BURNS, has publicly acknowledged that statehood for Alaska has the best chance of passage this year; he knows, as all of us do, that to link the two bills together, under any arrangement, is a tactic to defeat both.

Dr. Mural told the Democratic National Committee that when, in 1956, the Hawaiian bill was where the Alaskan bill is now, the people of Hawaii prepared a flag with their 49th star in it. With the emotion of a dedicated man, he offered to Alaska this flag, should statehood come to Alaska this year.

The people of Hawaii know that if Alaska becomes our 49th State, statehood for Hawaii will follow in due course as inevitably as the day follows the night. Seeing this clearly, they refuse to be used as catspaws for forces who want statehood for neither Territory.

Mr. President, the Alaskan statehood bill has been reported favorably by both the Senate and House committees. The bill is now pending on the Senate Calendar, and there is no reason why it should not be promptly called up for consideration by the Senate and acted upon. Time is becoming a factor of critical importance. The longer we delay acting upon the Alaska statehood bill, the better the chance the measure will be buried under the logjam of legislation that will demand our attention in the closing months of this session.

For this reason, I am heartened by the forthright action that has been taken by the Democratic National Committee. The committee's resolution deserves our respectful attention. I ask unanimous consent that it be printed at this point in the body of the RECORD.

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

RESOLUTION PRESENTED BY THE REPRESENTATIVES OF THE STATES OF IDAHO, OREGON, MONTANA, AND WASHINGTON AND THE TERRITORIES OF ALASKA AND HAWAII TO THE DEMOCRATIC NATIONAL COMMITTEE MEETING IN WASHINGTON, D. C., FEBRUARY 21, 1958

A cardinal principle of the Democratic platform for many years has been the immediate admission of Alaska and Hawaii into statehood. World events make such action more imperative than ever before.

S. 49, providing for the admission of Alaska as the 49th State, has been acted upon favorably by both committees having jurisdiction in the United States Senate and House of Representatives. Therefore, this bill is in a position to be passed promptly by the Congress, and we strongly urge such action.

We deplore and condemn the recent action of the Republican leader of the Senate whose latest announced strategy seeks to kill statehood for both Alaska and Hawaii. Although, while in Alaska during 1956, Senator KNOWLAND publicly announced that he would support the statehood bills separately, he has now demanded that one not be acted upon without the other. He is obviously attempting to prevent a vote on either during this session of Congress. The Democratic National Committee, therefore, urges upon the Democrats in Congress that the statehood bills be considered and acted upon separately, and, as a minimum, S. 49 for the admission of Alaska be acted upon favorably by the 85th Congress.

#### RETIREMENT OF LESLIE N. McCLELLAN, CHIEF ENGINEER OF THE BUREAU OF RECLAMATION

Mr. MURRAY. Mr. President, February 28 one of our most able and devoted Federal Government administrators—an engineer of national and international

renown—will retire after 45½ years of outstanding service in the field of water and land resources development work in our 17 great Western States.

I refer to Mr. Leslie N. McClellan, the Assistant Commissioner and Chief Engineer of the Bureau of Reclamation. I wish to offer tribute to him as a great administrator, engineer, and gentleman who has so skillfully and conscientiously directed the technical actions of that organization for the past 10 years.

Both he and Reclamation, which he is now leaving, were fledglings, so to speak, when he joined the Reclamation Service in 1911. He has been an integral part of its development to the point where today irrigation water has been made available to 7,658,000 areas of western farmland. Harvested crops supplied with Reclamation water gross nearly \$1 billion annually, and Government costs of reclamation works are an amazing 93 percent reimbursable.

Under his capable guidance, practically all the great hydroelectric projects of the Bureau of Reclamation have been conceived and designed, including Grand Coulee and Hoover powerplants, Grand Coulee pumping plant, and the Central Valley, Colorado-Big Thompson, and Missouri River Basin projects. As a consequence, the Bureau of Reclamation is presently one of the largest producers of hydroelectric power in the world. Revenue from hydroelectric production during the last fiscal year was in excess of \$10 million.

Born on March 27, 1888, in Middletown, Ohio, Leslie N. McClellan received his primary and secondary education in Ohio schools. He was graduated in 1911 from the University of Southern California with a degree of bachelor of science in electrical engineering. In the same year he joined the Reclamation Service as a junior engineer on the Salt River project in Arizona and progressed rapidly in his chosen profession until by 1917 he was the project's superintendent of power.

The crash of war drums then interrupted young McClellan's career and, answering his country's call to arms in World War I, he served as first lieutenant, Corps of Engineers, and Tank Corps of the United States Army.

Following his discharge from military duty in December 1918, he again resumed his service with Reclamation.

Destiny now began its work in earnest in elevating Engineer McClellan to professional leadership. Promotions followed each other, and by 1925 he was appointed Chief Electrical Engineer for the Bureau of Reclamation. In this capacity he directly supervised the design of such monumental installations as Hoover, Grand Coulee, and Shasta powerplants. Other great power-producing works such as those at Parker and Davis Dams attest to the outstanding brilliance and long, hard hours of work by this man.

Again recognition came, and by 1945 he was the Bureau's Assistant Chief Engineer, Electrical and Mechanical. More great power installations at Canyon Ferry and Hungry Horse Dams began taking shape under his direction, and in

June 1948 he was named Chief Engineer and Director of the Design and Construction Division. In 1953 he was appointed Assistant Commissioner and Chief Engineer for the Bureau.

Under Mr. McClellan's technical influence, the fame of the Bureau of Reclamation as one of the great engineering organizations of the world has spread far abroad. Nearly 800 foreign engineers from 46 different countries have been tutored at the Bureau's Denver engineering headquarters in the engineering science of water-resources development during the past 12 years.

The peoples of many other nations have been assured of a better life because of great engineering projects now in progress that have had the technical help and guidance of the Bureau of Reclamation under the able supervision of the Chief Engineer. The vast Snowy Mountains hydroelectric scheme in Australia, the Chao Phya and Yanhee projects in Thailand, Bhakra Dam in India, WuSheh Dam in Formosa—to name a few—all bear enduring marks of the influence of this man.

His long and illustrious service in the field of engineering has brought him many honors and recognitions.

In 1946, in 1952, and again in 1956, he was a delegate to the International Conference on Large Electric High Tension Systems held in Paris, France. In 1951 he was a United States delegate to the Fourth Congress on Large Dams and also to the Fourth Meeting of the International Association for Hydraulic Research, both held in India. He was a United States delegate to the Fifth World Power Conference held in Vienna, Austria, in 1956. In 1957, he was a United States delegate to the Third Regional Conference on Water Resources sponsored by the Economic Commission for Asia and the Far East, which met in Manila.

Additional professional honors and affiliations bestowed upon Mr. McClellan have been many. He is a member of the International Conference on Large Electric High Tension Systems—C. I. G. R. E. He is a member of the United States Committee on Large Dams—U. S. C. O. L. D.—and a member of the United States National Committee of the International Commission on Irrigation and Drainage—I. C. I. D. He is a fellow, life member, and past vice president of the American Institute of Electrical Engineers; a member of the American Society of Civil Engineers; a member and past vice president of the Colorado Society of Engineers, and a registered professional engineer in the State of Colorado.

Mr. McClellan has been elected eminent member by the Eta Kappa Nu Association, a national electrical engineering honorary society. He is a member of Tau Beta Pi, an honorary engineering fraternity, and Sigma Psi, an honorary scientific fraternity.

In recognition of his magnificent contribution to the development of natural resources, and to human progress, both in this country and abroad, the United States Department of the Interior bestowed upon L. N. McClellan in 1952 its Gold Medal Award for Distinguished

Service. Likewise, the Colorado Engineering Council of the Colorado Society of Engineers chose him in 1951 to receive its Gold Medal Award for distinguished engineering and humanitarian service. Only four others in the 22-year-old history of the award have been so recognized. The University of Colorado conferred upon him the honorary degree of doctor of engineering in recognition of his career as an engineering administrator in 1949. The Beavers, a prominent national organization of contractors and engineers in the heavy construction field, presented him with their Golden Beaver Award in January of this year.

In addition to being one of the world's outstanding engineers, Mr. McClellan has demonstrated exceptional administrative abilities. His natural Scotch ancestry was always apparent in the careful frugality he impressed upon his subordinates. Economy of design and construction, but still consistent with adequacy and safety, was always a prime consideration when he reviewed the plans for any structure.

Known among the Bureau's many construction contractors for his fair dealing in the administration of contracts and the supervision of construction, he nevertheless saw to it that the Government's interests were protected at all times.

He had unswerving conviction in the value of professional development of individuals and under his strong encouragement other Bureau engineers, following their Chief's example, hold an enviable reputation of achievement and recognition by national and international professional societies and organizations.

Mindful of the necessity for a careful development of young engineers, Mr. McClellan fostered a training and rotation program designed to bring out their maximum capabilities early in their professional lives. Both the Bureau and the individual now reap the dividends of this foresight.

The high admiration his associates have always had for his professional attributes extended to his traits of character—sincerity, modesty, unquestioned integrity. Of quiet dignity, he was never above extending a word of greeting or listening to the problems of an employee. His timely words of encouragement and advice always inspired others to produce their best efforts. Devotion to duty begets devotion in others and Mr. McClellan always gave his subordinates a prime example to follow.

The Reclamation Bureau is known the world over for its giant works—Hoover and Grand Coulee Dams and powerplants—the All-American Canal. It takes giant men to conceive and create giant works. The Reclamation Bureau has given to our great land both giant works and giant men.

And to the name of Leslie N. McClellan, engineer, administrator, gentleman, servant of the people of his beloved West, his country, and the vast underdeveloped areas across the seas, must be added this word—"giant." Giant in spirit, in vision, in ability, in works—Leslie N. McClellan has been one of reclamation's true giants.

As chairman of the Committee on Interior and Insular Affairs, which handles reclamation legislation, I feel I voice the sentiments of my colleagues in this tribute to Leslie McClellan.

#### ROMA H. SELLERS

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1714) for the relief of Roma H. Sellers, which was, on page 1, line 11, to strike out "the improper administering of an anesthetic" and insert "a toxic reaction to the medication used in preparation for and".

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### INFLUENCE IN GOVERNMENT AND WHAT TO DO ABOUT IT

Mr. NEUBERGER. Mr. President, the public is currently once again confronted with the unappetizing spectacle of an investigation into charges of "fixing" and undue influence in the decisions of regulatory agencies charged with the public interest in areas affecting important industries and businesses, in which many millions of dollars are at stake. Because this seems to be a periodically recurring problem, and one which seems to reflect irrepressible weaknesses of human nature, such charges always receive much attention and lead to a great deal of soul searching. But the difficulty of finding a solution to the problem has, in my opinion, been magnified all out of proportion. This point has today been made with exceptional clarity and persuasiveness by Representative STEWART L. UDALL, of Arizona, in a letter to the Washington Post and Times Herald. Representative UDALL points out that the means of protecting itself, its individual members, and applicants before it, from any suspicion of misconduct, are already within the power of each of these administrative and regulatory agencies itself. No elaborate legislation on the subject of "ethics" or other Congressional supervision is needed, if the agencies desire to do their job in the manner which the public demands and is entitled to expect.

I draw particular attention to that paragraph of Mr. UDALL's letter in which he suggests that he would have agencies "limit inquiries from members of the legislative or executive departments to requests for status reports on pending applications, or simple appeals to expedite action" and that he "can state with confidence that Members of Congress would welcome such a rule." I think all of us could say "amen" to this statement by our colleague. His other recommendations, to "prescribe that all communications to individual commissioners concerning applications be made a part of the public file in each case," and to penalize applicants seeking to employ other forms of intervention, must—once they are so stated—seem to be something which the public would expect to be the rule as a matter of course.

Mr. President, as I have frequently said and written, the question of ethical practices in our administrative and regulatory procedures is only a tiny aspect of our major problem of the role of special interests in Government, and the one which is easiest to solve. With his characteristic thoughtfulness and power of analysis, Representative UDALL has shown us how. I ask unanimous consent to have printed in the RECORD the letter of Representative UDALL published in the Washington Post and Times Herald of February 24, 1958.

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

[From the Washington Post and Times Herald of February 24, 1958]

#### ELIMINATING INFLUENCE

Your February 20 editorial on the FCC ("Knowing the Right People") put a finger squarely on the practice which has brought discredit to some of our regulatory agencies. I refer, of course, to the custom of permitting intercessions and ex parte conferences.

Obviously a commission cannot regain public confidence as long as it maintains two forums—one for official hearings, another where interested parties may exert their influence off the record. Until a line is drawn by the Commission between the proper and the improper, naturally all forms of intervention will be regarded as proper.

Short of such action, it is inevitable that the influence forum will be the decisive arena in some cases, for the merits are often evenly balanced and the public interest test is not always clear cut. When contesting applicants are thrown into such a catch-as-catch-can struggle, even the party which has won an examiner's recommendation is forced to proceed on the assumption that the only way to insure a ruling on the merits in the main forum is to get at least a stalemate in the forum of influence. This explains why applicants have frantically recruited their Washington friends and pressured them to pressure the Commissioners.

How can the forum of influence be eliminated? It is plain that elaborate remedial legislation is not needed. The FCC has the power to fix the character of its proceedings and regulate the conduct of applicants. Let them use this authority and declare forthwith a set of rules—and a code of ethics for individual Commissioners—which will give its actions judicial integrity. (Some of the other Commissions, notably the SEC, already have rules and customs worthy of emulation.)

As a starter, the Commission might (1) prescribe that all communications to individual Commissioners concerning applications be made a part of the public file in each case; (2) limit inquiries from members of the legislative or executive departments to requests for status reports on pending applications, or simple appeals to expedite action (I can state with confidence that Members of Congress would welcome such a rule); and (3) declare all other forms of intervention improper, and impose harsh penalties on applicants employing them.

Can anyone doubt that such rules would cause "influence" to disappear overnight?

The right to an impartial hearing is deeply imbedded in the thinking of our people, and decisions arrived at by unjudicial methods are suspect even when they are just. Under our system of justice there are no friends at court, only advocates of law and fact in open court. And understandably those who hold court after hours, or in the market place, should not expect that the decisions they hand down from the bench will stand upright in the public eye.

Today our citizens have a right to expect that even quasi-judicial public bodies will

adhere to the best judicial practices. Nothing less will win and keep public esteem.

STEWART L. UDALL,  
Representative of Second District,  
Arizona.

WASHINGTON.

#### HIGHWAY NUMBER DESIGNATIONS FOR LINCOLN HIGHWAY AND OLD OREGON TRAIL

Mr. NEUBERGER. Mr. President, for many decades, one of the most famous of transcontinental highways in North America has been U. S. 30—the Lincoln Highway. As one of the few continuous coast-to-coast highways—from Atlantic City, through Lincoln, Nebr., to Portland and Astoria, Oreg., where the Columbia River runs into the Pacific Ocean—the Lincoln Highway has been famous not only because of the illustrious name with which it is associated, but also because much of its course follows the historic Oregon Trail.

For many years, Americans wishing to retrace that famous route of the pioneers, from the plains of the Middle West over the Rocky Mountains, have been able to do it following the U. S. 30 signs across the land. The Lincoln Highway and the Oregon Trail have been firmly associated in the public mind. Now it seems that these two historic associations with one transcontinental highway are about to be destroyed in the process of renumbering the new National System of Interstate Highways.

The numbering of these interstate highways is not a Federal function; it is being carried out by a committee of the American Association of State Highway Officials. There are good reasons why a new number-grid will be applied to the new system, with numbers running from south to north and west to east, to minimize confusion with the old numbers. But, Mr. President, in the application of the new numbers, it would be possible to give a single, transcontinental route number to one interstate highway which, to a large extent, parallels the present Lincoln Highway. This could be done by giving it the designation number 80, instead of the present tentative proposal of having the number 82 given to only a fraction of the route, that from Portland to the vicinity of Salt Lake City, Utah. Perhaps the number 70 could be carried through to the Pacific coast at San Francisco, so as to give that great western center a terminus of a transcontinental route number comparable to present U. S. 40.

Mr. President, to show the great concern and importance with which this matter is viewed in the State of Oregon, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Portland Oregonian of February 4, 1958; a resolution sent me by both the Astoria and the Klamath County Chambers of Commerce; a letter dated January 31, 1958, from Mr. Thomas Vaughan, of the National Council of the American Association for State and Local History to Mr. Clifford T. Lord, president of that association; and, finally, a letter written last August 20 by the Oregon State highway engineer, Mr. W. C. Williams, to Mr. D. C. Greer, the chairman of the AASHO's route-numbering

committee. I believe these materials state very persuasively the case for maintaining a transcontinental route number, such as 90, for the celebrated Lincoln Highway and the old Oregon Trail, and I hope the AASHO will heed these requests.

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

[From the Portland (Oreg.) Oregonian of February 4, 1958]  
PRESERVE THE TRAIL

To renumber the Interstate Highway System so that the Federal highway between Portland and Salt Lake City would be designated as merely a branch of the intercontinental route to San Francisco would be a serious violation of history.

The present U. S. 30, the Lincoln Highway, is a transcontinental route which follows, more or less, in its western stretches, the longest and one of the most famous wagon roads of all time—the Oregon Trail.

Under the renumbering plan announced for the Interstate Highway System, the old designations will be abandoned. Instead of U. S. 30, there will be a Route 80 across the continent. But it will not end at the mouth of the Columbia River, as does U. S. 30. Its western terminus will be San Francisco. The route between Salt Lake and Portland will be No. 82, a branch of the main route.

The Oregon Trail goes back to 1812, when a party of Astorians under Robert Stuart followed its approximate route from west to east. In 1824, Jed Smith took the first wagon train across the famous South Pass of the Rockies. Followed then several wagon journeys to and across the Continental Divide, until Marcus Whitman and Henry Spalding made wagon history in 1836 by reaching old Fort Boise on the Snake River. Then came the great caravans of covered wagons to Oregon in the 1840's.

It was not until the gold rush days that appreciable numbers of pioneers turned off the Oregon Trail to go to California instead of to Oregon. The part of the Interstate Highway route ending at San Francisco should be designated as the branch, not the section that reaches and follows the Columbia River. Those responsible for renumbering the highway system should be so informed. Chairman of this committee of the American Association of State Highway Officials is State Highway Engineer D. C. Greer, Austin, Tex.

Whereas in the highway modernization program of the United States, in cooperation with the several States, the official route numbering for the National System of Interstate and Defense Highways was assigned to the American Association of State Highway Officials; and

Whereas a committee of the American Association of State Highway Officials has designated as Route 80 the transcontinental highway extending between San Francisco and Philadelphia; and

Whereas Route 30 as a transcontinental highway has been abandoned; and

Whereas a new designation of Highway No. 82 has been given to the route from the vicinity of Salt Lake, Utah, to Portland, Oreg.; and

Whereas, upon examination, Route 82 is seen to be not more than a spur road connecting important communities of Idaho and Oregon; and

Whereas further examination would indicate a dead-end connection between Route 82 and Route 80; and

Whereas the use of U. S. 30 as a transcontinental route has been of inestimable value in attracting tourist and other travel to the Pacific Northwest, and this value will be de-

stroyed by the proposed renumbering plan: Now, therefore, be it

*Resolved*, That urgent request be made upon C. R. McMillan, president of the American Association of State Highway Officials, and chief administrative officer of the South Carolina State Highway Department, for a revision of the numbering plan for the proposed Highways 80 and 82; be it further

*Resolved*, That we urge that Highway No. 80 be extended into the Pacific Northwest in behalf of securing the advantages in tourist appeal and traveling incentive of a transcontinental highway across Idaho and Oregon; and be it further

*Resolved*, That we make it entirely clear to the president of the American Association of Highway Officials and his committee on the renumbering plan that we regard the present proposed numbering as gross and unwarranted discrimination against this section of the United States; be it further

*Resolved*, That the situation herein described shall be called to the attention of our Senators and Representatives in the Congress, our State highway commission, and State highway engineers, and all of the business and civic organizations injuriously affected by the proposed big highway numbering plan; and be it finally

*Resolved*, That effort be inaugurated without cessation until justice has been done by designating Route 80 as extending between Philadelphia and Portland.

OREGON HISTORICAL SOCIETY,  
Portland, Oreg., January 31, 1958.

CLIFFORD L. LORD,  
President, American Association for State and Local History, Madison, Wis.

DEAR CLIFF: This is a time when the American Association for State and Local History can give great support on a national problem with serious regional implications.

The celebrated old Oregon Trail along the Columbia River Highway, and linking with Highway No. 30 (the Lincoln Highway) running to the Atlantic Ocean, is about to be changed as a result of a complete renumbering of the Federal system. As now planned, Highway No. 30 will be abandoned. The Federal road from Portland to Salt Lake City will be designated No. 82, a branch of Transcontinental Highway No. 80 to San Francisco.

Oregon residents and thousands of people who follow the route of the Oregon Trail every year are very upset with the proposed changes. This touches directly on our greatest overland trail traditions.

We are very anxious to have new Highway No. 80 run directly along the route of 30. Since no final decision has been made, San Francisco could be given some other more suitable number, thereby preserving our historic link with the Atlantic seaboard. The Oregon Trail is the greatest land route in the United States. We would lose far more than its identity in this proposed change.

A small gap now existing in Highway No. 40 poses no insuperable problem. This is a temporary situation with little relevance to the permanent designation of Federal numbers.

We urge that you call this matter to the attention of the national committee responsible for the renumbering of the Interstate System: American Association of State Highway Officials, Chairman D. C. Greer, State highway engineer, Austin, Tex.

With the forthcoming centennial of our State in 1959, this is particularly important. Without the trail there would have been no Oregon.

Very truly yours,  
THOMAS VAUGHAN,

Member, National Council, American Association for State and Local History.

(Copies to: Senator Wayne Morse, Senator Richard L. Neuberger, Clement M. Sillvestro, H. J. Swinney, Herbert Lundy, Roy Beadle, and W. C. Williams.)

STATE OF OREGON,  
STATE HIGHWAY DEPARTMENT,  
Salem, August 20, 1957.

Mr. D. C. GREER,  
Chairman, Route Numbering Committee, AASHO, State Highway Building, Austin, Tex.

DEAR MR. GREER: It is with great reluctance that I write to you about a matter that is only in a formative stage. It has to do with the numbering of the National System of Interstate and Defense Highways and, more particularly, as it relates to an interstate route of great importance to the State of Oregon as well as, of course, many other States through which this route passes.

I am referring to U. S. 30 which, since the beginning of the United States route numbering system, has been a transcontinental route extending from ocean to ocean. I noted on the map on display at La Salle during the route numbering discussion that U. S. 30 was tentatively indicated as Interstate No. 80 as far west as Salt Lake City, Utah, then the 80 routing was extended into San Francisco over the existing U. S. 40 route, and that a stub of the Interstate System, No. 82, extended from Salt Lake City to Portland, Oreg. Such a plan will meet violent opposition in the State of Oregon and, I am quite certain, in the State of Idaho, as well. Frankly, I can see no useful purpose in the breaking up of a route so long and well known as U. S. 30. By that, I mean that whatever interstate number is given to the interstate route closely paralleling U. S. 30 should extend over the original designation, which, in this particular instance, is from Atlantic City, N. J., to Portland, Oreg.

U. S. 30 has for the Northwest a great commercial and historical attraction. As you know, the Northwest was settled by the pioneers who immigrated over the Oregon Trail beginning in the mid-1840's when the great wagon trains rolled across the States of Nebraska, Wyoming, Idaho, and into Oregon to the western regions. It is for this reason that it would indeed be a shock to the people of this Northwest region if the historic highway U. S. 30, the old Oregon Trail, were broken up and only a stub designated for the portion from Salt Lake to Portland.

It would seem that a suitable other interstate number could be assigned to the existing U. S. 40 terminating in San Francisco. I realize, of course, that there is a gap on the Interstate System of U. S. 40, being between Salt Lake City and Denver. I doubt, however, that this condition will continue forever, and it would seem that that route should be given a through interstate number and not break up the existing U. S. 30 transcontinental route. I hope that you and your committee will give this the utmost consideration in the development of your final recommendation. I realize that your committee has a tremendous task to perform, and even while I have disagreed with certain portions, as above, I wish to assure you that in my opinion you are doing a most excellent job.

Very cordially yours,  
W. C. WILLIAMS,  
State Highway Engineer.

TEXAS HIGHWAY DEPARTMENT,  
Austin, Tex., September 3, 1957.

Mr. W. C. WILLIAMS,  
State Highway Engineer,  
State of Oregon,  
Salem, Oreg.

DEAR DUTCH: I received your good letter of August 20 and I know exactly what you are talking about when you talk about the

numerology of the Interstate System. We too are going to be disappointed here in the Southwest in that some of our roads that formerly went from the Mexican border to the Canadian border with one number will not do so under this pattern. I frankly do not know the answer. But it is possible that as we stumble along with this thing we may be able to unravel it to the satisfaction of all concerned. The contents of your letter will be most carefully considered in the additional studies on the numerology.

Kindest personal regards.

Sincerely yours,

D. C. GREER,  
State Highway Engineer.

STATE OF OREGON,  
STATE HIGHWAY DEPARTMENT,  
Salem, October 23, 1957.

Mr. D. C. GREER,  
Chairman, Route Numbering Committee, AASHO, State Highway Building, Austin, Tex.

DEAR MR. GREER: It is now apparent that some additions and/or changes will be necessary in the marking of the Interstate System by reason of the recent additions announced by Secretary of Commerce Weeks.

I particularly call your attention to the new addition between Ogden, Utah, and Echo Junction, Utah. This routing, of course, will provide a much more direct routing from Interstate 80 to Interstate 82 than the former routing through Salt Lake City; in fact, it will save more than 40 miles in distance.

I would urgently recommend that Interstate 82, which now has its eastern terminus at its junction with Interstate 15 at Tremonton, Utah, be extended southeasterly to Echo Junction via Ogden. This would result in a dual numbering (Interstate 15 and Interstate 82) between Tremonton and Ogden, but such dual numbering is permissible: "The routes will be so marked as to give maximum continuity between major control points, and dual interstate numbering will be held to a minimum consistent with proper travel guidance." I consider the extension of Interstate 82, with a short section being common with Interstate 15, to be consistent with this idea. I further note that there are existing dual routings; for instance, Interstate 20 and Interstate 59 are common between Meridian, Miss., and Birmingham, Ala.

I further recommend that the portion of Interstate 82 now numbered 82S, from a point in southeastern Idaho to Tremonton, be numbered 82 and drop the S. 82N is a stub of 82 and is properly designated as 82N. This would result in Interstate 82 being continuous from Portland, Ore., to its intersection with Interstate 80 at Echo Junction.

I would urge most careful consideration of the above recommendation, as otherwise there would be a hodgepodge of interstate numbering from Echo Junction to Tremonton, Utah, and the direct route from east to west, comprising Interstate 80 and Interstate 82 would have four different route numbers within a distance of less than 100 miles.

Very truly yours,

W. C. WILLIAMS,  
State Highway Engineer.

AMERICAN ASSOCIATION OF  
STATE HIGHWAY OFFICIALS,  
Washington, D. C., October 28, 1957.

Mr. W. C. WILLIAMS,  
State Highway Engineer, Oregon State Highway Department, Salem, Ore.

DEAR MR. WILLIAMS: I have the copy of your letter of October 23 addressed to Mr. Greer, chairman of our committee on route numbering.

Please be advised that the matter of integrating the newly designated routes into the numerology system of the Interstate network will be before the route numbering committee at Chicago.

Yours truly,

A. E. JOHNSON,  
Executive Secretary.

### THE NEED FOR SCHOOL BUILDING CONSTRUCTION

Mr. HUMPHREY. Mr. President, I have received a letter from Finis E. Engleman, executive secretary of the American Association of School Administrators, in which he discusses the present business recession and the great need for school building construction. Mr. Engleman proposes that school building construction constitutes one of the best means of improving our economy. I want at this time to commend him and the association he represents for this proposal. I have taken the same position on this subject in a release issued on February 12. Mr. President, I ask unanimous consent that there be printed in the RECORD Mr. Engleman's letter to me and my release.

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

AMERICAN ASSOCIATION OF  
SCHOOL ADMINISTRATORS,  
Washington, D. C., February 18, 1958.  
The Honorable HUBERT H. HUMPHREY,  
United States Senate,  
Washington, D. C.

MY DEAR MR. HUMPHREY: I write to propose a Congressional action which in my judgment would result in two exceedingly significant and timely advantages to the people of the United States. They grow out of my observation of what at this moment constitutes two of the biggest problems facing the Nation. I refer to the recession in business and employment, which is seemingly growing more serious every day and must in some way be halted. The second is the need for school building construction which also is increasing in its seriousness.

I believe that both of these problems could be sufficiently met by quick action of the Congress. I therefore propose that a school-house construction act, somewhat on the plan submitted by Representative KELLY in the last session of Congress, would be a suitable plan. I believe that it is generally agreed that building construction constitutes one of the best means of improving the economy. Surely increased school building would seemingly affect unemployment in nearly all aspects of labor and at the same time it would stimulate business in a great many directions. In the first place, heavy equipment such as trucks, cranes, and bulldozers would be in increased demand. Steel, masonry, and lumber would have an immediate pickup. Furthermore, industries producing window shades, many kinds of furniture, glass, floor coverings, plumbing accessories, stoves, boilers, slate, draperies, and the like would be relieved of their excess inventory rather quickly, and industries which produce these materials would again spring into full production.

While stimulating our economy, we would be, at the same time, strengthening the Nation by providing schools for our potential workers and leaders of tomorrow. This in itself justifies the expenditure, and certainly holds many advantages over almost any kind of construction, particularly public buildings such as post offices and the like.

Never before, in my judgment, have so many people been concerned over the improvement of our school system. I believe, too, that the Congress would hit a popular note by embarking on such an enterprise.

Sincerely,

FINIS E. ENGLEMAN,  
Executive Secretary.

### SENATOR HUMPHREY URGES TAX CUT, SCHOOL AND HOME CONSTRUCTION AS KEY ANTI-DEPRESSION MEASURES

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today urged the administration to "put first things first" and to set an urgent priority on a "tax cut for 1 year to stimulate purchasing power, massive school construction, and slum clearance program and income-producing public works rather than pinning all its hopes on a post office construction program as the answer to the growing recession.

"A tax cut may temporarily reduce Government revenues," Senator HUMPHREY said, "but the drop in production and jobs in the current recession will be even more costly to the Government and indeed to the people. It is better to have an unbalanced budget than an unbalanced economy; by firming up jobs, production and construction, the budget will eventually be balanced."

The Minnesota Democrat, who introduced a school construction bill at the beginning of the 85th Congress last year, pointed out that a school construction program would provide a "very large number of individual construction projects with a minimum time delay in getting actual construction started." He urged that President Eisenhower lend his early support to the school construction legislation now pending before the Congress.

Commenting that at least the post office construction proposal is recognition by the administration of the principle that essential public works can and should be used to stimulate the economy, Senator HUMPHREY said that the President nevertheless has ignored the two most urgent public works needs: school construction and slum clearance.

"Our people need jobs and they need tax relief to restore purchasing power," Senator HUMPHREY declared. "And at the same time we badly need more classrooms, more public housing, and a strong and resolute attack on our city slums and blighted areas."

"Post offices are needed," he said, "but the administration should recognize what every parent and schoolchild knows—that we are slipping further back in classroom facilities and low-income housing. It is a little hard to swallow the implication that new post offices are more important than new schools and slum clearance."

"Priority should not only be given to schools and public housing and at least a \$20 per capital cut in the personal income tax," Senator HUMPHREY declared, "but there is a broad field of income-producing public works which are also needed."

"For instance," he said, "the administration should take the brakes off rivers and harbors development for navigation improvement and public power facilities. And it should move to accelerate the highway program, which has been proceeding at a snail's pace."

"These income-producing public works will have a double effect on the economy, providing not only a 'shot in the arm' to the construction industry, and transportation and commerce, but also to the long-range revenue base of the Government," Senator HUMPHREY pointed out.

"Post office construction should be fitted into a priority of public works projects," Senator HUMPHREY urged. "It is one of several ways that the Federal Government can move to check the growing recession."

### REDUCTION OF FUNDS FOR TUBERCULOSIS CONTROL

Mr. HUMPHREY. Mr. President, the more I study the President's budget, and the more my friends study the President's budget, the more amazed I become at the gulf between the President's protestations of intent and the cold, hard figures in his budget request.

Most recently, I was distressed to learn that the budget for grants to the States for tuberculosis control has been drastically cut from the present year's operation.

The State health officer for the State of Minnesota, Dr. Robert N. Barr, states that the proposed cut in funds will seriously reduce laboratory and followup programs and hinder control of tuberculosis and its early discovery.

Mr. President, in order that my colleagues may understand the serious implications of this budget cutback, I ask unanimous consent to have printed at this point in the RECORD a letter from Dr. R. N. Barr and a telegram addressed by Dr. Barr to Dr. Herman Hilleboe, president of the Association of State and Territorial Health Officers.

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

STATE OF MINNESOTA,  
DEPARTMENT OF HEALTH,  
Minneapolis, February 18, 1958.

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

DEAR SENATOR HUMPHREY: The enclosed telegram was sent February 17 to Dr. Herman Hilleboe, president, Association of State and Territorial Health Officers, to assist him in testimony before Congressman FOGARTY'S House subcommittee the last week in February. The executive committee, ASTHO, in January voted unanimously to request the Congress to increase the United States Public Health Service request for tuberculosis grants to States of \$3 million, back to the current year's level of \$4,500,000.

A great victory, over tuberculosis, is jeopardized by the proposal to reduce this assistance to States.

Respectfully,

R. N. BARR, M. D.,  
Secretary and Executive Officer.

FEBRUARY 17, 1958.

DR. HERMAN HILLEBOE,  
President, the Association of State and Territorial Health Officers, New York State Health Department, Albany, N. Y.:

Minnesota Department of Health uses \$53,200 Federal and \$20,000 State funds for tuberculosis control. Proposed cut of \$16,100 Federal is tragically unrealistic.

Funds are used for broad public health program of case finding and supervision, not for hospital or treatment costs. Laboratory services for diagnosis and followup of cases is major element of program. These services have been expanding in recent years and becoming more complex, as case finding intensified. For example, in 1946 the laboratory did 8,000 tuberculosis cultures; in 1957, 13,700. Department program also concentrates on supervision and followup of all known cases, based on central-records system and public health nursing services.

Proposed cut in funds will seriously reduce laboratory and followup programs, and thus hinder control of infectious disease and discovery of early cases. Tuberculosis

remains the major communicable disease in Minnesota. Control efforts should currently be intensified and expanded rather than reduced.

R. N. BARR, M. D.,  
Secretary and Executive Officer, Minnesota Department of Health, University Campus, Minneapolis, Minn.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. PROXMIER in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

### REVISION OF THE GI HOUSING LAW

Mr. CAPEHART. Mr. President, on behalf of myself and the Senator from West Virginia [Mr. HOBLITZELL] I introduce for appropriate reference a bill to extend for 2 years and to modify, realistically, so that it will really work, the existing legislation which we all know as the GI housing law.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3336) to extend the loan guaranty program for World War II veterans for 2 years, extend the direct loan program for a like period, authorize an interest rate on guaranteed and direct loans commensurate with that applicable to mortgages insured under section 203 of the National Housing Act, to increase the maximum direct loan to \$13,500, and for other purposes, introduced by Mr. CAPEHART (for himself and Mr. HOBLITZELL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. CAPEHART. Mr. President, I introduce the bill for two principal reasons:

First. The approximately 14 million eligible veterans are not now getting the benefits of the GI housing law because the 4½ percent limitation on interest rates is wholly unrealistic in the light of existing economic conditions.

Second. To provide thousands and thousands of well-paid jobs at a time when the Nation is facing something more than seasonal unemployment.

I may say at this point that the bill gives all of us a very fine opportunity to do something about unemployment, instead of merely talking about it.

Before I go into the details of the bill, let me say that to kill this bill by failure to pass it will be to deny the opportunity of homeownership already authorized by law for the some 14 million eligible veterans of World War II and the Korean war who have not used their GI entitlement. Likewise, it will deny thousands and thousands of jobs to workmen who need jobs.

Mr. President, the situation is this simple on the face of the facts: Since the enactment of the GI housing bill by the 78th Congress, 5,069,800 homes have been financed under the GI law.

By years—and I am only listing the years since 1951—the figures break down in this way:

In 1951, 377,530 houses were built.

In 1952, 312,908 houses were built.

In 1953, 322,780 houses were built.

In 1954, 527,851 houses were built.

In 1955—and I should like to call particular attention to these figures—669,058 houses were built.

In 1956, 507,144 houses were built.

In 1957, the number of houses built dropped to 248,827.

Last month applications received under this same legislation totaled only 7,680, which on a yearly basis would provide for 1958 less than 100,000 new and existing units financed under the law.

It is logical, therefore, to ask "Why?"

Let us face the facts. The facts are that the 4½-percent limitation on interest rates under the existing legislation simply will not attract the necessary money in the current market to make it possible for our veterans to take advantage of their homeownership rights under the law.

The only way I know to correct that is to provide a realistic interest rate. While there are some other important provisions in my bill, that is its basic purpose.

In other words, it is unrealistic to believe that a person will buy a 4½-percent GI housing mortgage when he can get a 5¼-percent FHA mortgage, both guaranteed by the Government. It does not make sense, in view of the fact that there has been a drop from 669,058 houses in 1955 to probably less than 100,000 in 1958, at a time when there is need for more employment.

Briefly, this is what my bill does:

First. Extends the existing veterans' housing direct-loan law from the current expiration date of July 1, 1958, to July 25, 1958. This is done for the reason that the loan-guaranty provision of the veterans' housing law expires on July 25, 1958, and a further provision of my bill extend both programs for 2 years, until July 25, 1960, so that both programs will expire at the same time.

Second. Provides that the interest rate on guaranty loans shall be modified from the existing maximum of 4½ percent to the same system of interest-rate calculation as now governs FHA sales housing loans under the National Housing Act, which, as we know, is adjustable to the needs of the economy. The current FHA rate is 5¼ percent.

Mr. President, I should like to say at this point that the GI housing bill was enacted in 1944. At that time Congress set the interest rate at 4 percent. It remained at that rate until 1948, at which time the Veterans' Administrator, with the consent of the Treasury Department, increased it to 4½ percent. An interest rate of 5 percent or 5½ percent is much more realistic today than 4 percent was in 1944. In other words, Congress could have set a lower rate in 1944, and there would have been a great deal of money available with which to purchase the mortgages.

Third. Increases from the present \$10,000 maximum to a maximum of

\$13,500 individual loans made under the direct loan provision of the law.

Fourth. Provides an authorization of not to exceed \$100 million for the continuation of the direct loan program.

The purpose of that is to furnish mortgage money in thinly populated sections of the United States where mortgage money is not now available and ordinarily is hard to find.

Fifth. Removes the requirements that the Administrator of Veterans Affairs impose limitations on the discounts which may be absorbed on the sale of mortgages. This form of price control has twice been tried and found wanting. It hampers the free movement of mortgages and actually operates to the disadvantage of those it pretends to protect. Furthermore, by allowing the Administrator to regulate the interest rate upward and downward as called for by yields on similar investments, the necessity for wide discounts is eliminated. Mr. President, I have always considered that one of the responsibilities of Congress is to do those things which will create in private industry well-paying jobs which are absolutely essential to the security and happiness of our people.

I wish to repeat that statement. It is the responsibility of Members of Congress to do those things which will create in private industry well-paying jobs, which are absolutely essential to the security and happiness of our people.

I know of no other proposed legislation which would help to accomplish that result now as well as would this bill.

