been the biggest sufferers, first, because they are most conscious of corruption yet powerless to combat it; and, second, because it is their dues money which is used to feather the nests of the crooks.

It is fitting, therefore, that we pay tribute to some of the well-managed decent labor unions which are operated for the benefit of their members and the public at large, instead of being run to fill the pockets of the union bosses.

An outstanding example of a soundly operated union is local 11 of the International Brotherhood of Electrical Workers, AFL, which has a membership of just less than 9,000. It has four units in southern California; one in the Los Angeles Harbor area, one in downtown Los Angeles, one in the San Fernando Valley and one in the San Gabriel Valley.

Local 11 takes great pride in upholding good relations among the union, its members and their employers. Naturally, there are occasions when all do not agree, but usually some common ground can be found where problems can be resolved. The union is interested in the advancement not only of its members, but of the electrical industry as a whole and the Nation as a whole.

Local 11's internal affairs are exemplary. Every bill is approved by the executive board before being paid. A certified public accountant gives a quarterly financial report which is available for any member's inspection at any time. A summary of this report is posted on every bulletin board with copies of it in every district office where anyone can request and receive it.

Moreover, the international brotherhood gives a complete financial report in its Journal Quarterly which is mailed to all members.

In local 11 an election is held every 2 years. Balloting is secret. The polls are open from 7 a. m. to 7 p. m. in each district office. Judges and tellers are elected by the membership to conduct the election. The same method of voting is used as in civil elections, with booths and ballots.

Members take a sincere interest in their union's affairs. At the general meetings there is an average attendance of about 800. Officials estimate that between the general meetings and the unit meetings that somewhere between 2,300 and 2,500 of the members attend a meeting every month.

Local No. 11 feels a strong sense of responsibility to the public. The IBEW construction department has not had a major strike since 1922. There is a clause in the constitution which forbids any local union to strike without permission of the international office.

In 1923, the council of industrial relations was formally established in the IBEW. It is composed of six members representing the employers and six representing the union, and they come from various parts of the Nation so that a broad segment of the electrical industry is represented. The council of industrial relations considers any unresolved problems arising during negotiations if these problems cannot be decided locally. Decisions of the council are binding and none has ever been violated.

Locally, there is a joint conference committee set up to resolve minor grievances which arise because of differences in interpretations of agreements.

The organization has a pension plan which has been in effect for some 30 years. Both employers and employees contribute to the plan.

Local No. 11 publishes a newsletter to keep its members informed of union affairs and problems. It encourages the families of members to take part in union activities.

Contests for members—including families—with Government bonds as prizes, family picnics, sponsorship of youth activities and other community projects, apprentice-training programs with savings bonds and other awards for outstanding trainees, and information programs for all members, are among the many activities which local No. 11 promotes for the benefit of its members.

Local No. 11 is an outstanding example of a union which operates from the ground up, in behalf of the rank-and-file union man and his family. What a contrast this is to some unions, and especially to some union leaders whose performance and reputation are far more widespread.

SENATE

TUESDAY, MARCH 11, 1958

The Senate met at 11 o'clock a. m.

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

Eternal Spirit, in whom alone is the strength of our hearts and the hope of our world: In this, our morning fellowship of prayer, we would bring our frail and faltering lives to the waiting resources of Thy grace. In the midst of events so colossal on the confused world stage, O God, who sittest above the flood of man's insanity, lift us into the only greatness we shall ever know, by using us as the channels of Thy purpose and intent. In these days of great peril and of critical decision, as we face powers of darkness which have not Thee in awe, save us from all shortsighted policies whose reaping may bring a harvest of horror for our children's children. Give us to know clearly and to follow faithfully the things that belong to our peace and to the peace of the whole world. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 10, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF 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 on March 6, 1958, the President had approved and signed the following acts:

S. 1568. An act 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; and

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

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, if it is necessary, in order to have the Senate dispose of the supplemental appropriation bill, I hope the Senate may be able to remain in session and to have yea-and-nay votes until at least 7:30 this evening.

Mr. President——

The PRESIDENT pro tempore. The Senator from Texas.

ORDER FOR ADJOURNMENT UNTIL 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10:30 a. m. tomorrow.

The PRESIDENT pro tempore. 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. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

PLANS FOR CERTAIN WORKS OF IMPROVEMENT

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement in the States of New Mexico, New York, Oklahoma, and Wisconsin (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON RESEARCH AND DEVELOPMENT PROCUREMENT ACTION, DEPARTMENT OF THE AIR FORCE

A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on research and development procurement action, for the period from July 1, 1957, to December 31, 1957 (with an accompanying report); to the Committee on Armed Services.

REPORT ON REVIEW OF PROCEDURES FOR CANCELING PRODUCTION OF CERTAIN JET ENGINES IN DEPARTMENT OF THE AIR FORCE

A letter from the Comptroller General of the United States, transmitting, pursuant to

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

law, a report on review of procedures for canceling production of excess aircraft jet engines in the Department of the Air Force (with an accompanying report); to the Committee on Government Operations.

REPORT OF FEDERAL MEDIATION AND CONCILIATION SERVICE

A letter from the Director, Federal Mediation and Conciliation Service, Washington, D. C., transmitting, pursuant to law, a report of that Service, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

AMENDMENT OF HIGHWAY REVENUE ACT OF 1956

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend and supplement the Highway Revenue Act of 1956, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan, favoring Congressional action to repeal the excise tax on motor vehicles, to the Committee on Finance.

(See concurrent resolution printed in full when presented by Mr. MCNAMARA, on March 10, 1958, p. 3669, CONGRESSIONAL RECORD.)

INCOME TAX RELIEF FOR CERTAIN FARMERS—RESOLUTION

Mr. NEUBERGER. Mr. President, I have received a resolution from the Columbia Grange No. 867, of Hermiston, Oreg. This resolution favors income tax relief for those farmers whose income is less than $3,000 per annum. The Grange members propose this as another measure to help in the preservation of the family farm.

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

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

RESOLUTION FOR THE RELIEF OF CERTAIN FARMERS

Whereas the farmers of moderate means are known to be having a struggle to survive due to the instability of the markets, also to hazards not applicable, such as weather, to other occupations; and

Whereas it is imperative that, in order to maintain the family farms, some form of financial relief must be had: Therefore be it

Resolved, That we, the members of Columbia Grange No. 867, do hereby request that legislation be enacted whereby any farmer whose income is less than $3,000 per annum, shall be exempt from Federal income tax; however, be it further

Resolved, That any farmer whose income shall exceed $3,000 during any year shall be liable, at such time, for the entire Federal income tax regularly imposed; be it further

Resolved, That a copy of this resolution be forwarded to Senator WAYNE MORSE, Senator RICHARD L. NEUBERGER, and to Congressman AL ULLMAN.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 3408. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956, and for other purposes (Rept. No. 1371).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with an amendment:

S. 3385. A bill to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments (Rept. No. 1372).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 3295. A bill to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act (Rept. No. 1373).

By Mr. CLARK, from the Committee on the District of Columbia, without amendment:

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia (Rept. No. 1375).

By Mr. CLARK, from the Committee on the District of Columbia, with amendments:

S. 3243. A bill to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia (Rept. No. 1374).

INCREASED EXPENDITURES BY COMMITTEE ON FOREIGN RELATIONS—REPORT OF A COMMITTEE

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 272) authorizing an increase in expenditures for the Committee on Foreign Relations, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the 85th Congress, $10,000, in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946, and Senate Resolution 152, agreed to July 3, 1957.

BILLS INTRODUCED

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

By Mr. PAYNE (for himself, Mrs. SMITH of Maine, Mr. CASE of New Jersey, Mr. BEALL, Mr. HOBLITZELL, Mr. IVES, Mr. CHAVEZ, and Mr. ALLOTT):

S. 3447. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

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

By Mr. BARRETT:

S. 3448. A bill to permit the Secretary of the Interior to fix the size of farm units on the Seedskadee Reclamation Project at more than 160 irrigable acres in certain circumstances; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 3449. A bill establishing the time for commencement and completion of the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill.; to the Committee on Public Works.

By Mr. CHAVEZ:

S. 3450. A bill for the relief of unemployment through the performance of useful public works, and for other purposes; to the Committee on Public Works.

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

By Mr. ERVIN:

S. 3451. A bill for the relief of Grace L. Patton; to the Committee on the Judiciary.

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

S. 3452. A bill to change the name of Hulah Dam and Hulah Reservoir, located on Caney River, a tributary of Verdigris River, to Lake o' the Osages Dam and Lake o' the Osages, respectively; to the Committee on Public Works.

RESOLUTION

Mr. GREEN, from the Committee on Foreign Relations, reported an original resolution (S. Res. 272) authorizing an increase in expenditures for the Committee on Foreign Relations, which was referred to the Committee on Rules and Administration.

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

PROPOSED AREA ECONOMIC REDEVELOPMENT ACT

Mr. PAYNE. Mr. President, on behalf of myself, my colleague, the senior Senator from Maine [Mrs. SMITH], the Senator from New Jersey [Mr. CASE], the Senator from Maryland [Mr. BEALL], and the Senator from West Virginia [Mr. HOBLITZELL], the Senator from New York [Mr. IVES], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Colorado [Mr. ALLOTT]. I introduce, for appropriate reference, a bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas. The bill will be referred to as the Area Economic Redevelopment Act.

This bill is a proposed compromise distressed-areas bill, and represents a sincere effort to compromise the differences between the Douglas bill (S. 964) and the administration bill (S. 1433) in the light of recent economic developments.

It is imperative that early action be taken on this proposed legislation, and I am requesting the distinguished chairman of the Senate Committee on Banking and Currency [Mr. FULBRIGHT] to schedule this bill for early action by the full Banking Committee without reference to a subcommittee, in the same way

in which he recently handled the housing bill (S. 3418) within the committee. The same reasons for the emergency action on the housing bill are valid for similar action on distressed-area legislation.

I also ask unanimous consent that this bill may lie at the desk until noon tomorrow to afford any other Senators who so desire an opportunity to join as cosponsors.

The PRESIDENT pro tempore. Without objection, the bill will lie on the desk, as requested by the Senator from Maine.

Mr. PAYNE. Mr. President, I also ask unanimous consent that a more detailed statement which I have prepared on the Area Economic Redevelopment Act, a section-by-section comparison in table form of my bill with the Douglas bill and the administration bill, and the bill itself, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement, section-by-section comparison, and bill, will be printed in the RECORD.

The bill (S. 3447) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, introduced by Mr. PAYNE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement, comparison, and bill are as follows:

STATEMENT BY SENATOR PAYNE

This area economic redevelopment bill would provide a Federal program of assistance to those areas of the Nation which have consistently suffered from unemployment. These economically distressed areas, caught in the backwash of the onward rushing national economy of 1955 and 1956, are now left high and dry as the economic tide recedes. They need to be brought back into the mainstream of our national life, and it must be done soon or these communities will become ghost towns—their social, cultural and economic assets lost forever. But of more importance are the people—they cannot become ghosts with their communities. They remain unemployed and suffer all the hardships which accompany unemployment. These statistics on labor surplus areas which the Department of Labor delivers to us every other month represents workers—workers who cannot find work. One small area of Maine now has over 6,700 workers who cannot find work and is one of the hardest hit areas in the Nation. This area—Biddeford, Saco, Sanford—has been listed by the Department of Labor as an area of substantial labor surplus—meaning more than 6 percent unemployment—since March 1954.

This new legislation is designed to meet the deep-rooted economic problems of such areas by means of augmenting the outstanding, though many times inadequate, efforts of the States and local communities. It is aimed at providing assistance to enable such areas to achieve lasting improvements and to establish stable and diversified local economies through creation of new employment opportunities.

Specifically this assistance would be in the form of grants, loans, and technical advice to those industrial as well as rural areas which have suffered from high unemployment and continuing economic adversities. A revolving fund of $150 million would be created out of which loans would be made to local redevelopment commissions for rehabilitation and improvement of old industrial property and for the construction of new factories. An additional $100 million in loans as well as $50 million in outright grants would be made to distressed areas for construction of needed public facilities or the improvement of existing facilities. Technical assistance to local redevelopment agencies in the form of evaluating the needs and growth potentialities of areas is also included in this bill. Redevelopment areas would receive special priorities for Federal procurement contracts and for urban renewal projects. Special vocational training is provided to help workers learn new skills. Taken in its entirety, this measure brings the full power of the Federal Government to bear upon the national problem of chronic unemployment in scattered areas across the Nation.

This idea is not a new one. For 2 consecutive years the President has recommended passage of this type of legislation. Other similar proposals have been made in both Houses of Congress during the past 3 years. However, this new bill is drawn up in the belief that it offers the best possible program of assistance to economically distressed areas at this time.

While this program is oriented toward the needs of the many scattered areas of consistently high unemployment, it also provides a first-rate means of combating the effects of the current slump in the economy. The funds made available under this program will not be limited in their effects merely to the locality where spent but will aid other facets of the economy in other sections of the Nation. The loans and grants for construction work will alleviate local unemployment and give a shot in the arm to the various suppliers and manufacturers of building materials and equipment. Thus this measure can do double duty both as an aid to the chronically distressed areas and a measure to counter the economic effects of the current slump. As a member of the Senate Banking and Currency Committee I shall actively work for favorable consideration of this measure at the earliest date possible. This Nation cannot afford to waste its human resources, and it is up to the Congress to enact legislation to help put an early end to this waste.

Section-by-section comparison of Senator Payne's economic development bill with other 2 distressed area bills introduced during the 85th Congress

Provision	Douglas bill (S. 964)	Payne bill	Administration bill (S. 1433)
1. Title	Area Redevelopment Act	Area Economic Redevelopment Act	Area Assistance Act.
2. Declaration of purpose		Same as S. 1433	
3. Organization	A separate administration, such as Small Business Administration.	Within the Commerce Department with Administrator on level with Assistant Secretaries.	Same as Payne bill.
4. Advisory board	1. Cabinet-level advisory committee 2. 12-man national public advisory committee from all walks of life.	1. Cabinet-level advisory board 2. 25-man national public advisory committee from all walks of life.	Cabinet-level advisory board.
5. Redevelopment areas	1. Industrial areas with unemployment level: (a) 12 percent for 1 year preceding. (b) 8 percent for 15 of 18 months preceding. (c) 6 percent for 8 months of each of 2 years preceding. 2. Rural areas with low-income farm families.	1. Industrial areas with unemployment level: (a) 15 percent for 6 months preceding. (b) 12 percent for 1 year preceding. (c) 9 percent for 15 of 18 months preceding. (d) 6 percent for 18 of 24 months preceding. 2. Rural areas with low-income farm families, not to exceed 300 counties.	Areas where unemployment level: (a) Is 8 percent seasonally adjusted, and has been. (b) 8 percent for major portion of 2 years preceding.
Local redevelopment authority	Local committee appointed by Federal administrator.	Public or private agency approved by State or its instrumentalities.	Same as Payne bill.
6. Redevelopment loans	1. Revolving fund total: $200,000,000 2. Maximum Federal participation: 75 percent. 3. Minimum State or local participation: 10 percent with maximum, 25 percent. 4. Minimum private participation: 5 percent. 5. Maximum period of loans: 40 years	1. Revolving fund total: $150,000,000 2. Maximum Federal participation: 50 percent. 3. Minimum State or local participation: 10 percent. 4. Minimum private participation: 5 percent. 5. Maximum period of loans: 35 years	1. Revolving fund total: $50,000,000. 2. Maximum Federal participation: 35 percent. 3. Minimum State or local participation: 15 percent. 4. No private. 5. Maximum period of loans: 25 years.
7. Loans for public facilities	1. Revolving fund: $75,000,000 2. Terms same as for redevelopment loans	1. Revolving fund: $100,000,000 2. Terms same as for redevelopment loans	None.
8. Grants for public facilities	1. Annual appropriation: $50,000,000	Same as Douglas bill	Do.
9. Funds for loans	Essentially technical outlining procedures for obtaining funds from Treasury.	do	Similar to Douglas and Payne bills.
10. Information	Other departments of Government shall provide information as necessary.	do	None.
11. Technical assistance	Annual appropriation: $4,500,000	Annual appropriation: $3,500,000	Annual appropriation: $1,500,000.
12. Powers of Secretary	Technical	Same as Douglas bill	Same as Douglas and Payne bills.
13. Termination of eligibility	Provides for termination of designation as redevelopment area.	do	None.
14. Procurement by Government agencies.	Provides distressed areas with priorities for Federal procurement contracts.	do	Do.
15. Urban renewal	Provides distressed areas with priorities for urban renewal projects.	do	Same as Douglas and Payne bills.
16. Urban planning grants	Provides distressed areas with priorities for planning grants.	do	Do.

Section-by-section comparison of Senator Payne's economic development bill with other 2 distressed area bills introduced during the 85th Congress—Continued

Provision	Douglas bill (S. 964)	Payne bill	Administration bill (S. 1433)
17. Vocational training	Provides special vocational training in distressed areas.	Same as Douglas bill	None.
18. Retraining subsistence payments.	Provides 13 weeks' subsistence payments to persons undergoing retraining.	do	Do.
19. Penalties	Technical	do	Same as Douglas and Payne bills.
20. Employment of expediters	Requires statement of expediters employed by local agencies.	do	None.
21. Annual report	Requires report	do	Same as Douglas and Payne bills.
22. Appropriation	Technical	do	Do.
23. Use of other facilities	Provides for use to be made of facilities of other departments.	do	Do.

Be it enacted, etc., That this act be cited as the "Area Economic Redevelopment Act."

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

AREA ECONOMIC REDEVELOPMENT ADMINISTRATION

SEC. 3. To assist areas in the United States designated hereinafter as Redevelopment Areas the Secretary of Commerce is authorized to take such action as may be necessary to carry out the provisions of this act. To assist the Secretary of Commerce (hereinafter referred to as the Secretary), there is hereby established within the Department of Commerce an Area Economic Redevelopment Administration. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Economic Redevelopment Administrator, who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this act as the Secretary may assign.

ADVISORY BOARD

SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this act, there is authorized to be created an Area Economic Redevelopment Advisory Board, hereinafter referred to as the Board, which shall consist of the following members, all ex officio: The Secretary, as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Labor and Treasury, the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of 25 members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such committee the Secretary shall designate a chairman. Such committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this act. Such committee shall hold not less than two meetings during each calendar year.

(c) The Secretary is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Secretary as redevelopment areas. Conferences convened under authority of this subsection shall consider with and recommend to the Secretary plans and programs with special reference to any such industry to carry out the purposes of this act.

REDEVELOPMENT AREAS

SEC. 5. (a) The Secretary shall designate as "Industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 15 percent of the labor force during the 6-month period immediately preceding the date on which application for assistance is made under this act, (2) 12 percent of the labor force during the 12-month period immediately preceding such date, (3) 9 percent of the labor force during at least 15 months of the 18-month period immediately preceding such date, or (4) 6 percent of the labor force during at least 18 months of the 24-month period immediately preceding such date.

(b) The Administrator shall also designate as "Rural redevelopment areas" those rural areas within the United States (not exceeding at any time 300 counties in the United States) in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Administrator shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

(c) In making the determinations provided for in this section, the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse, out of any funds appropriated to carry out the purposes of this act, the foregoing officers for any expenditures incurred by them under this section.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, for purchase of machinery or equipment, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time shall not exceed $150 million;

(2) Such assistance shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed shall be located;

(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(4) No loan shall be made unless it is determined that an immediate participation is not available;

(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(6) No loan, including renewals or extension thereof, may be made hereunder for a period exceeding 35 years and no evidences of indebtedness maturing more than 35 years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of 10 years, will aid in the orderly

liquidation of such loan or of such evidence of indebtedness;

(7) Such assistance shall not exceed 50 percent of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 percent of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder; and

(C) That in making any loan under this section with respect to an industrial redevelopment area, the Secretary shall require that not less than 5 percent of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources.

(8) No such assistance shall be extended unless there shall be submitted and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) Of the funds authorized to be raised under section 9 of this act, not more than $150 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, or private or public organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 50 percent of the aggregate cost of the project for which such loan is made. Subject to section 12 (5), the maturity date of any such loan shall be not later than 35 years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-half of 1 percent per annum.

(c) In making any loan under this section, the Secretary shall require that not less than 10 percent of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan repayable only after the financial assistance provided under this section has been repaid in full, and, if such loan is secured, its security shall be subordinate to the lien or liens securing the financial assistance provided under this section. In determining the amount of participation required under this subsection with respect to any particular project, the Secretary shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

(d) Of the funds authorized to be raised under section 9 of this act, not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Secretary may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public-facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State, or political subdivision thereof, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public-facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Secretary, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Secretary, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under section 7 of this act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Secretary shall by regulations provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) There is hereby authorized to be appropriated not to exceed $50 million annually for the purpose of making grants under this section.

FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this act, the Secretary may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $250 million. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

INFORMATION

SEC. 10. The Secretary shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this act, the Secretary is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $3,500,000 annually.

POWERS OF SECRETARY

SEC. 12. In performing his duties under this act, the Secretary is authorized to—

(1) Adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act, and define their authority and duties, provide bonds for them in such amounts as the Secretary shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) Hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) Request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

(4) Under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) Further extend the maturity of or renew any loan made under this act, beyond the periods stated in such loan or in this act, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) Deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this act;

(7) Pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this act. This shall include authority to obtain deficiency judgments or otherwise as in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) Acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this act;

(9) In addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this act;

(10) To such an extent as he finds necessary to carry out the provisions of this act, procure the temporary (not in excess of 6 months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) Establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this act, no further assistance shall be granted under this act with respect to such area and, for the purposes of this act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

PROCUREMENT BY GOVERNMENTAL AGENCIES

SEC. 14. Each department, agency, or other instrumentality of the Federal Government engaged in the procurement of any supplies or services for use by or on behalf of the United States shall—

(1) Use its best efforts to award negotiated procurement contracts to contractors located within redevelopment areas to the extent procurement objectives will permit;

(2) Where deemed appropriate, set aside portions of procurements for negotiations exclusively with firms located in redevelopment areas, if a substantial proportion of production on such negotiated contracts will be performed within redevelopment areas and if such firms will contract for such portions of the procurement at prices no higher than those paid on the balance of such procurements;

(3) Where deemed appropriate and consistent with procurement objectives, after the expiration of the period during which bids for any procurement are permitted to be submitted and if the lowest of such bids was submitted by a firm in an area other than a redevelopment area, negotiate with firms in redevelopment areas with a view to ascertaining whether any such firm will furnish the services or supplies with respect to which bids were theretofore submitted for an amount equal to, or less than, the amount of the lowest bid theretofore submitted for the furnishing of such services or supplies, and if any such firm can be found, award the contract for the furnishing of such services or supplies to such firm;

(4) Assure that firms in redevelopment areas which are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified and on which small business joint-determinations have not been made, but whenever the number of firms on a bidders' list is exclusive, there shall be included a representative number of firms from redevelopment areas;

(5) In the event of tie bids on offers on any procurement, award the contract to the firm located in a redevelopment area, other things being equal;

(6) Encourage prime contractors to award subcontracts to firms in redevelopment areas; and

(7) Cooperate with other departments, agencies, and instrumentalities of the Federal Government in achieving the objectives set out in this subsection.

URBAN RENEWAL

SEC. 15. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA ECONOMIC REDEVELOPMENT ACT

"SEC. 112. (a) When the Secretary of Commerce certifies to the Housing and Home Finance Administrator (1) that any county, city, or other municipality (in this section referred to as a 'municipality') is situated in an area designated under section 5 (a) of the Area Economic Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Housing and Home Finance Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Housing and Home Finance Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110 (c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105 (b).

"(e) Following the execution of any contract for financial assistance under this sec-

tion with respect to any project, the Housing and Home Finance Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Economic Redevelopment Act.

"(f) Not more than 10 per centum of the funds authorized for loans under section 102 or for capital grants under section 103 shall be available to provide financial assistance under this section."

URBAN PLANNING GRANTS

SEC. 16. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": (i) are situated in areas designated by the Secretary of Commerce under the Area Economic Redevelopment Act as industrial redevelopment areas, or (ii)."

VOCATIONAL TRAINING

SEC. 17. (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining, for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided*, That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman and other job training needed in the locality.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 18. The Secretary of Labor shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing training for a new job. Such payments shall be made for a period not exceeding 13 weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

PENALTIES

SEC. 19. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security thereof, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this title, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

(b) Whoever, being connected in any capacity with the Secretary (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 20. No loan shall be made by the Secretary under this act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of 2 years after any assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within 1 year prior thereto, shall have served as an officer, attorney, agent, or employee of the Secretary occupying a position or engaging in activities with which the Secretary shall have determined involve discretion with respect to the granting of assistance under this act.

ANNUAL REPORT

SEC. 21. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this act for each fiscal year beginning with the fiscal year ending June 30, 1959. Such report shall be printed, and shall be transmitted to the Congress not later than January 3, of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

APPROPRIATION

SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

USE OF OTHER FACILITIES

SEC. 23. (a) To avoid duplication of activities and minimize expenses in carrying out the provisions of this act, the Secretary shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this act. This act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

PROPOSED PUBLIC WORKS ACT OF 1958

Mr. CHAVEZ. Mr. President, I introduce, for appropriate reference, a bill for the relief of unemployment through the performance of useful public works, and for other purposes.

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

The bill (S. 3450) for the relief of unemployment through the performance of useful public works, and for other purposes, introduced by Mr. CHAVEZ, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. CHAVEZ. Mr. President, the bill which I am introducing is designed to develop a program of public works in the field of rivers and harbors, navigation and flood control, irrigation and reclamation, forest roads and trails, park roads, watershed protection works by the Soil Conservation Service and Forest Service, sewage and waste treatment and sewage collection systems, public buildings, including both those under the jurisdiction of the General Services Administration and the Post Office Department.

I have not included the highway program for the interstate, primary, and urban systems since this is being currently discussed by the Roads Subcommittee of the Public Works Committee.

I am proposing an accelerated 5-year program of works in the fields I have mentioned. The total program would amount to about $14,219,000,000, with $2,788,000,000 for fiscal year 1959. I propose $2,829,000,000 for fiscal year 1960; $2,899,000,000 for fiscal year 1961; $2,874,000,000 for fiscal year 1962; and $2,829,000,000 for fiscal year 1963.

I hope that we can develop a consistent and uniform public-works program so that there can be an efficient utilization of funds and development of resources. I cannot think of anything more inefficient than a program of construction work which involves starts and stops.

I do not wish to convey the implication by introduction of this bill that we can expect the present unemployment problem to continue for 5 years, but I

should like to see a program of work developed which would result in the best utilization of every dollar spent in our country on projects which would strengthen our economy and be of a permanent nature. I do not suggest a crash program, but a uniform program to develop our resources and provide necessary public buildings and water treatment works.

CONTRACT AUTHORITY

Mr. President, the Public Works Committee has held hearings on Senate Concurrent Resolution 68 which would accelerate the spending of available funds. There is another source of funds which can be used to combat recession. The Highway Act gives contract authority to the Park Service, Indian Service, Forest Service, and other agencies to enter into construction contracts.

I have called upon the Budget Director to make immediate use of this authority so that every available source of existing authority will be used.

In order that all Senators may be informed as to the steps I have taken, I ask unanimous consent that my letters to Budget Director Brundage and Secretary of Agriculture Benson be printed in the RECORD.

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

MARCH 11, 1958.

Mr. PERCIVAL BRUNDAGE,
Director, Bureau of the Budget,
Washington, D. C.

DEAR MR. BRUNDAGE: I am gratified at the announcement that the spending of funds already appropriated will be accelerated in order to help reduce unemployment. There is one other avenue which I think should not be overlooked. The Public Works Committee has given various agencies contract authority. This year the Budget requested that there be a rescission of this authority as a rider to the appropriation bill for the Department of the Interior and the House declined to do so. In the case of the Forest Service the contract authority has never been used. This has been under discussion in our committee and we are concerned that full use has not been made of this method. In view of the desire to accelerate programs evidenced by the executive branch it seems to me that complete use of contract authority qualifies as a method to be used to the fullest extent.

I wish to know the various amounts of contract authority unused and available which could be applied immediately. I also desire to know your plans for immediate use of these authorities. Will you present to the Committee on Public Works and to the Committee on Appropriations a tabulation showing these data and a statement of how these funds could be used and your plans to insure immediate use of this authority?

A reply by March 15 is desired.

Sincerely,

DENNIS CHAVEZ,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
March 11, 1958.

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

DEAR MR. SECRETARY: The Federal Highway Act authorizes agencies to utilize contract authority in the construction of needed roads. All of the agencies granted this authority, with the exception of the Forest Service, have used it. As you well know, we have before us various proposals to accelerate selected Federal programs to curb rising unemployment. One device that has been used by the executive branch is to release funds placed in reserve in fiscal year 1958.

It is my understanding that there is currently $5,914,000 of the authorization provided for forest-development roads and trails in the 1956 Highway Act, which could be utilized at once by application of the contract authority.

As chairman of the Senate Committee on Public Works, it is my desire to see every authority granted by the Congress used to the utmost to combat the recession now imposing severe hardships on many of our people. I, therefore, call upon you to take the necessary steps to place the balance of the authorization under contract so that immediate benefits may be secured. One project, known as the Scenic Highway near Las Vegas, N. Mex., costing only $231,000, would be most helpful in not only developing that area, but also in providing gainful employment to the people. I am sure that in many places of critical unemployment there are other equally meritorious projects that could be started now.

I would appreciate your advice by March 15, 1958, of the steps which you have taken to utilize now the authority granted to you by law.

Sincerely,

DENNIS CHAVEZ,
United States Senator.

Public Works Act of 1958

[In millions

Agency	1959	1960	1961	1962	1963
Corps of Engineers: Rivers and harbors and flood control	$875	$900	$900	$850	$800
Department of the Interior:					
Irrigation and reclamation	200	200	250	250	225
Small irrigation projects	10	10	10	10	5
National Park Service	50	50	50	50	50
Bureau of Indian Affairs	30	30	30	30	30
Department of Agriculture:					
Watershed programs	53	69	89	114	149
Forest roads and trails	100	100	100	100	100
Forest improvements	100	100	100	100	100
Department: Public Health Service:					
Sewage and waste treatment	100	100	100	100	100
Sewage collection systems	300	300	300	300	300
General Services Administration:					
Public building construction	500	500	500	500	500
Repair of public buildings	120	120	120	120	120
Post Office Department:					
Construction of post office buildings	250	250	250	250	250
Repair of post office buildings	100	100	100	100	100
Total	2,788	2,829	2,899	2,874	2,829

Yearly totals:	
1959	$2,788
1960	2,829
1961	2,899
1962	2,874
1963	2,829
Total	14,219

AMENDMENT OF FEDERAL-AID ROAD ACT OF 1916—AMENDMENT

Mr. KERR (for himself and Mr. MONRONEY) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3088) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways, which was referred to the Committee on Public Works, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. CAPEHART submitted amendments, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

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. GREEN:

Address delivered by him at dedication of Navy pier, United States Naval Construction Battalion Center, Davisville, R. I., March 5, 1958.