As you know, Mr. President, the job-creation possibilities in building a house are almost limitless. Beginning with the men who dig the basement, the benefits which accrue to all segments of our economy from the construction of a home are almost fantastic. From the standpoint of the actual construction labor alone, they range from the common laborer to the skilled workman. The benefits flow to the bricklayer, the stonemason, the carpenter, the plasterer, the painter, the electrician, the plumber, and the roofer.

Building construction provides jobs for the people who make the concrete blocks, the nails, the electrical wiring, the lighting fixtures, the refrigerators, the stoves, the washing machines, the furnaces, the plumbing equipment, and the hundreds of other items which go into the modern home.

It has been estimated that in the construction of a modern home there are used about 3,000 articles, the production of which is helpful to all phases of labor and the business community. It takes 2 man-years of labor to construct the average home. Mr. President, I know of no more logical step for Congress to take at this time than to pass the bill.

The philosophy of veterans housing legislation has long since been adopted by Congress and is not now at issue.

Under the GI housing bill some \$42 billion has flowed into our economy. It has been a good investment. The loss ratio has been about six-tenths of 1 percent. Less than 36,000 out of more than 5 million loans have been defaulted.

The actual dollar loss on home loans has been under \$20 million. More than 1,127,000 veterans have paid their home loans in full. Of the 14 million persons eligible for loans under the GI bill, only 28,000 commitments are outstanding at the moment.

That gives some idea of the extent to which the number of loans has been reduced, and for only one reason, namely, that the mortgages cannot be sold. Likewise, we are given some idea of the extent to which employment would be increased if 500,000 GI houses could be built this year. This is not impossible, because 669,000 were built in 1955.

I recognize that there are now and always have been certain areas in the United States where prospective home buyers have extreme difficulty in arranging for mortgage credit. For the most part, these are the rural areas and small towns. That is why my bill includes a 2-year extension of the VA direct loan program.

There is a twofold purpose in increasing the loan maximum. First, the maximum was set in 1950, and there has been a substantial increase in the cost of residential construction since that date. Second, the increased earnings of Americans generally, and particularly veterans, makes it possible for them to desire and pay for better housing accommodations.

Mr. President, I believe that if we pass the bill we could well create a market for as many GI homes in 1958 as we provided in 1955. I said a moment ago that I do not think it is unreasonable to expect 500,000 houses to be built. I see no reason why as many should not be built in the next 12 months as were built in 1955.

That would mean 669,000 new home owners; 669,000 refrigerators; 669,000 construction jobs, each requiring 2 man-years of labor; 669,000 stoves; 669,000 furnaces; 669,000 washing machines; and 669,000 more of everything else that goes into the building of a house.

In other words, Mr. President, such a program would at once do effective work for the economy of our Nation; at the same time, it would provide the homes to which our veterans are entitled under the law.

I repeat: Congress has already adopted the philosophy in the GI housing law. It was first expressed in 1944, and since that date Congress has repeatedly renewed it.

Another consequence which will result from the reactivation of the GI loan program will be the elimination of some of the dangerous secondary borrowing devices which have recently sprung into use.

Published reports of the estimates of second mortgages behind primary conventional loans show a somewhat disturbing incidence of these cases in certain areas of the country. For example, the director of the Los Angeles office of FHA estimated that from 70 to 80 percent of all cases involving conventional mortgage financing also involved second mortgages or contracts. This dangerous practice can best be curbed by

making available reasonable terms on alternative financing.

As I mentioned earlier, the bill will extend the entitlement of World War II veterans for a period of two years from its present termination date of July 25, 1958.

There still are about 10 million World War II veterans who have not made use of their loan guaranty benefit.

Korean veterans will, of course, have until January 31, 1965, to take advantage of a loan guaranteed by the Veterans Administration.

I am advocating the extension for World War II veterans because I know that many of them have delayed their home purchase plans fully intending to take advantage of their entitlement before the expiration date; but during the past 1½ years or more, when mortgage capital began to tighten, they have found it impossible to get a GI loan.

I think it only fair that we help those World War II veterans whose plans have thus been frustrated to take advantage of this benefit.

It is my firm conviction that the way to meet the present problem brought about by the backward step which our economy has taken is to help private industry do the job. I do not believe we can solve the problem of creating employment for all willing workers simply by pumping Federal funds into our economy. Certainly I favor some of the proposed public works programs. But in my opinion such programs should be limited to those which are necessary to do the jobs that private capital is unable to undertake. Except for the moderate direct loan program, upon which I commented earlier, I believe that, given the necessary assistance, private industry will take care of the need of providing better housing for Americans.

Mr. President, we cannot afford, at this time, to allow the GI program to die either through its natural termination or through disuse caused by an unrealistic interest rate. I say this both from the standpoint of those veterans who want to use their entitlement, but are unable to do so, as well as with an eye on a residential construction industry. Either of these reasons is an adequate motivating force, and the combination makes it a must.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the text of a statement made by the national economic commission of the American Legion, and also the text of a resolution adopted by the 1957 convention of the American Legion.

There being no objection, the statement and resolution were ordered to be printed in the RECORD.

(See exhibits A and B.)

Mr. CAPEHART. Mr. President, I quote from the resolution one paragraph which recommends exactly what the bill provides with respect to interest rates:

*Resolved, by the American Legion in national convention assembled at Atlantic City, N. J., September 16-19, 1957, That appropriate legislation be enacted by the Congress to provide the Administrator of Veterans' Affairs with the same authority to regulate*

interest on VA loans as the FHA Administrator now exercises over FHA loans, with authority within realistic limits to increase or decrease rates to meet changing conditions as they occur, in order to assure the continued flow of GI loans under private auspices.

Mr. President, the bill makes the interest rates flexible. It gives the Administrator the right to raise or lower them. I call that point to the attention of the Senate. A day may come—and I hope it will—when the Veterans' Administrator will lower the interest rates, depending on the economic conditions at that time.

But at the moment we are all talking and thinking about the 4½ million persons who are unemployed. Here is an opportunity, under the existing law which can be extended, to accomplish, under the same principle and in the same manner as has heretofore been so successful, the building of several hundred thousand GI homes. This will, in my opinion, put hundreds of thousands of unemployed persons to work.

I wish to point out one statement the American Legion's economic committee makes, as set forth in the exhibit:

The simple truth is that no one can possibly lend money today at 4½ percent.

Mr. President, I hope the Banking and Currency Committee will immediately hold hearings on the bill, and that Congress will pass it. I am sure the committee will hold hearings on it immediately, because the committee has a vital interest in this matter. By so doing we shall really do something worth while in respect to unemployment.

#### EXHIBIT A

The economic committee is deeply concerned over developments adversely affecting the GI home loan program.

For the past 8 months the VA statistics show that World War II and Korean veterans are finding it increasingly difficult to obtain loans at 4½ percent to purchase homes. In fact, it is estimated by the Veterans' Administration officials that for all intent and purposes the program will come to a halt by January 1958.

The simple truth is that no one can possibly lend money today at 4½ percent. Interest rates have risen progressively over the past 6 years, as a result of the tremendous demand for money for all purposes. The present fixed interest rate on GI home loans has thus become less and less attractive to investors.

As brought out in testimony before the convention committee, because of the absence of GI home loans in today's market, our veterans are currently faced with the following choices to borrow money to purchase homes:

1. Use of FHA loans with rates at 5¼ percent, plus one-half percent for FHA insurance; total of 5¾ percent.
2. Use of conventional financing requiring downpayments from 20 percent to 33½ percent with interest rates ranging from 5½ percent to 6 percent, and over; or
3. Use of second mortgages at rates of better than 6, 7, and up to 10 percent.

Each of these alternatives represented, in the committee's considered view, too high a price to pay for retention of a fixed interest rate—a rate which in effect is preventing the veteran from securing the GI loans to which he is entitled.

The committee, therefore, unanimously recommends adoption of the enclosed resolution.

#### EXHIBIT B

Whereas the American Legion has been the guiding force behind the GI bill of rights, which includes the GI home-loan program; and

Whereas the number of home loans being made under the GI bill is declining steadily because the interest rate is no longer competitive under current and foreseeable market conditions; and

Whereas the failure of the Congress to enact legislation to permit the interest rate on GI loans to be competitive, has prevented a continuing flow of funds from private sources into the GI home loan market; and

Whereas under present conditions home-purchasing veterans are being deprived of a GI loan, thereby limited to conventional and FHA loans, which are not as advantageous to veterans as would be GI loans with a competitive rate; and

Whereas the American Legion is already on record in favor of a flexible rate as recommended in the Collins' report, approved twice by the national executive committee: Now, therefore, be it

*Resolved, by the American Legion in national convention assembled at Atlantic City, N. J., September 16-19, 1957, That appropriate legislation be enacted by the Congress to provide the Administrator of Veterans' Affairs with the same authority to regulate interest on VA loans as the FHA Administrator now exercises over FHA loans, with authority within realistic limits to increase or decrease rates to meet changing conditions as they occur, in order to assure the continued flow of GI loans under private auspices; and be it further,*

*Resolved, That the legislative commission and the staff members of the economic commission be instructed to vigorously promote this program, and through all available media make a grassroots appeal to the Legion membership to actively support this movement in order to insure continuation of the GI home-loan program which has proven to be of such inestimable value to our country and its veterans.*

#### TEMPORARY INCREASE OF PUBLIC-DEBT LIMIT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the pending business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the pending business.

The Senate resumed the consideration of the bill (H. R. 9955) to provide for a temporary increase in the public-debt limit.

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

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

Mr. BYRD. Mr. President, the Senate Finance Committee has reported favorably the bill, H. R. 9955, to provide for a temporary increase in the Federal debt limit. Under provision of the bill the temporary increase would be \$5 billion, thus raising the ceiling from \$275 billion to \$280 billion for a period from the date of enactment of the bill to June 30, 1959. As of July 1, 1959, under the bill the debt

ceiling will revert to the permanent statutory limit of \$275 billion.

The bill, of course, has been passed by the House; and as reported by the Senate Finance Committee, the language of the bill is identical with the provisions of the bill as passed by the House.

This is the fifth time since 1953 that a temporary increase in the ceiling has been requested, and the fourth time it has been granted.

In 1953, a \$15 billion increase was requested; but it was rejected in the Senate Finance Committee. A \$9 billion increase was requested in 1954 and the Senate Finance Committee reduced it to \$6 billion for 1 year. In 1955, the \$6 billion temporary increase was continued for an additional year. A temporary increase of \$3 billion was granted for the year ended June 30, 1957.

As I have already stated, the ceiling reverted to the permanent \$275 billion limit on last July 1, in the absence of any request by the administration for another increase.

The \$5 billion temporary increase provided by the pending bill was requested by the Secretary of the Treasury in January of this year. The Senate Finance Committee has held rather exhaustive hearings on the subject, and has concluded—by a vote of 10 to 5—that an increase should be granted in the amount requested by the Secretary of the Treasury.

The statutory debt limitation is neither new nor novel. As such, statutory debt limitations have been in effect since World War I. Prior to that time a special act of Congress was required for each bond issue.

Fiscal officials of the Government time and time again have expressed their belief that there should be a statutory debt limit, and the value of limitation on the public debt is thoroughly documented.

In justifying this temporary increase the Secretary of the Treasury, the Honorable Robert B. Anderson, summarized the need at this time for a debt limit increase as follows:

1. The fact that cash balances have been running distressingly low.
2. There is need for more flexibility for more efficient and economical management of the debt.
3. Even with a balanced budget there will still be large seasonal fluctuations in receipts, which make operations under the \$275 billion limitation most difficult.

Those were the main reasons advanced by the Secretary of the Treasury.

Frankly, Mr. President, on the basis of the figures submitted to the committee, the administration did not make a case for this \$5 billion temporary increase. With the debt ceiling at \$280 billion, according to the Treasury's own estimates, there will be times when the leeway under the ceiling will exceed \$12 billion. As chairman of the committee, I am confident that its approval of this bill was largely based on the belief that the administration has overestimated income for the next year and has underestimated expenditures.

This situation could have been corrected, had the administration reduced nonessential spending when the budget was presented.

For the present fiscal year, the Congress cut appropriations by more than \$5 billion. Yet, even before the Russian sputniks, the administration increased its expenditures estimate. This makes it clear that, with huge unexpended balances of funds already appropriated, control of expenditures has virtually been lost by the Congress.

I fear that raising the debt limit will open the door to another era of deficit spending and will result in starting again the inflationary spiral. The value of the dollar has already declined more than 50 percent since 1939.

It is this note of caution that, as chairman of the Finance Committee, I present to the Senate, for its action, H. R. 9955, in response to the vote of the Senate Finance Committee on reporting the bill.

Mr. HAYDEN. Mr. President, if no member of the Committee on Finance desires to speak at this time, I should like to make some remarks.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

POSTAGE RATES AND THE PUBLIC DEBT

Mr. HAYDEN. Mr. President, the bill, H. R. 9955, now under consideration by the Senate, as passed by the House of Representatives on January 23, 1958, provides for a temporary increase in the public debt limit from \$275 to \$280 billion. It comes to the Senate with a recommendation from the Committee on Finance, of which the distinguished Senator from Virginia [Mr. BYRD] is the chairman, that the increase be limited to \$5 billion. The practical effect of the bill is to authorize the Secretary of the Treasury, Mr. Robert B. Anderson, to utilize the good faith and credit of the Government of the United States to borrow an additional 5,000 million dollars from the American people.

In a letter I addressed to him, which the Senator from Virginia was kind enough to include in the Finance Committee hearings, I pointed out that there would now be no necessity for any increase in the public debt limit if the operations of the Post Office Department had been financed on a break-even basis during the past 12 years. To demonstrate that fact, I listed the Post Office Department deficits for each year, which were:

Year:	Million
1946	\$129
1947	206
1948	277
1949	577
1950	545
1951	565
1952	720
1953	650
1954	399
1955	363
1956	464
1957	522

The total is \$5.4 billion.

Mr. President, these figures show that the greatest communication system in the world has been operated since 1945 at the greatest loss since it was first established by Benjamin Franklin.

My motive for bringing that fact to the attention of the Senate is to solicit help in relieving the Senators who are members of the Committee on Appropriations from what has become an intolerable burden. Year after year my committee has been compelled by the demonstrated needs of the postal service to recommend to the Senate for the Post Office Department appropriations of money which we know is not in the Treasury and which we are certain will have to be borrowed to pay the continuously increasing costs of providing mail service to the American people.

Every appropriations bill reads that the expenditures authorized to be made by its terms are to be paid "out of any money in the Treasury not otherwise appropriated." How, in good conscience, can the Senate insist that sums which are obviously required to keep the Post Office Department a going concern must continue to be borrowed? That issue will have to be considered by Members of this body very soon, because it is certain that another large Post Office Department deficiency bill will come over from the House of Representatives at an early date to provide the money required to keep the Department in operation for the remainder of the present fiscal year ending on the 30th of next June.

The size of the deficiency will depend to a considerable degree upon the final form in which the postal pay-increase bill, now on the Senate Calendar, becomes a law. My information is that for every month the increase in postal pay is made retroactive, the Treasury will have to provide \$17 million.

The question naturally arises, Why has the Congress, year after year, neglected to put the Post Office Department on a sound financial basis? It is of record that every other civilized country in the world makes its postal system pay its own way. It is true that American postal workers receive higher pay than those performing similar services for other nations, but by their efficiency they earn what they may receive. There can be no legitimate objection to a pay increase at the present time if the revenues of the Post Office Department are increased in an amount sufficient to meet it.

The reason the Post Office Department has not been made to pay its own way is no great secret. It is common knowledge that those who profit by low postal rates have used every possible influence to prevent rate increases. The latest effort in that respect would have the Congress adopt the idea that the Post Office Department is a most benevolent eleemosynary institution with the major purpose of contributing to the public welfare by carrying and distributing the mails below cost as a public service.

That astounding assumption of why we have a Post Office Department is advanced in a report submitted on February 26, 1957, to the Senate Committee on Post Office and Civil Service by a Citizens Advisory Council consisting of the following-named persons:

Mr. Lovick Pierce, publishing agent, Methodist Publishing House, Nashville, Tenn.

Mr. Gene Robb, publisher, Albany Times Union, Albany, N. Y.

Mr. Albert M. Andersen, executive vice president, Reuben H. Donnelley Co., Chicago, Ill.

Mr. Walter D. Fuller, chairman of the board, Curtis Publishing Co., Philadelphia, Pa.

Mr. William C. Doherty, president, National Association of Letter Carriers, Washington, D. C.

Dr. Carey H. Bostian, chancellor, North Carolina State Agricultural College, Raleigh, N. C.

Dr. Pendleton Gaines, president, Wofford College, Spartanburg, S. C.

The findings of the Citizens Advisory Council were challenged in a resolution adopted at the regular quarterly meeting of the Advisory Board to the Postmaster General, held on April 11, 1957. The members of that Board, all nominated by the President and confirmed by the Senate, who approved the resolution are:

John S. Coleman, president, Burroughs Corp., Detroit, Mich.

James H. S. Ellis, president, the Kuder Agency, New York, N. Y.

Richard J. Gray, president, building and construction trades department, CIO-AFL, Washington, D. C.

Jack Rohe Howard, president, Scripps-Howard Newspapers, New York, N. Y.

Rowland Jones, Jr., president, American Retail Federation, Washington, D. C.

Charles M. White, chairman of the board, Republic Steel Corp., Cleveland, Ohio.

These six men, each occupying responsible positions, approved the following statements criticizing the report made to the Senate Committee by the Citizens Advisory Council. I quote them:

1. It exaggerates the costs of the public services rendered by the Post Office Department to a total of nearly \$400 million yearly whereas the more accurate costs of legitimate public services including free mails for the blind and reduced postage rates for periodicals of certain nonprofit organizations and for books, films and related materials for educational use actually total less than \$30 million.

2. It would continue to saddle the taxpayers of the country with huge expenses which should be paid by the actual users of the mails.

3. It fallaciously contends there is "no postal deficit at the present time" by using figures 3 years old which completely ignore hundreds of millions of dollars of added postal costs, principally pay increases and fringe benefits enacted by the Congress since then.

4. The composition of the Citizens Advisory Council, with 4 of its 7 members affiliated with the publishing industry, make its conclusions questionable.

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

Mr. HAYDEN. I yield.

Mr. LAUSCHE. Would the Senator mind re-reading the names of the members of the Citizens Advisory Council?

Mr. HAYDEN. Not at all.

Mr. Lovick Pierce, publishing agent, Methodist Publishing House, Nashville, Tenn.

Mr. Gene Robb, publisher, Albany Times Union, Albany, N. Y.

Mr. Albert M. Andersen, executive vice president, Reuben H. Donnelley Co., Chicago, Ill.

Mr. Walter D. Fuller, chairman of the board, Curtis Publishing Co., Philadelphia, Pa.

Mr. William C. Doherty, president, National Association of Letter Carriers, Washington, D. C.

Dr. Carey H. Bostian, chancellor, North Carolina State Agricultural College, Raleigh, N. C.

Dr. Pendleton Gaines, president, Wofford College, Spartanburg, S. C.

Mr. LAUSCHE. That is, four of the seven members were connected with publishers?

Mr. HAYDEN. The assertion of the Citizens Advisory Council was challenged by the Postmaster General's advisory board, the members of which were nominated by the President and confirmed by the Senate.

Mr. LAUSCHE. I thank the Senator very much.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. I point out that on the Citizens Advisory Council is, for example, the chairman of the board of Curtis Publishing Co., which circulates the Saturday Evening Post and magazines of that kind. I call attention to that fact because publishers are very much interested in questions of that character.

Mr. HAYDEN. I can understand why that is so. A long time ago, during the Wilson administration, when I was a Member of the other House of Congress, I received letters from many small boys in Arizona who distributed the Saturday Evening Post, protesting against a bill then before the Congress which would result in the Saturday Evening Post costing so much that its publishers would not be able to let them continue selling the magazines for 5 cents. It was proposed by Mr. Burlison, the then Postmaster General, that there be an increase in the postal rates on advertising matter, and not on other reading material.

I replied to those small boys and said, "Don't you worry, son; you will still have a job, because I understand that the Saturday Evening Post gets \$5,000 a page for its advertising, and to get advertising it has to have circulation, and you help get the circulation."

That is exactly what happened. The Saturday Evening Post continued to be sold for 5 cents.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield further?

Mr. HAYDEN. I yield.

Mr. MARTIN of Pennsylvania. For the same page of advertising, for which they then received \$5,000, they now receive \$25,000.

Mr. HAYDEN. That illustrates the present high cost of advertising.

The Citizens Advisory Council has gone to great lengths to show that the Post Office Department is performing public-welfare services which amounted

to more than \$392 million in 1955. The council asserts as a matter of principle that services of that kind should be paid for out of the Federal Treasury. The council would have Congress "pass the buck" from those who use the mails to the American taxpayers to the extent of about \$400 million each year. The rejoinder of the Post Office Department is that its approved cost-accounting system can find only about \$30 million which can properly be charged to public-welfare services for which the Department is not compensated.

The Post Office Department could be reimbursed for such costs by including in the postal rate bill, H. R. 5836, now under Senate committee consideration, the text of the bill, H. R. 5206, introduced by chairman of the House Committee on Post Office and Civil Service [Mr. MURRAY]. The estimated amounts to be credited to that Department on the books of the Treasury for such services based upon the ascertained cost thereof in 1956 are as follows:

Excess rate for foreign air carriers-----	\$1,143,000
4th-class books, films, and related material-----	14,928,000
Reduced rates, nonprofit newspapers and magazines-----	2,144,000
Pan American Union penalty mail-----	59,000
Free-in-county mailing privilege for newspapers-----	839,000
Free postage and reduced rates matter for the blind-----	912,000
Free mailings, Pan American diplomatic corps; franking privilege of Edith Bolling Wilson, Grace C. Coolidge, and Anna Eleanor Roosevelt-----	195,000
Reduced rate 1 cent per pound, publications use of blind-----	50,000
Free mailing privileges, Pan American Sanitary Bureau-----	5,000
Reduced 2d-class rates on publications designated for classrooms and religious use-----	119,000
Reduced 3d-class rates, certain nonprofit organizations-----	5,990,000
Free postage on military absentee voting (data not available)-----	
Total-----	26,384,000

Another legislative proposal which should be included in the bill to increase postage rates is S. 2128, introduced by the Senator from South Carolina [Mr. JOHNSTON]. By the terms of that measure the Civil Service Commission and the Department of the Treasury would each be required to reimburse the Post Office Department for expenses incurred by it for services rendered. As all Senators know, the Post Office Department conducts examinations of applicants for various civil service positions, the annual cost of which is estimated at \$1,744,000. The service performed for the Treasury Department consists of the sale of documentary stamps at an estimated cost of \$244,000 a year.

There are ample precedents for the enactment of such legislation. The Treasury Department now reimburses the Post Office Department \$675,000 for the sale of savings bonds and stamps.

The Interior Department pays \$134,000 for the sale of the so-called duck stamps. It costs the Department of Justice \$239,000 for the distribution of the forms which aliens are required to fill out and sign each year. The Treasury Department now pays an estimated \$1 million in postage for the distribution of income tax blanks; and charitable organizations such as CARE and Polio pay the regular postal rates.

Existing law also provides that the Post Office Department shall be reimbursed for the cost of handling Congressional and departmental mail. The estimated cost for franked Congressional mail for the next fiscal year is \$2.3 million, and the estimated cost for penalty official mail from all sources is \$41 million.

I shall not take the time of the Senate to go into the details of an extended series of what appear to me to be erroneous assumptions by the Citizens Advisory Council. It is obvious that if each and every one of its findings were correct, the taxpayers would have to foot the bill.

The fact remains that in past fiscal years the Post Office Department did collect enough money to pay its own way, the last instance being in 1945. But beginning with the fiscal year 1946, the Department has been in the red each year for 12 years and there is no apparent way for it to avoid a deficit for this fiscal year. It is a disgrace to allow that kind of a financial condition to exist in a Department which has been and can again be made fully self-sustaining.

I listened with interest when the Senator from Kansas [Mr. CARLSON], addressed the Senate on January 11. The Senator gave two sound reasons why 5 cents should be charged for mailing out-of-town letters. First, because it costs more to deliver them than it does letters for local distribution. And, second, because extra revenue amounting to \$175 million a year could be made available for the installation in many post offices of modern automatic mailing equipment to face, sort, and cancel letters with a great saving of time and labor. This additional revenue could also be made available to construct new buildings where there is not sufficient room to install such equipment in existing post offices.

It is good to know that the Senate Committee on Post Office and Civil Service has adopted the proposal made by the Senator from Kansas which has the merit of a direct approach. The money is not to be borrowed. It does not involve a further strain upon the credit of the United States. The Post Office Department will pay a large proportion of the costs out of its own revenues.

I have made this digression in order to make it clear that there are regular and established ways whereby the Post Office Department need not continue to be operated at a loss of \$2 million every working day. Such a loss is bad enough, but it is quite sure to be greater if justifiable increases are made in the pay rates of those in the working forces of the Department.

As yet I have been unable to discover a sound reason why those who use the mails should not pay all the costs of handling it. I can see no justification for requiring the American taxpayers to assume any part of the entire cost of operating the Post Office Department. I am sure that every member of the House and Senate Committees on Appropriation would be both relieved and pleased to know that the time has come when the Post Office Department has taken in enough money to pay all its costs. The sooner that happens the better it will be because every member of both committees is aware that increased expenditures for the national defense, combined with other urgent demands, are quite sure to result in an unbalanced Federal budget.

It is also certain that the members of the Senate Committee on Finance, who reported the bill now before the Senate to increase the public debt limit, will be happy to know that the Post Office Department, whose failure to pay its own way has made it necessary to enact the pending bill, will no longer be guilty of any such delinquency. Let me repeat, that there would be no occasion for that committee or the Senate to act on H. R. 9955 if the Post Office Department had been financed on a break-even basis during the past 12 years.

In conclusion, permit me to say that I cannot follow a line of reasoning which insists that it is better to borrow money and pay interest on it in order to provide for speeding up the delivery of the mails, than it is to have those who place letters in the mail and want them promptly delivered, to pay for improved service which is of direct benefit to them. No one has to mail a letter unless he wants to. He must consider that it is worth paying the postage on it or he would not mail it. He has no right to expect somebody else to pay any part of the cost. Certainly that somebody should not be the already overburdened taxpayers of our nation.

Mr. CARLSON. Mr. President, I have just heard the statement of the distinguished chairman of the Appropriations Committee [Mr. HAYDEN], in regard to the effect of postal rates on the deficit and on the Treasury of the United States. I compliment the chairman on his statement. As chairman of the Appropriations Committee the Senator from Arizona has carried the burden of the appropriations of Congress for years. He knows definitely and accurately what the deficit operations of the Post Office Department have cost our citizens.

I shall go into this question in some detail tomorrow. I shall not discuss it today. However, the chairman of the Committee on Appropriations has presented to the Senate a problem which the Senate will have an opportunity to meet tomorrow. I hope Members of the Senate will make a thorough study of his statement.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, inasmuch as I understand that my friend from Nevada [Mr. MALONE] is prepared to speak on the bill.

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

#### LEADERSHIP RESPONSIBILITY FOR MAINTAINING CONFIDENCE

Mr. CURTIS. Mr. President, I rise to point out the responsibility that must rest upon those leaders in America who are preaching a doctrine of gloom and doom. There are individuals in public life who not only continue to harp upon some of the problems that always face a nation, and particularly a free nation, but they greatly exaggerate the facts.

It is my opinion that those who are preaching calamity and a sharp depression are doing a disservice to their country. They are inviting disaster. I believe that they are doing it unthinkingly, motivated by a desire for political advantage. There are those who feel that if they can convince the American people everything is wrong, they then cannot only take over the Government, but also are afforded an opportunity to carry out their pet projects in Government, which too often mean more expensive government and socialism.

Let us examine the situation. How important is confidence? Let us examine it on an individual basis. Is there anything more important in causing a young man or a young woman to succeed than the placing of confidence in that individual? If a youth is going through the natural throes of growing up which includes a period of perplexities and problems, is not the worst thing that can happen is to have that individual lose confidence in himself and have a feeling that no one else has confidence in him? Many an individual has not only become successful but has risen to greatness because of his strong feeling that others believed in him.

I wish to cite another example. If those near an individual continually, systematically and skillfully tell him that he is looking bad and that they feel he is on the verge of some tragic illness, will not that campaign against him bring about great danger that he will lose his fight and succumb to disease?

We could go on with innumerable cases to show how the pessimist, and the prophet of gloom and doom bring about the thing which they talk about. I am a great believer in athletics because an athletic contest fits an individual for the contests in life. But is there anything more disastrous than having the players lose confidence in the coach or in each other, or having the spectators lose confidence in everybody?

I do not wish to be a Pollyanna and suggest we do not have problems. We have some soft spots in our economy, including segments of agriculture and other economic problems, some of which may be local in character. I do not ad-

vocate that we put our heads under the sand. I advocate that in these situations we need calm appraisal, wise action, and an expression of confidence.

We must remember that our economy is basically sound, that our Nation has remained at peace, that our economy is growing and expanding, that our population is increasing, and that the demands for goods will continue to increase. We should remember that the greatest employment in the history of America has been ours in recent years. We should not lose sight of the fact that much of America's activity is based upon our growing and expanding economy, which in turn, means a construction program and a development program, which, of necessity, not only slows down but stops in winter months. We must remember that in periods of advance there must always be breathing spells and readjustments, and that an economy based upon an uninterrupted, fever-pitched, wartime economy likewise brings problems, the least of which is not inflation.

We must face our problems with wise actions. At the same time, I warn that the prophets of gloom and doom who, for their own political advantage, are preaching calamity and depression and disaster ahead, may by their program lead America into just such an unfortunate condition. Upon these prophets of gloom and doom, unless they change their ways, will rest the responsibility for disaster if it comes.

I shall never sell America short. Should America's economic system break down to the point of a major depression, the responsibility will rightly rest upon those leaders today who are scheming, plotting, planning, and propagandizing for a program of gloom and doom. If they succeed, the American people will not forget.

#### PROPOSED CUTBACKS IN SOIL CONSERVATION PRACTICE PAYMENTS

Mr. STENNIS. Mr. President, the administration's recommendation for a cutback in soil conservation practice payments from the present \$250 million for fiscal year 1958, to \$125 million for fiscal year 1959 is a backward step. It is a backward step our Nation cannot afford. I have been shocked and deeply concerned that the administration would propose such a drastic cut. I shall strongly oppose it for the following reasons:

Our soil is our greatest resource. It produces our essential raw products, food, and fiber.

The soil does not belong to our generation or to any one generation. It belongs to all generations, present and future. It must be preserved for all time.

It is our obligation to take active steps to preserve our soil. Such measures, however, are often very costly, and we cannot expect the present tiller of the soil to bear the full expense.

There are in the United States approximately 1,444,000,000 acres on which to produce agricultural crops and livestock. For every individual, there are approximately only 3 acres of cropland

and slightly over 6 acres of grazing land. Our population is estimated to reach 228 million by 1975, and 335 million by the year 2000. As the population increases, the average number of acres per capita will naturally decrease.

The Soil Conservation Service estimates that a total of over 282 million acres of land are severely eroded, plus 776 million acres moderately eroded, and more than 700 million acres slightly eroded. These figures emphasize the seriousness of the problem and the absolutely urgent need for taking a new look at our long-range conservation plans.

Wisely, for years, we have recognized the need for the Government's sharing in the cost of constructive practices for rebuilding and preserving our soil. This program, consisting of technical guidance and assistance by the Soil Conservation Service, and partial payments through the agricultural conservation program, has worked exceedingly well.

Our conservation reserve program, though constructive, is limited in application. Much of the land in critical need of adequate conservation practices cannot be placed in the conservation reserve, mainly because most of our small farmers cannot afford to tie up their land for from 3 to 5 to 15 years in such limited uses. Their land is their livelihood.

In 1957, only 82,588 farmers participated in the conservation reserve of the soil bank. Only one-third of the funds allocated were used. Of the total of \$315 million allocated, only \$108 million were used, leaving a balance of \$207 million.

In Mississippi, only 1,544 contracts were signed, an average of less than 19 farmers per county. Less than one-sixth of the funds allocated to Mississippi for the conservation reserve were actually used. Obviously, the conservation reserve reaches only a fraction of the land needing conservation.

In contrast, let us look at the figures for the agricultural conservation program.

In 1956, 1,210,000 farmers participated in the agricultural conservation program, which reached 39 percent of the total cropland and 36 percent of the total farmland of the Nation.

In Mississippi, 33,856 farmers participated and shared in our State allocation of \$6,621,000, an average of approximately 413 farmers per county. An estimated 30,000 additional applications were filed, but were denied because of shortage of funds. Our State office estimate an additional \$3,500,000 would have been required if all requests and all applications filed for the calendar year 1957 had been met.

In Mississippi thousands of once wasted and idle acres have been converted into productive pastures and good cropland. In the past 18 years our farmers, through participation in the agricultural conservation program, have developed more than 16 million acres of green manure and cover crops and 2½ million acres of pasture; constructed adequate drainage systems on nearly 3 million acres; built nearly 54,000 dams,

ponds, and reservoirs; and terraced almost 1 million acres.

A similar pattern is being followed in almost every other State. These constructive results speak for themselves and are apparent throughout the Nation. Yet these definite accomplishments represent only the beginning. There still remain the millions of badly eroded and unproductive acres.

Our agricultural conservation program must be expanded, not diminished.

Yet the administration now proposes a 50-percent reduction in this effective, proven nationwide soil-conservation program. What alternative is offered? An increase in the conservation reserve of the soil-bank program to \$350 million for calendar year 1958, along with the request that the total authorization of \$450 million be appropriated for calendar year 1959.

Early in this session I introduced Senate bill 2971, which would authorize the Secretary of Agriculture to use the unexpended portion of the funds appropriated for the conservation reserve in meeting the great demands and satisfying the thousands of applications for conservation practices under the agricultural conservation program.

My proposed legislation represents an effort to give those funds already appropriated for conservation a broader application and extend them to other conservation practices, rather than restrict their use to the narrow limits of the conservation reserve of the soil bank for which there has been no great demand.

I cannot accept the conservation reserve of the soil bank as a substitute for our broader conservation program which has stood the test of time and which has already produced such helpful and outstanding results.

I propose:

First. That agricultural conservation program payments for fiscal year 1959 be restored to the current fiscal year 1958 level of payments.

Second. That the unused portion of funds appropriated for the conservation reserve for fiscal year 1958 be made available for use in this broader, regular conservation program.

Third. That the Congress fully review our overall conservation plans throughout the Nation, with a view of expanding our agricultural conservation program practices for fiscal year 1960 and beyond.

Our efforts to preserve and rebuild our land on a sustained nationwide basis over the years must not be interrupted or neglected. The necessity for such a program, as well as its value, must be brought home constantly to the people.

It is all too easy, in this uncertain period, to call hastily for a cutback of essential programs of proven value in favor of glamorous ventures into space. However, we have not yet come up with a sputnik, a missile, a rocket or satellite that has reached so far into outer space as to discover new lands and new soils on which to grow our food and fiber. Until we do, we are compelled to concentrate our efforts even more to preserving and protecting our soil.

The hard facts are that as we move into the space era, our productive land will become more and more essential in the preservation of our Nation and our civilization.

The serious questions I have discussed here will, I am certain, have the attention of the Appropriations Committee. I shall certainly exert every effort as a member of that committee to restore funds for our agricultural conservation program, as well as to insure its expansion in future years.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks certain tables which I have had prepared dealing with the subject I have discussed.

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

Estimated ACP participation—1957 with comparison

State and region	Number of farms participating, 1956	Estimated number of farms participating, 1957
Maine.....	4,705	5,000
New Hampshire.....	1,892	2,000
Vermont.....	7,157	7,650
Massachusetts.....	2,877	3,800
Rhode Island.....	538	340
Connecticut.....	1,929	2,319
New York.....	20,098	22,500
New Jersey.....	3,157	3,117
Pennsylvania.....	25,976	21,852
North Atlantic.....	68,129	68,578
Ohio.....	38,965	39,200
Indiana.....	56,326	54,644
Illinois.....	65,048	70,900
Michigan.....	18,930	19,303
Wisconsin.....	25,234	33,293
Minnesota.....	62,225	48,750
Iowa.....	52,204	53,000
Missouri.....	55,559	54,942
North Dakota.....	46,427	46,004
South Dakota.....	31,185	31,500
Nebraska.....	34,222	40,000
Kansas.....	21,043	23,000
North Central.....	507,368	514,536
Delaware.....	1,519	2,080
Maryland.....	8,256	9,165
Virginia.....	25,254	23,775
West Virginia.....	13,609	14,200
North Carolina.....	71,029	78,782
South Carolina.....	14,932	20,500
Georgia.....	38,672	42,500
Florida.....	10,525	11,139
South Atlantic.....	183,796	202,141
Kentucky.....	48,344	55,000
Tennessee.....	54,731	56,000
Alabama.....	37,073	34,202
Mississippi.....	28,282	31,000
Arkansas.....	41,269	36,500
Louisiana.....	19,940	18,400
Oklahoma.....	34,438	33,597
Texas.....	75,620	79,075
South Central.....	339,697	343,774
Montana.....	11,879	13,950
Idaho.....	6,181	6,068
Wyoming.....	4,715	4,700
Colorado.....	11,574	10,500
New Mexico.....	4,403	4,984
Arizona.....	2,328	1,800
Utah.....	8,377	9,213
Nevada.....	745	754
Washington.....	8,749	9,937
Oregon.....	6,555	6,500
California.....	7,951	6,000
Western United States.....	73,457	74,406
Alaska.....	118	170
Hawaii.....	290	320
Puerto Rico.....	12,295	9,800
Virgin Islands.....	44	50
Insular.....	12,747	10,340
Total.....	1,185,194	1,213,775

Estimated earnings—1957 agricultural conservation program (preliminary estimate of Jan. 15, 1958)

[In thousands of dollars]

State and region	Net amount available for practices <sup>1</sup>	Estimated amount used for practices <sup>2</sup>	Indicated under-earnings <sup>3</sup>	State and region	Net amount available for practices <sup>1</sup>	Estimated amount used for practices <sup>2</sup>	Indicated under-earnings <sup>3</sup>
Maine.....	944	944	0	Kentucky.....	6,761	6,761	0
New Hampshire.....	511	511	0	Tennessee.....	5,209	5,209	0
Vermont.....	1,090	4,190	-100	Alabama.....	6,111	6,094	17
Massachusetts.....	538	538	0	Mississippi.....	6,457	6,457	0
Rhode Island.....	83	83	0	Arkansas.....	4,744	4,700	44
Connecticut.....	498	498	0	Louisiana.....	4,200	4,200	0
New York.....	4,698	4,698	0	Oklahoma.....	7,245	7,076	169
New Jersey.....	710	710	0	Texas.....	19,471	19,471	0
Pennsylvania.....	4,990	4,990	0	South Central.....	60,198	59,968	230
North Atlantic.....	14,062	14,162	-100	Montana.....	3,718	3,584	134
Ohio.....	5,747	5,747	0	Idaho.....	1,740	1,740	0
Indiana.....	5,516	4,696	820	Wyoming.....	2,032	2,032	0
Illinois.....	8,450	7,500	950	Colorado.....	3,275	2,975	300
Michigan.....	4,842	4,842	0	New Mexico.....	1,865	1,865	21
Wisconsin.....	5,387	5,387	0	Arizona.....	1,520	1,520	0
Minnesota.....	5,982	4,445	1,537	Utah.....	1,310	1,310	0
Iowa.....	9,159	9,159	0	Nevada.....	361	361	0
Missouri.....	9,063	8,812	251	Washington.....	2,348	2,348	0
North Dakota.....	4,538	4,310	228	Oregon.....	2,198	2,198	0
South Dakota.....	4,651	4,651	0	California.....	5,567	4,000	1,567
Nebraska.....	6,136	6,136	0	West United States.....	25,955	23,933	2,022
Kansas.....	6,354	6,354	0	Alaska.....	44	44	0
North Central.....	75,825	72,039	3,786	Hawaii.....	181	130	51
Delaware.....	328	316	11	Puerto Rico.....	852	852	0
Maryland.....	1,273	1,268	6	Virgin Islands.....	12	12	0
Virginia.....	4,397	4,397	0	Insular.....	1,089	1,038	51
West Virginia.....	1,564	1,564	0	Total.....	204,613	198,442	6,171
North Carolina.....	6,347	6,347	0				
South Carolina.....	3,508	3,500	8				
Georgia.....	7,276	7,276	0				
Florida.....	2,691	2,634	57				
South Atlantic.....	27,384	27,302	82				

<sup>1</sup> State allocation less amounts transferred under 5-percent and 1-percent agreements.  
<sup>2</sup> Includes assistance for practice payments, CMS, and program services.  
<sup>3</sup> Does not reflect possible amounts not used from the national reserve for small payment increases and the amounts transferred to other agencies under 5-percent and 1-percent agreements.  
<sup>4</sup> Includes \$100,000 of 1958 ACP money authorized under provisions of pt. 6, pars. 202 and 203, of the ACPS Handbook.