By Mr. YARBOROUGH:

Address delivered by him at the seventh annual Jefferson-Jackson Day dinner at Baltimore, Md., on March 8, 1958.

THE RECESSION AND A TAX CUT

Mr. CARLSON. Mr. President, the main topic of concern in our Nation—and I believe it can be truly said among the nations of the world—is the business recession in the United States.

Many proposals are being advanced for steps to be taken in order to stimulate employment and pump money into our economy, and thus again increase our gross national product.

It is only natural that in a period such as this, we should review recessions or depressions of the past, in order that we may know how to deal with the present one.

Credit is being eased through the Federal Reserve, Federal spending in several areas is being proposed, and an increase in the funds for unemployment compensation and a tax reduction are among the suggestions being offered.

I would remind the Senate and those who believe that this recession seems to follow the pattern of the 1949 and 1954 periods, that in both of those instances Congress acted with dispatch in dealing with the depression by giving a tax reduction.

In 1949 taxes were reduced—and, I should mention, that was done over President Truman's veto. That tax reduction was a leading factor in bringing about a $21 billion increase in the gross national product within 6 months, and that occurred before the outbreak of the Korean war.

In 1954 taxes were also reduced very sharply, and the Federal Reserve Board made credit easier. Again there was an increase in the gross national product—one of $54 billion between 1954 and 1956.

I think it is the obligation of Congress to give serious consideration to every proposal that is offered to halt this recession; but I suggest that if we base our actions on the history of depressions, we shall give every consideration to a tax cut. One sure way to stop the recession is to cut taxes.

There are many proposals for cutting taxes, and each of these would affect our economy in different ways. Therefore, I think it is essential that we give consideration to the proposals which would give immediate relief in the present situation.

In the March 7 issue of the Des Moines Register there appeared an editorial entitled "Recession Can Be Stopped." I call the editorial to the attention of the Senate, and I ask unanimous consent that it be made a part of my remarks.

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

RECESSION CAN BE STOPPED

Prof. Gustav Cassell, of Sweden, said many years ago that any country could get out of a depression if it just waited long enough—until sufficient industrial plant and equipment had rusted out and worn out. Then, he said, capacity would fall short and a reinvestment advance would begin, enlarging incomes, and pushing the economy upward.

Cassell didn't recommend this policy. He was an early advocate, even before John Maynard Keynes of England, of government spending and taxing policy to stabilize the economy. Under his leadership, Sweden had a successful economic stabilization policy long before most Western governments began to assume such responsibility. The United States did not adopt its Employment Act, assigning such responsibility to the Federal Government, until 1946.

Today, no modern government dares fall back on the archaic natural remedy for depression. Democratic governments cannot stand idly by as unemployment mounts.

The United States is now in a recession which has been gathering impetus for several months. The first signs of it appeared in the middle of 1957. Some leading Government and private economists thought that the Federal Government should start acting as early as last August. Among these was Arthur Burns, the former Chairman of the President's Council of Economic Advisers. Burns differed with the Federal Reserve Board on money policy—that is, he thought credit should have been loosened earlier than it was.

The Federal Reserve Board and the Eisenhower administration are worried about overdoing recovery measures and thus bringing on a new burst of inflation. This is the reason why the administration has not yet recommended a tax cut nor proposed anything more than a mild step-up in public works spending. The President and his advisers are counting on somewhat larger defense spending to pull the country out of the slump.

Those who take the cautious view about antidepression measures believe that the 1958 recession is shaping up much like the recessions of 1949 and 1954. These downswings were moderate and recovery was quick. Here is a table showing the changes in the gross national product (GNP) in these recessions, compared with the figures for the current dip. The GNP is the total value of production of goods and services at current prices.

	GNP in billion dollars at annual rate
1949 recession:	
4th quarter 1948	264
1st quarter 1949	256
4th quarter 1949	255
2d quarter 1950	276
1954 recession:	
2d quarter 1953	370
4th quarter 1953	364
1st quarter 1954	358
4th quarter 1954	364
1958 recession:	
3d quarter 1957	439
4th quarter 1957	433

A study of the major components of the GNP leads many economists to believe there will be a leveling off, or perhaps a small pickup in the second quarter of 1958. But this is only a guess, and in the present critical stage of the recession, a change in consumer and business spending plans could turn the economy farther downward.

Even if a leveling off does occur, this would mean that the economy was failing to make sufficient progress to maintain full employment. Suppose the GNP measures $439 billion (annual rate) next quarter. This would be $16 billion less than would have been produced if the progress of the last few years had been maintained (not counting the rise in prices).

Since the size of the work force is continuing to grow, this would mean a further increase in unemployment. Arthur Upgren, professor of economics at Macalester College in St. Paul and one of the country's leading economists, figures that a leveling off in 1958 would mean about 2½ million more unemployed this year.

What can be done about it? Those who are comparing this recession with 1949 and 1954 may have forgotten that the Federal Government acted promptly and vigorously in both these instances.

In 1949 taxes were reduced (over President Truman's veto). This was a leading factor in the rise in GNP of $21 billion in 6 months—and entirely before the outbreak of the Korean war. Tax revenues actually increased, despite the lower rates, because business picked up so fast.

In 1954 taxes also were reduced sharply, and the Federal Reserve Board made credit easier. Again tax revenues increased as economic activity expanded. GNP increased by $52 billion from 1954 to 1956.

In both these recessions, therefore, quick tax reduction was effective, and it cost less than nothing, because total revenues rose substantially.

Government antirecession policy is a very inexact and clumsy science so far. Yet there are a few things which have been learned in recent years in keeping United States recessions small. One is that prompt tax reduction is effective.

If tax reduction is postponed too long, it will be necessary for the Government to pull more drastic antirecession tools out of the bag. Spending for public works would have to be stepped up sharply. As the recession deepened, the difficulty of pulling the Nation out of the doldrums would increase.

For this reason, it is much better to err on the side of inflation at this stage of the recession (and considering our limited experience and knowledge about stabilizing the economy) than to wait and let unemployment grow. The methods may be crude, but we do know how to keep a recession from advancing. Tax cuts in time may do the job. They ought to be tried soon before more radical measures become necessary.

THE ECONOMIC RECESSION

Mr. SMITH of New Jersey. Mr. President, the other day I read an interview with a resort hotel operator who claimed he was feeling the effects of the recession. He turned down 500 reservations every weekend last year, he said, but now he is turning down only 400. A gloom-and-doom statistician could claim that that hotel is suffering a 20-percent recession.

I am not contending that hotel conditions are a proper measurement of the Nation's economy, but I was intrigued by the illustration. It suggests, I think, that we need a more truly national perspective on the business recession than we have been getting.

It is meaningless to talk about recession unless we consider what the economy is receding from, and where it stands in relation to the past. At the present time it is receding from the highest peak in our economic history; and even now it remains at a record high, compared to the level of previous years.

Let us consider the gross national product, a prime national economic measurement. In 1956, it averaged a record $415 billion.

The rate in the fourth quarter of 1957 was about $433 billion—which represented a drop of $6 billion from that of the third quarter of the year.

Figures are not yet available for the gross national product in the first quarter of 1958. For the sake of discussion, however, let us suppose that the rate drops another $6 billion. This would put the national economy in the position of a man who made $415 per pay period a year ago, received a raise of $24 6 months ago, and has just had $12 of it eliminated. He still makes $12 more per pay period than he did a year ago. Let us remember that this is the same man who was making $345 per pay period when the Eisenhower administration took over. So even with his pay cut of the past few months, he is still making $76 more each pay period than he did then.

He has not had to endure war to reach this high plateau. Furthermore, he has the word—and actions—of his President, and the opinion of the Nation's leading economic specialists, that the $12 pay cut will soon be more than restored.

I am not trying to belittle the unemployment figures; they definitely show more unemployment than usual, even at this normally slow time of year, when weather affects a number of major industries. Of course, the big storm which occurred recently has caused some difficulties.

However, the administration is fully alert to the situation, and is moving to insure a speedy upturn, through increased Federal expenditures for things

the Nation needs, through relaxed credit, and through programs designed to spur private economic activity. More such activities are in readiness or are under preparation for use if needed later. Recently we have heard a great deal of discussion on this matter on the floor of the Senate, from Senators on both sides of the aisle.

The point I am making is one I have repeatedly stressed in remarks on the Senate floor during the last 4 weeks; namely, that there is no justification for panic, and there is no basis for politically inspired fears of a depression. The underlying forces of American economic strength, such as the size of the gross national product and the continuing record level of personal income, remain essentially sound.

The fact is that the confidence of our people is not impaired, despite the ill-advised partisan pessimism manufactured for political purposes. This confidence is clearly reflected in the figures for home construction, one of the basic areas of economic activity.

Home construction is continuing at a rate of over 1 million units annually. People who are convinced that the country is in danger economically do not commit themselves to long-term housing mortgages. I, myself, went through the experience once.

The PRESIDENT pro tempore. Under the 3-minute limitation, the time available to the Senator from New Jersey has expired.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

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

Mr. SMITH of New Jersey. Mr. President, I think the downturn in economic activity would well be described as a breathing spell occurring after 5 years of sustained growth and capital investment at the greatest rates in history—even surpassing wartime spurts.

The administration has moved, and will continue to move, to make certain that our economy will not stand still, and that more jobs will become available for our ever-increasing population and work forces.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, two articles published recently in the Washington Star and in other newspapers throughout the country. Both are parts of a survey of the economy by the Associated Press. One, which appeared in the Star of March 4, describes the recession as a sideslip, not a tailspin. The other, published in the Star of March 6, emphasizes the strong points in the Nation's economic health.

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

[From the Washington Evening Star of March 4, 1958]

RECESSION IN AMERICA: ECONOMIC MOVE CALLED SIDESLIP, NOT TAILSPIN

(By Norman Walker)

Take a pencil and a map of America. Draw a line down the west coast, another under the Great Lakes, and a third down the Atlantic coast from Maine to the Carolinas.

You have marked off the main trouble spots in America's ailing economy. They cover the country's greatest manufacturing centers, the areas with the heaviest populations, and thus the most politically important.

The rest of the country is beginning to feel the pinch, but it is not too bad.

Even in the troubled areas, business is still thriving in many respects, gliding along on the momentum of America's fabulously rich and diverse economy.

SIDEWISE MOVEMENT

"Progress is sidewise, not going up or down," said President Lee Miller of the Citizens Fidelity Bank & Trust Co., Louisville, Ky.

It is important to remember our patient—business—is still lusty and active with the greatest potentialities in history. Ailing, sure, but not down on his back.

Measured in income, profits, employment, and production he has slipped back only a few notches from record achievements even for the world's leading nation. But he has been accustomed to constant success.

"We were living in a fool's paradise thinking business would keep going on up," says Holmes Whittemore, general manager of Jones & Lamson Machine Co., at Springfield, Vt.

But will our economic patient get well on the dose of aspirin and rest prescribed by President Eisenhower? Or is he getting worse and needing a stronger remedy?

This is the key problem in Washington and many State capitals, facing mounting demands for stronger emergency pump-priming measures.

PEOPLE CALLED REALISTIC

A comprehensive survey by the Associated Press reaching down into the grassroots of America shows that people are facing the situation with a hardheaded attitude. They are neither discouraged, nor particularly optimistic.

They see 1958 as a year of trial and trouble, but are remarkably unanimous in confidence that our current economic stumble will somehow straighten out and lead to new high plateaus in 1959 and 1960.

Data collected from coast to coast suggests a buyer's market. Down at Chattanooga, Tenn., it's tough selling power lawnmowers in January snows, yet L. B. Jackson's hardware store got terrific response from a cutrate sale. He sold 100.

"And I don't recall ever selling one before in January in the dozen years I've been at the store," said Mr. Jackson.

Many businessmen feel it's time for more vigorous merchandising, fancier packaging, aggressive selling. One of those is John P. Coleman, planning director of the General Aniline & Film Co. (Ansco), who calls it a "do-it-yourself" economy for business.

LITTLE PRICE CUTTING

Yet the AP survey reflects little disposition to cut prices at this stage. Living costs are staying right at record levels.

And many citizens, especially the army of perhaps 5 million unemployed, are curbing buying habits, drawing in their horns, getting along on hamburger instead of chops and steak, making the car and topcoat do a while longer.

People still have money to spend; retail sales in January hit $15.5 billion, up 1 percent from December on a seasonally adjusted basis.

Gross buying power is holding up, even though the number of customers is dwindling.

The Commerce Department reported personal income stayed in January at the high December level. But it reflected an unusually heavy distribution of year-end dividends.

In fact, the annual rate of wage and salary payments has dropped by $5 billion since August.

INDUSTRY SORE SPOTS

Just as you can pinpoint the trouble spots on the map, you can single them out by industry.

In manufacturing it's primarily aircraft, autos, construction, electrical manufacturing, men's clothing, and the chronically receding textiles industry.

Beyond this are the sorely hurt great raw material industries—steel, down to 52½ percent of operating capacity; coal, copper, aluminum, and lumber. Losses of freight from these industries have pinched their hauler, the railroads.

Construction, one of the first industries to feel the recession, is beginning to pick up again. Tight interest rates which discouraged building have been loosened somewhat. As a result, January hit a record $3.3 billion, 3 percent above a year ago. Even home construction is showing improvement.

But the oil industry is hurting. Domestic production built up for export during the Suez crisis is hard pressed now to find markets. Texas crude output dropped in 1957 for the first time.

Inevitably, regardless of what happens from here on out, the relatively still-prospering areas in the Midwest, South, Southwest, and Western Plains States will be dented from what is happening in the factory centers, mines, and mills. They are at the other end of the production line.

The Plains States—coming out of a long period of bad times in wheat and cattle from the long drought that was broken last spring—are happy and encouraged—provided beef prices hold.

Industry is beginning to scrounge for orders, meanwhile cutting inventories. The Commerce Department estimated unfilled orders amounted to $51 billion at the start of 1958, well down from the $64 billion a year earlier. Business faces a dwindling market abroad as well as at home. Exports hit a record $20 billion clip in 1957, but a spokesman for the Government's Foreign Trade Council of Businessmen predicts a 10 percent decline this year.

Some businessmen, tolerant of foreign competition in the good years, are getting a bit huffy about it now and dreaming of higher tariffs. This is true in the steel and copper industries, among others.

INDUSTRY EXPANDING

Despite its troubles, industry still is expanding, even though it can't use all the production capacity created in recent years. Money being spent on new plants and equipment is running at a $35.5 billion annual rate during the first quarter of this year, down only about $2 billion from the peak rate of the third quarter of 1957.

The new plants are more efficient, need fewer workers. And the unemployed workers are idle as customers as well. The fact that those still employed are working only an average 38.7 hours a week means their earnings and buying potential are less.

It looks like United States capacity to produce has, at this moment of history at least, outstripped the capacity to consume.

[From the Washington Evening Star of March 6, 1958]

RECESSION IN AMERICA: SOME AREAS OF NATION BARELY FEEL THE SLUMP

(By Norman Walker)

"Business is no good," says the operator of a big hotel on the Las Vegas gambling strip. "Last year we were turning down 500 reservations every weekend. Now we're only turning down 400."

Which helps prove that even with the troublesome recession the country is experiencing, there are bright spots. And the en-

couragement isn't only on the Las Vegas dice tables.

It's reflected in the optimism in the long-depressed farm areas.

You also see it in the hopes of builders with spring weather coming and the freeze on building money credit thawing.

You find buoyancy, too, in the boom towns near missile bases like Cape Canaveral, Fla., and Redstone Arsenal at Huntsville, Ala., the Government's vast atomic works in New Mexico, and the missile fuel factories in Texas.

SOME AREAS NOT HURT

It's apparent in many areas across the land which have barely felt the recession and report business as good or better than their top levels of prosperity, or only a little off.

The same search by Associated Press newsmen that turned up the gloomy economic facts of life in the jobless areas of Michigan, Pennsylvania, and California also brought glowing accounts of conditions elsewhere.

President Eisenhower isn't the only one with a chins-up outlook. Take Bob Conroy, 38, one of Detroit's jobless army. He and his wife both lost their jobs in early December. They and their 2 children are living on hopes, State jobless benefit payments and 2 basement freezers filled with food.

"We're living," said Mr. Conroy. "We'll get along. I think in a few months something ought to happen. I got a deer during the hunting season last fall and froze the carcass. That's helped."

BOOM IN WEST FLORIDA

In Florida, where migrant field hands idled by the crop freezes are being fed in soup kitchens, business is booming on the State's west coast. There has been an influx of plant construction workers and "snowbirds," the winter vacationers from the North.

Miami Beach, with temperatures back to the normal 70°, has been bidding hard to recoup some of its lost winter tourist business.

A whole trainload of hay balers, 600 of them, was recently sold in eastern Kansas and western Missouri.

A survey of 444 firms by the chamber of commerce at Buffalo, N. Y., showed 84 percent expect business to equal or exceed last year. About one-fourth expect to expand employment this year.

SEE NO BIG DEPRESSION

There's an almost unanimous view the country isn't headed for a major depression.

In Chicago, Robert C. Tyson, finance chairman of United States Steel Corp., said two factors alone should prevent any repeat of 1929. Then, he said, we had a highly speculative stock market financed on thin margins with borrowed money. Now, he said, the bulk of stock market holdings are self-financed.

Mr. Tyson's second reason: "Home mortgaging practice has shifted from lump sum, short maturity loans, to monthly amortized, 20- to 30-year obligations, more like rent. Much of the debt is also guaranteed or insured by the Government."

Other businessmen now are paying tribute to the unemployment compensation part of the social security system. An $8 billion insurance pool is being tapped by the nearly 5 million jobless to make sure they don't starve or go homeless. This keeps them in the market as buyers, to some extent, at least.

Also, for those rightly worried about the present shortage of jobs, particularly in the Nation's factories, there is the encouraging word from many economists that we are really headed for a labor shortage in a few years—that there will be plenty of work and pay for all.

Louisiana reports: "Almost everyone is living high on the hog here." Texas reports its bustling gulf coast industries are going full blast. South Dakota says its bank deposits topped $300 million for a record.

TWO IMPROVING AREAS

It's odd, but two of the sectors that worried the economists most last year—farming and construction—now are improving and carrying much of the hopes for pulling the country up again.

The big story in farming is the broken drought. The wheat and cattle farmers in Kansas, Iowa, Idaho, Missouri, Nevada, New Mexico, Oklahoma, and the Dakotas have stars in their eyes again.

Nebraska, coming out of a bumper crop year after a series of bad ones, counted a 43 percent hike in crop dollar values which gave the State's farmers $200 million more to spend.

Construction, a laggard in 1957, is looking up. Various Government moves have eased money availability.

Home builders in many areas started clearing sites even before early February snows melted away, getting ready for cement pouring, bricklaying, plastering.

George Yamini, Dallas developer, reported sale of 62 lots in 1 week for $14,000-up homes, said it was due to more liberal credit. Tyler, Tex., expects $30 million to be spent this year in expansion, repairs, streets, and highways.

DEFENSE WORK GROWING

Revived defense work is beginning to show up. For example, construction is starting on a new $65 to $100 million missile base at Cheyenne, Wyo.

Threaded through the AP's survey data are strong suggestions of the mobility and fluidity of the labor force. Workers can and do adjust to other jobs—go elsewhere looking for work.

The electrical manufacturing industry generally has been hurting. People more or less ran out of money to buy home appliances, TV sets, and so forth. But the electronics end of the industry is beginning to pick up again with renewed defense spending. And withdrawal of small appliances from fair trading by several firms may help sales.

A group of electronics makers in the San Francisco Bay area are particularly optimistic. "We have had no layoffs and are starting to hire engineers again," says H. Myrl Stearns, president of Varian Associates, Palo Alto.

Arkansas, like most Southern States, is working overtime trying to lure in new industries. There have been some spotty layoffs, but Southern States are still on the plus side of the economic ledger.

CONFIDENCE IN SOUTHEAST

The confidence that the growing Southeast will continue its steady economic growth is seen in the comment of an Arkansas State official:

"There's only one catch right now; the new plants are coming—they're just not here yet."

If you want to look on the bright side, consider that baby sitters are easier to get. Ditto guys to shovel snow off your driveway.

Living costs still are soaring at record levels. But there's some encouragement here, too. Raw material prices have sagged, for such things as rubber, metal, hides, wool, gasoline, fuel oil, and lumber. Government economists predict sooner or later this will drift into the retail level as lower consumer prices.

In southern Wisconsin the town of Monroe calls itself America's swiss-cheese capital. Here's another industry that's been in the doldrums. But milk prices paid to the farmers and the price of the Swiss product are not shot through with holes any more. So Monroe is one of Wisconsin's bright spots.

Mr. SMITH of New Jersey. Mr. President, I am glad to add these observations to the recent discussion, because I believe we must have a picture of where we are from the standpoint of the economic figures.

ARMS IN THE HEMISPHERE

Mr. MORSE. Mr. President, the Washington Post of March 8 carries the reply to Drew Pearson's column of March 5 from Ambassador Luis Quintanilla, of Mexico. Since I placed the Pearson column in the CONGRESSIONAL RECORD, it is only fair that I now have printed the response from Ambassador Quintanilla, and I ask to have it printed in the body of the RECORD.

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

ARMS IN THE HEMISPHERE

I was greatly shocked when I read Drew Pearson's article of March 5 entitled "Disarming Idea Irks Latin-American Chiefs"; not because of the article in itself, which is Mr. Pearson's own responsibility, but because in it I found an inaccurate report of facts and a completely false quotation of words attributed to me.

Mr. Pearson, who for years has been a good friend of mine and for whom I hold personal esteem and respect, states that the recent Costa Rican proposal for limiting arms in Latin America "inspired a secret meeting at the home of Ambassador Luis Quintanilla of Mexico to oppose the move."

May I say that when friends invite one another at their residence—or in this case at my residence—such a gathering of friends cannot be labeled either a meeting or secret. What is said in such informal receptions does not require a public report by intelligent and conscientious newspapermen.

Mr. Pearson is both, intelligent and conscientious; yet he did not hesitate to state in his article that, on the occasion referred to, "he (Quintanilla) argued that the United States and Costa Rica were trying to disarm the rest of the Western Hemisphere and thus endanger the other nations." Nothing of the kind was ever argued by me or by any of my colleagues who were present.

No one questions the good faith and moral reasons that inspired Costa Rica to submit its controversial proposal. The initiative is exclusively Costa Rica's and not a joint United States-Costa Rica move. Much less could anybody suggest that there might be some strange special alliance between the United States and Costa Rica "to disarm the rest of the Western Hemisphere and thus endanger the other nations." That statement is silly on its very face.

Mr. Pearson says even more: He writes that "he (Quintanilla) even seemed to think that the United States had designs on Mexico and that Mexico had to keep a big army in order to defend itself against the United States." Who in the world ever reported such absurdity to the candid ears of Mr. Pearson?

Latin America had, it is true, much trouble with the United States in years prior to the Good Neighbor Policy. Since that time, however, neither Mexico nor any of the American republics holds the view that the United States harbors any kind of designs upon any of them. In fact the only invasion we do expect—and cordially welcome—is that of the friendly United States tourist flow moving south of the border.

Furthermore, Mr. Pearson attributes to me, this time in quotes, the following words:

"Mexico will not disarm unless the United States is subject to the same limitations."

One would think that here as in the previous interpretation of people's inner thoughts, Mr. Pearson had a basis for writing what he did. How can anyone refer to something that another person "seems to think"? And how

can anyone honestly quote somebody without identifying the sources? I never said, then or at any time, anything which even remotely resembles this remark and I am unable to ascertain why Mr. Pearson, who was not even present at my reception, could possibly report such a thing.

As was properly stated by some of my colleagues who spoke publicly, as I did, at an open meeting of the OAS council, the problem of limitation of armaments is considered, by most, universal by nature. Therefore, to reduce armaments among a few countries can never help the cause of peace as long as all other countries, among them the most powerful nations, are left to arm as they see fit. That is all there is to it and we think that it makes sense and that there is nothing mysterious or anti-United States in this logical approach.

But we all hope that, perhaps sooner than we think, the international play of military forces will allow the United Nations and the OAS as well to bring all our countries in the Western Hemisphere and all the countries throughout the world, a real and permanent guaranty of international peace and security which will allow every country—and not only the countries of Latin America—to reduce substantially their respective military appropriations.

LUIS QUINTANILLA,
Ambassador of Mexico to the Organization of American States.
WASHINGTON.

Mr. MORSE. Mr. President, naturally I am gratified that the Ambassador denies so emphatically the position attributed to him, and by implication to his government, by Mr. Pearson, to the effect that his government is fearful of American aggression and desires to arm itself against that possibility.

At the same time, I restate my hope that some of our neighbors in South America will continue to demonstrate to the United States a better understanding of the real needs of the Western Hemisphere than the United States has demonstrated under this administration. The Organization of American States could show farsighted leadership indeed, if it would appeal to the United States to put into economic development the money we are now spending on military assistance to South America, much of which I think is completely wasted.

James Reston, writing in the New York Times, yesterday presented an analysis of what scientists and engineers are doing to American foreign policy. In brief, they are making it more and more obsolete. Reston discusses the advent of atomic-powered submarines, capable of lying submerged even under Arctic ice, and their ability to deliver nuclear warhead missiles.

I shall ask that the entire article be printed in the RECORD, but at this time I should like to read a brief portion of what Mr. Reston says:

It takes very little imagination to see what this will eventually do to the vast, expensive, and intricate network of United States bases and political arrangements now in operation.

I ask to have his column printed at this point in the RECORD.

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

ON ADAM AND EVE AND ADMIRAL RICKOVER

(By James Reston)

WASHINGTON, March 8.—As Adam said to Eve when they were kicked out of the Garden of Eden, "We are certainly living in a period of change."

The Navy's last battleship, the 45,000-ton *Wisconsin*, was put in mothballs today at Bayonne, N. J. She was built less than 15 years ago at a cost of $100 million, and the Navy is now left without a single ship of the line for the first time since the administration of Grover Cleveland.

Yesterday, however, the *Grayback*, an atomic-powered submarine capable of firing the Regulus II nuclear missile a distance of 1,000 to 1,500 miles was commissioned at Vallejo, Calif.

Last Wednesday the Navy's third atomic submarine, the *Skate*, arrived in Portland, England, after a totally submerged crossing of the Atlantic. The voyage took 8 days and 11 hours.

Meanwhile the Navy was planning a series of atomic submarine maneuvers under the polar ice and talking about a submerged crossing of the Arctic Ocean between the Atlantic and the Pacific.

These are the events that are revolutionizing the lives of men and nations. Secretary of State Dulles has gone off to Manila for the Southeast Asia organization meeting, and is sharing the headlines with the marathon letter-writing contest between President Eisenhower and Prime Minister Bulganin. But the great news, underlying all the talk of summit meetings and economic recessions, lies not with the diplomats but with the scientists and technicians, not at the summit but in the depths of the oceans.

THE POLITICAL IMPLICATIONS

The political implications of this undersea revolution are startling. Today the United States has political commitments to 43 different nations all over the world. It has over 200 air and naval bases around the periphery of the Communist empire. These are essential now to bring American power within effective striking range of the Soviet Union in the event of a major war. But what of the future?

Before many years, probably before the end of the Eisenhower administration, the United States will be able to put atomic missiles on submarines that can lie submerged for months close to the Soviet shores under the polar ice where they cannot be detected.

Coincidentally, the range of effective missiles will increase so that United States bases close to the Communist heartland will no longer be the only, or the cheapest, means of massive retaliation. It takes very little imagination to see what this will eventually do to the vast, expensive, and intricate network of United States bases and political arrangements now in operation.

For the time being, the issues between the great powers seem stale and endless. We seem to be lost in a world of tiresome and insoluble arguments, but the roots of these arguments are gradually being eroded, not by Eisenhower and Khrushchev but by the restless, brilliant minds of men such as Adm. Hyman G. Rickover, the atomic submarine genius, and Wernher von Braun, the Army's German-born missile expert.

The great days of Britain and France are over, we are told: The future lies with the military and industrial giants. Maybe so. But there is no reason why, in a few years, Britain and France will not be able to put their own atomic missiles aboard atomic submarines under the polar ice, and then Moscow will have to listen once more to London and Paris, and for that matter, to Stockholm as well.

STRANGER THAN FICTION

This is no Sunday-supplement science fiction. The atomic submarine *Nautilus* has already cruised under the ice to within 180 miles of the North Pole. Though no ordinary battery-driven submarine had ever before gone more than 20 miles under ice, the *Nautilus* traveled 1,383 miles under ice in 5½ days, and Rickover has just come back from Britain, where he had long conversations with Adm. Louis Mountbatten and other British naval experts about what he calls the revolution at sea.

The astonishing thing about all this is that political and public thinking is lagging so far behind. The British are bemoaning their decline when, in fact, they may actually be on the verge of another technical revolution that will restore both their industrial and military power.

Similarly, they are needling the American flyers to go home when, in fact, they are actually confronted by the thing they fear the most: namely, another great American withdrawal from Europe, which is quietly being encouraged by their own anti-American agitation and the development of the long-range missile and atomic submarine.

It is true that every generation, including Adam and Eve's, is, to use the current phrase, an era of transition. But the transition is faster now in everything but in politics. The diplomats are talking about the past when the future is upon them. The battleship *Wisconsin* is in mothballs, but politicians' arguments and issues far more obsolete are still on the front pages of this morning's newspapers.

Mr. MORSE. In particular, Mr. President, I call attention to his final sentence:

The battleship *Wisconsin* is in mothballs, but politicians' arguments and issues far more obsolete are still on the front pages of this morning's newspapers.

The foreign aid bill presented by the administration, with its 75 percent for military aid and only 25 percent for economic aid, is a prime example of obsolesence in our foreign policy. A great deal of that military aid, moreover, is for conventional weapons and armaments to nations having little or no role in the American defense against Soviet aggression. The tanks, airplanes, and machineguns in every farflung country of the world have been bypassed by science, and I know of no better example of that than the military aid we are sending to South America.

Therefore, as chairman of the Subcommittee on South American Relations of the Foreign Relations Committee, I say once again that the burden of proof is clearly on the administration to justify a continuation of what we are sending to South America in the way of military aid. It would be better to send bread rather than bullets to South America.

Mr. President——

The PRESIDENT pro tempore. The Senator from Oregon.

POSTAL RATES

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter addressed by John F. Richardson, director of the State of Oregon Department of Finance and Administration, to Mr. Horace H. Nahm, president of the Association of First Class Mailers, pointing out that in the State of Oregon $590,000 was spent in the calendar year 1957 for mailing. The letter further states that the major portion of that expenditure covered first- and third-class mailings.