Report on conservation reserve program of the soil bank<sup>1</sup>

State	1957 allocation	Number of contracts	Estimated payments			State	1957 allocation	Number of contracts	Estimated payments		
			Annual	Practice	Total				Annual	Practice	Total
Alabama.....	\$6,037,000	2,256	\$493,000	\$734,000	\$1,227,000	Nevada.....	\$172,000	1	(?)	(?)	(?)
Arizona.....	556,000	62	101,000	61,000	162,000	New Hampshire.....	482,000	46	\$2,000	\$12,000	\$14,000
Arkansas.....	7,160,000	1,488	499,000	764,000	1,263,000	New Jersey.....	1,042,000	168	64,000	72,000	136,000
California.....	6,777,000	194	298,000	227,000	525,000	New Mexico.....	9,500,000	2,912	5,442,000	1,893,000	7,335,000
Colorado.....	6,237,000	2,379	3,494,000	1,603,000	5,097,000	New York.....	9,258,000	2,529	744,000	1,479,000	2,223,000
Connecticut.....	589,000	6	1,000	2,000	3,000	North Carolina.....	4,943,000	1,357	275,000	504,000	779,000
Delaware.....	383,000	26	12,000	23,000	35,000	North Dakota.....	12,970,000	3,673	4,780,000	2,680,000	7,460,000
Florida.....	2,119,000	908	462,000	506,000	968,000	Ohio.....	9,247,000	1,081	342,000	357,000	699,000
Georgia.....	7,422,000	5,058	1,855,000	2,331,000	4,186,000	Oklahoma.....	8,809,000	5,591	3,355,000	2,290,000	5,645,000
Idaho.....	2,902,000	270	376,000	232,000	608,000	Oregon.....	3,075,000	472	444,000	625,000	1,069,000
Illinois.....	12,569,000	359	144,000	295,000	439,000	Pennsylvania.....	7,265,000	1,356	354,000	272,000	626,000
Indiana.....	9,602,000	799	259,000	375,000	634,000	Rhode Island.....	87,000				
Iowa.....	15,850,000	1,266	602,000	566,000	1,168,000	South Carolina.....	3,525,000	3,001	930,000	962,000	1,892,000
Kansas.....	15,507,000	3,092	2,333,000	1,356,000	3,689,000	South Dakota.....	6,842,000	4,070	3,642,000	3,305,000	6,947,000
Kentucky.....	10,516,000	747	191,000	507,000	698,000	Tennessee.....	9,884,000	1,513	403,000	1,099,000	1,502,000
Louisiana.....	5,038,000	540	138,000	97,000	235,000	Texas.....	28,889,000	14,715	16,092,000	11,185,000	27,277,000
Maine.....	1,424,000	940	214,000	463,000	677,000	Utah.....	1,055,000	467	682,000	526,000	1,208,000
Maryland.....	2,147,000	341	143,000	164,000	307,000	Vermont.....	1,127,000	169	11,000	40,000	51,000
Massachusetts.....	754,000	16	3,000	12,000	15,000	Virginia.....	5,102,000	325	64,000	80,000	144,000
Michigan.....	8,929,000	3,013	896,000	970,000	1,866,000	Washington.....	5,461,000	197	186,000	166,000	352,000
Minnesota.....	11,274,000	8,213	5,273,000	3,240,000	8,513,000	West Virginia.....	2,089,000	65	8,000	10,000	18,000
Mississippi.....	6,311,000	1,544	513,000	587,000	1,100,000	Wisconsin.....	12,162,000	3,461	1,230,000	1,440,000	2,670,000
Missouri.....	13,865,000	2,263	656,000	2,981,000	3,637,000	Wyoming.....	1,074,000	196	233,000	138,000	371,000
Montana.....	7,561,000	473	688,000	491,000	1,179,000	Total.....	315,460,000	85,290	59,823,000	48,494,000	108,317,000
Nebraska.....	9,571,000	1,672	896,000	772,000	1,668,000						

<sup>1</sup> Based on USDA reports through May 7, 1957. <sup>2</sup> Less than \$500.

Mr. FULBRIGHT. Mr. President, I should like to compliment the Senator from Mississippi on his statement and to associate myself with his observations about the importance of the program to which he has referred. I do not know of any other program which is more important than that one.

Mr. STENNIS. I thank the Senator from Arkansas.

INTEREST RATES FOR GOVERNMENT LENDING PROGRAMS

Mr. FULBRIGHT. Mr. President, I received a number of inquiries about the

current status of S. 2427, the administration bill to increase interest rates on Government lending programs, which was referred on July 1 of last year to the Banking and Currency Committee. Some of these letters even suggest that the Banking and Currency Committee may be sidetracking the bill.

The President in his budget message of January 13 made the following statement:

In many cases, present legislation sets maximum interest rates that do not permit the Treasury or the lending agencies to cover present costs. At my request, legislation has been submitted to the Congress requiring

that, insofar as consistent with the purposes of each program, all costs of future loans be paid by the borrowers who benefit from the loans. Such legislation, by removing or reducing hidden subsidies, would make a significant contribution toward better budgeting.

On January 28, 1958, the Director of the Budget Bureau told the Senate Finance Committee that the President "is recommending" such legislation.

Under these conditions I believe it would be desirable to make public the efforts the Banking and Currency Committee has made to give adequate consideration to this bill and the reason why

the Banking and Currency Committee has not been able to do so.

S. 2427 is derived from a draft bill which was sent informally by the Budget Bureau to the Congress on June 3, 1957. S. 2427 was introduced on July 1, 1957, and was referred to the Committee on Banking and Currency. Hearings were scheduled by the committee for July 22, 1957, and efforts were made to obtain information about the effect of the bill on the Government's various lending programs. A preliminary inquiry to the Budget Bureau brought a reply under date of July 9, 1957, containing a very limited amount of information. On July 11, 1957, I requested additional information from the Budget Bureau and from other agencies in charge of lending programs.

The information requested was, basically, what interest rates on Federal lending programs would be increased under the bill, and how far they would be increased under the bill. I felt then, and I still feel, that the bill cannot be intelligently considered without this information.

When it became apparent that the information requested would not be submitted by July 22, the hearing was postponed until early this session. At the time the postponement was announced, July 16, I made a statement on the floor and placed in the RECORD the Budget Bureau's letter of July 9 and my letters to the Budget Bureau and the agencies, of July 11.

Having received none of the information requested by the latter part of November, I wrote the Budget Bureau on November 25, calling attention to the passage of time and urging that this information be submitted before Congress reconvened.

The Director of the Budget Bureau replied on December 9. After a preliminary paragraph of acknowledgment, this letter read as follows:

In reply, I should like first to acknowledge that the information which you requested should have been provided to your committee before now. When your earlier letter was received, we undertook, after consultation with your staff, to obtain the proposed replies of the several lending agencies concerned before responding to the even more comprehensive questions addressed to this Bureau. Several agencies indicated aspects of the bill, as originally presented, which require clarification. Amendments to accomplish this were prepared and reviewed by the interested agencies. Final decisions are now in process which should clear the way for all of the agencies to submit their views.

Accordingly, I am confident that before Congress reconvenes the information you have requested can be supplied. I concur fully with you that facts of this type are essential for adequate appraisal of the legislation, and appreciate the opportunity to supply them.

Congress reconvened on January 7. I sent another followup letter to the Budget Bureau on January 22, 1958, calling attention to the need for having the information called for, pointing out the importance of planning the committee's schedule, and insisting that, if the administration should expect the committee to act on the proposed legislation at this session of Congress, the information

requested be furnished without further delay. But up to the present moment none of the requested information has been received, and no proposed amendments, and no reports from the agencies or from the Budget Bureau have been received.

I think it is clear from this statement of the facts surrounding the Banking and Currency Committee's handling of the bill that the delay is entirely the result of the failure of the administration to let the committee know what bill, if any, it wants, what recommendations it wishes to make, and what would be the effect of the bill it sent to Congress last year.

I ask unanimous consent that my letters of November 25, 1957, and January 22, 1958, to the Budget Bureau, and the Budget Bureau's letter of December 9, 1957, be printed at this point in the RECORD.

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

UNITED STATES SENATE,  
COMMITTEE ON BANKING  
AND CURRENCY,  
November 25, 1957.

HON. PERCIVAL F. BRUNDAGE,  
Director, Bureau of the Budget,  
Washington, D. C.

DEAR MR. BRUNDAGE: On June 3, 1957, you wrote to the President of the Senate, urging the enactment of legislation which would require an increase in the interest rate charged in several Government lending programs. Your letter stated that this was in accordance with previous recommendations by the President.

The draft bill enclosed with your letter was introduced on July 1, 1957, as S. 2427, and was referred to this committee. A hearing was set for July 22, and information about the programs which would be affected by the bill was requested from you. The brief reply you sent on July 9 showed that substantial increases in interest rates would be required in a few major Federal loan programs, such as the Rural Electrification Administration program, the college housing program, and the Small Business Administration disaster loans. But your brief reply did not list all the loan programs which would be required to raise interest rates, or how much the interest rates would in fact be increased.

Consequently, I wrote you on July 11, in an effort to get adequate information for the benefit of the committee members. At the same time I wrote a number of agencies responsible for lending programs which it appeared would be affected by the bill. It soon became evident, however, that this information could not be obtained by July 22, the date set for the hearing, and it was necessary to postpone the hearing until the coming session. This postponement was announced in the Senate on July 16.

More than 4 months have elapsed since my request, on behalf of the committee, for information as to the effect of the bill on Government-lending programs. And more than 4 months have elapsed since my requests to the affected agencies for their reports on the bill. No replies have been received, either to my request to you or to my requests for the views of the agencies concerned.

I wish to call this to your attention at this time while there is still an opportunity to supply the information requested in advance of the coming session. I trust that you will take advantage of this opportunity to supply the information requested, which I consider essential to the consideration of S. 2427, and I trust that you will urge the affected agencies to submit their comments on this bill.

I am, of course, instructing the committee staff to continue its study of the Government-lending programs, so as to provide the committee with the most complete information possible, even if you and the affected agencies are unable to reply to my letters of July 11.

Sincerely yours,  
J. W. FULBRIGHT,  
Chairman.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., December 9, 1957.  
HON. J. W. FULBRIGHT,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR FULBRIGHT: This will respond to your letter of November 25, 1957, calling attention to the absence of any reply from this Bureau to the questions contained in your letter of July 11, 1957, with respect to legislation pending before your committee (S. 2427) governing interest rates paid and charged by Government lending programs. You further ask that we supply the information requested in advance of the coming session and that we urge the other agencies concerned to reply to the letters addressed to them.

In reply, I should like first to acknowledge that the information which you requested should have been provided to your committee before now. When your earlier letter was received, we undertook, after consultation with your staff, to obtain the proposed replies of the several lending agencies concerned before responding to the even more comprehensive questions addressed to this Bureau. Several agencies indicated aspects of the bill, as originally presented, which require clarification. Amendments to accomplish this were prepared and reviewed by the interested agencies. Final decisions are now in process which should clear the way for all of the agencies to submit their views.

Accordingly, I am confident that before Congress reconvenes the information you have requested can be supplied. I concur fully with you that facts of this type are essential for adequate appraisal of the legislation, and appreciate the opportunity to supply them.

Sincerely yours,  
PERCIVAL F. BRUNDAGE,  
Director.

JANUARY 22, 1958.  
HON. PERCIVAL F. BRUNDAGE,  
Director, Bureau of the Budget,  
Washington, D. C.

DEAR MR. BRUNDAGE: You will recall our previous correspondence about S. 2427, a bill which would require an increase in the interest rate charged in several Government lending programs.

Since this bill was introduced, I have been attempting, on behalf of the committee, to obtain from you, and other Government agencies which might be concerned, information on the loan programs which would be required to raise interest rates and how much the interest rates would in fact be increased.

I wrote you on July 11 seeking this information, and, after more than 4 months had elapsed, I wrote you again on November 25. You finally acknowledged my letters on December 9, stating that the information which I requested should have been provided before that time. You indicated that several agencies had suggested clarifications, that amendments were being prepared and reviewed, and that final decisions were then in the process. You stated your confidence that before Congress reconvened the information I had requested could be supplied. You concurred fully with me that facts of this type are essential for adequate appraisal of the legislation.

Notwithstanding our correspondence, the President's budget message again refers to this matter, stating as follows:

"At my request, legislation has been submitted to the Congress requiring that, insofar as consistent with the purposes of each program, all costs of future loans be paid by the borrowers who benefit from the loans. Such legislation, by removing or reducing hidden subsidies, would make a significant contribution toward better budgeting."

It is not clear to me whether or not this reference is intended to imply that the President has recommended helpful legislation but that the Congress has not acted upon it. I am sure you will agree that, if this is the implication, it is entirely unwarranted and misleading.

The Senate Banking and Currency Committee was prepared to commence hearings on this legislation as early as last July 22, and, as you acknowledged in your letter of December 9, the facts we have requested of you and of the agencies concerned are essential to an adequate appraisal of the legislation.

The Senate Banking and Currency Committee expects a rather full schedule for the present session of the Congress. In order to meet our responsibilities, some planning of the committee's program is necessary. I am sure you will agree that this planning is difficult, if not impossible, as long as there is so much uncertainty about a complex and comprehensive bill of this nature. Therefore, I must insist that, if the administration expects this committee to have an opportunity to act on this legislation at this session of Congress, you must furnish us with the information we have requested without further delay.

Sincerely yours,

J. W. FULBRIGHT,  
Chairman.

#### CONSTRUCTION OF U. S. S. "ARIZONA" MEMORIAL AT PEARL HARBOR

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Following a precedent established on May 23, 1949, in an identical situation, the morning hour now having expired, the Chair lays before the Senate the unfinished business which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 5809) to authorize the construction of a U. S. S. Arizona memorial at Pearl Harbor.

#### TEMPORARY INCREASE OF PUBLIC DEBT LIMIT

The PRESIDING OFFICER. If there is no objection, the unfinished business will be temporarily laid aside, and the Senate will proceed to the further consideration of the pending business, which is House bill 9955.

There being no objection, the Senate resumed the consideration of the bill (H. R. 9955) to provide for a temporary increase in the public debt limit.

#### THE DEBT LIMIT RISE

THE INFLATION PART OF THE "PINNERS" PLAN TO DESTROY AMERICAN WORKINGMEN AND INVESTORS

Mr. MALONE. Mr. President, the current buildup to spend more of the taxpayers' money through raising the debt limit is predicated on the sputnik emergency. It can only mean further inflation.

We have lived on emergencies since 1933: World War II, the Korean war, and preparation for war.

There has been no indication nor implication that there will be a saving of the money which is now being expended on obsolete equipment; on foot soldiers throughout Europe and Asia, who will all be lost when and if the fight starts; nor the billions poured into these same nations to buy agreements and treaties, none of which will be worth the paper they are written on when the chips are down.

The ultimate objective is inflation, free imports, a division of the taxpayers' money with foreign nations, and ultimately free immigration, with a world government at the end of the rainbow, all under the United Nations, with the United States having one vote. Under this projected system, there is nowhere for our standard of living to go but down.

#### LIVING ON A WAR ECONOMY

We are now living on a war economy. We have allowed foreign nations to divide the American markets among themselves through free imports, and have priced ourselves out of the foreign markets through inflation.

If the amount given foreign nations to buy our goods and that part of our shipment abroad subsidized by our American taxpayers be deducted, our foreign trade at this time includes a lower percentage of our exportable goods than we were exporting in 1934, when the whole program was started.

#### FIFTEEN BILLION DOLLARS SAVED

The next war, if and when it comes, will be fought in the air and under the sea.

Fifteen billion dollars can be saved through stopping our plans for the surface defense of foreign nations and by stopping foreign aid.

This ignores, for the moment, the estimated saving of an additional \$15 billion through the adoption of the Hoover Commission report and the Cordier report, and the taking of the Government out of business.

#### SEVEN BILLION DOLLARS OF SAVING FOR MISSILES AND BOMBERS

Out of the \$15 billion saved through stopping the foreign aid and the obsolete plans for the surface defense of Europe and Asia, \$6½ billion or \$7 billion could be assigned to missiles and to the continued construction of the needed air equipment, including B-52's or the most advanced fighters and bombers, thus maintaining our superiority until the missiles replace such manned equipment.

#### EIGHT BILLION DOLLARS OF SAVING FOR REDUCING DEBT AND TAXES

The remaining \$8 billion or \$8½ billion can be used to pay on the national debt and to reduce personal income taxes.

#### THE PINNERS MOVEMENT

The pincers movement to control and destroy the free American economic system includes five major operations:

First. In 1933 we followed England off the gold standard and immediately priced ourselves out of the world markets, through inflation.

Second. In 1934 Congress transferred its constitutional responsibility to regulate foreign trade through the adjustment of the duties, which we call tariffs, to the executive branch, with the full

right to sacrifice and destroy all or any part of any industry in this Nation, if it was judged by him that his foreign policy of securing agreements and treaties with such foreign nations would be furthered.

Free imports—trade—will inevitably be tied to free immigration and the free movement of goods and people throughout the world.

Third. In 1947 the Executive did transfer that constitutional responsibility of Congress to regulate foreign trade, through the adjustment of such duties or tariffs, to Geneva, Switzerland, into the complete power of competitive foreign nations, under the auspices of the General Agreement on Tariffs and Trade—GATT—which he caused to be set up under the 1934 Trade Agreements Act as extended to June of 1958.

Under this act 36 foreign competitive nations have proceeded to divide the American markets among themselves, through multilateral trade agreements over which Congress has no control whatever.

Fourth. In 1946, following World War II, the Congress started the worldwide distribution of American taxpayers' money, through the \$3¼ billion gift loan to England.

This gift loan was immediately followed by the so-called Marshall plan of \$17 billion for 5 years—and now must be a permanent annual drain on the American taxpayer, according to the testimony of our Secretary of State.

We have now poured more than \$70 billion of the taxpayers' money into the European and Asiatic nations, to build production facilities to compete with our own American workingmen and investors and build up their dollar balances to claim our gold reserves.

Fifth. Our tax dollars are going into four organizations for the sole purpose of financing foreign nations and American corporations and individuals in the construction of manufacturing and processing plants, including mining operations, in foreign nations to utilize the cheap foreign labor, and to import the products into this Nation to compete with American labor and investors.

#### FOUR ORGANIZATIONS FINANCING FOREIGN COMPETITION

The Export-Import Bank was established on February 12, 1934. It is completely financed by the American taxpayers, who are obligated by Congressional action to finance individuals and corporations up to \$5 billion to build plants and operate mines in foreign nations with their sweatshop labor, and to import such goods into this Nation, in direct competition with American workingmen and investors. This organization is now asking for an additional \$2 billion for that purpose.

The International Bank for Reconstruction and Development was established on July 31, 1945; and the American taxpayers are obligated for \$3.175 billion to finance foreign nations to build plants and mines to be operated by low-wage labor and import their goods into this country.

The International Monetary Fund was established on August 11, 1945; and Congress has obligated the taxpayers of the

Nation for \$2.750 billion for the same purpose of financing foreign operations, using cheap foreign labor, and importing the goods into the United States.

The International Finance Corporation was established on August 11, 1955; and the Congress has obligated the taxpayers to the amount of \$35.168 million for the purpose of financing foreign operations and production with cheap labor and to import the goods into this Nation under the free import policy.

It will be noted that the Import-Export Bank was established in the same year that the 1934 Trade Agreements Act, the free import act, was passed by Congress; that the International Bank for Reconstruction and Development was established in 1945; that the International Monetary Fund was established in 1945; and that the only new organization to finance foreign production is the International Finance Corporation, established in 1955.

#### GRANDIOSE INTERNATIONAL SOCIALIST SCHEME

The pincers movement, including the five methods of disbursing the wealth and markets of the United States throughout the world, is of course, an important part of the grandiose, international Socialist scheme again to make the economic system of this Nation a part of the nations of old Europe and Asia, and again to join us to the interminable trade wars of old Europe.

#### SENATE REPORT NO. 1627—SENATE DOCUMENT NO. 83

It will be remembered that in the committee I directed the preparation of Senate Report No. 1627 of the 83d Congress, and I personally delivered it to the President in July of 1954; also Senate Document No. 83 of the 84th Congress, in 1955.

#### WESTERN HEMISPHERE SELF-SUFFICIENT

In both of these reports the Interior and Insular Committee was definite in its recommendation that the Western Hemisphere could be made self-sufficient in the production of everything we need for war or peace, and said that it can be defended from North America.

Since the reports were made available, no one has believed that we had to get anything across a major ocean, for either war or peace.

No one has denied that the Western Hemisphere can be defended from North America.

#### TRAVELED 14,000 MILES IN RUSSIA

In 1955, I spent 2½ months behind the so-called Iron Curtain. It may be remembered that Mr. Churchill invented that catch phrase in his Missouri speech, during the Truman administration. I traveled 14,000 miles in Russia, inspecting their industries, powerplants, and raw-material areas.

#### RUSSIA SELF-SUFFICIENT—NO EFFECTIVE REVOLT—ALL POWER IN RUSSIA

At the end of that time I said that first, Russia would soon be self-sufficient in the production of everything she needs for war or peace; second, there would be no successful revolt; and, third, all of the military power in the Eastern Hemisphere had moved to Russia; no military power was left in Europe, since the colonial system was as dead as Julius

Caesar and the airplane dominated the British Fleet.

#### MUST MAKE THE AMERICAN SYSTEM WORK

I further said that if those three things were true—and I believed them to be true—then it was up to us to make the American system work; and that it could not be done through a division of our wealth with the nations of the world.

#### AMERICA LIVING ON A WAR ECONOMY

I also said that the American system was being destroyed through a division of our markets and taxpayers' money through Europe and Asia—worldwide socialism in its worst form—and that America was living on a war economy, a very dangerous and superficial position. The "pincers" movement includes the free imports, which are destroying American industry, American jobs, and American investments.

#### ADMINISTRATION SHOCKED 2 YEARS LATER

Suddenly, last fall—1957—exactly 2 years later, all America woke one morning with the discovery that what I said in 1955 was correct—that Russia was self-sufficient; that no successful revolt was in prospect; and that Russia had complete charge of the Eastern Hemisphere, as far as war power was concerned.

#### UNITED STATES ONLY NATION IN WORLD NOT PROTECTED

We are the only Nation in the world that does not protect its workmen's jobs and investors' money. Other nations use tariffs, quotas, import permits, exchange permits, and manipulation of the value of their money in terms of the dollar, to prevent imports of the goods they produce.

#### DIVISION OF AMERICAN MARKETS AND MONEY UNCONSTITUTIONAL

I have no doubt that the division of our markets and our taxpayers' money with the nations of the world is unconstitutional; however, even if it were constitutional, it is bad practice; and our people cannot stand it. Today, many of them are unemployed and broke.

#### POOR SUBSTITUTE FOR SOUND ECONOMY

The proposed increase in war expenditures and continued foreign aid are poor substitutes for a sound economy, when that economy can be based upon the Constitution, article I, section 8, with the American workmen and investors able to compete for the American market on a fair and reasonable basis.

#### RETURN TO CONSTITUTIONAL GOVERNMENT

All Congress has to do this year is transfer the funds from obsolete uses to the required equipment, and lower the personal income taxes and the national debt.

The free imports legislation expires in June of this year. Then the power, in Geneva, Switzerland, of the competitive foreign nations to divide the American markets between them returns to the Tariff Commission, an agent of Congress; and then it will be able to regulate our foreign imports on the basis of fair and reasonable competition, and the American workmen and investors will be back in business.

The American taxpayers and workmen and investors have financed their

own downfall, through their own Congress.

The "pincers" are closing. A return to the American system—the Constitution—is the first fundamental.

The continued pressure to increase the debt limit, the extension of the free imports legislation, and more billions to Europe is the cumulative result of the factors I have described; and I shall vote against all of them, as I have in the past.

Do not raise the national debt—lower it.

Do not extend the free-imports legislation.

Do not send more billions to Europe and Asia.

Do not raise the personal income tax—lower it.

Mr. COTTON. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I am happy to yield to the Senator from New Hampshire.

Mr. COTTON. I wish to commend the Senator from Nevada for his very able exposition of some of the factors involved in the question which is before the Senate today. Ordinarily, I would be reluctant to say anything about the debt limit problem, because I have great confidence in the distinguished Senators, one of whom is the Senator from Nevada, who have deliberated carefully on this matter in the Finance Committee. However, I should like to ask the Senator a couple of questions, if he will be so kind as to permit me. Laying aside for the moment the question which the Senator has so ably raised, as to whether the debt limit needs to be raised at all, does the Senator, from the evidence before his committee, feel that, if it must be raised, it is necessary to do it this week?

Mr. MALONE. The answer to the distinguished Senator from New Hampshire is no; in the humble opinion of the Senator from Nevada the debt limit does not have to be raised at all and certainly not this week. If I were convinced, however, that it should be raised, I would offer no objection to raising the debt limit now.

We have continually wasted at least \$15 billion annually because of plans for the surface defense of Europe. We have our fleet in European waters now. We have troops in 73 nations, who would be either dead or on their way to the salt mines if another war started, simply because the next war will be fought under the sea and in the air, with supersonic airplanes, and missiles which will later take their place. No nation is going to fight with foot soldiers.

Any plans for the defense of Europe and Asia, including foot soldiers and surface ships not hunting submarines near our shores under the protection of the Air Force will be wiped out within minutes if in the way—and ignored and left to starve, as MacArthur used to treat the Japanese on fortified islands in the Southwest Pacific during World War II.

So instead of raising the debt limit, let us transfer \$5 or \$6 billion, or whatever it may require to provide for the adequate production of missiles and additional B-52's as the Senator from Nevada has suggested on many occasions.

## TRANSFER FUNDS FROM OBSOLETE USES

Let us transfer the money to the manufacture of the weapons we shall use in the next war. Let us bring our foot soldiers home from the 73 foreign nations. Let us quit manufacturing surface ships which will have to be junked. Let us use half of the money, along with one-half of the money spent on foreign aid, which amounts to about \$6 or \$7 billion a year, in the missile and airplane field. We shall have to use B-52's until missiles take the place of the long-range bombers, by utilizing the remaining \$3 billion to lower the national debt, instead of raising the debt limit. Then let us lower income taxes, through which everybody in the United States is being bled white.

I have predicted before—and mentioned it during Lincoln's birthday week in my home State—that the people of this Nation will rise against excessive taxes. They will really find out what Congress is doing, and simply go on a taxpayer's strike.

## THE PINCEP MOVEMENT

I also want to say to the distinguished Senator from New Hampshire that the five-part pincer movement is never presented to Congress all at one time. Such proposals are presented one at a time. First, the proposal to raise the debt limit is presented, which means further inflation. Then the bill for the extension of free imports is presented, which means imported unemployment. Then the bill for foreign aid—free dollars for Europe—is presented. Then there will come before Congress, one at a time, each one of the organizations set up by Congress, which I have already named, seeking to get authority to lend more money to foreign nations and to have American corporations establish mines and production plants in foreign nations, which will export materials to America free of duty.

I say to my distinguished friend from New Hampshire that the objective is a world government, with free trade, free immigration, and an average standard of living for all the countries of the world, which will mean that there will be nowhere for America to go but down.

Mr. COTTON. Mr. President, perhaps I did not make my question quite clear, and if the Senator will permit me to speak for a moment or two, without his losing the floor, I should like to suggest that what I was trying to do, with all due regard to the very able suggestions the Senator has made about our overall permanent policy, was to pinpoint the question we have before us this very afternoon.

I am a little disturbed. I understood the Senator to say that if it were thought necessary ultimately to increase the debt limit, we might as well do it today. I wish to suggest, for the Senator's consideration, with all due respect to the distinguished and able Senators on the committee, that it seems to me the timing of this action is very bad for the country. The bill raising the debt limit has passed the other body of Congress. Until the bill came to the floor of the Senate, it was in the hands of the Finance Committee of the Senate. It would be a matter of only a few hours,

if the emergency arose and it became necessary, to complete passage of the bill and send it to the President for his signature.

I ask the distinguished Senator from Nevada to consider the timing of the bill. Admitting, for the sake of argument, which I understand clearly the distinguished Senator from Nevada does not admit, and I respect his viewpoint, that we are approaching a time when some increase in the debt limit will be necessary, in order to give the Treasury of the United States sufficient elbow room to do business, why must we make it practically the first official act of the Senate and the House in this session of Congress in 1958? We have not yet even passed a bill to raise the postal rates, in order to take care of the deficit in the Post Office Department. I think it is safe to say we have not performed one single act or passed a single bill which has as its objective the cutting down and restricting the expenditures of Government, when, from the fiscal standpoint, we are skating on such thin ice.

From a reading of the hearings, it is my understanding that Mr. Brundage, of the Bureau of the Budget, indicated that the critical time when we might be in difficulty would come between February 15 and March 15 of next year. Perhaps that time may come at an earlier date, but the psychological effect of increasing the debt limit by \$5 billion as almost the first official act in this session will, to my mind, be extremely bad upon the public confidence and upon the people, who know that the time has come when in handling questions dealing with our fiscal solvency we must proceed very carefully.

What I wish to ask the distinguished Senator from Nevada, as a Member of the Senate, is this: Admitting the truth of all the Senator has said—or at least making the statement that I am fully appreciative of what the Senator has said about things that can be done to reduce the debt and to take care of the longtime viewpoint—would the Senator not agree with me that if the Senate should pass a bill increasing the debt limit today that action would have almost a disastrous impact upon the country?

I feel compelled to move to recommit the bill to the committee, simply because I should like to see the Senate pass a bill cutting expenditures before it sends word out to the country, "We are raising the debt limit."

Mr. MALONE. I will say to the Senator from New Hampshire that it is not likely we will pass any bill cutting foreign expenditures.

Mr. LANGER. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I shall be happy to yield to the Senator from North Dakota as soon as I finish answering the question of the Senator from New Hampshire.

Inflation started in 1933, when we went off the gold standard. We followed the English example, as usual in most of our major moves. Since that time we have lowered effective wages, through the lowered purchasing power of the dollar. Congress has continually low-

ered the purchasing power of insurance and pensions.

Therefore, I say to my distinguished friend, the Senator from New Hampshire, that I am against raising the debt limit today, tomorrow, in 6 months, or in a year from now. We need to make the American system work.

We cannot make the American system work by a division of our markets and taxpayers money with all the other nations of the world. The Congress passed an act in 1934 which resulted in having 36 competitive nations, sitting at Geneva, dividing our markets among them.

I shall be glad to vote with the Senator if the Senator will move to recommit the bill to the committee.

Mr. LANGER. Mr. President, will the Senator yield to me?

Mr. MALONE. I yield to the distinguished Senator from North Dakota.

Mr. LANGER. Mr. President, I ask unanimous consent that I may ask the distinguished Senator from New Hampshire [Mr. COTTON] a question, without the Senator from Nevada [Mr. MALONE] losing his right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. LANGER. I wish to ascertain whether it is not true that the mail the Senator from New Hampshire is receiving is much like the mail I receive. I have received scores and scores of letters from people who have asked, "Why has the Congress not adopted some of the recommendations of the Hoover Commission, which would save between \$5 billion and \$6 billion?" That is what they ask in their letters, yet at the present time we are considering raising the debt limit although we have not adopted the Hoover Commission's recommendations.

I wish to compliment the distinguished Senator from New Hampshire. I will vote for his motion to recommit the bill.

I ask the Senator from New Hampshire if his mail is not much like mine, with reference to the Hoover Commission recommendations?

Mr. COTTON. That is true with respect to my mail, also, and I venture to guess that it is true with respect to the mail of every other Senator.

I think the Senator will agree with me that I am emphasizing a point which is very important at the present time, which relates to the psychological effect on the people of this country. It may well be that if we adopted many of the recommendations of the Hoover Commission, next week the effects of those measures might not make themselves evident, and might not become evident for many months, or perhaps for another fiscal year. It is perhaps true that if we increase postal rates this week, to take care of some of the postal deficit, such action will not have its effect in time. It may well be that if some of the suggestions made by the very able and distinguished Senator from Nevada were acted upon immediately even before the end of the year perhaps we would have to give the Treasury some elbow room.

My feeling, however, is that this is a bad time to act on such a proposal as that now pending. I think the Senator from North Dakota will agree with me that word should not go out to the people of the country today that we are raising the debt limit, when we have under consideration all the recommendations of the Hoover Commission, as exemplified by bills on the calendar and in the committees, and when there are various other things we have been talking about doing, which we hope to do to conserve the financial resources of the Nation.

We should not permit the word to go out today that the first thing the Senate did, and the first thing the Congress of the United States did, in the present session, was to raise the debt limit. We cannot explain to the general public all the elements involved. If that word goes out, it will have a disastrous impact. We should not permit that to happen unless it is vitally necessary.

I invite the attention of both the distinguished Senators to page 2 of the hearings before the committee, when the Secretary of the Treasury, if I read the English language correctly, did not indicate the need was immediate, so far as the Government's being able to satisfy its necessary obligations was concerned. The Secretary said he wanted this action taken now, to make it easier to finance the debt.

I repeat that on pages 423 and 424 of the hearings it is shown that the Director of the Bureau of the Budget said, in effect, that so far as a pressing need was concerned, the pressing need would not come, in his opinion, until early next year. It is granted, of course, that financing operations would be easier for the Treasury if we give them today what they ask. It will have the effect of taking the lid off, if we send the word downtown, "Oh, yes; Congress is willing to raise the debt ceiling."

The effect upon the people of the country and upon their confidence in us, in their Government, and in what we intend to do—whether we have the tenacity and courage to do something—I think would be disastrous.

The bill can be called out of the committee any day, any week, for the next 3 or 4 months, if need requires it.

I hope my words will not be taken as an expression of a lack of confidence in the committee, when I say I desire to make a motion to recommit the bill, because I do not contend it is not going to be necessary to take the action which is requested. I am willing to accept the judgment of such distinguished Senators as the Senator from Virginia [Mr. BYRD] the Senator from Pennsylvania [Mr. MARTIN] and the other able Senators who have gone into this matter year after year, while serving as members of the Committee on Finance. However, I think we ought to do something else first. We are putting the cart before the horse.

It is my understanding that before this week is past we shall have a chance to vote upon whether we are going to take some action with regard to the deficit of the Post Office Department. There are other things we can do. If,

after that time, it were found necessary to increase the debt limit temporarily, I think the people of the country would receive that information with much better grace, and it would not shake their confidence in us.

Mr. LANGER. I thank the distinguished Senator from New Hampshire. I hope he will make a request for a yeas-and-nays vote on his motion to recommit the bill.

Mr. COTTON. I thank the Senator.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Nevada yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. MALONE. I am happy to yield.

Mr. MARTIN of Pennsylvania. Mr. President, I should like to make a brief statement for the benefit of the Senator from New Hampshire.

The Government of the United States is much like a corporation or an individual when it comes to the matter of credit. The raising of the debt ceiling at the present time will make it possible for the United States Government to have a very much more favorable market reaction when the Government goes into the market for additional funds. It is necessary for the Government of the United States to do some financing practically every week. That is one of the reasons for consideration of the bill at the present time. If the bill shall be enacted, the Government will have a greater advantage when it goes into the market.

Mr. MALONE. I should like to say, Mr. President, that I have listened to all the arguments of the Chairman of the Federal Reserve Board, Mr. Martin, and his arguments sound very good, however they always need more taxpayers' money.

It has been testified—Mr. Humphrey so stated in his testimony, under my cross examination, when the Senate Committee on Finance started its hearings last fall, with regard to the economic state of the Nation, as did Mr. Martin—that the 1948 dollar is worth in present day purchasing power 47 cents.

There is no question that the dollar is worth about 33 cents, or about one-third of what it was worth in 1934.

The confidence of the American people is already shaken. There is no question in my mind that when we lowered the purchasing power of the dollar to 33 cents, the "smart" financing was designed to make wages buy less, and finally to clamp them at that level.

The insurance upon which a man has been paying for 10 or 15 years, in order to send a boy or girl to school, or to leave an inheritance is worth a third of what it was in 1934 or less than one-half of what it was in 1948.

The banks and insurance companies do not promise to return purchasing power. They promise only to return the dollar. So there is no end to inflation, so long as we raise the debt limit and print more money. Mr. Martin, chairman of the Federal Reserve Board, under cross examination by me before the committee, as appears in part III of the pub-

lished testimony printed by the Senate Finance Committee, stated that he had the authority to print the amount of money which in his judgment industry would need from 1 to 2 years ahead, whether it be \$1 billion, or \$3 billion, if he thought industry might need it. He could also reduce it.

There is no question of his authority to raise or lower the discount rate, which to a large extent controls investment. There is no question of his authority to fix stock-exchange margins. He can lower them or raise them. He has recently lowered them. He can make the required margin two percent or 98 percent. He largely controls the amount of stock sold on the stock exchange.

In closing I wish to thank my good friends from New Hampshire [Mr. COTTON], from Pennsylvania [Mr. MARTIN], and from North Dakota [Mr. LANGER], for entering into this debate. It involves one of the most important questions before the American people today.

The problem is to stop the pincers movement which threatens to destroy the economy of the United States.

It is my belief that the American people will act after they learn the entire plan, as I have outlined it in my brief discussion today, including free imports and the sending to Europe of billions of dollars of the taxpayers' money to build up dollar balances and to build plants to use the cheap labor and send the goods to this Nation. Mr. Dulles states that such aid must be permanent. The Senator from Nevada stated on the floor of the Senate in 1948 that if the so-called Marshall plan passed that it would become permanent.

Mr. COTTON. Mr. President, I ask unanimous consent that the Senator from Nevada may yield to me for the purpose of making a motion to recommit the bill without his losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COTTON. Mr. President, I move that House bill 9955, a bill to provide for a temporary increase in the public debt limit, be recommitted to the Committee on Finance.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. COTTON].

Mr. LANGER. Mr. President, I ask for the yeas and nays on that motion.

The yeas and nays were not ordered. Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I rise in opposition to the motion to recommit.

Having listened to the colloquy between my distinguished colleagues, the Senator from New Hampshire [Mr. COTTON] and the Senator from Nevada [Mr. MALONE], I should like to state an opposing point of view.

In my judgment, the proposed action in raising the debt limit should have been taken as much as a year ago. Failure to raise the debt limit last year had serious consequences on our national-defense program. The timing now is good, not bad. The psychological impact of voting in support of the committee recommendation today will be good, not only throughout the United States, but also throughout the entire Free World. By raising the debt limit, Congress will show that it is prepared at least temporarily to eliminate an obsolete survival of a discredited economic theory.