If the 5-cent postage stamp provision is not eliminated in conference, it will,

in my judgment, cause great injustice to the State of Oregon by the additional postage charge, undeserved, in my opinion, which will flow from it.

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

STATE OF OREGON,
DEPARTMENT OF FINANCE
AND ADMINISTRATION,
Salem, February 20, 1958.

Mr. HORACE H. NAHM,
President, Association of First Class Mailers, Washington, D. C.

DEAR MR. NAHM: Gov. Robert D. Holmes has referred your letter of January 31, 1958, regarding postage costs to us for reply.

On February 17, 1958, we informed Senator OLIN D. JOHNSTON, chairman, Post Office and Civil Service Committee, that the estimated total postal costs for all departments of Oregon State government approximated $590,000 for the calendar year 1957. The major portion of this expenditure covered first- and third-class mailings.

We do not record postal costs as a separate item in our budgets or accounting records. These costs are included in an object classification for all costs of transporting things, including freight and express, as well as postage. A statewide survey to determine the postage costs of each department by class of service, such as you request, would require a great deal of work because many thousand accounting entries would have to be analyzed to secure accurate data. We do not believe that the value of such a survey would justify its cost.

We hope this information will assist you in compiling postal costs for State government.

Very truly yours,
JOHN F. RICHARDSON,
Director.

THE ARREST OF DR. CARLOS PRIO SOCARRAS IN MIAMI, FLA.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter I have received from former Prime Minister of Cuba and President of the Cuban Senate, containing a translation of an editorial entitled "A Most Reprehensible Affair." It deals with the arrest in Miami, Fla., of Dr. Carlos Prio Socarras, who, incidentally, not so long ago was given a merit award by the United States Government, and at one time, as we all know, was head of the Cuban state, and a great democrat.

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

MIAMI, FLA., *March 4, 1958.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MORSE: I wish to call your attention to the editorial which appeared in the February 23 issue of Bohemia. A translation is enclosed for your convenience.

Bohemia is the most powerful and influential magazine in Latin America. Its voice is, substantially, the voice of 170 million men and women in Latin America.

Since democracy is one and indivisible, what the editorial states should not be taken lightly.

Respectfully yours,
MANUEL ANTONIO DE VARONA,
Former Prime Minister and President of the Cuban Senate.

[From Bohemia of February 23, 1958]

A MOST REPREHENSIBLE AFFAIR

The arrest of Dr. Carlos Prio Socarras and his removal to the Dade County jail, handcuffed and paraded through the streets of Miami, constitute an unexplainable spectacle that has aroused protests not only in Cuba, but throughout free America, including, of course, the United States itself. For no civilized state should confuse the political prisoner and the common delinquent. The constitutions of all democratic republics establish logical differences between one or the other, and even provide that those jailed for political reasons be kept apart from ordinary prisoners.

The political transgressor is a man of ideals and convictions. He struggles for noble objectives and is backed by public opinion. He often suffers punishments and persecutions, risks his own life and that of his dearest ones; but when victorious, goes on to occupy the high positions held previously by his persecutors.

The spectacle of Dr. Prio being held by manacles, walking between guards, and being followed by hundreds of fellow Cubans singing the national anthem does not flatter the great American democracy. When a country becomes, due to its undeniable political virtues, the leader of the Free World, it must watch its steps carefully, lest it fail those other peoples who have placed their faith and hope in it. We do not question the right of the American authorities to watch the conduct of those persons who have gone there to escape the inferno of dictatorships. Neither do we judge the grand jury that indicted him. We admit that all these were performed to uphold the law. What we censure is the fact that an ex-president of a neighbor republic has been treated like a bandit of the worst type. Not even Lansky, the notorious gangster who has made Habana his headquarters and who was implicated in Anastasia's death, was treated that way when arrested at Idlewild Airport for questioning.

Washington should in some way rectify this uncalled-for insult to Prio. There is no possible justification for tying the wrists of a man whose only offense has been to fight for the reestablishment of democracy in his own country. The mere fact that he surrendered to the authorities, sa soon as he heard of his indictment by a grand jury, indicates that it was not his intention to evade the law. In the case of a dangerous criminal or a fugitive from justice, such measures are justifiable, but not when the person involved is an outstanding political figure enjoying the hospitality of a great nation.

We would like to believe that what happened was due to the excessive zealousness of police agents, not having the consent and backing of the Government or the courts. In the United States, human dignity is respected too much to allow the practices characteristic of despotic governments. At any rate, the affair should be set straight, lest it be exploited by the enemies of the great American democracy for political purposes. For, as coincidence would have it, while Carlos Prio was indicted and even paraded through the streets of Miami, handcuffed and on foot, Marcos Perez Jimenez, the Venezuelan tyrant recently overthrown by a revolution, was admitted to American shores. How can anyone explain this conduct on the part of a democratic government? What kind of policy is that which allows the persecution of a Cuban who respects fundamental freedoms, while it welcomes a Venezuelan who violated every human right in Bolivar's homeland? How can such contradictory strategy give hope to peoples hungry for democracy?

Dr. Carlos Prio Socarras was imputed many errors and sins while he occupied our highest office. But it is only fair to admit publicly, as we do now, that he was a President elected by popular vote; that in 1950 he presided over honest elections, even to the point where his own brother, running for our second highest office, that of mayor of Habana, was defeated; that in every single instance he respected individual liberties and freedom of speech, without persecuting anyone for his ideas or beliefs. This is the undeniable truth. Prio is the typical example of the liberal statesman, robbed of his legitimate powers by the military, just 3 months before the next elections, and at a time when Cuba seemed to have become a stable democracy.

We do not prejudge the charges made against the former Cuban President by the grand jury. Neither do we wish to make reference to the political past of Dr. Prio, which history will weigh eventually, or the tactics he has followed in order to combat the regime that overthrew him and did away with every vestige of democracy in Cuba. One thing we do proclaim, namely, that a liberal and democratic ruler, despoiled by force of his constitutional powers, does not deserve to be insulted publicly by a friendly democratic government which lives and acts through democratic laws. Where a man like Perez Jimenez is offered all guaranties, a man like Carlos Prio cannot be paraded handcuffed as if he were a vulgar malefactor.

Fortunately, the responsible press of the United States has been the first to react against this outrage. Once more the press has brought to light the inevitable errors and contradictions of a nation and a political system.

We are sure that the regrettable case involving Carlos Prio is not the result of a policy change at the Department of State. Washington cannot be blamed for an incident in Miami, regardless of its seriousness or its international repercussions. We have not lost our faith in the permanent and solid North American democracy. Neither can we believe that its generous land, from where so much help came to make Cuba free and independent, will be denied to all who suffer persecution at the hands of despotic regimes, whether these freedom fighters come from Hungary or our own island of Cuba.

OUR FOREIGN AID POLICY

Mr. MORSE. Mr. President, I wish to pay tribute to a series of articles written by a very able newspaper writer, I think one of the most able, Mr. Robert H. Estabrook, of the Washington Post and Times Herald.

Last fall Mr. Estabrook traveled in Asia. Upon his return he published a series of articles on his observations. He wrote a very keen series of analyses of some of our foreign policies in Asia. I think it is important that not only members of the Foreign Relations Committee of the Senate, but that all Members of the Senate, have this material available for quick reference.

There is much in the material, Mr. President, that is borne out by the series of expert studies made almost 2 years ago, by the Foreign Relations Committee, at a cost of $275,000. The studies were conducted by a group of so-called task research forces who were employed to make a survey of our foreign-aid program, both economic and military. Those task forces were selected from such reputable places as Chicago University, Columbia University, Massachusetts Institute of Technology, Princeton University, and Brookings Institution.

Unfortunately, the Senate has not seen fit to follow many of the recommendations of those expert studies, although I am still waiting for the first argument on the floor of the Senate which will be a successful rebuttal of their findings.

I recommend to the Senate a reading of the Estabrook articles, because in a few weeks we shall enter into an historic debate on foreign aid. I shall continue to be for foreign aid. I shall continue to be for more loans than we are now granting. Generally speaking, I shall be for reversing the ratio which now exists, of 75 percent grants and 25 percent loans, to one that corresponds more to a ratio of 25 percent grants and 75 percent loans.

Also, I shall be for a foreign-aid program that increases and strengthens economic programs on a loan basis, project by project, aimed at improving the economic productive powers of people and countries in the underdeveloped areas of the world, rather than a policy of sending them bullets when they do not have enough to eat, and simply need bread.

I recommend a reading of the Estabrook articles, because, although he does not pinpoint the matter as I am now doing, there will be recognized some of the criticisms I have been making relating to the need for foreign aid, particularly to the underdeveloped areas of the world.

Mr. President, I ask unanimous consent that the series of articles be printed in the RECORD.

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

[From the Washington Post and Times Herald of October 30, 1957]

UNITED STATES AND KOREA: RHEE SEEKS FORCES ACCORD, OPPOSES AID CUT

(By Robert H. Estabrook)

SEOUL, KOREA.—President Syngman Rhee of Korea is exerting pressure to obtain a status-of-forces agreement covering off-duty offenses of American troops here. At the same time he is vigorously resisting contemplated reductions in American economic aid and a proposed cut of 4 divisions in Korea's 21-division army and marine strength which the United States supports.

This situation may spell new troubles for the United States in the often-prickly official relations with Rhee. The fact that such a possibility arises in a country which receives more total American aid than any other, and with a government which considers itself the most loyal ally of the United States, is only one of the many paradoxes in the Land of the Morning Calm.

This is a country in which the vice president, John M. Chang, is under virtual house arrest because he dared to run on a ticket opposed by Rhee. Chang is supposed to be president of the senate, but President Rhee's Liberal Party has never permitted organization of the upper house as called for by the constitution.

Yet Korea also is a country in which virtually everyone acknowledges the patriotism of Rhee. Even those who deplore his autocratic methods and the reach of his police concede that his strength and determination have been a valuable asset to Korea at a critical time.

It also is an impoverished country in which corruption and theft is a major problem. Yet public officials are paid so little that many if not most have to supplement their incomes in order to support their families.

And it also is a country beginning to become restive under the presence of relatively large numbers of American troops. Even without wanting to do so, Americans in quantity tend to take over a country. Seoul is still a half-ruined city with many destitute people and many reminders of war; but the Koreans are rebuilding at a remarkable pace and they are beginning to feel their oats in relations with the United States.

Gen. George H. Decker, the American and United Nations commander, is strongly opposed to a status-of-forces agreement. He believes that it would run into great trouble in Congress because of the immaturity of the Korean judicial system. Moreover, it would not eliminate the incidents which are worrying Rhee and the Korean Government.

Yet there is this much to be said for Rhee's position: Recently there has been a spate of shooting incidents involving American troops and Korean civilians. In the wake of the Girard case in Japan these have aroused considerable local emotion and press comment. American officials concede that in some instances guards have been trigger-happy. Rhee asked why, in cases of trespass or attempted theft it is necessary to shoot. Korean police, he says, could handle the problem.

The answer to this, in the view of American officials, is that without the deterrence of firearms the Army would be stolen blind—not so much because of any basic tendency to crime on the part of Koreans as because of their often desperate personal economic plight. The Korean army has experienced fantastic pilferage. Still the shootings are bad.

There are some who suggest that Rhee is using the status-of-forces argument as a bargaining weapon to prevent the reduction of American economic and military aid. The wily Rhee, who admits to being 82, is alert and a formidable protagonist when he feels Korea's interest at stake.

Economic aid has been running at about $300 million a year, and it now appears slated for a reduction to a little over $200 million. This is a matter of regret to Ambassador Walter Dowling and Aid Administrator William E. Warne because it will mean that no new projects can be undertaken and that the economic expansion will be slowed.

After the initial relief phase, aid has been funneled into capital items such as the development of small industries. These are beginning to take hold, and Korea has a small export trade. National income this year may amount to nearly $2 billion, up more than 10 percent from the approximately $1.8 billion, or $78 per capita for South Korea's 22 million inhabitants, last year. The wild price inflation has been checked, at least temporarily. Korea's rice crop looks like the best since before World War II.

The remainder of the total of some $600 million a year in American aid has been accounted for in support of Korea's defense forces, in surplus commodities and some technical assistance.

Any reduction in military strength is a worry to General Decker. The Chinese Communists and North Koreans together maintain some 33 divisions north of the 38th parallel. There is no present indication that they are planning to strike, but the U. N. command must be ready. Against this force there are the 21 Korean divisions, two American divisions, a Turkish brigade, a Thai company and various tiny detachments from other U. N. members—plus, of course, considerable air and naval strength.

Some months ago the United States and its allies denounced a paragraph of the Korean armistice because of the repeated violations north of the truce line. This freed the U. N. command to bring in more modern weapons, beginning first with jet aircraft. The implication is that nuclear weapons will be sought, though they are not yet present.

So long as the division of the country exists, there is little prospect that South Korea can become a viable state. Most of the industry is in the north, and South Korea's resources are mainly agricultural, although mineral potential has not been fully explored. Ambassador Dowling is hopeful of a gradual reduction in American aid. But continued support of Korea is one of the prices the United States must pay unless and until there is a settlement with the Communist world.

[From the Washington Post and Times Herald of December 16, 1957]

WHAT AFTER NEHRU?—YOUNG LEADERS AND LOYAL OPPOSITION CALLED NEEDS

(By Robert H. Estabrook)

NEW DELHI.—What comes after Nehru?

For more than a decade of independence the commanding personality of Jawaharlal Nehru has dominated India and the controlling Congress Party. If Mahatma Gandhi was the spiritual originator of independence, Nehru was the practical leader who brought it to fruition and gave it meaning. He has become a sort of father image to millions of Indians.

Very probably Nehru can remain Prime Minister as long as he wants and can keep the Congress Party in power at the national level with him. Nevertheless, Nehru is 68 years old. Though he is in good health, the multiple burdens of government he insists upon shouldering himself inevitably are taking a toll.

Moreover, open criticism of the Prime Minister has begun to emerge in the Lok Sabha, or House of the People, as well as in the press. Nehru's initial indifferent reaction on Hungary stirred a volume of protest. He also is criticized for failure to foresee difficulties in India's new 5-year plan and for too much of a tendency to lecture the public. His popularity seems to have passed its peak.

More serious, there is considerable evidence of decay at the fringes of the Congress Party. Last spring Congress lost control of Kerala state and a Communist government came to power. In the recent Bombay municipal elections Congress also took a pasting from the Socialists, who were supported by the Communists. At the national level Congress is still heavily predominant, but at the state and local level it is losing roots.

The Congress Party is more an agglomeration than a political party in the Western sense. So long as the struggle for independence was a galvanizing force, the party was able to hold together many disparate elements, but after 10 years in power it has begun to get flabby and slothful. The question is whether the Congress Party can—or should—hold together after Nehru in the face of many influences toward division.

One great problem of Indian democracy, which virtually all political leaders acknowledge, is the need for a loyal opposition. There is none now. The Socialists count for nothing at the national level, and the Communists, with only about 30 seats in the national legislature, form the second largest party. The result is that voters who oppose the policies of the Congress Party have almost no place to go except to the Communists.

Yet an opposition cannot be created as such; it has to grow. Many political authorities such as S. K. Patil, the Jim Farley of India who is currently serving as Minister for Irrigation and Power, look for an ultimate

split of the Congress Party into two groups, one conservative and the other Social Democratic. For the moment, however, Patil is the party's best known political organizer and is striving to bind the party together and renew its mandate.