I should like briefly to make four points. My first point is that the report of the committee—a committee headed by the distinguished senior Senator from Virginia [Mr. BYRD]—makes it clear beyond peradventure of a doubt that an increase in the debt limit is badly needed now in order to give our Government the flexibility it needs to finance the vast enterprises which it supervises, in particular in the defense of our country against the Russian threat. That is the opinion not only of so conservative a Member of the Senate as the senior Senator from Virginia [Mr. BYRD]—to whose abilities I am glad to pay tribute—but of practically every responsible financier in the country.

My second point, Mr. President, is that fixing a debt limit is unsound in principle. I hope the day is not far off when we will abolish it as the obsolete survival to which I referred a moment ago.

If the debt limit is set too high, it is irrelevant so far as action by Congress is concerned. If it is set at a point where it takes effect, the executive branch is faced with this dilemma: It must either refuse to carry out programs which Congress has authorized, appropriated for, and intended to be carried out, or it must delay the payment of debts which the Government has contracted. Both of those things happened last fall.

The debt limit reduces the Government's ability to move quickly in the event of a military crisis, recession, or other circumstances which may require a speedup in spending. It is a self-imposed hobble by which the Government, having decided on a course of action, restrains itself from doing what it has set out to do. This point of view was never expressed better than it was on February 10, 1958, before the Joint Economic Committee by Ralph J. Watkins, Director of Economic Studies, Brookings Institution, certainly no leftwing organization, when Mr. Watkins said:

Parenthetically, one wonders how long it will be, recession or no recession, before the executive branch of the Government will summon the courage to recommend to the Congress and fight strenuously for the complete repeal of the arbitrary debt ceiling that so ill serves the Nation at any time and all the more so in a time of such grave peril to our very survival.

Mr. President, I ask unanimous consent that at this point in my remarks somewhat longer excerpts from the testimony of Mr. Watkins be printed in the RECORD.

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

EXCERPTS FROM TESTIMONY OF RALPH J. WATKINS, DIRECTOR OF ECONOMIC STUDIES, BROOKINGS INSTITUTION, BEFORE THE JOINT ECONOMIC COMMITTEE, FEBRUARY 10, 1958

I would lay the groundwork now for a prompt request to the Congress for repeal of the debt ceiling, to provide room for fiscal maneuver and to allay any lingering doubts as to the degree of resolution in countering recession.

Parenthetically, one wonders how long it will be, recession or no recession, before the executive branch of the Government will summon the courage to recommend to the Congress and fight strenuously for the complete repeal of the arbitrary debt ceiling that so ill serves the Nation at any time and all the more so in a time of such grave peril to our very survival. The debt ceiling in the past may have reflected primarily a lack of confidence in the fiscal soundness of the executive branch, but it seems clear that its continuance over the years reflects even more a lack of confidence in the Congress by the Congress—the fear that it may be tempted to spend more than should be spent. The desire for economy is commendable, but it is false economy and shameful as well to put hobbles on a great nation. Moreover, a debt ceiling that has fluctuated over the past four decades between \$11½ billion and \$300 billion cannot be said to have any ultimate significance. There must be a more intelligent way to achieve fiscal soundness.

Nor can business investment decisions be blamed for the crisis of confidence which shook American society last fall. That crisis may well have been precipitated by the cutbacks and stretch-outs in military procurement starting in the summer. They affected a wide range of industry all across the country and, added to the impact of evidence of slow payment of bills by Government, could hardly fail to influence business confidence adversely. The real culprit, given our defense needs, may have been the arbitrary debt ceiling.

With the advantage of hindsight, it is easy to add that courageous action by the administration to lift the debt ceiling would have been far preferable to the shock of defense cutbacks and stretch-outs.

Mr. CLARK. Mr. President, the position taken by Mr. Watkins was subsequently confirmed by three other distinguished economists, Roy Blough of Columbia University, Lester V. Chandler of Princeton, and John Kenneth Galbraith of Harvard.

Mr. President, my third point is that the debt limit had severely detrimental effects last fall.

Military cutbacks and stretchouts last fall were necessary in order not to exceed the debt ceiling. In addition, the Treasury Department had to execute some unusual transactions, through FNMA and otherwise, which resulted in borrowing at higher rates than would have been necessary with normal borrowing.

On May 22, 1957, Secretary Wilson issued an order withholding \$500 million from 1957 funds appropriated for major procurement and production, research and development, and military construction.

The \$500 million was allocated as follows: \$100 million to the Army; \$150 million to the Navy; and \$250 million to the Air Force.

In testimony before the Senate Appropriations Subcommittee in May and June 1957, the Department of Defense officials made clear that the debt ceiling was the reason for the cutback.

Mr. President, I ask unanimous consent that excerpts from that testimony, as well as some excerpts from newspaper accounts of defense cutbacks last fall, may be printed at this point in the RECORD.

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

EXCERPTS FROM THE TESTIMONY

W. J. McNEIL, Assistant Secretary of Defense. Congress acts on the new obligational authority and considers the expenditures but takes no formal action on them as such. In the executive branch, they have the problem of financing. We have a debt ceiling.

Mr. McNEIL. We have been informed that, considering the anticipated revenues of the Government, and the statutory debt limit, expenditures for the Department of Defense must not substantially exceed the budget estimate of \$38 billion during the coming year. The current monthly rate of expenditure, however, is now running considerably above the annual rate of \$38 billion. \* \* \* Secretary Wilson has asked that you be informed that steps are being taken which should bring defense expenditures into line with the President's budget submission, for fiscal year 1958.

Senator SYMINGTON. Does this memorandum delay the ordering of needed equipment, and conflict with the previous statement of the requirements presented to the Congress?

Mr. McNEIL. I do not like to hesitate on the answer to that question. Does it delay the ordering of equipment? Yes. Needed equipment? Undoubtedly there will be some needed equipment among the total.

Senator SYMINGTON. Is it true that prior to the issuance of the May 22d memorandum, the production schedules had been adjusted downward for the Air Force in B-52's, KC-135's, three of our most modern fighters, C-133's, and several of our missiles; is that correct?

Maj. Gen. L. P. GERRITY, Assistant for Production Programming, Air Force. That is correct, Senator SYMINGTON.

Senator SYMINGTON. Were fiscal considerations involved in these decisions for reduction, or did the Air Force commanders find that they did not need these modern weapons systems in such quantity so soon?

General ASENSIO. I am General Asensio, Comptroller, and I would say that the fiscal decisions were a governing influence in the adjustment, sir.

Senator SYMINGTON. Does the Bureau of the Budget, after the Congress has expressed its decision about the money, based on the program presented, does the Bureau of the Budget have the authority to arbitrarily alter the program?

Deputy Secretary of Defense DONALD A. QUARLES. My understanding of it is that the Bureau of the Budget does have not only legal authority but it has the obligation imposed on it in respect to the debt limit of the Government, and to the extent that expenditures threaten the debt limit, then I think it does have a solid authority to control it.

Newspaper accounts throughout the fall, even after the launching of sputnik by the Russians, told of stretchouts and cutbacks in the most critical defense programs, including research and missile development and production. These resulted from the \$38 billion ceiling on expenditures, which was in turn related to the debt ceiling.

Examples:

Washington Post and Times Herald, October 16: "A high Government source said last night that top officials still believe the present program vis-a-vis Russia is sound and pouring additional major sums in it would be unnecessary and unwise. This present administration stand has been taken in face of Congressional demands for an accelerated program, and unofficial Pentagon confirmation that long-range ballistic programs actually have been cut back under the administration economy program."

Washington Post and Times-Herald, October 17: "Hard-pressed Treasury aides are pulling rabbits from their hats and have several more in reserve to help them stay inside the \$275 billion ceiling on the national debt. \* \* \* Nobody \* \* \* will say so, but military contractors report that the Government is paying its bills more slowly. This alleged foot-dragging is one way of conserving cash."

Washington Post and Times-Herald, October 20: "Pentagon spokesmen acknowledged yesterday that an August 17 order by former Defense Secretary Charles E. Wilson, which just came to light, will reduce current Army, Navy, and Air Force research and development budgets by at least \$170 million, or a minimum of 10 percent."

New York Times, November 7: "Defense cutbacks resulting in the cancellation or stretchout of about 2,000 contracts to universities and colleges are causing havoc in basic research related to weapons of the missile age."

New York Times, November 8: "Lay-offs resulting from defense cutbacks are beginning to affect teams of engineers and scientists assembled at great expense for basic research on the weapons of tomorrow."

President Eisenhower, in his October 30 press conference, acknowledged that the debt ceiling was the root of the problem. He said: "McElroy \* \* \* has been authorized already, and I think has announced, that there will be greater expenditures. Now, this touches a very sensitive point, because you know the last Congress did not authorize us even a temporary rise in the debt rate. \* \* \* So the—he was supposed to keep within a particular figure for his expenditure for the year."

(NOTE.—The President did not ask the Congress in 1957 to increase the debt limit.)

Mr. CLARK. Mr. President, the Senator who took the lead in making clear at those hearings the adverse effects which the debt ceiling was having on our national defense was the distinguished junior Senator from Missouri [Mr. SYMINGTON], whom I commend for the great public service which he rendered on that occasion.

My fourth point is that the pending bill makes it possible that the same trouble will occur this fall, and virtually certain that it will occur in the fall of 1959, unless Congress acts again.

Presumably the \$5 billion increase will be sufficient to tide us over until June 30, 1959; but virtually every competent observer and analyst has said that the President's revenue estimates are optimistic, and if the recession should deepen, and if we should decide to undertake the kind of military speedup and the kind of domestic public works program which,

in my judgment, will become essential, \$5 billion will not be sufficient.

In any case, since the increase in the bill is temporary and will expire on June 30, 1959, we are almost certain to be in trouble in the fall of 1959, because we can hardly expect to create by that time a surplus sufficient to offset the rise in the debt limit which is immediately necessary now.

Mr. President, I wonder how many Senators think in their hearts that we will go through this fiscal year without a deficit. I wonder how many would confidently aver that a deficit will not occur in 1959.

If the proposals—unwise, in my judgment—which call for a tax cut receive additional impetus, we can be certain that we really will have a deficit.

For all these reasons, I oppose the motion to recommit, and I commend the committee for the action it has taken, even though, in my judgment, it is entirely inadequate.

If there is to be a debt limit—and, I repeat, I do not think there should be one—let it be, at least, a debt limit which will bear some reasonable relationship to the gross national product and to the country's wealth. In 1945, the gross national product was \$213,600,000,000. At that time, the debt was \$278,700,000,000. That was higher than the figure today.

Today, the preliminary figures for 1957 show that the gross national product is \$433,900,000,000, and the debt limit is still \$275 billion.

In 1945, the debt was 130 percent of the gross national product. Today it is only 63 percent.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Relation of Federal Debt to Gross National Product," 1945-1957.

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

Relation of Federal debt to gross national product, 1945-57

Period	Total gross national product	Gross public debt and guaranteed issues at end of period <sup>1</sup>	Ratio of debt to GNP (percent)
1945.....	213.6	278.7	130
1946.....	209.2	259.5	124
1947.....	232.2	257.0	111
1948.....	257.3	252.9	98
1949.....	257.3	257.2	100
1950.....	285.1	256.7	90
1951.....	328.2	259.5	79
1952.....	345.4	267.4	77
1953.....	363.2	275.2	76
1954.....	361.2	278.8	77
1955.....	391.7	280.8	72
1956.....	414.7	276.7	67
1957 <sup>2</sup> .....	433.9	275.0	63

<sup>1</sup> A small portion of the amounts shown in this column are not subject to the debt limit.

<sup>2</sup> Preliminary.

Source: Economic Report of the President, January 1958.

Mr. CLARK. Mr. President, I realize that this argument will fall on deaf ears in the case of many of my colleagues. I like to think that we must be a little ahead of the times in this body. I have some personal confidence that the time

will come when these economic theories will represent the views of a majority of the Senate, and not a minority.

In any event, I urge my colleagues at this time to vote against the motion to recommit and to stand behind the chairman of the committee, the distinguished senior Senator from Virginia [Mr. BYRD].

Mr. MORSE. Mr. President, I find the arguments of the Senator from Pennsylvania [Mr. CLARK] to be very convincing. I am pleased to associate myself with, certainly, the burden of his argument this afternoon.

If I have any difference of opinion with him, it is based upon an understanding of one comment he made—and that is still subject to further discussion—namely, the question concerning whether any form of tax reduction should take place at this time.

I am inclined to think that some tax reduction which would benefit the people in the lower income brackets would be helpful to industry, in that any saving in that group would go immediately into the cash registers of the small-business men of the country, who need this purchasing power.

Except for the matter of a tax cut, I associate myself completely with the very able argument the Senator from Pennsylvania has made, and I intend to stand with him on this issue.

Mr. CLARK. I thank my friend from Oregon, whose views are so much in accord with mine. I recognize his argument in support of a tax reduction, but my fear has been that many will use a tax reduction as an excuse to deny the appropriations necessary to put 5 million back to work, to provide the houses which are needed, to provide the urban renewal projects which are needed, to build the schools which are needed, to construct the roads which are needed; in short, to give us all the improvements in the public segment of the economy which the country so desperately needs. I should hate to see a tax reduction used as an excuse for any move along that line.

Mr. MORSE. I completely understand the Senator's point of view. I think we in Congress have a duty to make certain that a needed tax reduction for the benefit of the people in the lower income brackets is not used for the bad purpose for which the Senator from Pennsylvania points out there is danger it might be used.

As the Senator knows, in the discussions already had on the floor of the Senate, I am not one of the Senators who have been afraid to use the phrase "deficit spending" in time of a national crisis. When there is a great national economic crisis, I think the Government should not hesitate to engage in deficit spending, if that is necessary to protect the people from suffering.

It is only because I think we need to bring tax relief to those in the lower income brackets, by way of some increase in tax exemption, that I am a cosponsor of the Douglas bill.

Mr. CLARK. I thank the Senator from Oregon.

### ENDORSEMENT BY SENATOR MORSE OF PRINCIPLE OF MULTILATERAL AID

Mr. MORSE. Mr. President, yesterday I was pleased and delighted to read in the New York Times of the new international loan fund to be proposed today by the Senator from Oklahoma [Mr. MONRONEY].

On February 10, I addressed the Senate on the subject of the military aid program of the United States, pointing out the many serious questions that have been raised as to its purpose and the effects it is producing around the world. I pledged that I would soon devote a similar speech to the economic aspects of foreign aid, and make some suggestion as to how I believe the United States could effectively use economic aid to raise living standards in the so-called underdeveloped countries.

One of the primary features of such aid must, I believe, be emphasis upon multilateral channels. If the concept of "foreign aid satellites" is ever to be removed from foreign aid, both from the minds of Americans and from the minds of recipient countries, I think such aid must be channeled through the United Nations.

Several devices have been proposed. One is the Special United Nations Fund for Economic Development; another is the expansion of the World Bank, as proposed by the Senator from Oklahoma [Mr. MONRONEY], and by the government of West Germany; another would not involve development loans but would provide for a greatly expanded technical assistance program.

It is my intention to speak at length on these proposals very soon, presenting their merits and demerits. I am increasingly convinced that the problems of underdevelopment that today are the major factors of daily life in Asia, Africa, and the Middle East in particular, and in many other parts of the world, as well, are too big and too important to remain a football of the East-West struggle.

In my study of the task force reports made for the Special Senate Committee to Study the Foreign Aid Program, I found this very significant conclusion:

Actually, the failure of the United Nation's technical assistance program to achieve far-reaching results does not stem from the way it is organized and administered. It stems from the simple fact that no money is available to pay for the capital goods and equipment, without which the work and the advice of the most talented and devoted experts can yield but meager results.

This was Study No. 11: Foreign Aid Activities of Other Free Nations, by Stuart Rice Associates.

There is presently no multilateral lending institution, except for the International Bank, whose loans have unqualified conditions for repayment and a comparatively high rate of interest. That means that nations seeking development capital—and nations that must seek it outside their own borders are not likely to be able to pay high rates of interest—must attach themselves to some extent either to the United States or to the Soviet Union as a means of de-

veloping their economies. I am convinced that the world must get away from that situation; and the best way to do it is to establish economic development assistance as a function of the United Nations.

That is why I think the junior Senator from Oklahoma has done the Nation and the world a great service by putting forward his proposal. I welcome his proposal, and I commend his action in advancing it. Not only does it have great merit in itself, but it opens a new dimension in economic aid—that of multilateral aid. It is the dimension which I think will prove vital to the success of economic development, because in my opinion economic development on a worldwide basis can be successful only if it can take place free from the power struggle between East and West.

Mr. President, in concluding my comments on this subject, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, an article entitled "Monroney Urges a Second World Bank." The article was written by E. W. Kenworthy, and was published in the New York Times of yesterday, February 23.

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

#### MONRONEY URGES A SECOND WORLD BANK— IT WOULD MAKE LOW-INTEREST LOANS TO POOR NATIONS

(By E. W. Kenworthy)

WASHINGTON, February 22.—Senator A. S. MIKE MONRONEY will recommend to the Senate Monday the creation of a new international agency to make long-term, low-interest loans to underdeveloped nations.

The international development association—as the Oklahoma Democrat tentatively calls the agency—would be associated with the International Bank for Reconstruction and Development, familiarly known as the World Bank.

However, the new agency would limit itself to making loans that the World Bank, under present regulations, must reject.

#### STUDIED BY ADMINISTRATION

For the last 18 months Senator MONRONEY has been discussing with financial leaders here and abroad a new approach to the problem of financing economic development in countries that cannot always meet the loan terms of the World Bank, but would prefer to get credits through an international agency.

Senator MONRONEY said today that in the hope of getting a bipartisan approach to the problem, he had discussed his plan with many leaders in the present administration.

He said that while "there has been no final determination of the administration's position" on his proposal, administration leaders "are giving it a continuing study."

What Senator MONRONEY, like many other legislators, has been seeking is a change from the unilateral grants and loans that have been the basis of the United States foreign economic aid program for the last 12 years.

He has also been seeking a way to use foreign currencies that will accrue to the United States from the sale of agricultural surpluses. The proceeds are usually loaned back to the purchaser. In a few years, when repayments of these loans are in full swing, the United States will be faced with the problem of what to do with this accumulation of local currencies.

#### BILLION CAPITALIZATION

The Monroney plan envisages a new agency initially capitalized at \$1 billion. Of this

the United States would put up \$300 million and other countries \$700 million. These currencies would be convertible.

This \$1 billion would provide the agency with the necessary hard money base. The subscribers would have the voting stock in the agency proportionate to their subscription, in the same way that voting stock is distributed in the world bank.

It has been suggested that for its purchase of capital stock the United States might use the \$300 million appropriated by Congress last year for the development loan fund. This idea, it is thought, might be attractive to Congress because it would avoid any new appropriation for capital stock. The initial \$300 million appropriated for the development loan fund remains intact, since no loans have been made.

It has also been suggested that the United States for a few years might use interest payments on earlier foreign aid loans at the rate of \$75 million a year.

Similarly, it is believed, hard currency countries in Europe might find some of the money for capital stock purchases in their unexpended counterpart funds. Under mutual security agreements in past years, these countries set aside in their own currencies roughly the equivalent of the military aid they received. This was to be used for economic development. Not all of it has been expended.

#### NONVOTING STOCK PLANNED

The Monroney plan also provides for a nonvoting stock to be purchased with soft local currencies. It is here that the United States would find a use for the local currencies accruing from the sale of surplus farm commodities.

Out of this mixture of hard and soft currencies the international development association could make long-term multilateral loans at low interest rates.

Officials at the World Bank have pointed out to Senator MONRONEY that many times the bank has had to refuse a loan application because it did not regard the total loan requested as "bankable." That is, the bank did not believe the applicant able to repay the whole loan and meet the interest payments in hard currency, as the bank's rules require.

On the other hand, the bank has often regarded 50 to 80 percent of a loan request as "bankable." But for lack of an institution that would take the other 20 to 50 percent, the loan has been refused.

Mr. MONRONEY's agency, then, is envisaged as just such a secondary mortgage bank, which might supply what the World Bank could not. The interest rate of the new bank's loans would be 2 percent repayable over forty years, compared with World Bank terms of 4 to 6 percent over twenty years.

Senator MONRONEY gives this example of how the proposed bank might operate in conjunction with the World Bank:

Suppose a \$400 million loan was requested by India and Pakistan for a joint, multi-purpose river development project. The World Bank might decide that it could supply half the loan. The remainder would be provided by the new bank.

The new bank could make its loan in several currencies. Dollars could be used to purchase earth-moving equipment; deutschmarks for the erection of a cement factory; pounds, francs, and guilders for generating equipment and rupees for local labor.

#### AVOID "HANDOUT" LABEL

By getting development aid on an international, multilateral basis, Senator MONRONEY believes that the American people would no longer regard economic aid as a handout and underdeveloped countries would no longer feel they were accepting charity, with political strings attached.

Furthermore, the Senator has been told that such an agency could be created with

little addition to the personnel of the World Bank.

Loans at 2 percent, the Senator points out, would be competitive with those the Soviet bloc offers.

By contrast, loans under the development loan fund would carry interest from  $3\frac{1}{2}$  to 5 $\frac{1}{4}$  percent.

In a statement today, Senator MONROE said that the mutual-security programs of the past "served a splendid purpose," but that the world had now changed and a different aid concept was needed.

"The free and uncommitted nations of the world now expect and demand to progress on a basis of equality," he said. "There is no place in the world today for anything that can be construed as a handout. Instead we need to stress multilateral loans which can be made on a completely self-respecting basis."

He continued:

"Dozens of nations are emerging from colonialism. We must together finance those projects which will give them their economic independence. Every young nation needs an international line of credit and through a multilateral lending association the currencies of many nations can be used to provide it."

#### FINANCIAL DISCLOSURES BY MEMBERS OF CONGRESS

Mr. MORSE. Mr. President, in yesterday's magazine section of the New York Times there was published a very thought-provoking article entitled, "Who Polices the Policeman (Congress)?" The article was written by my colleague, the junior Senator from Oregon [Mr. NEUBERGER]. I ask unanimous consent to have the article printed in the RECORD, together with this comment by me:

I believe that the points the junior Senator from Oregon raises in his article are deserving of the careful attention of the appropriate committee of the United States Senate. Again, as I did last Friday afternoon on the floor of the Senate, I renew my recommendation for a consideration of my proposal of many years' standing in the Senate, namely, that the Congress pass a measure requiring that all officials of the Government, including Members of the Congress, who receive a Federal paycheck of \$10,000 a year or more, be required once a year publicly to disclose the sources of all their income and its amount.

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

WHO POLICES THE POLICEMAN (CONGRESS)?—INVESTIGATIONS OF CONFLICT-OF-INTEREST CASES RAISE A QUESTION IN POLITICAL MORALITY: SHOULD CONGRESS ITSELF BE EXEMPT FROM THE STANDARDS IT IMPOSES ON OTHERS?

(By RICHARD L. NEUBERGER)

WASHINGTON.—Once again the disturbing question of conflict of interest is racking the city that is our seat of government. This time those involved are predominantly members of powerful quasi-independent regulatory commissions, with particular emphasis on the personnel of the Federal Communications Commission, which allocates licenses for radio and television outlets. Some of these men have been charged by Congressional committees with accepting entertainment, travel expenses, speaking fees, and reception equipment from various segments of the industry that they are supposed to supervise. Wives and other members

of their families are also said to have shared in this hospitality. Certain of the charges have been challenged, but the basic issue continues as one of the thornier problems confronting representative government like ours.

How can private obligations be squared with one's responsibility to the public?

In these cases conflict of interest has been interpreted to mean that Federal Commissioners may not be able to exercise their regulatory powers fairly and judicially when they are indebted for financial or social favors to those whom they must regulate. A television channel, after all, is a highly valuable piece of property. The dispensing of such property should never be influenced by any conflict of interest which stems from the showering of gifts upon the dispensator. Such is one crucial facet of the conflict-of-interest controversy.

Conflict of interest does not always take this form. Frequently it derives from a person's own acquisitions, rather than from offerings pressed upon him. During the very recent past, Senate committees investigating the qualifications of various Cabinet appointees of President Eisenhower have suggested that these men sell their stocks in industries negotiating contracts with the Government. Such suggestions have affected the corporate holdings of Presidential selections from the business world like ex-Secretary of the Treasury George M. Humphrey and his successor, Robert B. Anderson, and ex-Secretary of Defense Charles E. Wilson and the man who succeeded him, Neil H. McElroy.

The implication has been that an inevitable conflict of interest occurs when the head of a Government department must rule or pass upon contracts with a firm in which he himself retains an equity. It evidently would be taxing human nature too strenuously to expect strict impartiality in such circumstances.

Whenever the conflict-of-interest issue is raised on the floor of the Senate or House, or before a committee of either Chamber, the public stirs uneasily. The taint of corruption or shady dealings is sniffed in the land. Murmurings come from the political opposition, and often in highly inflammatory terms. The slurs over baked hams and deep freezes in the Truman administration still rankle Democrats and have not been forgiven. My Senate colleague from Oregon, WAYNE MORSE, has declared that President Eisenhower himself is guilty of a conflict of interest by accepting gifts of cattle and farm machinery for his Gettysburg estate.

The claim of conflict of interest, whether brought against Republican or Democratic regimes, invariably makes people commence to suspect that Government has departed a long way from the ideals of Thomas Jefferson, who said, "When a man assumes a public trust, he should consider himself as public property."

Yet, as a Member of the United States Senate, I have some uneasy feelings of my own over the entire conflict-of-interest question, especially because the voicing of this question in any particular episode almost always begins in the Halls of Congress. Congress has set itself up to scrutinize the ethics and morals of the executive branch of Government. But who watches Congress with respect to conflict of interest? Is the sentry unsullied? In other words, who polices the policeman?

Many different statutes pertain to the general matter of conflict of interest. One of these laws stipulates that "no person appointed to the office of Secretary of the Treasury shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of

any public securities of any State, or of the United States. \* \* \*

This is all well and good. The Secretary of our Treasury must be above suspicion. No conflict of interest should ever attach to him. Yet the Secretary merely carries out the broad policies of taxation, of maritime customs and arrangements, of tariffs, of banking procedures, which are fixed for him by Congress. Why, then, do not these restraints apply to Members of the Senate and the House? They can own a sea vessel, buy any securities they please, negotiate to run their grazing herds on public lands, and be very much interested indeed in carrying on the business of trade and commerce. Furthermore, they can accept speaking fees. Some of these fees not only run to \$1,000 or more, but are offered by organizations and groups directly interested in issues pending before Congress.

What is the theory behind such a double standard of morality? Can it possibly be the settled notion of the American people that an appointee of the President, serving as Secretary of the Treasury, is likely to be motivated by his own financial self-interest but that an elected Senator or Representative will be immune to any of these temptations? Is Congress a law unto itself?

"You can't make a Senator do anything," exclaimed a Senator, KARL E. MUNDT, of South Dakota, during the dispute between the Army and the late Senator Joseph R. McCarthy in 1954. This seems to be the situation which lurks behind Congressional exemption from the code imposed on executive agencies. A Senator, or his counterpart in the House of Representatives, can do no wrong. This may have been what was meant by Dr. George Galloway and his collaborator, Cabell Phillips, when they wrote 5 years ago, in a book about the legislative process: "No one ever investigates Congress."

Yet I fear that it has a corroding effect on Government generally, when a member of the President's Cabinet can be ordered to jettison his corporate portfolio by Senators who themselves may be dabbling in oil, cotton futures, television, hotel chains, or uranium. If Federal Commissioners are to be pilloried for accepting hacienda suites at Palm Springs or airplane tickets to Palm Beach, how can Senators and Representatives continue profitable associations with law firms retained by banks, railroads, labor unions, and utility companies?

I want to emphasize that my thesis implies no criticism of any specific Senators or Members of the House. All are only doing what comes naturally. This is a matter of group behavior and not individual sin. The pattern has become accepted over the years. Most of our lawmakers are fundamentally honorable and trustworthy, but custom and habit apparently justify many contradictions. Although celebrated careers as Congressional investigators have been built by looking for flyspecks in governmental bureaus, our country's annals record few instances when conflict of interest ever was applied to a Senator or Representative.

In fact, Daniel Webster of Massachusetts has just been selected by a bipartisan Senate committee as one of the five greatest Senators of our history, to be heralded in a special portrait gallery at the Capitol. The choice of Senator Webster was recently eulogized on the floor of the Senate. But Webster once wrote to Nicholas Biddle, president of the controversial Bank of the United States: "I believe that my retainer has not been renewed or refreshed as usual. If it be wished that my relation to the bank should be continued, it may be well to send me the usual retainers."

This was conflict of interest with a vengeance—even at the point of blunt threats. The Bank of the United States was in need of a Federal charter at the moment. Yet Senator Webster has been chosen in our

own time as one of the Senate's immortals. Why, in view of this, should lesser legislators worry about owning sea vessels or acquiring radio and television outlets?

I am encouraged by the fact that I am by no means the only member of Congress troubled by the double standard surrounding the current crisis over conflict of interest. Senator Paul H. Douglas of Illinois has lamented many times that members of the House and Senate may accept valuable gifts or speaking fees which could be the downfall of a bureaucrat in one of the executive departments. Senators THOMAS C. HENNING, JR., of Missouri, and ALBERT GORE, of Tennessee, have sought to provide for closer scrutiny over funds spent for lobbying, influence-peddling, and other avenues to Congressional favor. And Representative THOMAS M. PELL, a Republican sent to the capital by the populous Seattle district, recently told his colleagues:

"I raise the question as to whether bankers should be on committees that consider matters of benefits to banks? Should members who own farms frame legislation to support the prices of crops they raise themselves? \* \* \* It is pretty obvious that if I owned an oil well, I should not be free to participate in setting the rates for depletion. Members of Congress have raised their eyebrows and also their voices, at times, over situations involving the ethics of members of the executive branch of Government. It seems to me the standard we have set for ourselves is not as high as the standard we have set for others."

As a member of the Senate Committee on Post Office and Civil Service, I have heard Presidential appointees to the Postal Department asked if they had any properties which might benefit from special classes of mailing rates. Of course, a conflict of interest was at stake in their replies. Yet, a good many members of Congress are engaged in daily or weekly newspaper publishing, and no question ever seems to be raised when they vote on the second-class mailing schedules that apply to newspapers.

I am the author of quite a few books, but I can participate without criticism in Senate discussions deciding the fate of the separate mailing rate for book publishers. As a Senator, I am free to file for a radio-station wave length, to bid on national forest timber or to prospect for minerals on Federal land. Yet, as a Presidential appointee to the agencies handling these matters, I would be forbidden under the conflict-of-interest statute from any such undertakings. Ironically, the Senate and the House form the supreme policymaking arm of our country, which sets the rules for all these responsibilities of Government, and many more, besides.

However, it is not even in this realm that I regard Congress as being the most paradoxically immune to the conflict-of-interest standards by which it measures Federal bureaus. I think the greatest degree of irony and contrast is to be found in the freedom of candidates for the Senate and House to collect huge campaign funds.

William S. White of the New York Times, author of the Senate analysis, *Citadel*, has written that it requires a \$200,000 exchequer to win election as a Senator in a state of small population and at least \$1,000,000 in a large industrial state. This, it seems to me, narrows to a reductio ad absurdum, spectacle of a Senate committee breaking a poor Presidential appointee on the wheel because he owns some General Motors stock or is married to a woman who manufactures military uniforms.

To begin with, I believe that the native integrity of the average human being is most jeopardized by favors he has accepted from somebody else rather than because of any holdings which have long been his own. Our political system being what it is, most suc-

cessful senatorial candidates take the oath of office after having received substantial benefactions from the political-action funds of labor organizations or from the owners of distilleries, sawmills, gas corporations, power companies, breweries, airlines, and mines.

If this is not conflict of interest, what is it? Such groups are as involved in legislation as was the Bank of the United States during Webster's era. Can it be that a Federal Communications Commissioner is susceptible to the loan of a color television set, but a Senator or Representative incurs no commensurate obligation because of a \$5,000 campaign contribution from a leading stockholder in a broadcasting chain?

What is the solution to all this? Must we continue standards of behavior for the executive and legislative branches of Government under which one is expected to observe anti-septic purity while the other may fare forth every 2 years in quest of campaign treasuries of ever-increasing size? It is estimated that all the major political contests of 1956 cost at least \$200 million for radio and television time, elaborate headquarters, paid managers and agents, signboards along miles and miles of trunk highways, and prodigious quantities of buttons, badges, balloons, and similar gadgets. This sum is sufficient to create more conflict-of-interest dilemmas than could be unearthed by Scotland Yard, the Royal Mounties, and the Federal Bureau of Investigation combined.

My recommendations for correction are these:

(1) The executive and legislative wings should be governed by conflict-of-interest laws as nearly similar as their differing structures and composition will permit.

(2) Neither administrative appointees nor Members of Congress should be required to divest themselves of their corporate holdings or other possessions. The mere public listing of these equities annually ought to be enough in a democracy to assure that such ownership will not be subject to abuse.

(3) This public listing should include a record of any speaking fees larger than \$100, of any travel reimbursement from private sources higher than this amount, of any gifts greater than this value except from members of one's own family.

(4) President Theodore Roosevelt's recommendation of 1907 should be put into effect, which would liberate political candidates from the necessity of raising large purses from private donors by authorizing the Federal Government to finance each major party with a contribution of 20 cents per voter in presidential years and of 15 cents in the off-year elections.

(5) Enforcement of these statutes should be removed as far as possible from politics, through a special nonpartisan agency in the Office of the Comptroller General, which would supervise all laws dealing with conflict-of-interest or corrupt practices.

(6) The net financial worth of a Federal administrator or Member of Congress should be disclosed at the start of his public career, in much the same manner as Adlai E. Stevenson revealed his holdings in the presidential campaign of 1952. I am convinced this kind of yearly accounting would do far more to curtail favoritism or pocketlining than any number of artificial limitations, such as forbidding a Secretary to own a sea vessel or trying to prevent a Senator from establishing a law-firm connection in his home State.

(7) Adequate provision should be made by the Government for the office expenses and travel needs of Members of Congress, so they will not be under compulsion to compete for questionable speaking fees and otherwise feel an urgency to augment their incomes. I know that many Senators exhaust their \$1,800 stationery allowance and \$300 fund for postage stamps long before

the year is ended. After that, these supplies are paid for by the Member himself. In addition, one round trip annually between the National Capital and a legislator's home State is rarely sufficient and plane or train fares across the continent to California, Oregon, or Nevada are expensive.

These proposals, in and of themselves, will not promote honesty in Government. The stain of corruption or careless ethics is not thus easily removed. Nor are rules ever a substitute for men and women of character and enduring integrity. But such a code would have the great virtue of placing the executive and legislative branches on the same moral footing. And one of its genuine additional benefits would be to provide for enforcement outside the ordinary political zones of Government. The Comptroller General is appointed for 15 years; that fact furnishes insulation from the hazards of each passing election.

Today, for example, we have statutes dealing with the disclosure of campaign contributors, but such laws are honored principally in the breach. My 1954 campaign in Oregon was comparatively underfinanced. My Republican adversary outspent me by at least 75 percent. I had not one billboard. I had a small 2-room office near the top of an unpretentious building, only two poorly paid employees and few printed brochures. My campaign had only limited television time—a few 1-minute spots and a single 15-minute program with my wife, who was a candidate for the legislature, on the night before the election.

Imagine my consternation, therefore, when I discovered that the senatorial contest in sparsely settled Oregon had reported a much larger expenditure to the Secretary of the Senate than extravagant campaigns in some of the States of greatest population. I decided, then and there, that few United States attorneys or attorneys general cared to invoke the rather ambiguous *Corrupt Practices Act* against United States Senators.

But until we end this double standard, until we make a Senator as scrupulous about conflict of interest as a Cabinet member must be, we shall merely be shadowboxing when we talk about coming to grips with shabbiness in Government. Nor will we be dealing fairly with Congress itself unless we promote affirmative and enlightened steps to free the average Senator or Representative from the humiliating necessity, every few years, of collecting a well-filled purse to finance his continuance in public office.

Mr. CLARK. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. CLARK. I should like to associate myself with the remarks of the distinguished senior Senator from Oregon. I wish to say that I should like to add my small amount of weight in urging our colleagues to pass such a bill. In my judgment the Members of Congress are in an untenable position when they talk about conflicts of interest among appointees to Federal agencies, while they deny complete access to their own finances.

Mr. MORSE. Mr. President, I wish to say to my friend, the Senator from Pennsylvania, that he is a most welcome partner in this cause of mine for full public disclosure. I have been pleading for it for a long time. I think I first introduced it in 1947.

Mr. LAUSCHE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. LAUSCHE. I desire to associate myself, also, with the declarations made by the senior Senator from Oregon [Mr.

MORSE]. I believe that Members of Congress are in an indefensible position when they batter and clobber the members of Federal commissions and agencies because of their holdings of what are supposed to be interests in certain enterprises, which holdings conflict with the just performance of their duty, while at the same time the Members of Congress vote on measures in which many of them have profound fiscal interests, separate from the general interest that a taxpayer has in such measures. I believe enactment of the proposal made by the Senator from Oregon would be healthy and wholesome for the people of the country.

Mr. MORSE. Mr. President, the Senator from Ohio honors me in joining me in what I consider to be this public-interest cause.

A year ago, I believe, I had a study made—and later this year I shall use it in the debate—of the number of times in the past 25 years when a Member of the United States Senate asked that he be excused from voting on a particular measure because in his opinion he had in the issue then pending a personal interest such that, in fact, he would have to be considered one who had at least a conflict of interest or one who would be guilty of a conflict of interest if he cast his vote on that measure.

Mr. DOUGLAS subsequently said: Mr. President, the junior Senator from Oregon [Mr. NEUBERGER] has an unerring capacity to identify basic moral issues and to uncover the self-righteousness with which we sometimes decry the weaknesses of others, while ignoring faults in ourselves.

He has written an article entitled "Who Polices the Policeman—Congress?" which appeared yesterday in the New York Times magazine, and which makes the unanswerable point that the problem of our own possible conflict of interest should be the concern of Members of Congress, along with such conflicts in the case of officers of executive agencies and departments.

Unless we reject the double standard under which we insist upon executive purity in matters in which we tolerate very different practices by ourselves, we shall weaken the confidence of the people in Congress.

For the wider considerations of the proposals of the Senator from Oregon [Mr. NEUBERGER] for dealing with this problem, I ask unanimous consent to have printed in the RECORD our colleague's thoughtful article.

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

Mr. DOUGLAS. I yield.

Mr. MORSE. I will say to my friend, the Senator from Illinois, I had already introduced into the RECORD today the article written by the junior Senator from Oregon [Mr. NEUBERGER], and I am glad the Senator from Illinois shares my opinion of the article. I would like to have the RECORD show that the Senator associates himself with my opinion on the article.

Mr. DOUGLAS. Mr. President, I do. I withdraw my request to have the article printed in my name, and ask that my

comments follow those of the senior Senator from Oregon. I thank the Senator from Oregon.

#### THE AL SARENA CASE

Mr. MORSE. I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, an editorial which was published in the Milwaukee Journal of February 16, 1958. I wish to commend highly the journalistic courage of the editors of the Milwaukee Journal for pressing for a further discussion of the scandalous situation which developed in this country, and which was such an issue in the 1956 campaign—both in my campaign and in the campaigns of others. I refer to what is known as the Al Sarena case.

The heading of the article is "Now, How Do You Like Giveaway of Your Timber?"