Just as the presence of one dominant independence party has tended to hold down the development of other parties, so the personal dominance of Nehru has discouraged the emergence of other political leaders and potential successors.

There are, to be sure, highly respected figures such as V. Pant, the Home Minister; the shrewd and philosophic Morarji Desai, who is Minister for Commerce and Industry; and Patil himself. They are sometimes mentioned as possible successors to Nehru, and in some fields they might be abler than he.

But these are men of Nehru's own generation who fought alongside him (and went to prison with him) in the struggle for independence. Much younger men of promise have not yet come to national prominence.

There are such men, and many of them are to be found in India's remarkably good civil service. But these men have not yet had an opportunity to lead.

Irrespective of the individual leader, the likelihood is that when Nehru retires the political direction will swing to the right, perhaps far to the right. In this respect Nehru has not been representative of his colleagues. Many of the men around him are far more conservative than he is. The Congress Party very often has acted as a restraining influence on Nehru.

Meanwhile, whatever India's policy of friendship with Communist nations abroad, many leaders look upon communism as a serious menace at home despite the relatively small influence the Communists wield so far. Such men as Patil and Desai make it quite clear that they regard the Communists as mortal enemies of a democratic system.

Yet the Communists are clever, and conditions in Kerala demonstrate the point. Here, in the most heavily populated and also most literate portion of India, a Communist government came to power in a split election last winter as the result of the failure of the Congress Party to clean house.

If at some point the Communists prove unable to govern, there is a distinct possibility that the national government will intervene and impose what is called president's rule, meaning central direction, until the next election in 1962. That could be calculated to help the Congress Party mend its fences.

But Kerala is not the only place where the Communists may obtain a foothold. The overcrowding of Calcutta by destitute refugees, and the endemic discontent of the people of Bengal, give the Communists another fertile field in which to work.

In short, wherever feudal conditions remain or communities are just now emerging from such a status, Communist promises are appealing. India's strongest bulwark against communism domestically is the middle class the government is striving hard to create. Thus much of the political answer to India's future will be written in economic terms.

Beyond this there remain the needs for young leadership, the precise shape of which cannot now be foreseen, and for the development of an opposition. Whether this emerges independently or as a split from the Congress Party is not so important as that there be some loyal party in which discontent with governmental policies can be focused without going to the Communists.

That India's present leaders are dedicated to the democratic way is evident. India is embarked upon a great experiment in raising her standard of living through free and democratic means. But apart from the question of economic stability, politically India's democracy will not be wholly secure until it has been demonstrated that there can be a peaceful transfer of power to another party also upholding democratic means.

[From the Washington Post and Times Herald of December 14, 1957]

INDIA'S STRUGGLE: SOCIALISM OFTEN MEANS SOCIAL JUSTICE IN PLANNING

(By Robert H. Estabrook)

NEW DELHI, INDIA.—Labels cause many of the misunderstandings that exist between India and the United States.

When Indians speak of socialism as their objective, very often they mean social justice—or a system approximating the social security, union security, and economic opportunity for the individual long taken for granted in the United States.

When Indians think of capitalism, they often think of the sort of capitalism they have known in the past—exploitation associated with colonialism, largely unregulated, without antitrust laws and with little of the responsibility or economic planning found in the United States.

Putting aside semantic differences, India wants much the same sort of life the United States now enjoys. Knowledge of the American standard of living has inspired new wants, and the government is seeking to satisfy those wants through the most effective means available. It is using a combination of private and public enterprise.

Strictly speaking, neutralist India is not neutral at all in the thing that matters most. She has long since made her decision to advance her standard of living through democratic means, and today after two general elections she is the largest working democracy in the world.

Foreign policy, relations with the Communist bloc, even the dispute with Pakistan over Kashmir—all these are secondary to India's mammoth preoccupation with economic improvement. This is also the most effective answer to India's internal Communist problem.

Inevitably the philosophy that the government should do for the people what they cannot do for themselves means something different in an economically underdeveloped country from what it means in the United States. Even so, India's public sector, including nationalized railways and communications, is only about 5 percent of the economy. Some estimates put the public sector in the United States as high as 18 percent.

"We are not thinking of liquidating the private sector," Finance Minister T. T. Krishnamachari asserts. "It will remain in some form or another for all time." Public development is largely focused in heavy industry, with consumer goods production reserved for private initiative.

Recently India lowered her top individual income tax rate from 93 to 77 percent as a stimulus to capital formation, TTK, as Krishnamachari is called, hopes eventually to be able to reduce the rate to 60 percent. When he told this to John J. McCloy in New York recently, one of McCloy's associates asked: "Is there any possibility of getting Mr. Krishnamachari over here?"

India began her social revolution with staggering problems. Her population, now estimated at 392 million, is increasing at a rate of 5 million a year—in an area one-third the size of the United States. Eighty-two percent of the people are still illiterate, and there are more than a dozen principal languages. The per capita income, when India undertook her first 5-year plan in 1951, was only about $50.

Today there have been visible improvements. India has increased her food output materially through more modern methods, and under the first 5-year plan she increased her gross national product 18 percent and per capita income 11 percent. This in turn resulted in a marked rise in food consumption and purchases of consumer goods such as bicycles, which has a sort of multiplier effect on the standard of living.

Enormous disparities remain. Calcutta is a knot of human misery, with its population swollen nearly double to 8 million by Hindu refugees swarming in from East Pakistan, Madras, bordering the Communist-governed state of Kerala, is the center of the most literate sector of India; yet university graduates cannot find decent jobs and many land in menial occupations.

Bombay, which is the commercial and financial capital, has many new buildings and bustling industries; but in the city and in the villages nearby are conditions of appalling squalor, where families live in filthy cubicles.

Nevertheless, there is much evidence of progress—in the determination of the people as much as in the new industries that are arising.

Whereas the first 5-year plan was largely agricultural, the second plan deals mostly in heavy industry. India is blessed plentifully with natural resources, and she hopes to exploit more of them. Among other things, she plans a steel capacity of 5 million tons by 1961 through private expansion with governmental help as well as through three publicly owned plants now being constructed by Russia, Germany and Britain.

The ambitious objectives of the second plan have run into trouble. For one thing India has a new food problem. Droughts and floods have produced bad harvests, and currently the rice crop is imperiled.

For another thing, the private sector has expanded more rapidly than was contemplated under the second 5-year plan. Sixty percent of the goal has been attained within 18 months, thus causing a strain on dollar reserves. This is of course a temporary problem, and essentially a happy one.

Finally, the planners were admittedly overeager in relying on foreign capital to fill the $1.4 billion gap between the plan's objectives and India's resources. This is where India's request for a $600-million loan from the United States comes in—to be supplemented, she hopes, with assistance from Britain and the Commonwealth, Germany and the Soviet Union.

To India's credit, Krishnamachari does not want to ask for more than the government can service and repay. India is anxious to place all help from the United States on a loan basis, and this is now in prospect. Of the total of nearly $1 billion in American assistance since 1947, 58 percent has been in loans. One possibility now being discussed is the conversion of the 1951 wheat loan of $190 million from a dollar to a rupee repayment basis.

Also to India's credit, she does not wave the threat of communism if her wishes are not met in full, although the specter is surely in the background. If her plans fail, she will tighten her belt. But this is not an appealing recourse to people already largely at the mere subsistence level, and the lures of communism, which promises more results faster, are strong.

Even if the plan succeeds, India will continue to have vast problems. Foremost among these is population. The government is strenuously encouraging family planning, but until India can control her population increase her efforts at economic improvement will be retarded.

What stands out in India, beyond all the frustrations and sensitivity and inferiority complex born of years under foreign rule, is the determination for self-improvement. This has some of the same spirit as the struggle for independence, and it is impressive. In India more than in most countries, it is not what is said but what is done that counts.

[From the Washington Post and Times Herald of December 15, 1957]

INDIA'S NEUTRALITY MOST CONVENIENT

(By Robert H. Estabrook)

NEW DELHI.—Indian foreign policy, which so often is viewed as a thing of mystery and wonder, is not really very difficult to understand. Like the foreign policy of most countries, it is based on self-interest.

India is neutral or neutralist in world affairs because Prime Minister Nehru considers this to be the best means of insuring his country the period of noninvolvement necessary to carry out its social revolution and its vital program of economic improvement.

Vice President Radhakrishnan reminds American visitors that George Washington advised essentially a policy of neutrality. "Why do you reproach us," another Indian asked, "for doing what the United States did for 150 years?"

What sets India apart is Nehru's habit of moralizing and lecturing to other nations, even when his own country occasionally seems to depart from the standards he upholds. Some of this no doubt reflects a compulsion to extend into foreign policy the influence of Gandhi which plays a large part in Indian psychology.

In this connection, it is necessary to remember several factors:

First, Nehru is one of the most heavily burdened statesmen of the world and also one of the most fully reported. He is actually his own foreign minister—other high officials hesitate to speak even privately on foreign policy—and he is questioned almost daily in the Lok Sabha, or House of the People.

The Indian press devotes columns to Nehru; it seems to have an interminable fascination with speeches. Thus his asides or incompletely thought out remarks are likely to have a far wider audience than he contemplates.

Second, although he is Western educated and speaks with the accent of Cambridge, Nehru is fundamentally an Asian. Questions of color have a profound influence on him. And despite his own wealthy Brahmin background, he has not altogether outgrown his early exposure to Marxist ways of thinking.

Third and most important, underneath the moral gloss Indian policy toward her neighbors is based upon hard realism. Nehru is sympathetic with the efforts of Communist China to raise her standards of living, particularly because she is an Asian country, and he wants friendly relations; but he also is wary of Chinese expansionism.

For example, India tolerates no monkeyshines from China in the border states of Nepal and Sikkim. She keeps a sharp eye on what the Chinese are doing in Tibet. And she looks with considerable misgiving at Chinese behavior in the boundary dispute with Burma.

Many officials acknowledge, although this is not stated publicly, that India is in a great power rivalry with China. India has chosen a free and democratic course of economic development, whereas China has embarked on an authoritarian way. The outcome of this rivalry may well determine the future of much of Asia.

Thus, proximity explains much of the public attitude toward China. Even here there is some polite criticism of China's intellectual repression. With respect to the Soviet Union the attitude is somewhat sharper. There is considerable criticism of the excesses in Russia, and India has been careful to restrict Soviet aid to loans.

Whereas there is some tendency to look upon domestic Communists as good fellows gone wrong, there is little sympathy among leaders with communism as such. Prime Minister Nehru himself noted in a speech recently that although India admired the technical accomplishments of the Soviet revolution, it abhorred the purges and the brutality which continued.

There are many indications in Nehru's public statements that he was impressed by what he saw and learned last year in the United States. Prominent in the reception room of his residence are autographed photographs of President and Mrs. Eisenhower. Similarly, the visits of a number of Indian newspapermen to the United States have produced far better understanding in the press of America and Americans.

Handling of the distasteful events in Little Rock was relatively restrained in the Indian press, and there was recognition among leaders that the incidents happened precisely because of the policy of the American Government to eliminate discrimination. Some of this recognition may have been conditioned by the fact that almost simultaneously there were caste riots at Ramanathapuram in Madras state in which some 40 persons were killed. These received little attention outside India.

Relations with Pakistan and the Kashmir issue are cases in which self-interest clearly determines Indian policy. One official in another city had the candor to acknowledge that Indian's abstention on the recent United Nations censure of the Soviet actions in Hungary was dictated in part by the necessity of obtaining Soviet support in the Kashmir debate.

American military aid to Pakistan has been an enormous irritant to India, and it can be argued that this aid constituted a major blunder by the United States in terms of value received. Certainly it poisoned Indian relations with the United States, although Indians unquestionably seize on it as a scapegoat for more ills than it actually caused.

Nehru genuinely fears an attack by Pakistan. "We have never thought that the United States intended its aid for aggression," he says, "and we think that if Pakistan started a war the United States would intervene to help us." But part of the problem, he points out, lies in lack of restraint and in the sort of small incident that could grow into war.

Indians are fond of citing a remark attributed to a former Pakistan Prime Minister that India and not Russia is Pakistan's enemy. At the root is a fear that the Pakistani Army with American equipment would cut through the Indian Army even though the latter is larger. Recently India purchased some jet fighters from Britain.

Withal, Nehru looks upon the differences with Pakistan as a family quarrel in which there is much shouting, but in which basic relations between brothers and cousins remain close. He disavows any thought of injuring Pakistan, pointing out that India has enough troubles of her own. He is less promising, however, about a Kashmir solution.

India's case on Kashmir is not easy to follow. There is far from universal admiration of Krishna Menon, who has presented the case in the United Nations. Menon's behavior has been criticized frankly in the press and there are rumors that he will not return to the U. N. although there is no indication that he has lost favor with Nehru.

Basically, India insists that the U. N. and the United States have not paid sufficient attention to what went on in Kashmir prior to 1948, and that the Pakistani "aggression" must be liquidated before other measures are possible. There is no enthusiasm whatever here for the new mission of Dr. Frank P. Graham.

To the outsider, this appears at least in part a rationalization for an effort to freeze the status quo. As in the case of the early use of force in Hyderabad, India is camouflaging her real objectives. Sheikh Abdullah remains under house arrest because he talked of an independent Kashmir and Indian officials look the other way when the subject is brought up. The real fear is that an independent Kashmir would be a pawn for Pakistan and would reopen religious quarrels and bring chaos.

Some observers believe that the best chance for a Kashmir solution lies in private negotiations with a responsible Pakistan Government toward some sort of de facto settlement with minor territorial adjustments. Whether any Pakistan Government could accept this is another question.

Meanwhile, India continues to base her policy on her interests as she sees them. There is reason to think that many Indians know in their hearts that criticism of the West is a diversion and luxury made possible by the shield the West has created, and that they do not really want this shield removed.

[From the Washington Post and Times Herald of December 29, 1957]

OUR STOCK LOW IN ASIA—DULLES HEAVILY BLAMED

(By Robert H. Estabrook)

How does the United States look in Asia? In 32,000 miles of travel through 18 countries of Asia and the Near East, I asked this question in seeking to obtain a better understanding of Asian views and problems.

Talks with presidents, prime ministers, and private citizens in these countries as well as with Americans overseas have led to certain broad conclusions. Aware of the dangers of superficial generalization, and aware too that there is no such thing as one single Asian point of view, I nevertheless list those conclusions for what they are worth:

MISSILE REVERBERATIONS

1. Sputniks I and II and Soviet missile prowess have caused a devastating blow to American prestige in Asia. Soviet prestige has risen accordingly. The fellow who said that the United States was not in a race with Russia for the earth satellite could not have miscalculated more grossly in terms of the psychological effect.

By the same token, the American propaganda response—as contrasted with what actually is being done to strengthen defense—appears panicky to many Asians. As one said, it looks like precisely what the Russians wanted and it accentuates their claim of superiority. The initial failure of Project Vanguard fell with perhaps a worse thud in Asia than in the United States.

The net result is to cause questioning among America's allies and a more determined neutrality, intermingled with fear, among the neutrals. There remains a large reservoir of friendship for and admiration of the United States, but confidence has been shaken. In countries where there is a tradition of playing the winner, there are doubts as to whether the United States is the right horse to back. The one exception is India, where the Soviet success has created a certain sympathy for the United States as the underdog.

THE DULLES IMAGE

2. The policies of John Foster Dulles are under attack everywhere. In private conversation, it was hard to find any official who would defend the Secretary of State except out of politeness. The image held of him is of a man who thinks primarily in military terms, who would like to involve every part of the world in the cold war, who has little understanding of the feelings of neutral countries and who wants to sign everyone up on the dotted line.