The editorial goes on to point out, as I did in the campaign, that the conduct of the administration in respect to the Al Sarena matter was naught but scandal. The editorial closes with the following statement:

The Eisenhower administration defends this as good business. It derided critics like the Journal who repeatedly called it a giveaway. The record speaks for itself. The Journal asserts again that the Al Sarena case was, and is, a scandalous giveaway of public timber under the shallow guise of granting mining rights.

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

#### Now, How Do You Like "GIVEAWAY" OF YOUR TIMBER?

The Al Sarena "giveaway" which made headlines a few years back is 4 years old this month. Taxpayers ought to be interested in how the gift that the administration made to private enterprise is turning out.

The history is this: The Al Sarena Mining Co. held claims on 475 acres of Government timberland in the Rogue River National Forest in Oregon. For years it tried to get Government permission to "mine" the land. The Government refused. Government assays showed that there were not minerals enough to justify mining. To pay off, ore must assay at a minimum of \$20 a ton. Government tests showed that the Al Sarena tract assayed "from \$7.50 a ton to zero." Government officials contended that Al Sarena had its eye on gold in timber—not in the ground.

Then came the present administration. Clarence Davis, Solicitor and later Under Secretary of the Interior Department, let Al Sarena pick its own assayer. He was in Alabama—hundreds of miles from Oregon. Davis accepted the company's assay, overruling Government assayers, the Bureau of Land Management, and the Forest Service. "Umpire" ore samples, taken from the tract and held by the Government, were dumped in the Rogue River by an Al Sarena and a Bureau of Mines engineer. Thus, they could not be rechecked if the assay was challenged.

Al Sarena got its patents (permission to mine), paying the Government \$5 an acre for the tract, or about \$2,375. Appraisers estimated that the timber on the tract alone was worth \$230,000 to \$650,000.

Has Al Sarena mined the tract? Well, just before the 1956 Oregon elections, when the giveaway was a big issue, miners appeared, all in costume and with tools. Pictures were taken of them on the tract and sent to news-

papers as proof that mining was going on. But did they mine or were they just plants?

The answer is this: There was no mining before 1955. And the regional forester of the United States Forest Service reported just last October that "to our knowledge, there has been no appreciable mining activity [on the Al Sarena tract] since 1955."

But there has been plenty of timber activity. The same regional forester reports that Al Sarena has taken 2,961,000 board-feet of timber from the tract through October 1957. Roughly, that's about \$200 an acre gross return on each \$5 of land investment—and in only 4 years and with the bulk of the timber still to be harvested. Any gold that was in the ground is still there. But the profit from the timber is in Al Sarena's pocket instead of the taxpayers'.

The Eisenhower administration defends this as good business. It derided critics like the Journal who repeatedly called it a giveaway. The record speaks for itself. The Journal asserts again that the Al Sarena case was and is a scandalous giveaway of public timber under the shallow guise of granting mining rights.

#### TEMPORARY INCREASE OF PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H. R. 9955) to provide for a temporary increase in the public-debt limit.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire to recommit the bill.

Mr. COTTON. Mr. President, I intend to take but a few moments of the time of the Senate. I have not had an opportunity, in my own time, to make plain and clear to the Senate the reasons for my motion to recommit the bill, which raises the ceiling on the national debt. I wish to make my reasons very plain.

I was very much interested in the statement of the able and distinguished junior Senator from Pennsylvania [Mr. CLARK] opposing the motion to recommit. Two matters which he mentioned impressed me very greatly, and I have much respect for him and for his opinion. One was the statement that he did not believe in any debt limit, anyway—any ceiling on the debt. The second was his statement in response to the question by the Senator from Oregon, when, if I understood him correctly, my friend from Pennsylvania said, "I want this ceiling raised so that the fact that we are close to the ceiling cannot be used as an excuse to deny appropriations for various causes," which he enumerated, and which I shall not enumerate, because I might misquote him, but which included aid to schools and various pump-priming projects which may be necessary and which he desires to have provided for.

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

Mr. COTTON. I yield.

Mr. CLARK. I should like to make a brief correction. I mentioned schools, roads, urban redevelopment, and slum clearance. I am sure the Senator will accept a correction in the statement which he has just made. Those are not pump-priming projects, but projects we have desperately needed for years, recession or no recession.

Mr. COTTON. I thank the Senator. I appreciate his correction. I will agree to withdraw my statement about pump priming, but I cannot agree with the Senator that, at this particular time, in this year of 1958, all the items he has named are more important to this country than its fiscal solvency, desirable and nice though such projects may be.

Mr. President, in making my motion to recommit, I desire to make it crystal clear that the Senator from New Hampshire does not question the judgment of the able Senators on the Finance Committee who have come to the conclusion that, in the interest of flexibility, and in order to administer the fiscal affairs of this Government, the debt ceiling must very likely be raised somewhat in the near future. I am ready to accept that statement.

Then it may be asked of me: "If you are ready to accept it, why do you try to delay? Why do you try to recommit the bill to the committee? If it is to be done next month, or months later, or this year, why not do it now?" That is the question I want to answer.

I am making the motion to recommit with the question of timing in mind, and timing alone. I wish to repeat to the Senate now, with all the emphasis at my command, what I said briefly in my colloquy with the distinguished Senator from Nevada [Mr. MALONE]. I think we are all agreed that the people of this country are concerned. I think we are all agreed that it is most necessary, at this time, for the safety, the security, and the prosperity of the country, to have the public confidence.

Mr. President, if we raise the debt ceiling before we have done anything else to relieve the financial pressure it will inevitably have a terrific impact on the thinking of the people. Experts may talk all they want to about flexibility; but the passage of the bill means that the first action of the Senate of the United States, in the second session of this Congress, in 1958, before it did anything about the postal deficit, before it did anything about the various Hoover reorganization bills which are waiting to come upon this floor, before it did anything about some of the subsidies we are paying, before it passed one single solitary bill designed to rehabilitate the fiscal condition of the Treasury, was to raise the debt limit. Shall we face these issues, or is this to be a business-as-usual, politics-as-usual, pork-barrel-as-usual session?

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

Mr. COTTON. I yield to the distinguished Senator from Michigan.

Mr. POTTER. I am interested in the point the distinguished Senator has made. Is there any reason why action on the bill before the Senate, to increase the debt limit, cannot be postponed until after the Congress has acted on various appropriation bills to come before it? Is there anything in our fiscal structure today that necessitates raising the debt limit at this particular time?

Mr. COTTON. I thank the Senator for his very timely question. I was just

about to reach that point. This is the answer to his question. First, I call attention to page 2 of the hearings of the committee, when the honorable Secretary of the Treasury outlined the fundamental reasons why the debt limit should be increased at this time. He said, as appears on page 2 of the hearings:

Before doing so, however, I want to emphasize again that the need at this time for a debt limit increase is based on:

1. The fact that cash balances have been running distressingly low, as I will show in detail later.

2. There is need for more flexibility for more efficient and economical management of the debt.

3. Even with a balanced budget there will still be large seasonal fluctuations in receipts which make operations under the \$275 billion limitation most difficult.

Then he went on to say, and I am giving the arguments for immediate action first:

Some part of the debt is coming due each month, so that at all times the Treasury is faced with substantial refunding problems.

He goes on to indicate the need for flexibility. I do not discount the need for flexibility, but I note that he does not say that we have today, or this week, reached the point where, in order to maintain the fiscal integrity of the Treasury, the debt ceiling must be increased without delay.

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

Mr. COTTON. I shall be glad to yield as soon as I have completed my quotation from the Secretary's statement, if the Senator does not mind.

Mr. BENNETT. I shall be happy to wait.

Mr. COTTON. I wish to refer to page 423 of the hearings. The distinguished chairman of the committee, the Senator from Virginia [Mr. BYRD] was questioning Mr. Brundage, of the Bureau of the Budget, as follows:

The CHAIRMAN. Do you think a tight debt limit is a deterrent to unnecessary spending or not?

Mr. BRUNDAGE. I think it is; yes.

The CHAIRMAN. You approve of it.

Mr. BRUNDAGE. I don't mind saying that a debt limit, I think, is a good thing.

The CHAIRMAN. There is not much reason to have a debt limit unless it is tight. You think it is a deterrent to unnecessary spending?

Mr. BRUNDAGE. I do.

Senator WILLIAMS. One proposal has been made that perhaps, even if we give the \$5 billion to the Department, that we put two termination dates on it, that we let \$2 billion expire February 1, 1959, and \$3 billion to expire as requested. What would you say to that? That would give the Congress a chance to reappraise it in January of next year, and would give us control over this to a greater extent.

Mr. BRUNDAGE. Well, I haven't discussed it with the Secretary of the Treasury, but I personally wouldn't think that would be an unreasonable way of handling it.

Senator WILLIAMS. Would you think it would be advisable for Congress to keep control in such a manner?

Mr. BRUNDAGE. You would then have been in session for another month, and this would give us the leeway through January 15, next year, which I think is desirable, and then, if the situation looked critical, the Department could come back again.

Later Mr. Brundage said:

Well, I think the tough periods are going to be January 15 and March 15, next year. So I don't think it would be any better.

He meant he did not see any improvement.

Making it a temporary extension, I think, is a good idea.

I should like to add one word, and then I will yield to the distinguished Senator.

Mr. Brundage subsequently supplied a statement for the record, because he said he wanted to confer with the Secretary of the Treasury. The statement was:

After discussing this proposal with the Secretary of the Treasury, I find that it would not cover the difficult time between February 1 and March 15 of next year.

Mr. President, I should like to make one point, and then I shall gladly yield to my colleague.

Mr. President, it seems crystal clear from the evidence that the need for an increase in the debt ceiling at this time is to furnish flexibility, or to provide a more economical financing of the debt. I grant that those are necessary and laudable motives.

It seems equally clear that the actual desperate need with respect to the ceiling on the debt will not come, according to the evidence of the Bureau of the Budget, until next year, if it comes at all. The Senate will be in session, and Congress will presumably be in session, until at least next August and can act then in plenty of time to meet the need without prejudging the matter today.

My point is that if we grant that the time is coming when there will be a need and we cannot go home without giving to the Secretary of the Treasury full elbowroom to conduct the necessary fiscal and financial operations of the Government, even if we concede that within the next 3 or 4 weeks or months it would be a good thing to increase the debt ceiling to give a flexibility in the financing of the debt as it becomes due, my point is still valid, that there is nothing so pressing on this particular day to call for such action, and nothing of sufficient value to be derived therefrom as to call upon us to sacrifice all that we will lose in the effect upon the American people by enacting the bill into law now, before we enact one single bill of the many we are contemplating in the interests of economy.

When a Senator stands on this floor, as a Senator did a few minutes ago, and says, "I want this action taken because I do not want the debt limit to be used as an excuse to say 'No' to urban development, to aid to education, or to various other projects" that in itself gives away the whole story, Mr. President.

I am suggesting that Senators should not refuse to vote to recommit the bill simply because we may have to pass the bill later this session, because the bill can be passed at any time very expeditiously. The bill has been passed by the House. The bill will be in the Committee on Finance, and it can be brought before the Senate and passed before night, any day.

Before this week is over we will have the opportunity to do something about the postal deficit. Certainly we can take some action on bills which are in committees which would put into effect the recommendations of the Hoover Commission, as to which the people of this country have a vital interest.

Action to increase the debt limit at present is ill timed. A vote in favor of the motion to recommit will simply have the effect of saying, "Let us wait and prove our good faith—the good faith of the Congress to the people of the United States that some affirmative acts of economy will be taken, rather than head the procession and cause headlines to be written saying that the first thing the Senate did was to increase the debt limit."

I apologize to my friend, the Senator from Utah, for making him wait so long. I am glad to yield to him now.

Mr. BENNETT. Mr. President, does the Senator from New Hampshire realize that since the hearings were held it has been necessary for the Treasury to sell \$100 million of the remaining \$500 million of free gold because its balances reached the point where the Treasury could not finance its daily operations without taking that rather drastic step?

Does the Senator also realize that between now and the time income taxes are received we are in fact in the period of greatest crisis, which is the period between now and March 15?

The chances are that the Treasury may have to sell a part if not all of the remaining free gold holdings under the present situation. I believe this is a time of crisis. I think this is a time when, in order to protect the credit of the Treasury and to give the Secretary an opportunity to carry out his responsibilities, we must afford relief in this tremendously tight situation.

Does my colleague feel, after the committee has heard testimony regarding this matter, and after the committee has decided that this is the time to take action, Senators should be asked to send the bill back to committee and put it on the shelf, so that the committee may bring it out in the next time of crisis? I think the time of crisis is now, and this is the time to vote on the bill.

Mr. COTTON. Mr. President, I may say to the very able Senator from Utah, who is an expert in these matters, and in whose judgment I have the very greatest confidence, that the Senator from New Hampshire will freely admit that the Senator from Utah and the other distinguished members of the Senate Committee on Finance undoubtedly understand the technicalities of the situation regarding the fiscal matters much more clearly than does the Senator from New Hampshire. However, I am suggesting as a practical matter to my friend, the Senator from Utah, that he should bear in mind the fact that there are many millions of people in the United States who have the same rather simple and direct approach, and the same limited intelligence that characterizes the junior Senator from New Hampshire, and that the impact upon the confidence of the people is a matter of vital importance.

I am willing to accept the word of the Director of the Bureau of the Budget that the critical time will not come for at least a few weeks. I accept the word of the Secretary of the Treasury that the reason for taking the action requested today is to provide for some flexibility in financing the debt.

I say, as I have said before, that I certainly will accept the word of my distinguished friend, the Senator from Utah, who has studied this matter so thoroughly, and I will accept his word now that perhaps within 3 weeks or a month such action should be taken, and that perhaps we may sacrifice some financial gain and suffer some financial loss by waiting.

Nevertheless, I adhere to the point, Mr. President, that we are dealing not only with cold, hard statistical facts, but we are dealing with the feelings and the confidence of the people of the United States. Nobody can make me believe that a debt ceiling does not have some effect on spending. To be sure, a debt ceiling does not control the Appropriations Committees of the two bodies of the Congress, but it certainly has a distinct effect on spending by Government agencies. I have not had 10 years of service in the Congress without becoming more and more convinced of that.

I say that no matter what we may gain in the next month, insofar as financial advantage is concerned, which the Senator from Utah is so well able to expound, the loss will be greater if we take such action today. If the Senate will only pass one, two, or three measures to show the people of the country that we mean business so far as economy is concerned, the situation will be different. If we take care of the postal deficit, if we take care of some of the Hoover Commission recommendations as to reorganization plans, or if we get the ball rolling for fiscal stability, then we can do what is necessary to be done without such an adverse psychological impact, which I for one feel will be very serious.

Several Senators addressed the Chair.

Mr. COTTON. I yield to the distinguished Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN of Pennsylvania. Mr. President, I appreciate very much the extremely fine statement made by the distinguished Senator from New Hampshire. I know the Senator is a very strong believer in sound fiscal policies. The Senator will agree, I feel sure, that there is nothing better, insofar as keeping the United States in good financial order is concerned, than to have smaller appropriations.

I want to ask the distinguished Senator if the size of the appropriations is not a matter in the hands of the Congress itself?

Mr. COTTON. Of course, the amount we appropriate is a matter in the hands of the Congress, but I am sure the Senator's memory goes back, as does mine, to the time when Congress appropriated various moneys and the President of the United States impounded them and did not spend them. The executive departments usually spend every cent we appropriate, but they do not have to spend every cent.

I agree with the distinguished Senator that the debt limit has no direct relation to the acts of the appropriating machinery of the Congress; but it has a very definite relationship to the spending of money by the executive departments. I am not suggesting that we starve the executive departments. I am not suggesting that we refuse to give them our confidence, or allow them the necessary flexibility. I am suggesting that the timing is bad. We have waited since the first of January until nearly the end of February. I am suggesting that I should like to see the Congress first do something to reassure the people of our intention to economize, before taking the proposed action.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator further yield?

Mr. COTTON. I gladly yield.

Mr. MARTIN of Pennsylvania. Does the distinguished Senator not feel that the statement made by the distinguished Senator from Utah [Mr. BENNETT] that we have already sold \$100 million worth of our free gold, and that it may be necessary to sell more of it in the very near future, will have such a disturbing effect on the American public that we shall have a more difficult time refinancing bonds as they become due?

Mr. COTTON. In answer to the Senator—and again I accept his judgment as being based upon much more experience in these matters than I have had—let me say that personally I do not question his statement about the sale of the free gold. I have not the slightest criticism of the Finance Committee, but gold was being sold while the Finance Committee had the bill before it for a month. I can understand the situation. However, I say honestly to my dear friend from Pennsylvania that when the people of the country pick up their newspapers tomorrow morning, I do not believe they will be half so much disturbed over the fact that some Member has stated on the floor of the Senate that we have sold some of our so-called free gold as they will be over the fact that we are raising the debt limit before doing a single one of the things we pledged ourselves to do toward economy. I think the people will be more disturbed over the fact that it has been stated on the floor of the Senate that the debt limit should be increased so that it cannot be used as an excuse to deny appropriations for new fields of spending during this year.

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

Mr. COTTON. I yield to the Senator from Michigan.

Mr. POTTER. The Senator may recall that last year or the previous year former Secretary of the Treasury Humphrey appealed to the Congress to increase the debt limit from \$275 billion to \$278 billion. If it had not been for the resistance of the senior Senator from Virginia [Mr. BYRD] and other members of the Finance Committee, an increase would probably have gone into effect at that time. The same arguments were made as to the chaotic conditions which would result unless the debt limit were increased. It was not increased, and we did not have the chaotic conditions which were predicted.

Mr. COTTON. That is exactly true. All the same arguments were made.

I repeat that I have rather carefully studied the evidence and the hearings. All I can find is that it would be to the fiscal advantage of the Treasury manipulations to have greater flexibility. I have found nothing to the effect that there is a desperate situation which requires us to act on the pending proposal before we act on any of the measures looking toward economy.

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

Mr. COTTON. I yield.

Mr. JAVITS. I appreciate the courtesy of my colleague from New Hampshire in yielding to me. I would not have interrupted my colleague except that I find my own views on the question of confidence diametrically opposed to his. I hope very much that he will comment on the question which I shall ask him.

I come from a great financial center, with which I am in very close touch. It is my deep conviction—and I shall address myself on the floor of the Senate to the bill when I have an opportunity to do so—that to fail to pass this measure today, and, instead, to adopt a motion to recommit the bill would be a shocking blow to the confidence of the people of the United States. I should like to give the Senator my reasons.

The people of the United States know that we are in an economic downturn, as well as a grave defense emergency. They want us to do something about it.

Before we can have bullets we must forge weapons. One of the weapons which we are informed by the administration itself is necessary is an increase in the debt ceiling. Therefore, it properly comes before we launch our offensive on the economic downcurrent, and on our position somewhat behind the Russians in missiles and rockets.

I have talked with a great many members of the financial community in New York, which is a pretty important community. If we fail to take the proposed action, we shall be guilty of causing the same thing that is happening in our economy generally.

I invite attention to the fact that our national income and our gross national product are at new all-time highs. The reason we are in an economic downturn is that industry has turned around in respect to its inventory position. For the third and fourth quarters of 1957 it was off by \$5,700 million.

When we come to replenish the United States inventory the only thing we have to deal with is money. With all due respect to my colleague, I think it would be a shocking blow to the confidence of the people of the country if we should fail to act when the administration urges us to act. Then I think it could be said that we were afraid of the economy and doubted the probity of the United States.

Mr. COTTON. I am very glad to receive the Senator's contribution.

It did not prove to be a shocking blow to the confidence of the people of the country when, upon a previous occasion, a request was before us to raise the debt ceiling and we delayed raising it. I am informed that the cash balance in the

Treasury as of today is \$2.95 billion, or almost \$3 billion. That does not mean that the same situation will prevail next month, or the month after that.

Moreover, let me say to the Senator that I do not want him to understand that my motion is predicated entirely on what the general public may think of it. It is predicated not only on the psychology of the people, but on the psychology of the Congress. It is true that the President asked to have the debt ceiling raised; but it is also true that again and again the President has asked for various economies. We are too much like little Johnny. We are ready to eat the ice cream and let the spinach wait.

I want to see something definite accomplished, rather than merely talked about, in the matter of availing ourselves of our resources and practicing economy.

On the question of forging weapons and bullets, let me say to the distinguished Senator from New York that for several years I served on the Appropriations Committee in the other body. I am entirely convinced that, with the appropriations which the Defense Department now has, if it will get down to brass tacks and eliminate duplications, and spend the money it has wisely, we shall have no need to worry very much about the money to take care of our weapons. We do not get well faster by giving a bonus to the doctor, or calling in three or four additional doctors. We can recover only just so fast. Science cannot be expedited entirely by so-called crash programs. When I am told that we must raise the debt ceiling, not tomorrow or next day, but today, because of bullets and weapons, that argument leaves me completely cold.

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

Mr. COTTON. I yield.

Mr. BENNETT. The Senator's argument is not nearly so convincing to me as this one—and I ask if my colleague does not agree with me:

The Secretary of the Treasury does not commit funds for expenditure for weapons, housing developments, or anything else. He has the responsibility of paying the bills when they are presented to him.

The bills which he must meet today represent obligations which were incurred months ago, or perhaps years ago. However, they become due today. Unless we give him some leeway in obtaining the money to meet the bills, it seems to me that we are putting the pressure on the wrong man. The Secretary of the Treasury should be placed in such a position that when the bills from last year are presented, he can pay them. The effect of putting him in a straitjacket is to make it very difficult to operate, making it necessary to spread out the payment of the bills.

We are told that there is a cash balance today of something over \$2 billion. There are spread all over the country small amounts in each of many banks. Because the Secretary of the Treasury has no way of knowing what bills may be presented tomorrow, he may be entirely out of cash tomorrow.

The Senator and I could not operate our personal affairs that close to the limit. The United States has a debt of \$275 billion, and is spending approximately \$300 million a day. The Secretary is asking that he may be sure of having 10 or 12 days of expense money in the bank when the bills come due. That is the reason why I believe the job must be done at this time, and that it will not do any good to postpone action until next week, because the same situation will exist then, and the same uncertainty will exist then. I hope we can straighten out the situation now.

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

Mr. COTTON. First I should like to reply to the question of the distinguished Senator from Utah. He asked me if I agreed that something should be done to enable the Treasury Department to meet its obligations in paying the debts contracted by the Government. Of course the answer is yes. However, Mr. President, the Secretary of the Treasury, so far as I can determine—and no one has pointed to a syllable which is contrary to what I have ascertained—has not said that that day has now been reached. I assume that the distinguished Senator from Utah recalls that the committee of which he is a distinguished member has had the debt ceiling bill under consideration for about a month. Hearings have been held, and every member of the committee—and all the members are very able members, and, I am sure, are thoroughly conversant with the situation—believes that no further hearings are necessary. Therefore, should the bill raising the debt ceiling be re-committed, and the Secretary of the Treasury should pick up his telephone and call up the Committee on Finance and say, "The day has come when we need the ceiling raised, because the Government's word is no longer any good, and we must have action now," I am sure we will have action. However, I say that what is proposed to be done here is to put the cart before the horse. I am sorry that we are put in the position of voting on the pending bill before we have had an opportunity to vote on one single item of economy.

I wish to say further that within a few days after we take this action the view will be taken in certain quarters downtown—because the bureaucrats are still there—that our action is a good excuse for spending. It will be taken as a relaxing on the part of Congress.

A committee on which I serve will report a bill enabling TVA to issue bonds. Why can we not start collecting some of the money we have invested in TVA? Why can we not begin liquidating some of our other obligations? Apparently we will not do that.

It is perfectly plain to me, although it has not been said, that one of the main reasons for passing the debt-raising bill at this time is to give leeway and latitude for operations in the nature of a pump-priming. So far as I am concerned, I want to say here and now that I am just as much opposed to the expenditure of money for pump-priming operations under a Republican administration as I

ever was under a Democratic administration. That will lead us straight down to a controlled economy, to price controls and wage controls, and similar controls.

I shall not take much more time of the Senate. The reason I have made my motion is not that I have no confidence in the judgment of the members of the Committee on Finance, and it is not that I deny the things that have been said so well by the distinguished Senator from Utah [Mr. BENNETT]; I am merely suggesting that we wait at least a few weeks to see if Congress will not let the American people realize that before we pass this bill we will have at least done something—if it is only to take some action about the postal deficit—in the interest of solvency.

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

Mr. COTTON. I yield.

Mr. CARLSON. The Senator from New Hampshire has referred to the financial condition of the Treasury on certain dates. He made a very fine statement in regard to the balances which are available, and the Senator from Utah [Mr. BENNETT] stated that those balances were scattered all over the United States. On December 31, 1957, our national debt was \$274.6 billion, which meant that the Secretary of the Treasury had a leeway of \$400 million. On January 27, 1958, the debt was \$274.5 billion. The Secretary of the Treasury had a leeway of half a billion dollars. I believe the Secretary testified that it had been even lower than that in January. The Secretary of the Treasury spends \$1½ billion every 5 days. He must meet the bills that come in. As the distinguished Senator from Utah has said, it is not the Secretary's fault. He wishes that he did not have to pay some of the bills, but he must pay them. The situation is so serious that I sincerely hope the bill will not be recommitted.

Mr. COTTON. Of course, when March 15 arrives and some money begins to flow back into the Treasury, the condition the Senator mentions will be changed, too. As one who has been fighting for months and years to do something to reduce the postal deficit, the Senator from Kansas will have an opportunity to act sometime this week. Many of us will help him.

Mr. LAUSCHE. Mr. President, will the Senator yield for a brief statement?

Mr. COTTON. If the Senator wishes, I shall yield the floor in a minute, after adding but one more sentence to what I have already said.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from New Hampshire yield the floor?

Mr. LAUSCHE. I should like to ask the Senator from New Hampshire a question before he yields the floor.

Mr. COTTON. I yield to the Senator from Ohio.

Mr. LAUSCHE. There has been some discussion between the Senator from New Hampshire and the Senator from Utah about the impact on the Treasury Department unless the \$5 billion authorization is made so far as the debt limit is concerned, and it has been said that that

impact would be fiscally adverse to the taxpayers. What would be the situation if the suggestion that was made by the distinguished senior Senator from Virginia [Mr. BYRD] were adopted? He suggested that, instead of authorizing a \$5 billion increase, the increase be limited to \$3 billion at this time. My question is, Would that not obviate the losses which the Senator from New Hampshire feels will be suffered and which the Senator from Utah described as being inevitable?

Mr. COTTON. I would say to the Senator from Ohio that the answer is "Yes." The Senator from New Hampshire would be very happy to have the opportunity to vote for an amendment increasing the debt limit by \$3 billion instead of \$5 billion. However, the Senator from New Hampshire realizes and believes, though he does not expect that he will prevail, that the time element is far more important than the amount. If we are going to increase the debt ceiling, I am not terribly concerned whether we make it \$5 billion. The point is that he will have to raise the ceiling. Certainly sometime soon it will be necessary to raise it anyway. I know this is beginning to look like a dog with a bone, and I have repeated myself so much that I am sure the Senate is tired of listening, but the point is that the motion to recommit is based purely on a question of timing; that we should wait and see if we cannot send out to the people of the United States the news that we have done something else before we have raised the debt ceiling and incurred more spending. I wish we could hold up the bill. I wish that during the 8 or 10 days or 2 weeks while we were holding it up we could see some of the Hoover reorganization bills acted on by the Senate.

I wish we could, at least, not be behind the procession. I wish that as the people look to us for the leadership which they have a right to expect, they could see that we are putting first things first. In my humble opinion, the first thing is honest-to-God, downright economy.

Mr. LAUSCHE. Mr. President, there has been some discussion this afternoon concerning the stability of our economic position in 1957 as compared with 1945. I shall point out the relative positions, fiscally, in 1940, 1945, and 1957.

In 1940, the gross national product was \$100 billion. The national debt was \$50 billion. That meant there was \$2 of product for every \$1 of debt. I have chosen 1940 because that was the year preceding World War II.

An emergency developed. Unprecedented spending became necessary.

Then came the end of the war, and we found ourselves in this relative position: The gross national product was \$213 billion. The national debt was \$278 billion. The debt was greater than the national product.

In 1957, the gross national product was \$433 billion. The gross national debt was \$275 billion.

The point I make is that, financially, the country is substantially worse now than it was in 1940. In 1940, for every

\$1 of debt there was \$2 of national product. In 1957, for every dollar of debt, there was about \$1.65 of national product. In 1957, for every dollar of debt, the gross national product should have been twice the debt, which would have been \$550 billion instead of \$433 billion to put that year in a position comparable to 1940.

It is essential that we take into consideration the fact that an emergency spending program had to be initiated to cope with the problems of World War II. It should have been anticipated that following that war, the debt would have been paid off. That should have been done so that now there would be some fat upon which to draw, not only to meet the world threat, but also to meet the recession from which we are suffering. Let us not lull ourselves into security by thinking that because the gross national product is \$433 billion we are better off than we were in 1940.

A word about the wisdom of having a debt limitation imposed upon the administration. In my judgment, the fact that there is a limit to the incurring of debt acts as a dissuading influence, not only upon the administration, but also upon Congress. If it does not, it should. If it does not, the evil of the situation lies upon the shoulders of those who occupy positions in Congress and in the administration.

In Ohio, debt cannot be incurred without the approval of the people. The experience has been that the law has worked wonderfully well. Industry is moving into Ohio. Ohio is in an excellent fiscal position. If there had not been a limitation upon the debt, I am quite certain that Ohio would not today occupy the economic position it does.

I shall not vote for the motion of the Senator from New Hampshire [Mr. COTTON], but I contemplate offering an amendment to conform with the judgment expressed by the senior Senator from Virginia [Mr. BYRD]. I have confidence in his knowledge of the facts, and I have confidence in his judgment.

May I ask the Senator from Virginia if it is not a fact that there were five votes in the committee in support of the proposal to authorize the raising of the debt limit by \$3 billion.

Mr. BYRD. The Senator from Ohio is correct. There were 10 votes for increasing the debt limit by \$5 billion; there were 5 votes for increasing it by \$3 billion.

Mr. President, the distinguished Senator from Pennsylvania [Mr. MARTIN], called attention to the fact that the report on the bill was made by the Senator from Virginia. That is correct. I submitted the report as chairman of the Committee on Finance. The report represents the action by the committee. But the Senator from Pennsylvania was not, I think, in the Chamber when I stated I did not favor the \$5 billion increase in the committee, and that I would favor a \$3 billion increase.

I shall not vote to recommit the bill to the committee, because I am the chairman of the committee, and for the committee I reported the bill. But I shall vote for the amendment which the

Senator from Ohio [Mr. LAUSCHE] intends to offer to reduce the amount from \$5 billion to \$3 billion.

When in the committee I submitted my amendment for a \$3 billion increase, I made a calculation, which I asked the Treasury either to confirm or deny. The calculation involved the use of the free gold held by the Treasury.

The Treasury Department estimated income from the use of this gold would be \$500 million.

When Mr. Humphrey became Secretary of the Treasury there was \$1 billion of this so-called free gold. He sold \$500 million of it.

It is now contemplated that the remainder of the gold will be used. The Secretary of the Treasury says there is no objection to this action.

I am very frank to say that in the Committee on Finance there was a difference of opinion as to whether the budget estimates of revenue will be accurate. The Treasury Department, for example, estimated there would be an increase in individual income taxes of approximately \$1,300,000,000 in the next fiscal year, as compared with the amount received in the last fiscal year.

The corporation income taxes were estimated at about the same amount as last year. The excise taxes were estimated to increase \$382 million—making a total increase in the revenue for the next fiscal year, as compared to that of this fiscal year, of more than \$1.6 billion. Upon that point was focused the attention of the committee.

I am confident—and I believe the other members of the committee who are now on the floor of the Senate will agree with me—that if the committee had been unanimous in the belief that the budget estimates would hold up, the committee would not have supported the proposed \$5 billion increase. But there was a difference of opinion.

However, the Treasury still stands on these estimates of revenue. Sitting next to me is a representative of the Treasury; and the Treasury still says the estimates stand unchanged.

I felt that as a Senator, I could base my conclusions only upon information furnished by the Treasury Department as of the date when the committee acted. My calculation is set forth on page 21 of the report, if Senators desire to examine it. It will show that by authorizing an additional \$3 billion in the debt limit and by using the free gold in the amount of \$500 million, there would be substantial leeway throughout the 2 years involved. For example, on March 31 there would be \$11,600,000,000; on April 15, \$10 billion; and so forth. The lowest amount which would be available as leeway throughout the remainder of this fiscal year and next would be approximately \$5 billion, and it would reach a high point of approximately \$12 billion.

I respect the opinion of the members of the Senate Finance Committee who voted against my amendment offered in committee to authorize a \$3 billion increase instead of the proposed \$5 billion increase. They were convinced—as they will state, no doubt—that the estimates of revenue are too high.

I wish to say a word about the value of a tight debt limit. Members of the Senate will recall that when Mr. Humphrey became Secretary of the Treasury—and he is one of the ablest men with whom I have ever come in contact—the House passed a measure permanently increasing the debt limit from \$275 billion to \$290 billion—a \$15 billion increase.

That proposal came to the Senate, and was referred to the Senate Finance Committee. After careful consideration—although Mr. Humphrey testified that unless that increase in the debt limit were authorized there would be a panic, and the Government could not pay its bills—the Senate Finance Committee completely rejected the recommendation for a \$15 billion increase; and for 1 year the Treasury operated on the basis of the then existing debt limit of \$275 billion. Then Mr. Humphrey, the following year, requested a \$9 billion increase, and a \$6 billion increase was granted, for 1 year. This was continued for another year. Last year the temporary increase was \$3 billion, and this expired last June 30. At that time, neither Mr. Humphrey nor Mr. Anderson requested an increase in the debt limit.

Mr. President, ordinarily the debt limit would not be of such great importance; but at the present time we have a debt of \$275 billion, and we cannot continue to pile deficit upon deficit. The debt limit is certainly a restraining influence upon the executive agencies of the Government, and even upon the Congress itself.

I believe we recognize that Congress has virtually lost control of the finances of the Government. Last year the Congress reduced the appropriations by more than \$5 billion; yet the expenditure estimates as fixed by the executive branch of the Government, were increased \$200 million more even before the first sputnik. That shows that the reductions made by the Congress in the appropriations are not always translated into expenditure reductions. Unexpended balances are used.

The unexpended balances now amount to approximately \$70 billion. So the Congress could continue to reduce the appropriations for some years to come—in fact, for a good many years to come—but still there would be unexpended balances which could be used.

For that reason, Mr. President, I offered the amendment.

Although this debt ceiling will be a fairly tight one—and Mr. Anderson has agreed that there should be a tight debt ceiling; and the Director of the Bureau of the Budget has testified that he believed a tight debt ceiling would be advisable—I am convinced that unless there is a great error in these estimates of revenue which the Treasury says as of today are correct; the Treasury does not refer to the situation as of last November, but refers to the situation as of today—a \$3 billion increase in the debt ceiling will be adequate, and will serve as a deterrent to unnecessary spending.

For that reason, Mr. President, I offered the amendment in the committee. The committee gave it the fullest con-

sideration. I have the greatest confidence in the members of the Senate Finance Committee. They do their duty in a way that appears to them to be right and proper, and I have no criticism.

But I still believe that if Senators will examine page 21 of the hearings—and the figures set forth have not been challenged by the Treasury—and if Senators will study the figures as to the leeway, there will be no question regarding the point I have made.

Mr. SALTONSTALL. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD. I yield.

Mr. SALTONSTALL. Will the Senator from Virginia explain further about the \$500 million of unused gold surplus which he says should not be in the Treasury?

Mr. BYRD. I do not think that there is any objection to it. It has been there for years.

Mr. SALTONSTALL. Does the Senator from Virginia mean it is simply a cash balance?

Mr. BYRD. No; it is actually gold, but it might be regarded as a Treasury asset. The gold can be used by the Treasury Department whenever it desires and the proceeds can be added to the cash balances which are available.

Mr. SALTONSTALL. In other words, the \$500 million in gold is simply kept in the Treasury, and is not considered in connection with the question of whether there should be an increase in the debt limit; is that correct?

Mr. BYRD. No; it is gold which can be exchanged for cash, through the Federal Reserve; \$100 million of it was used the other day, so the remainder is now actually \$400 million.

I do not say it is undesirable to have it there; but I say there is no necessity to hold this gold, which is entirely separate from the other gold.

Mr. SALTONSTALL. In other words, it should be used, should it?

Mr. BYRD. My point is that by using the gold, we would avoid paying interest on money which otherwise would have to be borrowed. Neither Mr. Humphrey nor Mr. Anderson made any objection to using the gold.

Mr. BARRETT. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD. I yield.

Mr. BARRETT. I am somewhat impressed by the Senator's argument about the \$3 billion. But upon looking over his own figures, it seems to me we would not need the \$400 million which could be obtained by selling the gold.

Mr. BYRD. It would simply be discretionary. The Secretary of the Treasury would not have to use the gold if it was not required.

Mr. BARRETT. The Secretary of the Treasury has such authority at the present time, does he?

Mr. BYRD. Yes.

Mr. BARRETT. So the Senator from Virginia did not mean to include in the amendment a provision in regard to the \$400 million of gold, did he?

Mr. BYRD. Oh, no. The fact is that the Secretary of the Treasury has such authority today.

Mr. BARRETT. I thank the Senator from Virginia; I think that is much better.

Mr. KERR. Mr. President, I appreciate what the distinguished chairman of the Finance Committee has said. As I understood him, he said he would not vote to have the bill recommitted.

The Finance Committee had the bill for nearly a month. The committee held hearings on the bill, which were about as extensive as any which have been held on a bill of comparable merit and importance since I have been a member of the committee.

In the committee, we had extended hearings and extended discussions, following which the bill was voted to be reported to the Senate in the form in which it had been passed by the House of Representatives. That was ordered on the basis of a vote of 10 to 5 in the committee.

The bill was reported to the Senate in exactly the form in which it was sent to the Congress by the distinguished Secretary of the Treasury, Mr. Anderson. In my judgment, he made a complete justification for the bill.

I did not feel that his predecessor had made a justification for the very large increase he requested in the public debt limit immediately upon his taking that office. I think the present Secretary of the Treasury has demonstrated in many ways his very fine ability to handle the job.

An argument which he made to the committee which was especially impressive upon me was that this additional leeway in the national debt limit would enable the Secretary of the Treasury to save the Treasury of the United States substantial sums of money in the form of interest on the public debt.

Many had become aware that as of about the end of last November money had become so tight and credit so difficult and interest rates so high that the Treasury was selling its 90-day bills at the rate of nearly 3¼ percent—almost like attaching a 4 percent coupon.

I congratulate the present Secretary of the Treasury for what I believe to be his leadership in bringing about a sufficient change in the fiscal policies controlling our debt management and monetary control program that, in a period of 90 days, he had been able to secure a rate of less than 1.60 on 90-day bills.

I do not know yet what the Treasury had to pay on the bills it sold today, but I am sure it was well under the very high figure it reached at its peak. In my judgment, Mr. Anderson made a complete justification for the increase in the debt limit on the basis of what the Government can save in the way of interest charged on the public debt.

I am not one who has made overly zealous effort to find a basis for agreement with the policies of the present administration, but I certainly felt the Secretary of the Treasury made a justification for his position. I remind Senators that, in my judgment, he was laboring under very difficult circumstances. He was in the posture of there being before the Finance Committee a forecast that there would be a \$500 million surplus in

fiscal 1959. I do not think there will be a \$500 million surplus in fiscal 1959. I do not think there is a Senator on this floor who believes that there will be a surplus of \$100 million in fiscal 1959.

The distinguished chairman of the committee took the position that he was justified in accepting the forecast of the President of the United States. I have the greatest respect for him in reaching that conclusion, but my observations of the fiscal forecasts of the President of the United States have not enabled me to reach a similar conclusion. I remind Senators that in the fiscal forecasts was one that there would be approximately \$2 billion additional or increased revenue in fiscal 1959 over fiscal 1958. I would have to be far more optimistic in the expectation of an economic upturn than even has been the President of the United States to feel justified in forecasting a \$2 billion increase in revenues in fiscal 1959 over fiscal 1958. I do not think there is a Senator on this floor who thinks that fiscal 1959 will show a \$100 million increase over fiscal 1958. In order to reach that fiscal forecast, the President in his budget message assumed Congress will reduce its nondefense expenditures approximately \$2 billion in fiscal 1959 as compared with fiscal 1958. In order for that to become reality, it will have to be done by the Members of this body, the Members of the House of Representatives concurring. I do not believe the Congress is going to reduce nondefense expenditures by \$2 billion in fiscal 1959 as compared with fiscal 1958.

If Senators will permit me to indulge in a forecast on an assumption which I believe to be justified and valid, it is that there will be no increase in revenues in fiscal 1959, and that there will be no substantial decrease, if any, in nondefense appropriations in fiscal 1959 as compared with fiscal 1958.

If Senators will join me in that conclusion, then they can understand that there is, in addition to the considerations on which the Secretary of the Treasury felt justified in asking for a \$5 billion increase, an additional \$4 billion justification for his request, because the request was based on the assumption that there would be \$2 billion more money in revenue and that there would be \$2 billion less money spent. If Senators will agree that the Treasury will collect no more money and that we shall not spend less, then they can understand why the Finance Committee, even without the concurrence of our distinguished chairman, for whom we have the greatest respect and affection, brought to this floor the bill as it had been passed by the House and as it had been urged by the administration.

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

Mr. KERR. I am glad to yield to the Senator from Louisiana.

Mr. LONG. I wonder if the Senator agrees with me that all we would accomplish by turning down the administration's request at this time would be to put pressure on the administration to cut down defense expenditures at a time when there is no good reason to cut down such expenditures, and put pres-

sure on the administration to reduce expenditures for roads, flood control, and navigation, at a time when there is no good reason for cutting down such expenditures.

Mr. KERR. I think the Senator is eminently correct. In addition, I further point out that the Secretary of the Treasury is, in my judgment, trying to do everything he can to bring down interest rates on the public debt.

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

Mr. KERR. I yield to the Senator from New York.

Mr. JAVITS. I do not know whether the Senator was in the Chamber when I engaged in the colloquy with my friend from New Hampshire on the matter of confidence. It is my view that failure to increase the debt limit would be a blow to confidence on the part of those in the country who think we must act. Therefore, favorable action on the bill would be one added reason for having confidence in the determination of the Government to do what was needed, both in respect of defense and economics, which is the concrete basis for anything else we want to do. I would deeply appreciate the Senator's view on that question.

Mr. KERR. Mr. President, I think that a realistic appraisal of the situation will convince Senators that if we are to make an effort in terms of similar appropriations for fiscal 1959 to those which prevailed in fiscal 1958, and if we are to provide increased appropriations for defense, in accordance with what I believe to be the conviction of Senators as to our necessities, we must be aware that with the same amount of tax collections as we now have coming into the Treasury we are going to require greater leeway in the amount of permissible public debt. Certainly I think the people of the country will regard our action with more respect and greater confidence, and as being more consistent with what we recognize to be our necessities, if we go about our business and pass the bill as it was reported to the Senate. We should not go through with what I believe to be actions which in my judgment would not be effective, because I think we would only postpone an action which all considerations persuade us needs to be taken and taken now.

Mr. JAVITS. I thank the Senator.

If the Senator will yield for one further point, I deeply appreciate the Senator's comment, and I desire to state that I have had the figures checked in regard to what really counts with a businessman. I know the Senator is a distinguished businessman himself. I refer to figures stating what we owe compared with what we have.

It appears that in 1946 the relationship of our national debt to our gross national product, or our national income, or whatever one wishes to call it, was roughly 124 percent, as compared with a standard today of just half that, or roughly 66 percent. In short, we have twice as much availability of coverage for our debt today as we had in 1946.

I deeply appreciate the Senator's comments, and I should like to ask the Senator to comment as to what those figures

mean in terms of our capability to meet the exigencies now, and our willingness to meet them.

Mr. KERR. I was interested in the remark of the distinguished Senator from Ohio [Mr. LAUSCHE], who I believe either misstated his conclusion, or arrived at an erroneous conclusion, when he said that our dollars of debt as of today as compared to our national product are in an unfavorable relationship as compared to 1946.

Mr. LAUSCHE. Nineteen hundred and forty.

Mr. KERR. And 1946. I believe the Senator referred to that year. I am quite certain that the Senator, if he will refer to his remarks, will find he referred to the national product and national debt in 1940, the national product and national debt in 1945, and the national product and national debt in 1957, and in each instance he gave the figures on the national debt and the gross national product.

Mr. LAUSCHE. That is correct, yes. In 1940 for every \$2 of national product we had a dollar of debt.

Mr. KERR. I wonder if the Senator means national income, or gross national product.

Mr. LAUSCHE. Gross national product is what I said.

Mr. KERR. There is some difference, as I am sure the Senator is aware.

Mr. LAUSCHE. Yes. The figures which I gave were given to me by the Assistant to the Secretary of the Treasury.

Mr. KERR. But they were given to the Senator as figures on national debt and gross national product.

Mr. LAUSCHE. Yes, gross national product.

Mr. KERR. Gross national product, yes.

Mr. LAUSCHE. That is the figure I used.

Mr. KERR. Correct. However, I thought the Senator identified the figures as the national debt and the national income in his statement.

Mr. LAUSCHE. No; I said gross national product.

Mr. KERR. Then I misunderstood the Senator.

Mr. LAUSCHE. May I repeat? The figures which I gave were those which were given to me by the Assistant to the Secretary of the Treasury, and they show that as of 1940 we had \$2 of gross national product for every dollar of debt.

Mr. KERR. What were the figures in 1946?

Mr. LAUSCHE. I can give the Senator the figures.

Mr. KERR. In 1946 I believe the national debt—

Mr. LAUSCHE. I will give the Senator the figures. In 1940 there was a gross national product of \$100 billion—

Mr. KERR. One hundred billion?

Mr. LAUSCHE. The gross national product was \$100 billion. The national debt was \$50 billion. Therefore, for every dollar of national debt we had \$2 of gross national product.

In 1945 the gross national product was \$213 billion and the national debt was \$278 billion. We had less gross national

product than we had national debt in that year.

Mr. KERR. Will the Senator give the figures again?

Mr. LAUSCHE. In 1945 the gross national product was \$213 billion as compared to \$278 billion in national debt. In 1957 the gross national product was \$433 billion, as compared to \$275 billion of national debt.

The point I desired to make was that to have been in equal strength fiscally in 1957, compared to the fiscal strength in 1940, our gross national product should have been \$550 billion as compared to \$275 billion of national debt. However, instead of having a gross national product of \$550 billion, we had a gross national product of only \$433 billion. The proportion was \$1.65 of gross national product for every dollar of national debt. In 1940 the comparison was \$2 of gross national product for every dollar of national debt.

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

Mr. KERR. I wish to answer the other question first.

I will say to my good friend the Senator from Ohio that we are aware of the fact that 1945 was a year in the midst of a war.

I must say, as has been suggested by the Senator from New York [Mr. JAVITS], that the Senator from Oklahoma takes a great deal of comfort in the knowledge that so improved is our economy today and so dynamic has been its progress that although our gross national product of 1945 was less than our national debt, as of 1957 the situation has improved to the point where the relationship is four-hundred-and-thirty-billion-odd dollars of gross national product compared to \$275 billion of national debt.

I agree with the Senator from New York that such a relationship is ample justification for the great confidence of all Americans in the dynamics of our economy.

I am not one who believes that we are within three or five billion dollars of the limit of what we are able to provide. I believe one of the most vociferous charges made against our country by the men in the Kremlin has been that the United States, with its system of capitalism, cannot afford to pay for its national defense requirements and at the same time spend the money necessary for the development of its natural resources and the progress of its economy.

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

Mr. KERR. I am one who believes that we are amply able to finance the required defense of our country, and at the same time develop our natural resources and move forward in a steadily improving and increasing tempo of progress and growth.

I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I read in the newspapers last December that the Treasury was running out of funds, and that it had FNMA borrow some money on its own account, which ultimately cost the Federal Government more in interest rates than would have been the

case if the Treasury had borrowed direct. But the Treasury could not borrow direct, because it had reached the debt limit, so it had some of the outside agencies borrow, and in that way we were able to keep going in respect to our cash position, and pay our bills. Is that true?

Mr. KERR. That is true.

Mr. SALTONSTALL. So, if we increase the debt limit by \$5 billion, we shall, in the opinion of the majority of the members of the Finance Committee, based upon the knowledge they have, allow a little leeway, so that the Treasury can borrow funds next November or December, if it is necessary to do so. It does not have to use all the debt limit. We must rely on the Secretary of the Treasury not to use it if he does not need it.

Mr. KERR. I do not believe the present Secretary of the Treasury would use the authority unless he had to do so.

Mr. SALTONSTALL. I would expect him not to do so.

Mr. KERR. My confidence in him is such that I think he was sincere in telling us what he needed to meet his requirements, and to enable him to make a saving in interest on the public debt.

As I understand, as of last Monday Treasury bills brought 1.73. I believe that before the end of the week they were selling on the basis of 1.21. When we remember that only 3 months ago the Treasury Department was having to pay 3.76, we become aware of the really substantial sums the Secretary could save in interest on the public debt. When he tells us that he needs this additional leeway to enable him to handle his re-financing and his commitments in connection with the tremendous load of debt, it seems to me the least we should do would be to give him such authority, believing, first, that he needs it, and second, that he will not abuse the authority if we give it to him.

Mr. SALTONSTALL. My purpose in asking the question was to try to clarify in my own mind the situation as I understood it last December. The same situation might occur again next December, if we limit to too great an extent the direct borrowing by the Treasury, which presumably can be done at a lower rate than borrowing by some Government corporation. It is wiser to give additional leeway to the Secretary of the Treasury, rather than to force him to have some other Government agency borrow the money at higher interest rates, in order to keep the cash balance in the Treasury in a satisfactory condition.

Mr. KERR. In order to avoid exceeding the statutory limit.

Mr. SALTONSTALL. That is what I meant.

Mr. KERR. I remind the distinguished Senator that our grant to the Secretary of this additional authority would not, of itself, prevent the sale of additional securities by FNMA.

Mr. SALTONSTALL. I understand that.

Mr. KERR. However, in my judgment, the only way FNMA could obtain funds at the time to which the Senator

has referred was by selling its own securities at a higher rate of interest, because the debt ceiling then in effect was such that the Secretary of the Treasury could not furnish money to FNMA out of his own revenues and meet his other obligations.

Mr. SALTONSTALL. Ultimately the Government was forced to pay 1 percent interest more than would have been necessary if the money had been borrowed directly through the Treasury.

Mr. KERR. The Senator is correct. So far as I know the \$500 million in free gold which the present Secretary had when he went into office was all the free gold the Treasury of the United States had. It seems to me that I detected quite a note of discouragement in his voice when he responded to the questions asked him at the meeting of the Finance Committee, as to whether or not he could sell that \$500 million of free gold. Yes; he could. However, the Senator from Oklahoma hopes that the Secretary will not wake up some morning and find that he can pay the obligations of the United States Treasury, entered into in good faith with its citizens, and due for payment, only by selling the last ounce of free gold owned by the Treasury of the United States.

I hope the Congress will not place the Secretary in such unhappy circumstances.

Mr. KNOWLAND. Mr. President, I wish to speak for only a moment in support of the report of the Senate Committee on Finance.

That report represents the position of the President of the United States, and the position of the Secretary of the Treasury. I know, from personal conversations with the Secretary of the Treasury, that he feels that this bill, which passed the House of Representatives by an overwhelming vote, and has been reported by a 2 to 1 vote from the Senate Committee on Finance, is essential to the proper fiscal management of the Government of the United States. This is the administration's position; and for the reasons which have been stated in the committee report and on the floor, I hope the motion to recommit will be defeated, and that the bill as reported by the Finance Committee will be passed by the Senate.

Mr. JAVITS. Mr. President, I shall take only a moment of the time of the Senate.

I have previously made the point that I think the defeat of the motion to recommit, and the enactment of the bill, are essential to confidence. I come from a great center of trade and commerce. It is my deep conviction that our economic downturn is the result of the hesitancy of confidence on the part of those who are largely responsible for management decisions in our country.

That is pointed out by today's figures, which show that today's downturn is really an inventory phenomenon.

I believe that the proposed action represents an expression of confidence by the United States Congress in our country. I believe the most important figures before us today—and the only reason for taking the time of the Senate now is to

place them in the RECORD—are figures representing a comparison between the debt and what we had in terms of productive capacity.

I ask unanimous consent to have printed in the RECORD at this point as

part of my remarks a table entitled, "Trends in Gross Public and Private Debt, 1946-56."

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

APPENDIX B.—Trends in gross public and private debt, 1946-56

(Dollar amounts in billions)

	Debt outstanding			Gross national product during calendar year	Debt outstanding as a percent of gross national product		
	Federal <sup>1</sup>	Private and State and local	Total		Federal <sup>1</sup>	Private and State and local	Total
Dec. 31, 1946	\$259.5	\$187.1	\$446.6	\$209.2	124.0	89.4	213.5
Dec. 31, 1947	257.0	217.0	474.0	232.2	110.7	93.5	204.1
Dec. 31, 1948	252.9	242.5	495.4	257.3	98.3	94.2	192.5
Dec. 31, 1949	257.2	256.3	513.5	257.3	100.0	99.6	199.6
Dec. 31, 1950	256.7	302.5	559.2	285.1	90.0	106.1	196.1
Dec. 31, 1951	259.5	339.6	599.1	328.2	79.1	103.5	182.5
Dec. 31, 1952	267.4	369.6	637.0	345.4	77.4	107.0	184.4
Dec. 31, 1953	275.2	397.9	673.1	363.2	75.8	109.6	185.3
Dec. 31, 1954	278.8	416.2	695.0	361.2	77.2	115.2	192.4
Dec. 31, 1955	280.8	469.3	750.1	391.7	71.7	119.8	191.5
Dec. 31, 1956	276.7	506.8	783.5	414.7	66.7	122.2	188.9

<sup>1</sup> Gross public debt and guaranteed issues.

Source: Office of the Secretary of the Treasury, Nov. 7, 1957.

Mr. JAVITS. The figures show that from 1946 to 1956, the percentage which our Federal debt bore to our gross national product was reduced by approximately 50 percent—from 124 percent to 66.7 percent. Incidentally, the figure I have mentioned is the lowest since the end of World War II.

I point out that in 1949, when we had, roughly, the same number of unemployed, a little more than 4 million, the percentage of national debt as compared to gross national product was exactly 100, whereas today it has been reduced by one-third.

There is one further consideration which I think is important, and that is that the percentage which the overall debt of the entire country—Federal, State, local, and private—bears to the gross national product of the country is very close to its postwar low. It stands at 188.9 percent. The only time it was lower was in 1951, when it was 182 percent.

It seems to me that this move demonstrates the strong financial position of the United States, and the fact that the Congress of the United States can today submit to a vote of confidence in the country, just as it is asking our citizens everywhere to vindicate our confidence in the economy.

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

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

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit made by the Senator from New Hampshire [Mr. Cotton]. On this

question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from Florida [Mr. HOLLAND] is absent by leave of the Senate.

I further announce that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Florida [Mr. HOLLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from North Carolina [Mr. SCOTT] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent on official business for the Committee on Armed Services.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

The result was announced—yeas 12, nays 74, as follows:

YEAS—12

Cotton	Langer	Potter
Goldwater	Malone	Russell
Hruska	McClellan	Talmadge
Jenner	McNamara	Thurmond

NAYS—74

Alken	Byrd	Clark
Allott	Capehart	Cooper
Barrett	Carlson	Curtis
Beall	Carroll	Dirksen
Bennett	Case, N. J.	Douglas
Bible	Case, S. Dak.	Dworshak
Bricker	Chavez	Eastland
Bush	Church	Ellender

Ervin	Knowland	Purtell
Frear	Kuchel	Revercomb
Fulbright	Lausche	Robertson
Gore	Long	Saltonstall
Green	Magnuson	Schoeppel
Hayden	Mansfield	Smathers
Hennings	Martin, Iowa	Smith, Maine
Hickenlooper	Martin, Pa.	Sparkman
Hill	Monroney	Stennis
Hoblitzell	Morse	Symington
Humphrey	Morton	Thye
Ives	Mundt	Watkins
Jackson	Murray	Wiley
Javits	Neuberger	Williams
Johnson, Tex.	Pastore	Yarborough
Kefauver	Payne	Young
Kerr	Proxmire	

## NOT VOTING—10

Anderson	Holland	Scott
Bridges	Johnston, S. C.	Smith, N. J.
Butler	Kennedy	
Flanders	O'Mahoney	

So the motion to recommit was rejected.

Mr. LAUSCHE. Mr. President, I offer an amendment to H. R. 9955, on page 1, line 7, to strike out "\$5,000,000,000" and insert in lieu thereof "\$3,000,000,000".

On this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to strike out "\$5,000,000,000" and insert in lieu thereof "\$3,000,000,000".

The PRESIDING OFFICER. On this amendment, the yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. MONRONEY obtained the floor.

Mr. LAUSCHE. Mr. President, may we have another show of hands on my request for the yeas and nays on my amendment?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield for that purpose?

Mr. MONRONEY. I shall be happy to yield to my distinguished colleague for such a request, if it is within the rules to ask for the yeas and nays again.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio? The Chair hears none. On the second request of the Senator from Ohio for the yeas and nays, is there a sufficient second?

The yeas and nays were ordered.

## PROPOSED INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. MONRONEY. Mr. President, I submit for appropriate reference a resolution, and I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the resolution (S. Res. 264) was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

*Resolved*, That, recognizing the desirability of promoting a greater degree of international development by means of multilateral loans based on sound economic principles, rather than a system of unilateral grants or loans, it is the sense of the Senate that consideration should be given to the establishment of an International Development Association, in cooperation with the

International Bank for Reconstruction and Development.

In order to achieve greater international trade, development, and economic well-being, such an agency should promote the following objectives:

1. Provide long-term loans available at a low rate of interest and repayable in local currencies to supplement World Bank loans and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

2. Permit maximum use of foreign currencies available to the United States through the sale of agricultural surpluses and through other programs by devoting a portion of these currencies to such loans.

3. Insure that funds necessary for international economic development can be made available by a process which eliminates any possible implications of interference with national sovereignty.

It is further the sense of the Senate that as a part of the United States economic aid program funds be subscribed to the capital stock of the International Development Association in cooperation with investments made by other participating countries.

Mr. MONRONEY. Mr. President, the resolution I have submitted would put the Senate on record as favoring a greater degree of international development by means of multilateral loans based on sound economic principles, rather than on a system of unilateral grants or loans. In this regard, it recommends that consideration be given to the establishment of an International Development Association, in cooperation with the International Bank for Reconstruction and Development.

In my judgment the United States must avoid the folly of rigid fixation on policies once valid but no longer effective. The world is not a static, unchanging picture. It is more like a growing family, with maturing and improving standards of knowledge and economic status, and with members desirous of achieving a rising standard of living through economic independence.

New challenges, such as those of Russia in the international development arena, should be met with better ideas, ideals, and plans.

If we insist on retreading badly worn Democratic tires, good in their day, but now worn down to the fabric, our foreign-aid program will be broken down while the world passes us by. A continuation of propaganda-inspired growing antagonisms, summed up in such disrespectful tags as Uncle Sugar, Uncle Shylock, and even Uncle Sap, must cease. But they will not be stopped by recalcitrant attitudes of a barren, holier-than-thou, false morality.

The Russians have started an intense economic offensive by offering loans for development purposes that are a better deal than ours. We can best meet this challenge by taking a lead in creating an international program of multilateral loans for economic development, mixing dollars and foreign local currencies.

The United States took the lead in helping to establish the International Bank for Reconstruction and Development, which has financed the construction of many worthwhile development projects. However, the World Bank cannot, over the 20-year term required by it, make project loans which might

be good, but would be impossible of repayment in dollars or other hard currencies. Therein lies our opportunity.

Nor can we rely on unilateral grants and gifts to promote the risky but valuable projects. Times have changed. The free and uncommitted nations of the world now want progress on a basis of self-respect and equality. There is no longer any place for anything that even implies a handout.

We need to help set up a system of multilateral loans which can be made on a completely self-respecting basis. We must eliminate as quickly as possible the type of aid which, despite our honest intention, has been the subject of Communist propaganda which labels it not only as a charity program, but also as Uncle Sam's efforts to subvert the recipient nations. These untrue allegations that our aid implies a superior-inferior relationship with the receiving countries, have, in many cases, helped to destroy the leaders of governments friendly to us.

My resolution urges consideration of the establishment of an International Development Association to work in cooperation with the International Bank for Reconstruction and Development. Such an institution should probably have its capital stock subscribed from hard currencies of the United States and other participating countries, so as to give it a dollar and hard currency base. It should also have the use of local currencies, including a large portion of those which this Nation has accumulated from its large-scale disposal of agricultural surpluses.

Thus, much of the usable capital of the IDA would come from local currencies which are now frozen and of little or no use to any country. There may be some residual funds from the Marshall plan aid program which would also be available. The foreign aid dollar, already appropriated and spent, might well be recycled, for use again in world economic development. The IDA would give a greater flexibility to the use of foreign currencies and would promote international trade.

For example, one of the world's troubled spots is in the relationship between India and Pakistan. At the root of this dispute is far more than Kashmir. The struggle is for the use of the waters of the six-river watershed that originate in India and Tibet and flow through Pakistan.

Should India alone develop the waters of this great river system, Pakistan will perish through loss of water indispensable to its economy.

For a year or more, engineers of both Pakistan and India have worked together in trying to arrive at a joint plan for a huge TVA type of development for this section of Asia. The program probably would cost \$400 million. Under the World Bank rules—requiring repayment in 20 years' time, at 4 percent interest, in hard currencies—this is not a bankable loan.

Under the plan of the International Development Association, however, the plan could be financed with safety and

with tremendous good for the development of two friendly nations whose disagreements now threaten trouble or perhaps even war in the Far East.

As a second-mortgage operation, the International Development Association could take perhaps 50 percent of the \$400 million loan, subordinating its loan to the first claim of the World Bank. The loan could be made for 40 years, at 2 percent interest, to be repaid, not in dollars or hard currencies, but in local currencies of India and Pakistan.

In designating the dam, for example, the IDA could loan engineering funds in German deutschemarks. For earth-moving equipment, it could provide funds in French francs, with certain dollar or hard-currency additions. Cement could come from some 10 countries, and could be purchased in large part with local currencies, with only 10 or 20 percent in dollars. Thus, with a worldwide shopping list and a vault filled with many local currencies, for the first time wise banking administration could make full use of local currencies, including those accumulating from the sale of our agricultural surpluses.

Undoubtedly other members of the World Bank also could contribute local currencies which they have on hand, thus making flexible and judicious use of many frozen assets.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I am happy to yield to my distinguished colleague, the Senator from Tennessee.

Mr. GORE. To what beneficial use—unless it be in some international development program—is the United States to put the enormous quantities of foreign currencies now within its call?

Mr. MONRONEY. I am very glad the Senator from Tennessee has asked that question, because we have seen such currencies pile up until now they have reached a total of nearly \$2,500,000,000. We are lending some of these local currencies back to the countries which buy our surplus agricultural commodities. However, as the Senator from Tennessee found last year when he was in Burma, they are loath and unwilling to accept a unilateral loan from the United States, for fear that their governments would be charged with being satellites of Uncle Sam. Consequently, the money which the United States might be willing to loan unilaterally is not desired by many such countries. I am told that \$78 million from the sale of our agricultural surpluses to Indonesia lies idle in the bank.

If we are not careful, in the next 5 years we may accumulate additional billions of local currencies, from the sale of our agricultural surpluses. If we do not find a means of using these section 480 funds, we shall find that we have sacrificed bales of cotton in warehouses for bales of currency.

We cannot justify a continuation of this very fine program of section 480 sales, which I have supported thoroughly, unless we find a way now to put the funds to work.

By mixing hard currencies with soft currencies in connection with a second-mortgage type of program, the necessary

funds could be made available to countries which today cannot deal in dollars. Such second-mortgage loans could be made by an international development association. In that way the necessary funds could be made available.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield further to me?

Mr. MONRONEY. I am very glad to yield.

Mr. GORE. Although the amount of foreign currencies now belonging to the United States is enormous, it would still appear to be within manageable proportions. However, if no constructive measure is advanced and if no realistic program is adopted, so as to put this enormous amount of currency to some good use, in the years ahead, shall we not run the risk of accumulating foreign currencies in such enormous quantities as to create a real danger to international exchange?

Mr. MONRONEY. If we attempted to use them unilaterally, in large-scale amounts, the stability of the foreign currencies might be destroyed.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield once more?

Mr. MONRONEY. Mr. President, I am happy to yield, because of the great contribution the Senator from Tennessee is making to the development of the idea of recycling the aid given by the United States to other countries, so that those countries might in turn extend aid to others.

Mr. GORE. I thank the able Senator. If I understand the situation correctly, this foreign currency has no purchasing power in the United States. Is that correct?

Mr. MONRONEY. Absolutely none. We intended to use more for strategic materials, but our stockpile is apparently now considered adequate. We use a small part of it for our military expenditures and for our diplomatic establishments within the issuing countries; but it is only a fraction of the billions of dollars being generated by the sale of our agricultural commodities.

Mr. GORE. But all three instances of expenditure to which the Senator has alluded occur in other countries, not in ours. Is that correct?

Mr. MONRONEY. That is correct.

Mr. GORE. This quantity of foreign currency, however, does have a value in international exchange, does it not?

Mr. MONRONEY. Indeed, it does, and the use of it in a world bank that could carefully release amounts of foreign currencies in a judicious way, so it would not create inflation, would result in foreign currency beginning to move in world trade, instead of having all world trade tied to the American dollar. It is bad to have a dollar-scarce world. The more freely other countries can use their own currencies, the better off we all are.

Mr. GORE. Would it not be possible, since we possess more than \$2 billion of foreign currency, representing good international exchange, to substitute the use of the international currency for the appropriation of American dollars, at least to some extent?

Mr. MONRONEY. The Senator is reading my mind, because that is a part of the proposed program. There cannot be a complete substitution of foreign currency. There must be a dollar or hard-currency base. But given such a base, there will be more opportunity to make use of currencies which today have little value in the world market.

Mr. GORE. I wish to thank the Senator for making the constructive suggestion by which foreign currencies might be put to beneficial use—a use for which the world is in great need, a use which will contribute to the development of foreign countries, and a use which will prevent a dangerous accumulation of unmanageable quantities of foreign currency.

Mr. MONRONEY. I am sure my distinguished friend and colleague also recognizes the dangers of tying up trade on a unilateral basis which makes the countries of the world indebted to us and gives us an unusable stockpile of currencies of many nations of the world. At some future time a movement will be started for total forgiveness of the increasing foreign-aid debt. Uncle Sam will probably be asked to forgive world loans. The Senator from Oklahoma proposes to put such loans through an international banking association, so such transactions will be handled on an international basis. The International Development Association would be similar to the World Bank, except it would furnish a second mortgage market for the 20 percent or 30 percent of projects which otherwise would not be bankable. The head of the World Bank confidentially told me he could have made 50 or 60 more bank loans, which would have made unnecessary some grants-in-aid, had he had available such a second mortgage operation.

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

Mr. MONRONEY. I yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. I am much impressed with the idea of the distinguished Senator from Oklahoma. In the cost to the people of the United States of the farm program, there was a difference of opinion as it was presented by the Department of Agriculture, and some members of the committee, as to the true cost. The difference ran into several billions of dollars. One of the charges placed in the cost balance sheet of the Department of Agriculture was that resulting from depreciation in foreign currencies received as a result of the operation of Public Law 480. As I listened to what the distinguished Senator had to say on the subject, it occurred to me that inasmuch as there probably would be an increasing flow of foreign currency, we probably would prevent further devaluation of such foreign currency; and therefore there would be less cost chargeable against the farmers for the price-support program.

Mr. MONRONEY. The Senator is hitting an important note, as he always does. Certainly, the farmers of America should not be charged with the depreciation in the value of foreign currency. But if the world is tied to the dollar

standard instead of the gold standard, then the other currencies that are used will decline in value. Only through usefulness in world trade do currencies have value. The bank I propose would for the first time provide for the use, in international trade, of local currencies of many small and new nations which have recently emerged from colonial status.

Mr. SYMINGTON. I should like to associate myself also with the statement of the distinguished Senator from Tennessee and congratulate the Senator from Oklahoma, who, as usual, has been constructive in the presentation of an idea to the Senate. As I have listened, it is my understanding that such a bank would further reduce the cost of the agricultural programs; and also would probably increase our good-will relations with other countries.

Mr. MONRONEY. I thank my distinguished colleague. I may say that with such multilateral loans we could look forward to more sales of our agricultural surpluses, because the receiving nations would prefer to have their currency working rather than hanging over their heads like the sword of Damocles. I think by judicious diplomacy we can negotiate to remove the strings by which countries are now tied. All the world will recognize the benefits from the establishment of an international development bank, and trying to bring other countries to an adequate economic development.

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

Mr. MONRONEY. I yield to the Senator from Tennessee.

Mr. GORE. Does not this discussion illustrate once again that it is not money, currencies, but goods and services which cross international boundary lines, and oceans to balance trade?

Mr. MONRONEY. The Senator is entirely correct. We hope to remove some of the problems brought about by having dollars and the pound sterling as the only currencies in which the world can deal. The shortage of those currencies could result in multiple disasters.

Mr. GORE. If our country continues to accumulate bales of lira, bales of yen, and bales of francs, will that not inevitably worsen the imbalance which presently exists?

Mr. MONRONEY. Sooner or later these currencies must be forgiven or written off or they must be used. If they are used injudiciously, then there will be an impact on the country of issue which could cause inflation, and could destroy instead of help the country to whom we have sold agricultural surpluses.

Thus other nations, which have been helped in their economic recovery, can in turn help others. However, a hard-currency base of dollars and other well-rated moneys will be necessary to make the IDA work.

Final details of the IDA would have to be worked out after careful hearings before the Senate Committee on Banking and Currency. Then the experts of the State Department, the World Bank, and those of other leading nations could re-

fine the program to give it a sound charter and capital structure.

As a starter, it seems to me the International Development Association would need an original capital of \$1 billion in dollars or hard currency. The United States would probably put up 30 percent of this amount or \$300 million, based on our contribution to the establishment of the World Bank.

It might be possible, after full hearings, to commit the \$300 million appropriated by the Congress last year for the establishment of the United States development loan program. It is my understanding that few, if any, of these millions have yet been used.

If the Congress chose this method and if the United States development loan program's funds were authorized for use in the IDA, no new appropriated funds would be required for the United States capital stock in the association.

Secretary Dulles is now asking in the current foreign program for an additional \$625 million for his own United States development loan program.

This is a unilateral lending program which is operated in conjunction with the State Department. We appropriated \$300 million last year, and we are being asked to appropriate \$625 million this year, yet there has not been a single loan to date. I see no need for this additional money for more unilateral lending.

The United States' share of the capital stock of the proposed International Development Association would be less than half of the total which Secretary Dulles is asking as additional capital for his own unilateral development fund.

It is likely that more hard currency capital might be needed for 2 or 3 years. If this should prove true, the Congress could commit the \$75 million in annual dollar earnings from interest on foreign loans made under previous aid programs and thus meet additional requirements without new appropriations.

The idea of subordinated loans is not a new one. It was used successfully in many programs under the Reconstruction Finance Corporation. The guaranty of home mortgages released a flood of home building because of the guaranties behind private mortgages. Our reclamation loans are another example. They are gilt-edged when the projects are used for the construction of a new dam which generates hydroelectric power. Power revenues pay off quickly and handsomely, while the long-term loans for irrigation pay off slowly but surely through development of undeveloped areas of the United States and from the sale over 50 years of irrigation water.

The IDA would have the triple advantage of (a) ultimately lessening the need for direct economic aid by making more effective use of local currencies, (b) promoting the sale of agricultural surpluses, and (c) promoting international trade and economic well-being.

This is not a sudden inspiration. I have discussed the idea with many leaders both in America and abroad over a period of 18 months. The response has been overwhelmingly favorable, both to the establishment of such an inter-

national association and to the judicious use of multilateral currencies. About the only argument I have heard against the proposal is that the local currencies under our control are already committed. This, of course, can be changed either by the unilateral action of the United States or by agreement among the countries affected.

I have sought bipartisan support for this matter, and have discussed it with leaders in the present administration at several levels, who are giving it continuing study. As of now there has been no final determination of the administration's position on the proposal.

Mr. BUSH rose.

Mr. MONRONEY. I yield to the Senator from Connecticut.

Mr. BUSH. I was going to ask the Senator to yield for a question, but the Senator is beginning to answer the question I had in mind, so I will withhold the question.

Mr. MONRONEY. I am happy to say that for over a month I have been having discussions with men high in the Department of State, in the Department of the Treasury, and in the World Bank. Generally, I have found acceptance of this idea of a multilateral approach as being the safe, sound, logical way to conduct the developmental activities of the future in the underdeveloped areas.

Sooner or later the United States is going to be called Uncle Sap, or Uncle Shylock, and be asked to forgive these unilateral development loans. If the procedure is all handled through an international bank the loan becomes an impersonal matter, and the local countries will respect their credit rating and pay off.

May I say that there has never been a default to the World Bank. One Latin American country almost defaulted, but the ambassador was called in and was told that his would be the first nation to default to the World Bank. He asked exactly how much time they would have to make good on the payment, and he was told that they would have only 24 hours. That country, within 24 hours, not only met the interest payment due, but paid a year ahead, so careful was it to protect its international credit.

Mr. BUSH. Mr. President, did I correctly understand the Senator to say he has specifically discussed this matter with the World Bank officers?

Mr. MONRONEY. I have indeed, sir. There is a news article which I will ask to have printed in the RECORD at the conclusion of my remarks, which appears in today's New York Times. It is written by Mr. E. W. Kenworthy and it describes an interview with Eugene R. Black of the World Bank, in regard to my proposal to establish an International Development Association. The headline is: "Black Asks Study of Second World Bank—Agency's Chief Sees Need for Credit Association Urged by MONRONEY."

The story starts:

WASHINGTON, February 23.—Eugene R. Black, President of the World Bank, said today that the bank "would be willing to explore" the idea of an affiliated agency that would make mixed-currency, low-interest loans to underdeveloped nations.

I am going to ask unanimous consent to have the article, which appears in the *New York Times*, printed in the *RECORD* at the conclusion of my remarks.

Mr. BUSH. I thank the Senator.

Mr. MONRONEY. I thank my distinguished colleague, who has had so much experience in fiscal and banking affairs.

Mr. President, the annual debate on the extent of United States economic aid will shortly come up again in Congress. It has gotten to be like the crocus—the annual harbinger of spring. We are likely to hear again the same old overworked arguments that have so often been bounced back and forth, and perhaps our greatest danger lies in apathy. As our own business recession continues, there is certain to be an increasing desire on the part of many to pull in our horns on economic aid, reciprocal trade, and other policies at a time when our international activities are perhaps more important than ever.

As an observer of Congressional affairs over 21 years, both as a Member of the House and of the Senate, I believe that our foreign-aid program, sorely needed at this time, is in the gravest possible danger of defeat or mutilation through crippling amendments.

Both at home and abroad the program calls for new ideas and ideals if it is to pass the Congress and if it is to perform its function in helping those new areas of the world which desperately need to develop their natural resources. The once young and vigorous foreign-aid program, bequeathed to this Republican administration by President Truman, is now old, tired, weary, haggard, and worn out.

No football coach could use the same old plays year after year in the same conference without a certainty of winding up in the cellar position. What is true with football, it is also true in foreign policy.

The Russian sputniks are merely the most flamboyant evidence of the growing challenge of communism. Not only are they apparently ahead of us in some scientific research and the development of intercontinental ballistic missiles, but now they are also stepping up their activities in the field of foreign aid, and it is quite evident that they will continue to do so. The scope of their loans and barter deals has steadily grown, and their international development aid has become a major strand in their whole fabric of world strategy.

The Communist economic penetration has been concentrated in the areas where we are weakest, the countries of Asia and Africa, especially those which make up the periphery of Communist geographical hegemony. These nations are currently the most susceptible to political and economic infiltration. Many have broken the bonds of western colonial power only within the last 10 or 12 years.

The so-called underdeveloped nations of the world include nearly 90 percent of the world's population. Coming on the heels of relinquished western control, it should be hardly surprising that the Russian propaganda with an anticolo-

nial theme should fall on fairly fertile ground.

These nations have seen little demonstration of Russian imperialistic designs, and the Communists have been able to point to the military underpinning of much of the western aid, geared as it has been to such arrangements as the Baghdad pact and SEATO. Russian military aid has been given without reciprocal guaranties or alliances, which lends credence to the Russian charges.

The dropoff in world trade has accentuated the problems among the younger nations of the world. Until recently, the high degree of American economic activity has helped them more than foreign-aid programs. We bought much of their primary products—jute and tea, rubber, tin, and other critical materials. Now, however, prices of these commodities have fallen markedly, causing great losses in their income.

The answer does not lie in a greater degree of haphazard loans and grants solely from the United States. What is needed is a program of sustained activity in the field of international development which can draw in many nations so that loans can be extended on a multilateral basis.

The United States has more to gain from international development than merely a forestalling of Soviet strategy. As more nations break through the development barrier and are able to join that select group of countries with rising living standards and ability to carry out capital development from internal savings, the markets for western goods will simultaneously expand.

For all the Soviet talk about aid without strings, the underdeveloped nations are not so gullible as some might think. Much as Russians have tried, the Communist leaders have not been able to blot out the memory of Hungary. The biggest danger lies in these nations being forced by popular opinion to accept Russian help at face value and thus skate on the dangerous ice of Communist domination.

The greatest desire of these nations is economic independence and control of their own affairs. Our aim should be to regain the initiative from the Soviet. We need to help finance them in a way that is proof that we have mutual interests at heart rather than any desire for economic or military control. This, I believe, can be accomplished only by international leading and the use of an international development association such as I have proposed.

There are probably a great many miscellaneous objections which can be raised to an IDA bank, but a resolution would force serious consideration of it. I am convinced that most objections could be ironed out.

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

Mr. MONRONEY. I yield.

Mr. BUSH. Does the Senator contemplate that these loans would be made by the agency only to governments, as is the case with the World Bank?

Mr. MONRONEY. That would be the logical assumption. The World Bank

has a \$100 million fund which is made available to private industry.

Mr. BUSH. That is a separate fund.

Mr. MONRONEY. It is a separate fund, but it is operated on along the lines of the same idea on which the proposed bank would be based.

The distinguished Senator is familiar with the underdeveloped countries in Asia. He knows that there is no capital structure to permit the development of large-scale dam projects or gigantic steel mills, or other things which are needed. If those countries are to build up a capitalistic system, they must have the tools with which to do it. Therefore, through the International Development Association, which I propose, which would be an international bank, subordinated capital could be made available. I would anticipate it would be made available largely to governments.

Mr. BUSH. Perhaps the Senator contemplates also that loans might be made to corporations or associations within countries—loans not guaranteed by the governments of the respective countries.