This image does not hold for President Eisenhower, who is looked upon as a man of peace but one who has lamentably failed to lead. But the feeling against Dulles is strong. Regardless of whether the indictment is fair—and surely some Asians would blame him even for breathing—Dulles' unpopularity is an indisputable fact.

Particularly in question is the matter of absolute judgments. In many countries of

Asia, especially those with colonial backgrounds, there is not the same good-versus-evil attitude toward communism as frequently prevails in the United States. People in these countries tend to admire the technological accomplishments of the Soviet and Chinese revolutions although they are repelled by the human cost.

In most Asian countries, there is sharp criticism of the rigidity of American policy toward Communist China. Many Asians with no particular sympathy toward Peking reject continued American recognition of Nationalist China as "sovereign" on the mainland as based on fiction. They know—and many of the leaders of Taiwan (Formosa) also know—that the Nationalists simply are not going to return to the mainland.

At the same time, because American policy has been stuck on the same note for so long, governments of countries where there are large Chinese populations are anxious not to have an abrupt change for fear that any additional prestige for Peking would create internal security problems for them. In most of these countries, however, there is recognition that the only way really to win the loyalty of the overseas Chinese is through a determined effort at assimilation with equal rights.

What would command a good bit of tacit support in Asia is a gradual modification of American policy in two respects: (1) The relaxation of restrictions on trade with Communist China so as to make them conform to the strategic restrictions on trade with the Soviet bloc; and (2) the seating of Communist China in the United Nations with the concurrent provision of a seat in the General Assembly for an independent Taiwan. Such a policy, which is sometimes termed a "two-China" policy but is better described as an independent Taiwan policy, would enlist considerable sympathy even though the governments of Indonesia, Burma, and India are committed to the thesis that Taiwan belongs to the mainland.

THE REVOLUTIONARY TIDE

3. Many Asians feel that United States policy does not show sufficient understanding of the revolutionary feeling which has swept the continent. As one person put it, "You Americans are committed to the support of legally established governments. But the Russians and Chinese support popular aspirations."

Revolution is sometimes regarded as a horrid word in the United States even though this country is itself the product of revolution. What Asians mean by it is an effort to shuck off reminders of foreign rule and to chart a new course based on self-respect. The zeal varies in proportion to the amount of repression during colonial eras. It is the least where, as in most countries once under British dominion, there has been a conscientious effort to provide education and to develop a competent civil service.

Often the Communists appear to support the extremes of revolutionary and nationalistic feeling blindly to the disadvantage of fair or logical solutions—as in the Indonesian dispute with the Netherlands over West Irian (New Guinea) and the Indian dispute with Pakistan over Kashmir. Asians sometimes contrast this support, without too much regard for the alternatives with American support of Syngman Rhee in Korea, Chiang Kai-shek in Taiwan and the military dictatorship in Thailand—regimes which are looked upon as reactionary and antirevolutionary.

Perhaps understandably, the economic objectives are often described as "socialism." Asian countries have had little experience with private enterprise of other than the explosive variety, and in many countries the government is the only major source of capital. What most Asians mean by socialism is some sort of welfare state. There often is a doctrinaire faith in slogans and in the views of the late Harold Laski of the London School of Economics. But this is more theory than practice. Most countries would be happy to settle for only a small portion of the economic benefits of American life and call them "socialism."

MILITARY AID

4. Military pacts are poorly suited to the needs of south and southwest Asia, where conditions differ greatly from those in NATO. It may be that the creation of the Southeast Asia Treaty Organization (SEATO) helped stem the Communist military advance, although this is debatable. It may also be that the Baghdad Pact strengthened the determination of the Moslem countries to resist Soviet pressure, although it rent the Arab world and may have presented the opportunity for Soviet leapfrogging. But what is altogether clear is that in most countries an exaggerated emphasis on military buildups merely diverts resources and attention from the economic requirements for real stability.

A particular case in point is American military aid to Pakistan. This caused an enormous amount of harm to American relations with India, probably far beyond any defense gain achieved in Pakistan. Certainly Pakistan, with a struggling economy, has not been made into a strong ally.

In India, the fear reaction has been out of all proportion to the cause; American military aid to Pakistan has been seized upon as a rationalization for Indian refusal to accept the U. N. resolutions on Kashmir and as a scapegoat for many of India's other troubles. The net result is that in both countries resources have been diverted to arms when the same resources could be devoted far more productively to satisfying some of the economic needs.

Patently, it is unrealistic to look upon most of the countries of Asia as potential allies in a military sense. Some of the governments with which the United States has alliances have little popular base, and to this extent the alliances are built on sand. In some countries, the military-aid programs assumed by the United States appear interminable; there is no possible way in which impoverished governments can take over the burden.

Throughout most of free Asia, with a few conspicuous exceptions, the mere achievement of independence and a determination to remain independent is all that reasonably can be expected. It is foolish to think that countries on the borders of Communist China with mammoth internal problems, will want to irritate their powerful neighbor by joining military pacts or shouting their anticommunism.

Most of these countries nevertheless have made a choice in an intellectual sense. They prefer the free way, and they will cling to it so long as they can make progress in satisfying their needs. The challenge to the United States in these countries is to help them untie their economic knots and increase their productivity without seeming to take over the countries themselves. This is a task for subtlety, not for an anti-Communist loyalty test.

In most of the countries, communism is a practical internal problem rather than an external ideological issue. A shift in Communist tactics is apparent in southeast Asia. In Malaya, in Laos, and in Burma, particularly Communist insurgents are coming out of the woods to lay down their arms and become nice, respectable fellows who seek recognition in political parties. Then they concentrate assiduously on subversion—in the schools, unions, and the like.

These tactics cannot be met by military means. They have to be met by the strengthening of internal security and intellectual defenses—by economic and political measures.

ECONOMIC AID

5. American economic help is the most important tool this country has, but it needs to be wielded skillfully so as not to develop satellite mentalities. Some countries such as India welcome a shift from grants to long-term loans, especially loans repayable in local currency. This is to be encouraged as a stimulus to responsibility. But there must be recognition also that in some other countries, notably those of what was once Indochina, there simply are not the resources at the present time to place aid wholly on a loan basis. A continuation of some grant aid will be necessary.

Of course, there is waste in American economic aid. Sometimes it is poured in too fast, and sometimes it is diverted by the various forms of squeeze which are endemic in Asia. Sometimes it makes too little headway against the increase in population—though in much of Asia, including India, the rate of increase is below that in the United States.

One of the most important ways in which the United States can help strengthen public administration in Asia is to persuade governments to raise the pathetically low salaries of civil servants. In many cases, this probably would save far more than the cost by reducing the temptations of corruption.

Technical assistance is the most valuable single aspect of American aid and produces the most long-term good. But it cannot be the whole program. Inevitably, American aid is in competition with Communist aid in some countries. This is not necessarily bad, but the peoples of the countries concerned need to see what the United States is doing. Mere talk by the Communists of building a hospital for example, may tend to offset in public opinion more important but less visible American help. For this reason, some impact assistance is necessary.

The exchange program by which Asian leaders are brought to the United States for visits pays big dividends. Sometimes, however, these leaders are overwhelmed by the factories and assembly lines they see—overwhelmed with despair, because they know that they cannot hope for such developments in their own countries. The inclusion of visits to areas like Puerto Rico, where Operation Bootstrap has had such success in improving living standards in an underdeveloped economy, would be much more helpful for their immediate problems.

THE COLOR QUESTION

6. Questions of color and human dignity are at the root of many Asian reactions. The white man has large sins to atone for in Asia, and he will be expiating them for a long time. Even though there is hypocrisy in the way in which some Asians view their own discrimination problems, and even though some still reflect the servant-and-master conditioning of colonial times, color sensitivity is everywhere.

The publicly expressed reaction to Little Rock was mild in some countries, and the incidents even brought calls in Japan and India for elimination of prejudices there. But it would be a bad mistake to think that such things do not matter. They matter greatly, and the United States got off easily.

The peoples of Asia belong to the colored races which make up well over half of mankind. These peoples do not understand the kind of insensitivity which seems to deny fundamental human equality. Some of them do realize that the United States is making progress toward its own expressed ideals, but this recognition is easily marred or set back by a series of headlines.

ANTICOLONIALISM

7. Many peoples of Asia feel that the United States is being untrue to its own traditions in failing to support them completely on what they regard as anticolonial issues.

This is not altogether or even largely a matter of logic, there is much emotion and fancy in it, and not a little color sensitivity in the feeling that the United States tends to side with the white nations. There was amazement when the United States opposed the course of white nations in the Suez invasion.

Sometimes this anticolonialism is carried to extremes of bitterness and does demonstrable damage to immediate interests, as in frightening away investment. Nevertheless, it is one of the fundamental factors in the revolutionary mood of Asia. Asians view colonialism as meaning the exploitation of darker peoples by white nations; they have no experience with Communist colonialism.

Such things as Dulles' unfortunate remarks to the effect that Goa is part of Portugal do the United States harm. Although there is no justification for the mistreatment of innocent Dutch residents of Indonesia, much of the Indonesian resentment of the Netherlands in the quarrel over West Irian is understandable in terms of the abuses and shortcomings of past Dutch administration of the East Indies.

Anticolonialism can be just as blind of course, as the more extreme kinds of colonialism. The colonial records of European countries in Asia vary greatly, and old-fashioned colonialism is all but gone. Many of the abuses have been exaggerated and exploited by demagogues. Yet the bad and lasting effect of most colonialism, apart from any material achievements, is to dull self-respect. It is this which Asian countries are struggling to regain. Although they cannot reasonably expect that the United States will ignore other interests to support them in every dispute, they do look to this country to break frankly with colonial practices it does not like.

AMERICAN MISFITS

8. There are too many Americans in official positions abroad, and too many of them are unsuited for dealing with Asians. This assertion needs to be qualified. There are some exceptionally able American ambassadors in Asia, some commendably effective representatives of the United States Information Agency (and most of them are good) and some highly sensible and knowledgeable administrators in the economic aid program. But the bad apples taint the barrel.

Although some Americans in Asia live and work under conditions of genuine hardship, others never had it so good and act accordingly; they live on a scale far beyond what they could afford in the United States. Far worse is the arrogance of some. Something seems to happen to certain Americans when they get on the plane or boat; they develop an intolerance and an overbearing contempt for the locals and for people whose values differ from theirs.

In one country, an economic official addressed a letter to a cabinet minister which said in effect: "You will carry out such and such a policy or else." No sovereign government can put up with this sort of peremptoriness.

In addition to the abuses of bureaucracy and empire-building, there is the danger of loss of objectivity. Some Americans tend to identify themselves with particular governments or cliques and to become advocates instead of American representatives.

In Thailand, the September coup d'etat was predicted in advance but the report was quashed in the United States Embassy because a top official refused to believe it. The former Ambassador to Pakistan, who surprisingly was kept on in Karachi after his daughter married the son of President Mirza, went native even to the extent of having his family adopt Pakistani dress. Asians do not really respect such obsequiousness.

USE OF INFLUENCE

9. Although strings on American help are repugnant to Asian governments, this country could use its influence to press solutions to internal disputes in Asia. It is absurd, for example, to have President Rhee of Korea adamantly resisting any sort of accord with Japan over fishing rights when the United States is giving more aid to Korea than to any other country and at the same time is trying to promote an economically stable Japan. Korean bitterness at past Japanese repression is real, but the attitude summed up by the Foreign Minister is self-defeating: "The Japanese are getting arrogant again. They won't agree to our terms."

Obviously the United States cannot be in the position of giving orders, but it can disabuse recalcitrant governments of the notion that it condones their intransigence. Friendly relations between the United States and Asian countries call for mutual support. It is dangerous to allow any government to get the idea that the United States needs it more than it needs the United States.

ONE COMMON CAUSE

In summary, free Asia 's an exciting place, a continent of extremes of wealth and poverty and nationalism, of high aspirations and sometimes disappointing performance, of widely differing paces of development. The one common denominator is a fervent desire for economic betterment.

Each of the countries has individual problems. Indonesia is depressing because it is wasting its energies in a foreign quarrel and inviting a Communist takeover instead of concentrating on correcting its centrifugal tendencies through more autonomy and better government. Ceylon is worrisome because its economy is stagnating and there is little intellectual awareness of the danger of communism. India is perhaps the most impressive, not because its internal problems are not vast, but because it is doing a great deal to meet them.

There are more than three-fourths of a billion people in free Asia, exclusive of the Middle East. In the last analysis, people do count—in moral, spiritual, and physical terms. Either the countries of Asia will succeed in meeting their problems as free governments, in which case they will be on our side irrespective of alliances, or they will be seduced by the seemingly quicker authoritarian ways of communism with the forfeiture of the liberties they never have fully enjoyed.

The key to stability in Asia is economic, and in a nutshell is in the development of a middle class. This is the real meaning of American economic efforts, and these are far more important than armaments in determining the future of Asia.

When the countries of Asia are involved in the cold war, their economic development is retarded accordingly and the solution of international disputes which affect them is rendered impossible. The challenge to American policy is for this country to be mature enough to be content with neutrality on the part of Asian countries which have chosen free ways.

The essential point, though perhaps obvious, has nowhere been better expressed than by Stephen Spender in his essay on why he left communism in The God That Failed. The only solution, he wrote, is "for the peoples and nations who love liberty to lead a movement throughout the world to improve the conditions of the millions of people who care more for bread than for freedom; thus raising them to a level of existence where they can care for freedom. The interests of the very few people in the world who care for the values of freedom must be identified with those of the many who need bread, or freedom will be lost."

RELIEF OF UNEMPLOYMENT

Mr. MORTON. Mr. President, both the Congress and the Administration are urgently seeking ways and means of getting people back to work. We are particularly anxious to reduce the unemployment rolls by developing projects which are in the national interest and which are not wasteful of Federal funds. It is my opinion that if we diligently apply ourselves to this task, many useful projects can be developed and many of the pitfalls of WPA days can be avoided.

One such project has been suggested to me by the Pittsburgh Metallurgical Co. This company operates one of its plants in Calvert City, Ky. This plant happens to be the largest in the world for the production of high carbon ferrochromium. This product is processed from chrome ore, an item included in the Government's strategic stockpile. There are approximately one hundred thousand tons of this ore in the stockpile at the Calvert City plant. The ore in this stockpile contains a large percentage of very dustlike material and is subject to erosion from the weather and might even break down physically or chemically.

The Pittsburgh Metallurgical Co. has made an offer to convert this material to high carbon ferrochrome, a product necessary for the production of certain steels which are vital to our national defense. In its raw form, the ore is of no value in case of emergency. It will some day have to be converted to usable form and shipped to the mills for the production of high-strength chrome steels, tool steels and stainless steel.

It seems to me that the administration would be wise to accept this offer for the immediate conversion of one hundred thousand tons of chrome ore now in stockpile. The conversion of this product would put 400 men back to work in the Calvert City plant. These men would be assured regular jobs for many months to come. The conversion process requires a large amount of electric power, and that power is today available. It might not be in time of emergency. Today there are adequate rail and water facilities for shipping the end product to Government-owned or private locations near the steels mills. The ferrochrome produced is not perishable. It can be stored in the open for years without physical or chemical deterioration and without being subject to any loss or erosion from the weather.

The cost of converting this hundred thousand tons would be in the neighborhood of $15 million. However, the ore will have to be converted sometime before it can be used in the production of critical and essential steels. There would be no waste of the taxpayers' funds and, in fact, there would be an actual savings. Some of this ore is lost every time it rains or every time the wind blows. This loss would be eliminated by converting the ore into a durable product.