Mr. MONRONEY. The World Bank has a \$100 million fund for this purpose. It is getting along quite well.

Mr. BUSH. Is the Senator referring to a new fund?

Mr. MONRONEY. It was created rather recently. So far there has been no need for additional capital. When there is, the World Bank will have no problem in raising funds on its own account, as it does in marketing its debentures, to build up this agency of the World Bank. But I do not wish to confuse the use of soft currency and hard currency in the development of larger projects for internal development of nations with the idea of loans to corporations wishing to undertake development in those countries.

One is a private-profit operation by business. The other represents an effort to bring about development in a given country of a productive system. If a country does not develop its resources, all there is left is Government ownership. We can prevent those countries from drifting into communism, but to do so we must assist their economic development.

Mr. BUSH. I thank the Senator. I was trying to determine whether the object was to lend to the governments themselves, or whether the Senator had a broader concept. As the Senator knows, the Export-Import Bank lends to corporations in various countries. If they have good credit, they can borrow good dollars.

Mr. MONRONEY. The loan would be for the purchase of American products. If a Japanese airline wanted a DC-6, we would lend it the money with which to buy it. If India wanted a Westinghouse electric plant, we would lend India the money with which to buy the electric plant. That is a direct loan, and a very wise one and well managed, when it is handled for the benefit of American manufacturers who wish to sell their products abroad to countries with good credit. I approve that program. I think it is a valuable instrument in our own commerce.

However, we are talking about world development. Today we are engaging in grants-in-aid and unilateral lending. We must get off that basis. It is destructive of our popularity abroad. It is destructive of the various governments which we try to help, and it is destructive of the long-range objective of building economic independence among the new nations.

Mr. BUSH. Is the Senator introducing a bill today, or merely presenting an idea?

Mr. MONRONEY. The Senator from Oklahoma has submitted a Senate resolution. The Senate is supposed to be the guardian of foreign policy. The resolution expresses the sense of the Senate that we should move toward multilateral lending and away from unilateral lending; that we should establish such an association as I have described; and that we should commit a part of our economic aid funds to such an objective.

As chairman of the Subcommittee on International Finance of the Committee on Banking and Currency, I shall welcome the comments of Members of the Senate as the hearings proceed. We wish to receive testimony from all the available experts. We need new ideas and ideals if we are to defeat the Communists in the economic cold war.

Mr. BUSH. I take it the Senator expects to have hearings.

Mr. MONRONEY. I hope hearings can be held within 10 days, and that the program can be considered in connection with this year's foreign-aid legislation.

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

Mr. MONRONEY. I am happy to yield to the Senator from Kentucky who established such an enviable record as our Ambassador to India.

Mr. COOPER. I am very much interested in the Senator's very fine statement. It is true that, because of our Public Law 480 programs, the United States becomes the owner, or is owed large amounts of local currencies for surplus sold by the United States, and that it is difficult to find means of using these currencies.

Mr. MONRONEY. The Senator is correct.

Mr. COOPER. We own them; or they are owed us; but we have difficulty in using them or purchasing from the debtor countries their products, so that they can pay us for our agricultural surpluses. As I understand the Senator's idea, it is that if various countries make available their local currencies to the bank, it will spread throughout the world the availability of credit and capital goods from countries other than the United States.

Mr. MONRONEY. A very simple illustration would be if India wanted to buy a \$100 million hydroelectric project. They would go to Mr. Eugene Black of the World Bank and say, "We want \$100 million." Mr. Black would say, "It will not pay out in 25 years at 4 percent in hard dollars; therefore we cannot make the loan. However, if you can get the International Development Association

to take 30 percent of it, we believe we can make a bank loan on the remaining \$70 million." The IDA could provide Deutschmarks for the engineering, French francs for road-moving equipment, and so forth.

Mr. COOPER. The Senator's purpose is to widen the possibility of growth by spreading the availability of credit and capital goods.

Mr. MONRONEY. That is correct. My idea is to help the world develop so that those countries whom we have helped can now help others.

Mr. COOPER. I do not see the exact relationship between the Senator's proposal and future agricultural sales under Public Law 480.

Mr. MONRONEY. There are \$2½ billion that are doing us no good.

Mr. COOPER. I do not agree with that statement.

Mr. MONRONEY. We cannot spend the money.

Mr. COOPER. In the future we will still have surpluses and we will still want to dispose of the surpluses. The Senator's proposal is much larger in its scope than the disposition of our surpluses, but how would they be affected by the proposal of the Senator from Oklahoma?

Mr. MONRONEY. We are now selling farm surplus for foreign currencies we cannot use, and appropriating more dollars for foreign aid. If these foreign currencies can be used for loans through a multilateral association, it will help in the economic development of underdeveloped countries, and reduce the need for undesirable unilateral aid. The more soft currency we have, the more help we can give. It works out to the advantage of both the recipients and ourselves.

Mr. President, I do not wish to delay the Senate unduly. I shall conclude my statement very shortly.

We should seek the testimony of the best authorities we can find. It can, and probably will, be modified and improved, but I believe the time is right to make a dramatic change and improvement in our methods of handling foreign aid.

If we will modernize our foreign-aid efforts by adopting a multilateral program, the result should be a great step forward in counteracting Russian attempts to subvert nations with their loan and aid program. We will have announced and will prove to the world that our desire for improvement of conditions of all men is one which involves no selfish or imperialistic designs.

Mr. President, I intend to hold hearings on this resolution very soon in the Senate Banking Committee's International Finance Subcommittee, of which I am chairman. I hope Senators, administrative officials, and others will study it carefully so that we may have good testimony at the time hearings are held.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York Times of today by E. W. Kenworthy, describing an interview with President Eugene R. Black of the World Bank regarding my proposal to establish an International Development Association.

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

**BLACK ASKS STUDY ON SECOND WORLD BANK—AGENCY'S CHIEF SEES NEED FOR CREDIT ASSOCIATION URGED BY MONRONEY**

(By E. W. Kenworthy)

WASHINGTON, February 23.—Eugene R. Black, President of the World Bank, said today that the bank "would be willing to explore" the idea of an affiliated agency that would make mixed-currency, low-interest loans to underdeveloped nations.

This idea has been advanced by Senator A. S. MIKE MONRONEY, Democrat, of Oklahoma. It was described in an article in today's New York Times.

Senator MONRONEY said yesterday that "the Russians have embarked on a program of loans for development purposes on better terms than we are offering."

"I think," the Senator went on, "we can best meet this challenge by stimulating an international program of multilateral loans for economic development, mixing dollars and foreign local currencies."

**ASKED WORLD BANK LINK**

Senator MONRONEY proposed that a new agency—which might be called the "International Development Association"—be created to make such loans.

This agency, he suggested, should be affiliated with the International Bank for Reconstruction and Development—the World Bank—whose lending authority is now limited to loans repayable in hard currency on terms corresponding to those of regular commercial banks.

Mr. Black commented today on the proposal as follows:

"I have seen the story in today's New York Times about a possible International Development Association affiliated with the World Bank.

"The general concept outlined by Senator MONRONEY seems to be one that the World Bank should be willing to explore.

"I have frequently said that in a number of countries a reasonable rate of development would require additional capital beyond what is available on a hard loan or bankable basis.

"And I have also said that that international administration of development financing, if it can be organized on a sensible economic and nonpolitical basis, is preferable to bilateral national administration.

**"DISCUSSED POSSIBILITIES**

"From time to time I have discussed various possible mechanisms of that international kind. Very recently, I have had a few talks with American Government officials, as well as with Senator MONRONEY, about an agency along the lines of the Times' story.

"These talks were very tentative, and as far as I know none of the United States officials has come to any definite conclusion on the subject, nor have I.

"This concept naturally involves a great many complex problems which would need to be carefully considered. However, my reaction is that the idea is very interesting and warrants further study."

Senator MONRONEY is hoping to promote just such further study. Tomorrow in the Senate he will introduce a resolution that will say:

"Recognizing the desirability of promoting a greater degree of international development by means of multilateral [multicurrency] loans based on sound economic principles, rather than a system of unilateral grants and loans, it is the sense of the Senate that consideration should be given to the establishment of an International Development Association, in cooperation with the International Bank for Reconstruction and Development."

Senator MONRONEY's plan would call for an initial hard-currency capitalization of \$1 billion, represented by class A, voting stock. Supplementing this would be a further soft-currency capitalization, represented by class B, nonvoting stock.

The United States would contribute \$300 million in hard currency, and other nations \$700 million. The United States share would require no new appropriation if Congress decided to use the \$300 million appropriated last year for the development loan fund, which is still intact.

For the grade B stock the United States could use local currencies accumulating from repayment of loans made out of the sale of agricultural surpluses.

Mr. MONRONEY. Mr. President, I also ask unanimous consent to have printed in the RECORD, following my remarks, an article entitled "The Great Challenge Is Not the Sputniks," written by Barbara Ward, and published in the New York Times magazine of February 23, 1958.

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

THE GREAT CHALLENGE IS NOT THE SPUTNIKS  
(By Barbara Ward)

The annual debate on foreign aid is about to begin in Congress; but it has been carried on for so many years, and the arguments in the controversy have been bandied back and forth so repeatedly, that there is real danger of staleness creeping into the whole discussion. Yet this, of all years, is the last in which to give the issue only tepid attention. Some of the ground may be familiar enough. But in two vital respects, the problem has taken on a new aspect and there is now fresh urgency to all the old arguments.

The first point is the scale of the Communists' entry into the field of foreign aid and their evident intention to stay there. In the last 4 years the scope of loans and barter deals made by the Soviet bloc has steadily widened. From piecemeal offers, they have begun to develop what looks like a generalized strategy.

At the recent Cairo conference organized by the Afro-Asian Communist-front organizations, the Russian delegates took the opportunity to offer sustained aid without strings to all underdeveloped nations. As proof of their intentions, they could point to the \$1.9 billion in economic and military aid which the Soviet bloc has pledged since 1955. Meanwhile, the scale of the Russian economy and the number of trained Soviet technicians available for service abroad are steadily increasing. There is thus every reason to suppose that future assistance will be on a steadily expanding scale.

As a general instrument of propaganda, the Soviet offer is designed to influence all backward but ambitious nations—and they include nine-tenths of the human race. If a state of backwardness begins where per capita annual income is below, say, \$300, very few areas escape. Western Europe, the white members of the British Commonwealth, above all North America—where the figure exceeds \$1,500—are comfortably beyond the definition. But most of Asia and Africa—and large parts of Latin America—lie at the other extreme; annual incomes per head fall to \$50 and below. It is at these levels that the desire to break out of the vicious circle of poverty breeding ever more poverty reaches revolutionary force. It is here that any policy of sustained capital aid from whatever source must find the most eager hearing.

But the specific programs of Soviet aid are not so generalized. They follow a more immediate strategy. Virtually all the nations which have received direct assistance in

loans and trade deals lie along the geographical frontiers of Communist power. There have been occasional wider excursions—trade negotiations with Argentina, barter offers to the Sudan—but the bulk of the \$1.9 billion has been expended along the periphery of the Communist world, from the Levant through Afghanistan and India and on into southeast Asia.

The nations on this fringe offer the Communists important entry points for both political and economic infiltration. All of them—virtually without exception—emerged from western colonial rule only in the last dozen years. Although Afghanistan, Iran, and Thailand were never formally taken over and Iraq attained a measure of independence in 1932, all the other states were still under British, French, or Dutch control as recently as 1946. To their peoples, the anticolonial theme of Russian propaganda is instantly familiar and, since Russian imperialism never impinged directly on them, the Russian pretense of disinterestedness, of aid without strings, seems plausible to many.

The Communists have, moreover, been able to play on anticolonial sentiment by underlining to Asian opinion the extent to which Western aid has been geared to military programs undertaken in alliance with the West. In western eyes such arrangements as the Baghdad and SEATO pacts may look like reasonable local efforts at self-defense. But in Asia, where in the past alliances between local states and Western colonizing powers often preceded colonial control, it is easy to arouse Asian suspicion that today's alliances could be the prelude to renewed colonial control tomorrow. Russia, in giving military aid, asks for no guarantees or alliances and is thus free to attack the western pacts.

Another Russian asset is the very urgency of Asian economic need. All these states face formidable obstacles. Only two of them—the oil states, Iran and Iraq—have sufficient capital for development. Even they lack trained technicians and adequate educated leadership. All the others are caught in a dilemma—their populations are so poor that they can barely save, but saving is the only escape from poverty. In these economies, where the beneficent spiral of saving breeding further saving cannot be set in motion, capital and technical aid are the first aims of policy.

The Russians, who face no annual open debate on the desirability or otherwise of foreign aid, who do not need to stress self-interest to secure popular consent at home for foreign spending, who can detail officials for foreign service in any field, who need make no precise economic accounting of strict profit and loss in their aid programs, have a capacity both for quick decision and for sustained effort which the western system inherently lacks. In 4 years they have come within sight of catching up with the whole western effort of a decade. In the key countries along the Asian fringe the amount of capital assistance provided by them has already outstripped the American total by about half a billion dollars.

But it is not simply the new Russian effort that is at issue. There is a second point to underline—the falling away of world trade in the wake of American business stagnation. It can be argued that in the last year the Communists have profited more by western mistakes and incoherences than by their own direct action. For among the underdeveloped areas are to be found most of the world's primary producers. Jute and tea from the Indian subcontinent and Ceylon, rubber and tin from Malaya, rice from Burma, cotton from Egypt, the Sudan, and Uganda—these are some of the products which underpin the unstable economies of Afro-Asian countries—and in the last decade an almost unbroken boom in world commodity prices, sustained, above all, by the

high level of American economic activity, has done more than any foreign-aid programs, from whatever source, to create a surplus from which savings could be drawn.

But in the last year the picture has changed. World metal prices have fallen by 25 percent, fibers by 15 percent; since 1955—in the 2 years leading directly up to independence—Malaya's rubber prices have dropped by 50 percent. All in all, according to the latest United Nations figure, primary producers lost six hundred to seven hundred million dollars in export income in 1957 alone. This figure is more than half the total of American aid given to the Asian fringe since 1949. Thus Russia is expanding its program of aid and barter just at a time when normal trading has fallen away and has caused acute embarrassment to the local governments.

This, in essence, is the new situation which underlies this year's debate on foreign aid.

The old arguments—of Asian need of the West's interest in stable conditions, of the risks inherent in leaving the fringe states wide open to Communist blandishments—are all vitally reinforced by Russia's notable entry into direct, sustained competition in the field of aid and by the evidence that the whole Western trading position has been gravely weakened by the economic stagnation of the last year. In fact, the new conditions of 1958 might best be summed up by saying that, while the Russians have evolved a long-term economic strategy for the Asian fringe (and beyond it, for the underdeveloped areas everywhere), the Western powers appear to have no general policy of any sort.

Their patchwork of aid is not related to any long-term plan for sustained development nor do they coordinate their individual offers. The assistance they give with one hand is canceled by the purchases they no longer make with the other. The domestic breathing space becomes a near-hurricane by the time the effect of falling business activity at the center slashes export programs on the fringe. In short, if there is any assumption behind the foreign economic policy of the Western powers, it seems to be that the program can proceed by fits and starts, from emergency to emergency, and that neither care, study, forethought nor sustained effort is really required. So long as this illusion prevails, the Communists, with their long-term aims and determination, are likely to pull steadily ahead of the West in influence and sooner rather than later may reach their target of effective control.

This outcome would be all the more tragic for being unnecessary. The ingredients of a sustained and workable economic strategy for the free world have been discussed and canvassed and clarified in the West for more than a decade. In particular, since President Eisenhower first proposed a special fund for long-term lending, the advantages of a consistent, long-term loan program have been thoroughly explored.

The aim in each backward economy is to reach the phase where internal savings become self-sustaining. At primitive economic levels, there is no local surplus for saving, and capital-creating investments—in transport, in power, in improved agriculture—cannot be fully supplied domestically. For a number of years, external aid at low rates of interest or in interest-free loans or gifts, is needed to get this basic capital equipment into position. Then, as local output rises, aid can taper off and domestic savings take its place. The expanding economies will attract private investment. The emergency will have passed and more nations will have been drawn into the magic circle of modernized, advanced, technical societies. Such a program has a shape and a purpose and is self-liquidating. But nothing of the sort is

possible if aid may end from one year to the next. The sustained pattern is ruled out. The risk is that even the aid that is given will be wasted for lack of a proper context.

Yet, given the cooperation of all the developed countries of the West, the scale of such a program would not be extravagant; in fact, it is not much greater than the totals for economic and military aid given in a haphazard way today. One percent of the advanced nations' national incomes would provide between four and five billion dollars a year, and such a sum, made available over a decade, would be sufficient to get country after country through the sound barrier of sustained investment. It is a sobering thought that such a sum is spent every 3 weeks on military preparedness.

A long-term aid program on these lines is not even an innovation. Each year of the first Indian 5-year plan was underpinned by releases from India's sterling balances held in London. The most triumphant effort of postwar diplomacy—the Marshall plan—applied the principle of sustained aid to Europe with complete success.

Moreover, at the end of the war, when the Western world was perhaps more alert to the economic perils of the future than it is today after the long, recent spell of prosperity, the prospects for a functioning world economy included such institutions as the World Bank and the International Monetary Fund, both precisely designed to see that shortage of capital and disturbances in trade did not impede the growth of world commerce and prosperity. The error at the time was to set up these institutions with resources too modest for the task ahead. The error today seems to be in no longer even recognizing the essential nature of their functions. It can be argued that most direct and effective method of securing a strong revival of international trade and a sustained expansion of world resources at this time would be to triple the sums available to the World Bank for lending and to the Monetary Fund for strengthening the international currency system on which trade depends—and, incidentally, of ending the kind of massive currency speculation that disrupted Europe's economic stability so seriously last summer and fall.

No, it is not lack of knowledge or expertise or means or even experience that inhibits the West as it confronts the new, sweeping scale of Russian economic competition. It is quite simply a paralysis of imagination, a crisis of energy and will. Yet if the implications of this new challenge—both for evil and for good—do not stir Western minds and hearts, it is difficult to conceive what will.

The risks involve an almost apocalyptic disruption of the world's present relationships. To bring what remains of Asia under Communist dominance would give Russia control of the eastern Mediterranean, of the whole land bridge to Africa, of the shores of the Indian Ocean and of the sea approaches to Australia. Such an extension of control would inevitably alter the whole strategic balance of East-West military power.

The political consequences would be as dire. With India under Communist direction, all east and south Africa would fall open to Communist influence playing directly on the hundreds of thousands of Indian settlers in Africa and indirectly on the restive, race-conscious African masses. Europe would shrink to a beleaguered fringe of the vast Eurasian land mass. Japan would be a pitifully isolated appendage at the other limit.

The physical resources of the Atlantic world would, even in such conditions, probably be enough to sustain the economic life of the West. Not even Middle Eastern oil is indispensable. But there would be a vast disruption of trade, confidence and growth if the bulk of the world's remaining markets

and sources of supply came under the arbitrary control of the Communist forces. No doubt, they would continue to trade, but, as Russia's satellites have learned, trade under such conditions is constantly at the mercy of politics. No stable economic relations can be maintained when crucial traffic may be cut off in a day as a means of political pressure.

Above all, the transfer to Communist allegiance of all the world's emergent peoples, the loss to Western concepts of freedom of the ancient cultures of Asia, the passage of the great African Continent from the tyranny of tribalism to the despotism of the absolute state—such disasters would test to the breaking point the spirit and courage of the free world. The risk is that they would so deepen the confusion of Western counsel, so damp the light of hope, give such rein to fear and extremism that Western society might lose the inner strength to withstand the strain. If the shock of seeing China lost to communism could help to create in America the miasma of McCarthyism, what new demagogues might not be brought forth by the loss of so much more?

But if the risks of Western inaction are immense, the gains to be secured from a successful Western initiative are on a comparable scale. Economically it has always been an illusion that in our interdependent international economy the Atlantic nations could continue to expand their economies and grow and prosper in a world otherwise condemned to stagnation and penury. The growing technical capacity of the West needs the markets and supplies of the rest of the world not much less urgently than the world needs Western capital and technique. To underpin the growth and prospects of others is the surest way of insuring our own.

Politically, too, there can be no doubt that the nations of free Asia desire, provided alternatives exist, to hold themselves free of Communist control. For all the Communists' talk of aid without strings, their aim is ultimate domination and the Asian governments are quite shrewd enough to know it. Hungary is not forgotten, in spite of all the Communists' efforts to cover it up. The danger is that, with no alternative sources of assistance, Asian leaders may be compelled by popular pressure to depend more and more dangerously upon Communist support. But given Western backing, they want what the West wants for them—Independence and control of their own affairs.

Above all, a concerted long-term economic strategy would enable the Western powers to recover their own confidence and effectiveness, to regain the initiative from the Communists, and to restore in the world that image of Western power and purpose which was theirs when, in the hours of victory in 1945 or at the peak of the Marshall plan in Europe, they acted as a functioning partnership, pursuing not simple defense and security but a positive vision of an expanding, prosperous world.

The last 6 months—during which Russian sputniks in the skies and Russian propaganda below have circled the globe while the West sits hunched up in economic stagnation and political perplexity—have been a trial and tribulation to free men everywhere. Nothing could so break the spell of stagnancy and restore energy and hope as a fully thought-out, fully sustained and accepted strategy for worldwide economic growth. The risks of inaction have never been so alarming; the political rewards of vision can never have been so great.

#### CONVEYANCE OF CERTAIN PUBLIC LANDS IN STATE OF NEVADA—CONFERENCE REPORT

Mr. BIBLE. 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. 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. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings pp. 2628-2629, 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.

#### THE AMERICAN WAY OF LIFE ENCOURAGES CULTURAL PURSUITS

Mr. WILEY. Mr. President, I was very much interested to read of a recent roundtable which was held under the joint auspices of Yale University and the Advertising Council of America.

The session was devoted to a consideration of cultural trends in the United States.

Around the table a group of outstanding American cultural spokesmen commented frankly regarding both cultural achievements in America and problems still confronting us.

They did not pull their punches. One may disagree with the panel sharply—as I do—on some of their own criticisms. But one nevertheless welcomes the panel's conclusion that Communist smears against the United States for our alleged anticultural "materialism"—such criticisms are unjustified and unfair.

The welcome fact was pointed out, for example, that, across the land, there are now more than 30 major symphony orchestras, plus 650 professional and semi-professional orchestras. All this is exclusive of college groups.

#### MONITOR ARTICLE DESCRIBES CULTURAL PROGRESS

Thus, despite our critics in the Soviet Union, the fact is that the American way of life encourages our people to seek more and more ways of constructive self-expression.

The American way—sometimes called people's capitalism—provides the leisure, the opportunity, and the challenge for men and women in all walks of life to realize their God-given potentialities.

I send to the desk a brief writeup of this roundtable conference, as carried in the February 18 issue of the Christian Science Monitor.

#### GERMAN FULBRIGHT FELLOW SALUTES UNITED STATES MUSIC

As a supplement to that writeup, I append an extremely interesting description of amateur orchestras in the United States.

This description came, not from an American, but, interestingly enough, from a perceptive citizen of West Germany, Mr. Hans-Heinz Dräger, who had visited the United States on a Fulbright grant.

Mr. Dräger commented on widespread interest in music throughout our country, both amateur and professional, in the course of an article which he wrote in a German magazine. The text of this article was received and translated by the music committee of the People-to-People Foundation.

**FINE WORK OF PEOPLE-TO-PEOPLE FOUNDATION**

It will be recalled that I had, on several occasions, pointed up the splendid work of the many committees of the People-to-People organization.

I commend the work of the music committee. It has struck a respondent chord among music-minded organizations in many countries of the world. It has opened up avenues of friendship, contact, and exchange which, I am sure, will prove most fruitful in the cultural pursuits of our own and other peoples.

I ask unanimous consent that both of these items, the one depicting the impact of culture, as seen through American eyes, the other as seen through foreign eyes, be printed in the RECORD.

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

[From the Christian Science Monitor of February 18, 1958]

**CAPITALISM, CULTURE LINKED—PANEL'S FINDING**

(By Harry C. Kenney)

**NEW YORK.**—A panel discussion on the question of whether people's capitalism has weakened the American culture or strengthened it, has uncovered some facts, including:

1. More people now visit museums than pay admission to baseball games.
2. American painters, sculptors, novelists, poets, and musicians enjoy higher prestige abroad than ever before in our history.
3. Millions of Americans have either experimented with oil painting or have adopted it as a hobby.
4. Many an owner of an LP (long playing) record collection can hear more first-class music than did Beethoven in his whole lifetime.
5. Today, 30 major symphonies perform in this country, and the American Symphony lists 650 professional and semiprofessional orchestras (exclusive of college groups) across the country.

**DISTINGUISHED PANEL**

The panel, which was an American round-table discussion, under the joint auspices of Yale University and the Advertising Council, further gave lie to Communist claims that the people's capitalism in the United States had developed a Nation of "barbarians concerned only with material wealth, low-brow pleasures, and gadgets."

Members of the panel included: Henry M. Wriston (moderator), president emeritus, Brown University; Ralph F. Colin, lawyer, trustee, Museum of Modern Art; Lewis Galantiere, counselor, Free Europe Committee, Inc.; Russell Lynes, Jr., managing editor, Harper's magazine; Mark A. May, director, Institute of Human Relations, Yale University; Norman Holmes Pearson, associate professor, English, Yale University; Liston Pope, dean, Divinity School, Yale University; David M. Potter (rapporteur), Coe professor, American history, Yale University; Virgil Thom-

son, composer, music critic; Sylvester L. Weaver, Jr., president, Program Service, Inc.; Robert H. L. Wheeler, instructor, history, Yale University.

**"MAIN STREET" RETREATS**

A digest of the panel's thinking has been given in a pamphlet: "An Inquiry Into Cultural Trends." In this summary, the panel did not seek to reach agreement on the exact degree to which pressure to conform is still a factor detrimental to cultural self-expression on the part of the American people.

The members did agree, with varying shades of emphasis, that "such pressure has existed to an extent that has been significantly harmful in the past." But they also agreed that "the indications are that it is lessening, both in the sense that the small town no longer exercises the kind of tyranny which it did in the heyday of 'Main Street,'" and "groups of diverse national origin no longer feel so urgently compelled to conform to a Yankee pattern."

On the topic of cultural achievements, every member of the panel concurred in the view that the level of cultural activity in the United States is very high—"higher than at any time in our national past—and that the sum of cultural achievement is impressive."

In music, the appraisal was somewhat more mixed, but still very favorable. Mr. Thomson expressed his opinion that the finest soloists and conductors of today are about on a par with the finest in 1910, but he added that "there is a far larger supply of good second-rank people."

**PAINTING RECOGNIZED**

In the visual arts as in literature, members of the panel stated their strong conviction that American achievement has never been more impressive than it is today. Mr. Colin said he did not think there had ever been a time when the centers of art in France, England, and Italy had given to American painting the recognition that it is getting today—not only for "its immediate quality but also for its stimulation and originality."

The panel indicated that another way of gaging the cultural attainments, apart from the achievements of creative artists, is to measure the vigor of such leading cultural institutions as our universities.

With reference to these, Mr. Galantiere remarked upon the fact that at one time most American colleges were excessively provincial, and a first-rate education could be had at only a few institutions in the east. But American colleges have experienced so great a deprovincialization that today some of the best literary magazines in the country are published at smaller colleges.

**CREATIVITY QUESTIONED**

Frank opinion was expressed by Mr. Pearson who said that in the novel, and in painting and poetry, "ours is not a period of very remarkable original creativity."

Mr. Lynes noted "with regret" that "we have never had so much building and at the same time so little architecture." He cited as an example the multiplicity of identical glass-faced buildings along Park Avenue, all stemming out of ideas that date back to the twenties and thirties.

Mr. Galantiere adds that "with all our emphasis upon liberal education, we have far more education than we have liberality."

In a conclusion the panel emphasized: "While the extension of serious cultural values may still have hardly touched the majority in any direct way, it does touch increasingly large numbers of people. If it should later extend to the majority, the resources and the drives of a democratic capitalism will be the forces which have enabled it to do so."

**A WEST GERMAN WRITES ON UNITED STATES MUSIC**

(NOTE.—In response to a music committee inquiry regarding general knowledge of the American musical scene, the Bund Deutscher Liebhaberorchester (Association of German Amateur Orchestras) sent the following article, which was published in the magazine Das Liebhaberorchester and which reveals a very accurate knowledge of music in the United States. The author visited the United States on a Fulbright grant.)

(Translation.)

**AMATEUR ORCHESTRAS IN THE UNITED STATES**

(By Hans-Heinz Dräger)

Radio station KEAR in San Francisco, one of the many American radio stations for good music which sends concert music almost exclusively—(The daily program of KEAR is 17 hours long, from 7 a. m. until midnight)—stated with considerable pride, that the American public of 50 years ago walked out on concerts which did not offer a few jokes as well as music, adding that today more money is given out for music in America than for baseball. Actually, American musical life in the last decades has made enormous strides; the United States of America and Canada, while not yet the world's leading musical countries, are certainly the world's leading concert countries. Of course, much of this stems from the great American musical centers, above all from New York; in fact, the weekly music program of this metropolis, which takes up an entire page in the New York Times announcements, can compete in richness and quality with any European music festival.

But New York is not, as we are continually told here in Germany, America; true, it can be looked upon as a typical American concentrate, with its melting-pot of peoples, its business, and its enormous rolling-together of all efforts in all fields of endeavor. Without a doubt this metropolis is, in artistic matters, the critical standard. This is true of its press, of its concert agents (whose ten mightiest can make or break an artistic career) and it is true last but not least of its Philharmonic Orchestra, which is reviewed most critically, and which must fulfill the highest artistic demands, especially in view of its rivals from Boston and Philadelphia.

And yet New York musical life alone could not justify America's reputation as a musical country, nor could it alone hold this reputation where it is. How America came to be such a musical country can be explained by a few figures. In 1900 there were only seven orchestras in the States, worthy of mention. In 1920 the entire number was less than a hundred, while today there are at least 1,000 symphony orchestras in the United States.

Of these there are 32 so-called major orchestras, with budgets of over \$100,000. Three of them, the New York, the Boston, and the Philadelphia, have budgets of over a million dollars, while the orchestras of Chicago, Cleveland, and Cincinnati are well over \$500,000. Only 100 of all American orchestras are pure professional orchestras. This is one tenth of the total, and only 13 are State or city subsidized—200 are college orchestras, and the remaining 700 are called community orchestras, and almost 500 of these are in cities of less than 50,000 inhabitants. These orchestras frequently bear the name of their city, although most are private undertakings. Their income, beyond ticket sales, is largely from voluntary citizen contributions. In this the Symphony Women's Associations play an important role. Naturally, contributions are never sufficient to pay for an orchestra of professional musicians. The members of the community orchestras therefore consist, by and large, of amateurs.

This situation is completely different from that in Europe. It means that American musical life in great part is carried by amateur associations. Besides the orchestras, there are choruses, chamber music groups, record clubs, uncommercial radio and TV stations, and courses in music appreciation. Between all these groups and the communities there is usually, without any official status, a close collaboration. Many cities for example allow their orchestras, even when they have no civic funds, the use of a hall for practice and performances, and give instruments free for use, even undertaking organizational work. In every case, however, the bond between the orchestras and cities, be it close or loose, signifies the meaning of the amateur in public musical life is much greater than in the Old World.

It will seem strange to the European that the American musical amateurs play such a large public role; especially since in the Old World the value of amateur playing is largely in not competing with professional musicians, but in playing for his own joy, leaving public concerts to the others. Here for example we have the interesting example of soloists: In increasing number, soloists play in the concerts of the community orchestras. The ambition to supply these from the orchestra's own membership is stilled by the astonishing number of technically superb instrumentalists. It need not be added that frequently these soloists come from the concert masters of the great orchestras. In the program analysis in the newsletter of the American Symphony Orchestra League, where good and poor programs (without naming the orchestra or conductor) are studied, it is still stressed that the most important thing is that the orchestra performs.

Since amateurs and professionals so often sit in the same orchestra, the relationship is more one of cooperation than competition. We cannot here discuss the sociological aspects of this situation. Sharp American criticism deploras the fact that the artist has so little place in American society. As things are, the musical amateur—at least in the smaller cities—has no choice but to turn to public performance. To be sure, the times have passed when only gentlemen amateurs (such as Thomas Jefferson, Ben Franklin, and Francis Hopkinson) made good music. America is still a young continent. The fact that in the last 30 years the number of orchestras has increased tenfold tells us enough. Certainly programs of contemporary music are not as frequent as in Europe, where in a much smaller area the studios are increasing encouragingly. In San Francisco, in the last 4 years, only one orchestral work of Bartok (under Von Beinun) was heard, and Boris Blacher this year saw the San Francisco premier of his Paganini Variations. Here, up until now, radio and records fill the gap, and they do it with huge success. One must recall that to an American, music of Russia, France, Italy, and Germany are equally close, and only to make this inheritance familiar takes time. When a young conductor tried, 4 years ago (in Midland, Tex., city of 20,000 inhabitants) to found a symphony orchestra, a rancher told him—and this is typical of the situation—"We oldtimers in Texas had to go without things like good music, but we sure want to give it to our kids."

Special mention should be made of the youth orchestras and children's orchestras. In 1953 there were 50 groups of this kind (there are probably more now) which existed independently of schools. Youth orchestras give a public concert at least once a year, and the one in Seattle even offers a fully developed season of twelve concerts. These organizations are supported at times by the local district, in most cases by the community, either through clubs and universities or parents whose children play in the orchestras. Thus the only regular

source of income of the Student's Symphony of Chicago, which was originally founded under the name of Northside Children's Orchestra, is from its members, who pay a monthly fee of \$1.75. This orchestra contains two sections: One for the younger and less-practiced children, where they receive instruction, and a section which gives public concerts, the symphony group. Organizational and educational questions—and this applies to all orchestras—are covered in the Bulletin of the National Music Council, 177 East 79th Street, New York 21, N. Y., and in the Newsletter of the American Symphony Orchestra League, Post Office Box 164, Charleston, W. Va.

The picture would not be complete without the college and university orchestras. As in Europe, their size and their capabilities differ. Also, the older and more rarely heard musical literature is not the main subject of interest, but rather the regular concert symphonic literature. This is why the university orchestras do not call themselves collegium musicum but simply symphony orchestras. Every semester or quarter—the academic year is divided differently in the United States—the university orchestras give at least one public concert. The average quality of performance is astonishingly high. To take only one example: On the program of the orchestra of Stanford University, in California (one of the better American universities) the following may be noted: The Concerto Grosso Op. 6 No. 10, by Händel, In Memoriam, by Douglas Moore, Blacher's Paganini Variations, Mozart's Symphony K 385, and Don Juan, by Richard Strauss. The performance was of such caliber that a Swiss student said she had rarely heard better in the Tonhalle in Zürich.

The picture is colorful. If one were to describe it as well as a visitor can, in one sentence, one could perhaps say: In Europe the music amateur is a demonstration of a need for sharing the musical experience, above and beyond a public performance; in America the amateur finds public musical life the only possibility for group playing. Both situations have advantages and disadvantages, show inhibiting and encouraging components, in both an artistic and sociological sense. There in America, as here, however, the great and constantly growing love for music is the common factor, and may well be the deciding one.

#### THE IMPORTATION OF GIRAFFES

Mr. SMATHERS. Mr. President, a citizen of the State of Florida won a resounding and a sweeping victory over Ezra Taft Benson, Secretary of Agriculture, last week when the United States Court of Appeals for the District of Columbia held for the first time, under legislation enacted in 1890 and 1903, that owners of private zoos have as much right to import giraffes as public zoos, and that Secretary Benson acted arbitrarily in denying private zoos this right.

Mr. Jack Pedersen is the owner and operator of one of the largest private zoos in the United States, known as Africa U. S. A., located in Boca Raton, Fla., in which he exhibits many types of animals to the public.

As far back as 1952, Mr. Pedersen sought permission from the Department of Agriculture to import giraffes for exhibition purposes at his private zoo. This permission was refused on the basis that he owned a private zoo as contrasted to a public zoo. He was also told that he did not operate under "accept-

able governmental control," notwithstanding the fact that he has a city license, a county license, a State license, and is especially zoned for zoo operation by the city of Boca Raton—to say nothing of the plenary powers exercised over all animals by the sovereign State of Florida.

For a long time I have been interested in this case because the Secretary's action seemed arbitrary to me, in that I was unable to see where the statutes gave him the authority to discriminate against private zoos, thereby creating a monopoly in public zoos. As a matter of fact, I had several conversations with representatives from the Department of Agriculture and they admitted that they probably did not have that authority "but thought that they should have." To illustrate the obvious discrimination, a public zoo can import a giraffe for some \$2,000, with the permission of the Secretary of Agriculture, and sell it to a private zoo or circus the next day for some \$6,500.

In late 1956, Mr. Pedersen purchased two giraffes which had already been imported into the United States from Africa according to departmental regulations. Secretary Benson refused to release these animals from quarantine and has been holding the surviving giraffe—one died of heart failure in the quarantine station—at Mr. Pedersen's expense, which now amounts to some \$2,100—not counting the many thousands of dollars spent litigating this case.

During the hearing in the United States District Court for the District of Columbia, in which he lost two decisions, Dr. Heemstra, director of the animal inspection division, testified that the "physical facilities and methods of maintaining animals at Africa U. S. A. are substantially equivalent to those of public zoos" and that operators of public zoos have a sense of public responsibility which may not be inherent in owners of private zoos. In other words, he makes the owners of private zoos, the ones who pay taxes, second-class citizens.

Circuit Judge Danaher, speaking for the court, said that an approved zoo is one which Dr. Heemstra approves; that acceptable governmental control is one the control of which is deemed by him to be acceptable; and that importation could not be conditioned upon the unregulated discretion of the bureau chief. As to the sense of public responsibility, which the Secretary urged on the court, that public zoos had and that private zoos did not have, the court said that—

There is no evidence that owners of a private zoo or circus are any less anxious to preserve their investment than some political body.

Judge Danaher went on to say that the Secretary could not exercise an unfettered discretion to make whatever laws he may think may be needed or advisable and that he may not by regulation alter or amend a law enacted by Congress. A final slap was administered when the court said that—

A Government officer may not impose an ad hoc system of licensure upon any citizen, or upon any group as compared with another because Congress has nowhere said that a

ruminant (giraffe) may be imported for public zoos only.

I ask unanimous consent that the United States court of appeals decision be printed in the body of the RECORD, and further ask that three news stories from the Washington papers, also be printed in the RECORD.

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

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT—No. 13909, JACK JAMES PEDERSEN, APPELLANT, v. EZRA TAFT BENSON, SECRETARY OF AGRICULTURE, APPELLEE—APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—DECIDED FEBRUARY 13, 1958

Mr. Ernest C. Tucker for appellant.

Mr. Harry T. Alexander, assistant United States attorney, with whom Messrs. Oliver Gasch, United States attorney, and Lewis Carrol, assistant United States attorney, were on the brief, for appellee.

Before Danaher, Bastian, and Burger, circuit judges.

Danaher, circuit judge: An agent of one Demmer, as owner, received from the Secretary a permit to import five giraffes from Kenya, East Africa. After a period of detention at the Government quarantine station in New Jersey, three of the giraffes were sold and released to public zoos in various places in the United States, and two female giraffes were sold to one Freeman, but were not released. Appellant, intending to exhibit the giraffes at his private zoo, Africa U. S. A., in Boca Raton, Fla., purchased Freeman's interest. One giraffe died of a heart attack, and appellant, after futile efforts before the Department of Agriculture, filed action in the district court seeking release of the other. His complaint having been dismissed after hearings, this appeal followed.

There is no error in the refusal to impanel a three-judge court to consider appellant's attack on the constitutionality of the statute, a question first raised in appellant's application filed after the adverse judgment.<sup>1</sup> The case had gone forward on appellant's motion for preliminary injunction, and it was stipulated that the result of the hearings would be treated as a final disposition on the merits. Accordingly, we address ourselves to the issues raised before the district judge.

Dr. L. C. Heemstra, as Acting Chief of the Animal Inspection and Quarantine Branch of the Department of Agriculture, had transmitted to the importing agent a permit for importation of the giraffes with a covering letter dated July 30, 1956, from which we quote:

"This permit is issued with the further understanding that following completion of quarantine . . . the giraffes will be consigned to an approved zoological park under acceptable governmental control."

The Government tells us that the Secretary's administrative judgment was exercised adversely to the appellant, because his privately owned zoo, Africa U. S. A., lacks "acceptable governmental control, not being responsible to the city, county, or State. The Secretary would release the giraffe to appellant if he had affirmative governmental supervision. . . ." Again, the Secretary asserts that "the condition in the permit

constituted . . . an ad hoc evaluation that the Department of Agriculture makes in each case upon application for a permit." It is said that the Secretary fears the giraffe, although free from disease, may be a potential carrier of the much dreaded foot-and-mouth disease.<sup>2</sup> Appellant argues that the Secretary's refusal to release his property is arbitrary, and that the condition in the permit is null and void in that neither statute nor regulation authorizes any such restrictive condition.

Giraffes are ruminants as defined by departmental regulation.<sup>3</sup> The importation of ruminants which are diseased or infected is prohibited.<sup>4</sup> Clearly the Department has not found that the five imported giraffes were infected or had been so exposed, for their importation was expressly permitted. Moreover, Dr. Heemstra's letter transmitting the permit recites that veterinary officials in Kenya had issued the proper certificate of their health. Presumably careful inspection thereafter was made as required,<sup>5</sup> indeed three of the giraffes were actually released to public zoos. How they can have been any less potential carriers than our subject animal is not suggested. In addition, the inspector in charge at the New Jersey quarantine station certified as of December 14, 1956, that the imported giraffes, held in quarantine for technical reasons, were in excellent health. It would seem, then, that all requirements of the statute as to the importation and quarantine of the animals had been fully met. The Secretary really does not contend otherwise. He points to no portion of the act of August 30, 1890,<sup>6</sup> which authorizes regulations providing for conditioned importation. If the animals are infected, their importation is prohibited. If they have been exposed to infection so as to be dangerous to other animals, they shall then either be placed in quarantine or dealt with according to the regulations of the Secretary. If they have been exposed to infection but not infected, they may be slaughtered and their value shall be ascertained and paid to the owner. Certainly the applicability of such regulations as the act authorizes must depend upon findings upon which, as the facts in the case require, either a prosecution may go forward or the valuation of slaughtered animals is to be determined.<sup>7</sup> No regulations under this act are shown to have been violated here. On the contrary, the animal is in excellent health and would be released tomorrow to an approved zoo.

The regulations say nothing whatever about what is an approved park or what may constitute acceptable governmental control. Such terminology appears only in Dr. Heemstra's letter to the importer. He testified in aid of the district court's understanding that such conditions reflect the Department's policy—itsself undefined.

<sup>1</sup> Pursuant to regulation, he had already determined that such disease existed in various countries, including East Africa. See 9 C. F. R., sec. 94.1 (1949); cf. 9 C. F. R. 94.1 (4) (Supp. 1957).

<sup>2</sup> 9 C. F. R. 92.1 (f) (Supp. 1957): "All animals which chew the cud. . . ."

<sup>3</sup> 21 U. S. C. 104 (1952).

<sup>4</sup> Id. Sec. 105. See act of Aug. 30, 1890, 26 Stat. 416, 6-10, inclusive, which make no provision whatever for conditional importation of ruminants or for the issuance of regulations authorizing a permit system of import control.

<sup>5</sup> Now embodied in pertinent part in 21 U. S. C. 101-105 (1952).

<sup>6</sup> Cf. *United States v. Grimaud* (220 U. S. 506, 521 (1911)), where the Court sustained regulations relating to matters clearly indicated and authorized by Congress. "The Secretary . . . could not make rules and regulations for any and every purpose." Id. at 522.

Asked how long he had been acting chief of the division in which capacity he might determine what permit would issue or not issue, Dr. Heemstra replied: "I have assumed these responsibilities and have been responsible for such work for about 5 years, since 1952 . . . ." In the past, no inspection had been made and there was no requirement that an applicant set forth any specified qualifications for a permit. Rather, it appears the officials consulted a publication of a private organization, Zoos and Aquariums, which lists the names of the zoos, the director of each, those who assist in obtaining animals, and the type of governmental supervision—by and large whether it is municipal, State, or Federal government. Another such reference work in evidence was the privately sponsored Zoological Parks, Aquariums, and Botanical Gardens edition of 1932 which describes the zoo, the extent of it, the number of animals, and something about its methods of operation. Thus in considering an application for a permit, the Department considered the facts detailed in the application itself and these two publications. The Department would not have issued the permit had it been known that the animal was ultimately to go to Africa U. S. A., a privately owned and operated institution. No zoo owned by a private individual is permitted to import wild ruminants.

We may note that an approved zoo is one which Dr. Heemstra approves. A zoo under acceptable governmental control is one the control of which is deemed by him to be acceptable. The next succeeding chief of division may have entirely different ideas of what his tests shall be. No standards are specified by statute or by regulation. No criteria are available to guide a purchaser. There is no prohibition against the sale by a public zoo of an imported animal later exhibited by its purchaser. If any such zoo having been permitted to import a giraffe later sold it privately, this particular zoo, of course, would then no longer be eligible to receive imported animals. The traffic in such imported animals may rest entirely in the hands of the director of an eligible zoo. Thus, a public zoo may import an animal at a particular price and sell it at an enhanced price, without let or hindrance, except the possible sanction of noneligibility for future permits, depending upon the unregulated discretion of the Bureau Chief.

Such revelations impelled the trial judge to suggest an inspection of appellant's zoo, which was made by Dr. Heemstra, accompanied by Dr. Reed, Acting Director of the National Zoological Park in Washington, D. C., and Dr. Applewhite, Federal veterinarian in charge of the Department's disease control activities in Florida. All concurred in Dr. Heemstra's report, from which we quote their "Conclusions: Based upon the inspection of 'Africa U. S. A.' on January 22, 1957, it is my conclusion that physical facilities and methods of maintaining animals at Africa, U. S. A. are substantially equivalent to those of public zoos."

<sup>7</sup> Quotations here and hereinafter are from testimony of Dr. Heemstra, unless otherwise indicated.

<sup>8</sup> The report also included the following: "Veterinary service, when needed is provided by Dr. J. A. Owen, who maintains a practice in Boca Raton. Dr. Owen is an Ohio State graduate and is accredited by Agricultural Research Service for the inspection, testing, and certification of livestock for export and for interstate movement. Dr. Owen is 'on call' rather than on a retainer or contract basis for such services as are necessary. In interviewing Dr. Owen he stated that he was fully aware of his responsibility in the reporting of suspected cases of communicable diseases to State and Federal livestock sanitary officials."

<sup>1</sup> *Pigott v. Detroit, Toledo & Ironton Railroad Co.* (221 F. 2d 736, 742 (6 Cir. 1955)), cert. denied, 350 U. S. 833 (1955); cf. *Garment Workers v. Donnelly Co.* (304 U. S. 243, 250 (1938)); *Keyes v. Madsen* (86 U. S. App. D. C. 24, 179 F. 2d 40 (D. C. Cir. 1949)), cert. denied, 339 U. S. 928 (1950); *Citizens Protective League v. Clark* (81 U. S. App. D. C. 116, 155 F. 2d 290 (D. C. Cir. 1946)), cert. denied, 329 U. S. 787 (1946).

Dr. Heemstra testified that "private and public veterinarians all report to the State and Federal authorities any diseased condition which in their opinion is dangerous and which is determined to be a contagious and infectious disease, a reportable disease," and that appellant's zoo meets all qualifications except for governmental control. This latter aspect, it was explained, permits the Department to feel that a public zoo is under "a body which has a sense of public responsibility for the general welfare, which may not be inherent in a private zoo." If there were "irregularities which had occurred or which were about to occur, we would be in a position to deal with what we believe to be a responsible public body in bringing this to their attention and instituting corrective measures."

There is no evidence that the owners of a private zoo or circus are any less anxious to preserve their investment than some political body. There is no suggestion, that the appellant's veterinarian is any less competent, because he is subject to call than an eligible zoo's veterinarian on a retainer basis. On the contrary, Dr. Heemstra reported that appellant's veterinarian, when interviewed, advised "he was fully aware of his responsibility."

The situation, as it seems to us, was summed up by the Florida State veterinarian, Dr. Campbell:

"Frankly, I feel that if foreign ruminant animals constitute a danger or threat to our domestic animal or livestock industry, the importation of such animals should be prohibited. If, in the opinion of the Department of Agriculture specialists, the possibility is but assumed to be remote that such animals are carriers and that the public interest would be served by allowing the importation of these animals, then the Department of Agriculture—which allows such importations—should accept the responsibility of providing what it considers to be adequate veterinary supervision."

There can be no question of the ultimate objective voiced by the Department or of the desirability of regulation essential to its attainment. But we perceive no basis, and none has been demonstrated, upon which a Government officer may impose an ad hoc system of licensure upon any citizen, or upon any one group as compared with another. If the law in the public interest, reflecting the policy of Congress, had prescribed that no ruminant may be imported except by a publicly owned zoo which meets prescribed conditions, generally applicable, that is one thing. But here importation was specifically permitted as to a shipment of animals, all alike. Any one animal was as much a potential carrier of hoof and mouth disease as the appellant's giraffe. If appellant's animal, or appellant's zoo, had failed to meet standards "prescribed by an agency of government authorized to prescribe such standards,"<sup>10</sup> again we would have had a very different problem. Here we find no regulations, no prescribed standards, no proscription by statute or otherwise, governing this appellant's purchase after expiration of the required quarantine period.

But, the Secretary argues, looking to the act of February 2, 1903,<sup>11</sup> section 2<sup>12</sup> here applies. Thus the Secretary is authorized to "make such regulations and take such measures as he may deem proper to prevent the introduction or dissemination of the contagion of any contagious, infectious, or communicable disease of animals \* \* \* from a foreign country into the United States or from one State \* \* \* to another. \* \* \* Section 1 of the act deals with "the exportation and transportation of live-

stock from any place within the United States where he may have reason to believe such diseases may exist into and through any State \* \* \* and to foreign countries."

The act of 1903 "is a measure intended to enable the Secretary to prevent the spread of disease among cattle and other livestock. He is authorized and directed from time to time 'to establish such rules and regulations concerning interstate transportation from any place where he may have reason to believe such diseases may exist \* \* \* and all such rules and regulations shall have the force of law.' 'Whenever any inspector or assistant inspector of the Bureau of Animal Industry shall issue a certificate showing that such officer had inspected any cattle \* \* \* which were about to be shipped \* \* \* from such locality \* \* \* and had found them free from \* \* \* communicable disease, such animals, so inspected and certified, may be shipped, driven, or transported from such place' in interstate commerce 'without further inspection or the exaction of fees of any kind, except such as may at any time be ordered or exacted by the Secretary of Agriculture \* \* \*'"<sup>13</sup>

We have no doubt whatever that the Secretary in aid of the objective of the act may validly issue regulations governing the interstate transportation of animals from any place where communicable disease exists or where he may have reason to believe it exists. Appropriate regulations and the Secretary's order in their aid may even extend to the hides of slaughtered animals.<sup>14</sup> He may quarantine a State or any portion of it when he determines that cattle or other livestock therein are affected with any communicable disease,<sup>15</sup> and may issue valid regulations to effectuate the statutory intention. But he must issue them only in accordance with prescribed standards—he may not "exercise an unfettered discretion to make whatever laws he thinks may be needed or advisable \* \* \*"<sup>16</sup> and "they are valid only as subordinate rules and when found to be within the framework of the policy which the legislature has sufficiently defined."<sup>17</sup>

Here the Secretary's regulations are silent as to approved zoos or acceptable governmental control. His regulations<sup>18</sup> provide for a permit in two sections<sup>19</sup> and health certificates,<sup>20</sup> both of which were here complied with. The Secretary may not by his regulations alter or amend a law; he may merely regulate the mode of making effective what Congress has enacted.<sup>21</sup> Congress has nowhere said that a wild ruminant may be imported for exhibition purposes only by a

<sup>13</sup> *Mintz v. Baldwin* (289 U. S. 346, 350-51 (1933)), and see *Mintz v. Baldwin* (2 F. Supp. 700 (D. C. N. Y. 1933)).

<sup>14</sup> *United States v. Pennsylvania Co.* (235 Fed. 961 (D. C. Pa. 1916)).

<sup>15</sup> *Thornton v. United States* (271 U. S. 414, 420 (1926)).

There is no suggestion here that foot-and-mouth disease exists or is believed to exist in New Jersey.

<sup>16</sup> *Schechter Corp. v. United States* (295 U. S. 495, 537-38 (1935)).

<sup>17</sup> *Panama Refining Co. v. Ryan* (293 U. S. 388, 429 (1935)).

<sup>18</sup> See 9 C. F. R. 92.1-92.29 (1949); cf. 9 C. F. R. 92.11-92.40 (Supp. 1957).

<sup>19</sup> 9 C. F. R. 92.4 (1949).

<sup>20</sup> *Id.*, sec. 92.5.

<sup>21</sup> *Morrill v. Jones* (106 U. S. 466 (1882)); "Congress was willing to admit duty free all animals specially imported for breeding purposes; the Secretary thought this privilege should be confined to such animals as were adapted to the improvement of breeds already in the United States. In our opinion, the object of the Secretary could only be accomplished by an amendment of the law. That is not the office of a Treasury regulation." *Id.*, at 467.

public zoo. Congress has never said that such an animal when allowed importation may not be sold to a private zoo. There is no regulation to any such effect. There is no regulation which says such an animal may be exhibited only in an approved zoo operated under acceptable governmental authority. There is no regulation which confers upon the Secretary or the Chief of the Bureau of Animal Husbandry the authority to prescribe what zoo may purchase and exhibit a ruminant, the importation of which has been permitted as according otherwise with all proper requirements.<sup>22</sup>

It follows that the appellant had the right to purchase the animal and, it would seem, should now be entitled to its release.<sup>23</sup> We do not envision a decree which commands the exercise by the Secretary of such discretion as may otherwise be reposed in him. We preclude simply his denial of release of the animal on the grounds we have decided are arbitrary.<sup>24</sup>

(Reversed.)

Bastian, circuit judge, dissenting: I regret that I cannot agree to the reversal of the judgment in this case, even though I agree in principle with all that my brother Danaher has written as to the dangers of executive power unguided by Congressional expression.

In this case, however, I do not believe the appellant is in position to complain. The license was not issued to him but to Demmer, who, so far as the record discloses, was satisfied with the permit as issued. Three of the five giraffes were disposed of in accordance with the permit. Two were sold to Freeman, who in turn sold them to Pederson. One giraffe has since died.

The time to have protested in court was by direct attack on the condition annexed to the permit when the permit was issued. This was not done, so far as the record before us discloses. Pederson seeks the advantage of the permit without its burden. He must have known of—or should have known of—the condition when he purchased the two animals. In my opinion, he is not in position to complain. I would affirm on that ground alone.

[From the Washington Evening Star of February 14, 1958]

#### AGENCY STICKS NECK OUT IN GIRAFFE COURT FIGHT

It isn't every day the Agriculture Department needs its legal talent to keep a giraffe, but today was one of 'em.

The Department has been arbitrary in refusing to release this giraffe from quarantine for display in a private zoo at Boca Raton, Fla., according to the United States Court of Appeals.

This slap on the wrist to the agency was delivered in an 11-page opinion ordering the animal be released from the Federal Quarantine Station in New Jersey.

Judge John A. Danaher criticized the Agriculture Department for, in effect, amending an act of Congress in its refusal to allow the giraffe to be taken to Africa U. S. A. in Boca Raton, Fla., merely on grounds the animal may be a potential carrier of the much dreaded foot-and-mouth disease.

Judge Danaher also objected to Government requirements that imported animals

<sup>22</sup> Above all, neither the Secretary nor the Chief of the Bureau of Animal Husbandry may act without warrant of law. *Cf. Morgan v. United States* (304 U. S. 1 (1938)); *Morgan v. United States* (298 U. S. 468 (1936)).

<sup>23</sup> Even knowledge of the unauthorized, discriminatory, and unpublished (5 U. S. C. 1002 (1952)) conditions does not invalidate appellant's purchase of the animal to defeat his right. See 5 U. S. C. 1001 (f) (2) and 5 U. S. C. 1008 (a) (1952).

<sup>24</sup> *Cf. Perkins v. Eig* (307 U. S. 325, 350, (1939)).

<sup>10</sup> *Securities Comm'n v. Chenery Corp.* (318 U. S. 80, 92-93 (1943)).

<sup>11</sup> 32 Stat. 791

<sup>12</sup> *Id.*, at 792, and see 21 U. S. C. 111 (1952).

can't be taken to a zoological park not approved by the Government.

The opinion says that a certificate of December 1956, shows that the controversial giraffe is one of five animals imported to this country earlier that year. He said that three of the animals were released from quarantine and sold to public zoos. A fourth died of a heart attack.

Jack J. Pedersen, owner of the long-necked creature in question, claimed in his appeal, that no Federal law authorizes the Agriculture Department to refuse quarantine release for an imported animal that will be taken to a private zoo.

[From the Washington Post of February 14, 1958]

**COURT ORDERS GIRAFFE BACK TO OWNER, DECLARES UNITED STATES STRUCK ITS NECK OUT**

(By Harry Gabbett)

Jack James Pedersen, a Florida zookeeper, can have the young female giraffe the Government has been keeping from him (at his expense) for nearly 2 years, the United States Court of Appeals ruled yesterday.

In deciding that Agriculture Secretary Ezra Taft Benson acted arbitrarily in refusing the giraffe's release to its rightful owner, the appellate court cited two 1935 decisions which rapped early New Deal knuckles for exercising executive power unguided by Congressional expression.

The giraffe case began with the licensed importation of five of the animals from Kenya, East Africa, in the summer of 1956. Three of the animals, after the customary quarantine period, were sold and released to various acceptable public zoos. Two females were sold to a dealer from whom Pedersen subsequently purchased his.

Agriculture's Bureau of Animal Husbandry, concerned chiefly with preventing spread of hoof-and-mouth disease, argued successfully in the lower court that Pedersen's giraffe was a potential carrier of the affliction.

At the same time, however, the appellate court noted in yesterday's 2 to 1 reversal, Agriculture conceded the current health of the surviving animal, and the suitability of Pedersen's private zoo, known as Africa, U. S. A. at Boca Raton, Fla., as a giraffe's permanent home.

Only L. C. Heemstra, acting chief of Agriculture's Animal Inspection and Quarantine branch, however, could approve the approved zoological park under acceptable governmental control to which such wild ruminants may be consigned under Agriculture policy, the court noted further, adding:

The Secretary (of Agriculture) may not by his regulations alter or amend a law; he may merely regulate the mode of making effective what Congress has enacted.

[From the Washington Daily News of February 14, 1958]

#### COURT COMES TO GIRAFFE'S RESCUE

The United States Court of Appeals yesterday rescued a nameless, 2-year-old giraffe who has been detained for over a year for technical reasons at the Government quarantine station at Clifton, N. J.

It came from Kenya and had a proper entry permit and a health certificate which said it is in excellent health.

The Agriculture Department refused, however, to release it to Jack James Pedersen, who runs a private zoo, Africa U. S. A., in Boca Raton, Fla.

The Department said it only releases giraffes to public zoos. Mr. Pedersen sued Agriculture Secretary Ezra Taft Benson.

During the long court fight a second giraffe consigned to him and also quarantined grew

listless, ran a fever, and finally died of a heart attack at the quarantine station.

The Agriculture Department conceded Mr. Pedersen's zoo is as well run and safe as any other.

The court said yesterday that no act of Congress requires favoring public over private zoos and that Mr. Benson's office went beyond its authority.

#### TEMPORARY INCREASE OF PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H. R. 9955) to provide for a temporary increase in the public debt limit.

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

Mr. KERR. 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. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that the Senate return to the consideration of the bill.

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

Mr. LAUSCHE. Mr. President, if the amendment shall be adopted, it will reflect the reduction proposed by the five members of the committee who voted that the authorization be limited to \$3 billion, and not to \$5 billion. The difference between the bill and my amendment is that the bill authorizes an increase of \$5 billion in the debt; the amendment which I have offered authorizes an increase of \$3 billion.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from Florida [Mr. HOLLAND] is absent by leave of the Senate.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Florida would vote "nay."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from North Carolina [Mr. SCOTT] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent on official business for the Committee on Armed Services.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

The result was announced—yeas 27, nays 56, as follows:

#### YEAS—27

Allott	Frear	McClellan
Barrett	Goldwater	Mundt
Bricker	Hruska	Potter
Byrd	Jenner	Robertson
Cotton	Langer	Russell
Dworshak	Lausche	Schoeppel
Eastland	Magnuson	Stennis
Ellender	Malone	Talmadge
Ervin	Mansfield	Thurmond

#### NAYS—56

Alken	Hayden	Morton
Beall	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bush	Hobblitzell	Proxmire
Capehart	Ives	Purtell
Carlson	Jackson	Revercomb
Carroll	Javits	Saltonstall
Case, N. J.	Johnson, Tex.	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Church	Kerr	Sparkman
Clark	Knowland	Symington
Cooper	Kuchel	Thye
Curtis	Long	Watkins
Dirksen	Martin, Iowa	Wiley
Douglas	Martin, Pa.	Williams
Fulbright	McNamara	Yarborough
Gore	Monroney	Young
Green	Morse	

#### NOT VOTING—13

Anderson	Holland	O'Mahoney
Bridges	Humphrey	Scott
Butler	Johnston, S. C.	Smith, N. J.
Chavez	Kennedy	
Flanders	Murray	

So Mr. LAUSCHE's amendment was rejected.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The bill is still open to amendment.

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

The bill was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 9955) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

#### CONSTRUCTION OF U. S. S. "ARIZONA" MEMORIAL AT PEARL HARBOR

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill, House Resolution 5809, to authorize construction of a U. S. S. Arizona memorial at Pearl Harbor.

#### READJUSTMENT OF POSTAL RATES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of House Resolution 5836.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 5836) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

#### ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, so far as the Senator from Texas is aware, we expect no quorum calls or rollcalls for the remainder of the day. We will proceed to the consideration of the postal-rate bill tomorrow, and we may have several quorum or roll calls tomorrow and the next day.

#### TENTH ANNIVERSARY OF COMMUNIZATION OF CZECHOSLOVAKIA

Mr. MUNDT. Mr. President, tomorrow, the 25th of February, marks the 10th anniversary of the black day when Czechoslovakia went behind the Iron Curtain. I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared on that unhappy event in history.

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

##### STATEMENT BY SENATOR MUNDT

The free peoples of the world and the people of the United States owe to the enslaved nations behind the Iron Curtain help and assistance to regain their freedom. On the 10th anniversary of the completion of the communization of the territory of Czechoslovakia on February 25, 1948, we should give the expression of our deep sympathies toward the subjugated nations and the nations which became victims of the Communist aggression and express our hopes that these nations again be fully free, politically and economically, that they again will enjoy full self-determination and democracy in their homelands in the future. We should encourage the enslaved and expelled Czechs, Slovaks, Sudeten Germans, Poles, Hungarians, and Carpatho-Ukrainians to strengthen their efforts to achieve freedom and we should encourage their exiles to increase their efforts to bring to the attention of the free world the fate of their people and to bring about a peaceful abolishment of communism in all countries and territories now behind the Iron Curtain.

It is the American tradition to be just toward all men and nations and to support those who strive and long for freedom. On the occasion of the 10th anniversary of the completion of communization of Czechoslovakia, we should reaffirm these principles and traditions of ours.

#### THE FARM PROBLEM

Mr. CHURCH. Mr. President, it is now clear that the administration will neither offer nor recommend a new farm program to this session of the Congress. It remains to be seen whether the Congress itself can fashion one.

In the face of this situation, and the fact that Idaho farmers are confronted with a problem that grows steadily worse, I believe that I owe it to them, as their Senator, to place on record here my views, as they generally relate to the farmers' predicament, so they may know where I stand, and what I shall be working for, during the remainder of the session.

Mr. President, during the past 4 years, the prices farmers must pay for the things they buy have risen, while the prices they receive for the things they produce have fallen sharply. As a result, the farmer is caught in a vicious cost-price squeeze. The prices he must pay for family living items, for farm equipment, and for such other necessary expenses as interest, freight costs, and taxes have risen steadily since 1953. On the other hand, the prices received by farmers for the things they produce have fallen, almost as steadily, during this same period. In 1952 the farmer, on the average, was receiving a fair price for his products. The parity ratio was 100. In 1954 it was 89. Last month it was 82. This is exactly as though the farmer had taken a pay cut of 18 cents from every dollar of earnings. Since 1951, while the average per capita income off the farm has increased from \$1,833 to \$2,018, the average per capita income for the farmer has fallen from \$953 to \$902. This is in spite of the fact that farm income is being divided among fewer and fewer farmers, each with a steadily growing investment in land and equipment. Last year alone, 1.8 million people left the farms—the largest migration away from the farms ever to occur in a single year in the history of our country.

Of course, farmers know what has happened to them better than I do; let us try to see why it has happened. All the farmers of America, together, have the capacity, at present, to produce more farm products than the country has been able to consume. This is a wonderful tribute to their energy and increasing efficiency. Unfortunately, our economic system does not operate to reward them for abundant production; it penalizes them. Let us see why this is so.

When the giants of the automobile industry find that they have the capacity to produce more cars than people will buy, they promptly cut back on production. They produce fewer cars, but every car they make is produced and sold at a profit. Similarly, when the United States Steel Corp. cannot sell, at a profit, all the steel it can produce, it cuts back on production. This corporation, now operating at only 55 percent of its capacity, avoids dumping on the market all the steel that it is capable of producing, to be sold at whatever price the market will bring. If it did this, it would soon be bankrupt.

The farmers' situation differs from that of the car maker or the steel manufacturer in at least two basic ways. If United States Steel cuts back its production, the cutback has an immediate impact upon the market, tending toward increasing the price for steel. This is so because there are very few manufacturers of steel, and, when any one of them cuts back on production, it immediately affects the supply of steel available on the market. But an individual farmer could shut down his farm completely without measurable effect on the market. If he grows hay, he cannot take his hay to market and say, "I am willing to sell it for \$25 a ton, or for \$20, or for \$15." He must go to the market and say, "I have hay to sell. I must sell it to live. What will you give me for it?"

Now, there is another basic difference between the problem the farmers face, and the situation that confronts many other businesses. When the price for cars goes down, the market for cars can be expected to expand very rapidly. The same thing does not happen, however, in the case of most farm products. This is partly the result of the widening gap between what the farmer receives for his raw product, on the one hand, and what the housewife must pay for the finished product at the market place, on the other. The farmer's share of the dollar spent in the grocery store has fallen from 48 cents in 1951 to 39 cents in 1957. Consequently, the price to the farmer can be reduced as much as 15 cents or 20 cents on a given product, and the price to the consumer for that product in the grocery store may go down only a cent or two at the most, or may not go down at all. Moreover, when times are generally prosperous, and people are employed, they tend to buy about the same quantity of bread, potatoes, and even meat and dairy products, regardless of fluctuations in the price at the grocery store. The people have to eat, and they can eat only so much. So, when farm products are produced in surplus quantities, the market is ruined. The housewife does not benefit, in any proportionate way, from the reduced prices paid to the farmer, and the demand for farm products does not increase sufficiently to eliminate the surplus.

Those who say that the farm problem can be solved by the expanded markets that will result from lower prices simply do not take these fundamental facts into consideration. The economists say that demand for food is "inelastic." What they mean is that demand for food does not expand fast enough to compensate for lower prices. Overproduction results in a glutted market. Farmers understand this. Economists understand it. Evidently only the administration does not.

This is the reason that the Federal Government has tried, from the time of the great farm depression of the early thirties, to devise a farm program in which farmers might participate in large numbers, to end surpluses and bring overall farm production into line with demand, so that farmers might receive a

fair price in the market place for their food and fiber.

In order to accomplish this, I have no doubt that we must have some kind of farm program. The unregulated free market nearly ruined the American farmer in the early 1920's and again in the 1930's. Only those with very short memories have forgotten this.

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

Mr. CHURCH. I am happy to yield to my friend from the great State of Louisiana.

Mr. LONG. I wonder if the thought has occurred to the Senator that one way to relieve the farm problem is to help make it possible for hungry people to eat? The cost of living has gone up during the past 2 years, since the last advance in welfare payments. It would seem to be a good idea to me that those who are underprivileged, or those who are on public relief, inasmuch as more than half of their funds go for food, should be given greater provision. That would be an advantage to the country, and there would be less poverty and malnutrition in this land of ours if the administration were willing to go along with some of us when we try to provide more liberally for those who are today hungry.

The Senator knows as well as I do that every time some of us try to provide an increase in welfare payments in order to meet the increase in the cost of living, the administration comes to Congress to oppose it.

Mr. CHURCH. I could not more completely agree with my good friend, the Senator from Louisiana, and I could not think of a better way to help put to good use the surplus food with which we now are confronted. Certainly, this food was meant for nourishment. There are many hungry mouths to feed, both in this country and abroad.

Mr. LONG. Will the Senator yield further?

Mr. CHURCH. I am happy to yield further.

Mr. LONG. Some people keep confusing us by talking about all sorts of complicated ways to handle the farm problem, in an attempt to say that no particular method will work.

I wonder if the thought has ever occurred to the Senator that, although the administration has been in power for 5 years, the farmers have not had enough income to meet parity during the entire 5 years—not in a single month—and not in a single month have the farmers done as well as they did in the worst month during the prior 12 years, before the present administration came into power. At the same time, the bankers have had an alltime high in income, with the highest interest rates that have prevailed in 20 years, and continuously high interest rates. I wonder if the thought has occurred to the Senator that perhaps this outfit really planned it that way all the time.

Mr. CHURCH. When I review the same record to which the Senator from Louisiana has been good enough to refer, I cannot help but think that the policies of this administration have been

strangely calculated to favor the money lender, and to favor generally the people who need the benefits the least, but to clearly disfavor the interests of the American farmers.

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

Mr. CHURCH. Indeed I will, but I should like first to make a further comment: that the proof of this statement is to be found clearly in the record, from the very fact that last year, as I have already mentioned, a recordbreaking number of American farmers left the farms in a mass exodus to the cities. This, I think, is to be laid directly to the kind of farm program which has been innovated and administered during the past 4 years.

Mr. LONG. I am sure the Senator recalls that during the last presidential election and during the election 5 years ago there were quite a few of us who said that the Republicans really believed that the farmer was getting too much.

Mr. CHURCH. That is true.

Mr. LONG. We were not saying that all Republicans felt that way, but that was the prevailing view of Republicans in general. The Republicans felt 5 years ago that the farmer was getting too much, and perhaps feel that way now; but they do not feel the moneylenders, the bankers, and the millionaires are getting enough.

I ask the Senator if the record of this administration during the past 5 years has not demonstrated that is just about what they had in mind.

Mr. CHURCH. I could not possibly agree more with my good friend, the Senator from Louisiana. I would only add that later in my remarks I make reference to the very thing the Senator has so ably pointed out in the course of this colloquy. I thank the Senator for his participation.

To be sure, there were many things wrong with the farm program during the 20 years we watched it develop from 1932 to 1952. But the basic ingredients were there. Farmers will not receive a fair price for their commodities so long as the market is glutted with surpluses; every effort to control surpluses will fail, so long as it does not provide reasonable assurances to the farmer that he will receive a fair price for what he does produce.

Perhaps methods can be devised whereby the excess production can be removed from the domestic market, and used to feed the hungry, both here and abroad. When production controls are necessary, perhaps they can be made more effective by administering them on an overall, rather than a crop-by-crop, basis. Perhaps, also, effective production control cannot be realistically based on limiting acres, but needs, rather, to be based on limiting bushels or pounds. I do not know for sure.

But I am persuaded, for sure, that our farm program has taken the wrong direction during the past 4 years. There is little evidence that the soil bank is actually reducing surpluses. Flexible price supports have meant lower prices to the farmer, but they have neither eliminated farm surpluses, nor have they reduced the cost of food or clothing

to the housewife. And every time the administration has lowered price supports, the cost of the support program has risen. It was \$60 million in 1953, \$800 million in 1955, and \$1,300 million in 1957. Despite this, the administration now proposes a new law that will permit the further reduction of price supports.

The same medicine that has already weakened the patient, when given by the teaspoonful, we are now asked to administer by the tablespoonful.

What is even more discouraging to me is the philosophy with which the whole farm problem has been treated in recent years. Farmers have been told that the solution to their problems can only be found in lower price supports and less Government interference. Consumers, particularly those in the great metropolitan areas, have been deliberately encouraged to believe that it is contrary to their interest for the Government to try to maintain farm prosperity. The farmer has been portrayed as standing in line, hat in hand, for handouts of the taxpayers' money. By insisting on lowered price supports, those who administer this program have made it impossible for farmers to do anything but try to produce more and more, in a despairing effort to meet their bills and obligations. Then, to top it off, the resultant surpluses have been pointed to as evidence that no farm program is workable. In short, the farm program has been systematically dismantled by those who had the responsibility for administering it.

Now we come to the hardest question of all. What can be done about it? The farm bloc in Congress is now divided and demoralized. A new farm program is desperately needed, but the administration has offered no change in its approach, and Congress, which speaks with as many voices as there are Members, will be hard put to devise a comprehensive new program in this session. Consequently, a movement has developed to hold the line by enacting legislation that will prevent further reduction in price supports for the 1958 crop year. No one supposes that this approach constitutes a permanent solution to the farm problem. It is, at best, a stopgap measure, designed to halt the rising tide of farm bankruptcy during the coming year, in the hope that a new comprehensive farm program can be worked out in the meantime.

It is my hope, in the meantime, that we can reach the people who have been turned against the farmer. I hope we can make them see that what the farmer wants and needs is not a subsidy, but a fair price for his products in the market place. The workers who manufacture the combines and tractors which farmers are no longer able to buy, the merchants who sell hardware, clothing, and groceries to them and their families, and the consumers who are indifferent to the farmer's plight in the mistaken hope that it will lower their grocery bills, all can be made to understand, if the facts are presented to them fairly, that farm prosperity is an essential part of our country's prosperity, and that farm legislation is not special-interest legisla-

tion, but is, rather, a matter of overriding national concern, deserving the sympathetic and intelligent support of the people at large.

I do not know exactly what form new farm legislation will take. I think it should be designed to secure for farmers a fair return at the market place for their labor and investment. It ought not to guarantee any fixed income to every farmer, large or small, efficient or inefficient, full-time or part-time. But it must, as an irreducible minimum, be aimed toward making it possible for the efficient family-size farm to survive as the social and moral cornerstone of rural community life in America.

The PRESIDING OFFICER. What is the pleasure of the Senate?

#### RECESS

Mr. CHURCH. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 33 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 25, 1958, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate February 24, 1958:

##### DIPLOMATIC AND FOREIGN SERVICE

John M. Allison, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Czechoslovakia, vice U. Alexis Johnson.

##### UNITED STATES DISTRICT JUDGES

J. Smith Henley, of Arkansas, to be United States district judge for the eastern district of Arkansas, vice Thomas C. Trimble, retired.

Claude F. Clayton, of Mississippi, to be United States district judge for the northern district of Mississippi, vice Allen Cox, retired.

##### UNITED STATES MARSHAL

Peter Auburn Richmond, of Virginia, to be United States marshal for the western district of Virginia for a term of 4 years. He is now serving in this office under an appointment which expires March 11, 1958.

## HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 24, 1958

The House met at 12 o'clock noon.

Rev. Edgar N. Jackson, minister, Methodist Church, 464 East Boston Post Road, Mamaroneck, N. Y., offered the following prayer:

Eternal God, the source of all life, we are thankful to Thee for those inheritances that are ours coming from the lives of those whom we have so recently honored for their idealism, their courage, that way of life which can become ours. We are thankful for the privileges of government in a free land and for those who assume the responsibilities of it. We come before Thee not as those who would beg for a boon or a blessing. Rather, we know that Thou art always more willing to give than to receive, that in times of stress Thou dost give guidance, that in times of crises Thou dost

give courage, and that in days when there may be great moments of doubting Thou canst give faith. So we come seeking that that courage and wisdom and faith that comes from Thee may be a living reality in all that we do. And that it may be for Thine own honor and glory. Amen.

The Journal of the proceedings of Thursday, February 20, 1958, was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGowan, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5822. An act 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.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

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 also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 66. Concurrent resolution authorizing the enrollment, with certain changes, of the bill (S. 1805) for the relief of Acme Bag & Burlap Co. and others.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

FEBRUARY 24, 1958.

The Honorable the SPEAKER,  
House of Representatives.

SIR: I have the honor to transmit herewith a sealed envelope addressed to the Speaker of the House of Representatives from the President of the United States, received in the Clerk's Office on Friday, February 21, 1958.

Respectfully yours,

RALPH R. ROBERTS,  
Clerk, United States House of Representatives.

#### ALFRED HANZAL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 340)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 1495, entitled "An act for the relief of Alfred Hanzal." This bill would authorize and direct the Secretary of the Treasury to pay the sum of \$322.67 to Alfred Hanzal, San Antonio, Tex. The payment of such sum would be in full settlement of all claims of Alfred Hanzal against the United States

for refund of taxes which he erroneously paid under the Federal Insurance Contributions Act with respect to his remuneration (as owner of the Milam Building Barber Shop, San Antonio) during the period beginning January 1, 1937, and ending March 31, 1947, and which cannot now be refunded to him by the Internal Revenue Service because of the expiration of the applicable period of limitation.

The available information indicates that Alfred Hanzal paid taxes of \$322.67 for the period January 1937 through March 1947 on his own earnings from his business which he erroneously reported under the Federal Insurance Contributions Act. In 1947 Mr. Hanzal was informed by the Internal Revenue Service that, under the then applicable law, an employer was not authorized to pay social security taxes on his own earnings and that it would not benefit him to continue payments. Mr. Hanzal therefore ceased making such payments. At the time he was informed of his error, Mr. Hanzal could have filed a claim for refund of the taxes paid by him within the preceding 4-year period of limitations prescribed by section 3313 of the Internal Revenue Code. Mr. Hanzal did not file such a claim although he did file a claim for refund of social security taxes erroneously paid on the wages of his father whom he employed in his business. This claim was allowed in 1947.

In addition to limiting the time within which it is possible for the Government to collect additional taxes or for a taxpayer to obtain refunds of tax overpayments, the Congress has determined it to be a sound policy to limit the period within which social security earning credit entries can be deleted or corrected except in the event of fraud or other limited and inapplicable circumstances. By virtue of this provision of law, Mr. Hanzal was assured social security protection from 1945 on, notwithstanding the fact that his payments were in error. Since a substantial benefit was received for the payments, their purpose was fulfilled and refund appears unnecessary on equitable grounds.

Also, the granting of special relief in this case, where a refund was not claimed in the time and manner required by law, would, in the absence of special circumstances which do not appear to exist here, constitute a discrimination against others similarly situated and would create an undesirable precedent.

Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, February 20, 1958.

The SPEAKER. The objections of the President will be spread at large upon the Journal; and, without objection, the bill and message are referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

EDWARD H. TURRI AND MARIO GUILFFRE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the