Four hundred men who are now out of work would immediately be given good, steady jobs. Their purchasing power would be restored, which would

improve economic conditions in an important section of western Kentucky. The fuel for the conversion and the transportation of the finished product would provide additional employment.

The manufacture of high carbon ferrochrome from chrome ore requires a tremendous amount of electric power. Generating this power for the Calvert City work would lead to consumption of literally thousands of carloads of coal, thus giving a badly needed impetus to the coal-producing regions of Kentucky.

Should an emergency develop, we will need the ferrochromium, and need it quickly. The raw ore will do us no good at that time. In fact, it may be blown away or washed away long before it is needed. Today we have the trained and skilled men ready and available to do the job. We have adequate power today and surplus shipping facilities. I say, let us do it now.

This is just one example of what might be done to bolster the economy without resorting to costly make-work projects. I am sure that many similar undertakings can be found in Kentucky and throughout the Nation. This proposition is now under urgent study by the Office of Defense Mobilization. I am hopeful that a favorable decision will be promptly made.

I ask unanimous consent that there may be printed in the RECORD as a part of my remarks a letter from Charles Colbert, the President of Pittsburgh Metallurgical Co., to Gordon Gray, Director of the Office of Defense Mobilization, dated March 3, 1958, and my own letter to Gordon Gray, dated March 7. A copy of my letter has also been sent to the Secretary of Defense, the Secretary of the Interior, the Secretary of Commerce, the Secretary of Labor and the Director of the General Services Administration. All of these Departments have an interest in the matter.

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

PITTSBURGH METALLURGICAL CO., INC.,
Niagara Falls, N. Y., March 3, 1958.

Subject: A proposed plan to avoid further losses by the Government of a certain percentage of stockpiled chrome ore.

MR. GORDON GRAY,
Director, Office of Defense Mobilization, Washington, D. C.

DEAR MR. GRAY: We have approximately 537,000 gross tons of Government owned chrome ore in stockpile at our three plants; Niagara Falls, N. Y.; Charleston, S. C., and Calvert City, Ky., by agreement with General Services Administration.

The ore in stockpile at our Calvert City plant, approximately 100,000 tons, is largely fine and of a friable nature and is stockpiled on plant property close by our furnaces.

We respectfully offer to convert, subject to a formal contract, all of this ore for you to high carbon ferrochrome with specifications as set forth in "National Stockpile Specifications, P–11b–R, October 19, 1954 (supersedes issue of December 30, 1950)," with a guaranteed minimum recovery of chrome of 80 percent, at a price of 18 cents per pound of chrome, any rail transportation required to ship the finished product for the Government's account.

We have discussed this matter with several of your people during the past year calling their attention to the fact that—

1. I learned from experience on ferroalloy committees during World War II the desperate need for production at a time when electric energy a major factor in production, labor, and materials were in short supply to say the least; however, if Government at that time had a well balanced stockpile of standard ferroalloys ready for immediate use a far better result would have been accomplished. Presently you have the ore in stockpile but when an emergency occurs it will be necessary to ship the ore to various ferroalloy plants for production of the ferroalloy and then reshipment of the metal where most needed. We believe the metal should be produced now and stockpiled in the areas where it will be most likely required. The selection of such sites is very simple.

2. The chrome ore now in stockpile at the various Pittsburgh Metallurgical Co. locations contains a large percentage of friable, as well as fine, ores that break down physically, as well as erode, due to weathering, causing excessive losses. Also, there is always the danger of contamination of chrome ore that is stored over a long period of time.

3. By converting the stockpiled chrome ore to a standard grade of ferrochrome that meets all Government specifications, it can be stored outside and will not deteriorate over a long period of time, either physically or chemically, thereby eliminating further losses of chrome in the form of ore.

4. The cost of storage of the ferrochrome would be considerably less than for chrome ores because much less space is required. It normally requires 2½ tons of chrome ore to produce 1 ton of ferrochrome alloy.

5. The ferrochrome would be produced at a time when operations in the ferroalloy industry are considerably below normal capacity and, therefore, would permit us to maintain our skilled and trained personnel so necessary to manufacture ferroalloys.

6. Stockpiling the ferrochrome itself in metallic form is equivalent to stockpiling the valuable ore, labor, electric energy, and other raw materials.

7. In the event of another war, the time element will be more precious that ever and this proposed plan avoids all the delay of shipping the raw chrome ore to a plant where it can be converted to ferrochrome and allocated and shipped where most needed. I firmly believe that ferroalloys ready for immediate use should be available in the steel centers that would be called upon for wartime steels.

8. At this time there is plenty of idle productive capacity, labor, an ample supply of all raw materials and good transportation movements, all of which, we know from past experience, become in short supply during an emergency.

We sincerely trust our offer will have your favorable consideration and we will welcome an opportunity of coming to Washington and discussing it with you in more detail.

Sincerely yours,
CHARLES F. COLBERT, Jr.,
President.

MARCH 7, 1958.

MR. GORDON GRAY,
Director, Office of Defense Mobilization, Washington, D. C.

DEAR MR. GRAY: I have just finished studying the proposal of the Pittsburgh Metallurgical Co., Niagara Falls, N. Y., to convert approximately 100,000 tons of chrome ore in stockpile at its Calvert City, Ky., plant to high-carbon ferrochrome for the Government's account. The offer previously has been submitted by company officials to the Office of Defense Mobilization for your consideration.

The reasons detailed by the producer for wanting to commence this work are so compelling and commendable from every point of view that I wholeheartedly recommend that your Office proceed rapidly to accomplish such conversion.

The Calvert City plant is the largest of its type in the world. The 100,000 tons of chrome ore, if converted now, would yield 40,000 tons of high-carbon ferrochrome ready for immediate use, when needed, in the manufacture of chrome, tool and stainless steels, all essential to our military effort. It is not usable in its present form, and must be converted to the ferroalloy before going into the steel furnaces. In its current stockpile state, the ore is subject to excessive chemical and physical loss from erosion and other weathering. It would be nonperishable in its converted form.

The conversion requires shipment to ferroalloy plants for reduction to ferrochrome. It then has to be reshipped to the steel mills. Considerable electric power and labor, in addition to transportation, are involved. The next national emergency might occur so fast that there will be no time under the fastest crash program to convert present stockpiles to usable forms of metal soon enough to be of any help.

The defense effort would, in my opinion, best be served if this work were done now, when labor, electric power, and transportation are plentiful and unburdened, and the converted ferrochrome stockpiled in selected areas available to American steel-producing centers.

Of vital concern to me personally are the immediate employment possibilities. I am informed that 400 persons would be needed for many months to handle the work at Calvert City. Kentucky has had its share of recession problems, and the initiative of the Pittsburgh Metallurgical Co. in suggesting a realistic program which will put 400 men back to work, conserve a vital mineral resource, improve our emergency defense production capabilities, and save the taxpayers money cannot be overlooked at this time.

I am most anxious to effect this proposal as quickly as possible. If it cannot be accomplished through current administrative procedures, then I am prepared to cooperate in securing legislation necessary to provide the authorization and any appropriation which may be needed to get this work underway.

With best wishes.

Sincerely yours,
THRUSTON B. MORTON.

FAILURE OF GOVERNOR OF WISCONSIN TO CALL A SPECIAL ELECTION IN THE FIRST CONGRESSIONAL DISTRICT

Mr. PROXMIRE. Mr. President, recently Senators discussed on the floor of the Senate the almost incredible failure of the Governor of Wisconsin to call a special election in Wisconsin's First Congressional District this year.

Unfortunately, it was impossible for me to be present in the Chamber during this debate, because I was involved in other Senate business at that time. The colloquy that took place during this debate has been of deep interest to Wisconsin citizens. They were particularly impressed by the fact that even the Republican Senators, who supported the Governor of Wisconsin, indicated in their remarks that they could not believe that the Governor had actually denied the people living in Wisconsin's First District

representation in the House of Representatives for virtually the whole legislative year. But it is a fact, Mr. President, that this is exactly what the Governor of Wisconsin has said that he will do. He will deny all of the people living in Wisconsin's First District any representation in the House of Representatives until 1959.

To the people of Wisconsin it has become increasingly clearer that the Governor is not calling the election because the Democrats would have such a fine chance to win another "always Republican" Congressional District.

Mr. President, the Wall Street Journal, which can certainly not be disqualified on the grounds that it is usually overly critical of Republican policies, contained an excellent editorial on this unfortunate and improper decision of the Governor of Wisconsin. On March 7, the Wall Street Journal editorial said:

Representative Lawrence H. Smith, of Wisconsin's First Congressional District, a Republican, passed away last January. Gov. Vernon Thomson, a Republican, has said he will not call a special election to fill the vacancy, but will leave the seat unfilled until the general elections next November.

Now, that means that for the next 8 months more than 350,000 people living in 5 Wisconsin counties will be denied representation in the House. That is not only a denial of basic principles of republican government, it is an act that will hardly make those voters sympathetic to the GOP next November.

The legend goes that King Canute once proved the difficulty of turning a flowing tide. But even he did nothing to add to the tide that ran against him.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point following my remarks.

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

STEMMING THE TIDE

The Republicans, like any sensible group of men who sense a storm in the wind, are trying to stem a political tide they believe is right now running for the Democratic Party. There is a question, though, whether some of the things they are doing are politically sensible.

For example, reports from Washington tell us that the Republicans are trying to prevent the holding of special Congressional elections right now. They were upset by the election of a Democrat, Mr. PROXMIRE, to the late Senator McCarthy's Wisconsin seat last year. And 2 weeks ago the First Congressional District in Minnesota gave them an even greater start. Though the Republican won in this special election, the Democratic candidate came within less than 700 votes of winning in a traditional GOP stronghold.

So the political generals of the GOP have decided these special elections are far too risky. The word is that a policy is being tried out that will avoid the riskiness by avoiding the elections.

There are two phases to this policy. One is a decision said to have been suggested by the Attorney General, Mr. Rogers, not to name any Republican Congressmen to the Federal bench right now. Such an appointment would cause a vacancy in Congress, which, if filled by a special election, may well go to the Democrats and thus increase even more that party's majority.

Now the trouble with this sort of thing is that it is not only not the best kind of government; it isn't even good politics. This newspaper, to be sure, thinks that a good rule of thumb for appointments to the Federal bench is to choose men already on a lower Federal or State bench. But we certainly would never say that a good judge cannot be found in Congress. And it is even worse to say that, for partisan political reasons, Congress may not provide a judge.

In a great many places in this country Federal court dockets are already overcrowded, and the Attorney General's Office has from time to time reminded Congress of that in its requests for additional judges. From a viewpoint of good government, one may fairly ask whether the Attorney General's interest in this matter is to be found on the side of what is best for an orderly judicial process or on the side of what is best for the GOP.

And if, as seems plain, the weight is in the political balance, what is the effect one may expect on the Republican Congressmen who are now denied a chance at the Federal bench? Does Mr. Rogers actually believe that creating disappointed—and perhaps even disgruntled—Congressmen benefits the internal structure of his party?

Even more serious in its implications is the second phase of a policy of preventing special elections.

Representative Lawrence H. Smith, of Wisconsin's First Congressional District, a Republican, passed away last January. Gov. Vernon Thomson, a Republican, has said he will not call a special election to fill the vacancy, but will leave the seat unfilled until the general elections next November.

Now that means that for the next 8 months more than 350,000 people living in 5 Wisconsin counties will be denied representation in the House. That is not only a denial of basic principles of republican government, it is an act that will hardly make those voters sympathetic to the GOP next November.

The legend goes that King Canute once proved the difficulty of turning a flowing tide. But even he did nothing to add to the tide that ran against him.

INVESTIGATION OF REGULATORY AGENCIES

Mr. PROXMIRE. Mr. President, the New York Times, in its characteristically solid and responsible manner, this morning in an editorial calls for an investigation to determine whether or not the regulatory agencies are functioning with the purposes Congress had in mind in originally setting them up.

The Times editorial points out that while the sins of omission and commission of prominent personalities in Washington may make more spectacular reading, the public interest will be better served if the investigation of the FCC goes far deeper.

Last week I had printed in the RECORD two articles by Pulitzer Prize winning Reporter Anthony Lewis, which pointed out how the administration of the FCC is totally lacking in responsibility.

This morning's editorial by the New York Times points to the action that the Congress should take in the light of Mr. Lewis' revelations.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point following my remarks.

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

THE "INDEPENDENT" AGENCIES

The House subcommittee now investigating the independent Federal agencies will be missing a bet if it confines its activities merely to the sins of omission or commission of prominent personalities in Washington and elsewhere. In fact, it will be missing the main purpose of the whole inquiry.

While the low standard of ethics in Government as practiced by some public figures and private businessmen needs to be exposed, the major goal of the subcommittee on legislative oversight ought not be lost sight of. It should be to determine whether or not the regulatory agencies are functioning properly, independently of undue outside influence and in accordance with the purposes Congress had in mind in originally setting them up. This goal should also include a thorough appraisal of the laws and regulations by which the agencies themselves are bound.

It has been a healthy thing to have brought to public attention the indifference of some officials to the proprieties of public life. Commissioner Mack's resignation was necessary. If there are other Commissioners in the FCC or any of the agencies who have shown so little sense of propriety, we hope the House subcommittee will relentlessly expose them too. But a few resignations, however healthy, cannot and will not solve the problem.

The basic procedures of the regulatory agencies must be looked at with a critical and nonpartisan eye. The basic philosophy of these agencies must be reappraised. They were established to perform a combination of administrative and judicial work, but they have not achieved the stature—or perhaps it would be more accurate to say they have declined from the stature—they ought to have in the public mind. One feels that the sense of mission that inhered in these agencies when they were established has tended to dissolve with the passing of the years. A partial reason may be that the appointments to the topmost jobs have been too frequently based on political or other extraneous influences.

These agencies are not courts, nor would it be practicable to bind them to courtroom procedure; but there is every reason why in the determination of cases the decision process should have some of the sanctity of the courts. For example, if in a case at law a party at interest tried to influence a judge's decision outside the courtroom he would be fittingly rebuffed. The same standard just does not exist among the agencies, but it should—and it would if there were a concerted effort to make it stick. Furthermore, it is dangerous nonsense for Commissioners to be allowed to take "honoraria" from the industry they're supposed to be regulating. Their pay should come entirely from the Government—and incidentally it ought to be increased. In some cases, the effectiveness of an agency may be hamstrung by the laws designed to guide it.

Congress has a big responsibility in this field; and the inquiry it has begun can be one of the most important it has ever undertaken—but only if it is followed through.

PRICE SUPPORTS ON DAIRY PRODUCTS

Mr. PROXMIRE. Mr. President, only 21 days remain before the order reducing price supports on dairy commodities is scheduled to take effect.

Yesterday I reported that dairy farmers are already suffering a loss of income as a result of this unwise, unjust, and severe blow to dairy farmers. Today I have evidence directly from the Department of Agriculture that refutes Secretary Benson's claims that this order will be good for farmers.

In the Dairy Situation, issued by the Department of Agriculture last weekend, the following estimate is published of the effect of Mr. Benson's order on

prices of dairy products during the coming year:

The change in price-support level for dairy products, scheduled for April 1, will result in a decline for manufacturing milk of about 22 cents per 100 pounds, approximately 7 percent. The changes in price for this component of milk will be reasonably uniform over the whole country.

Mr. President, there is the warning, directly from the Department of Agriculture itself, of what will happen to the rural economy wherever milk is produced and sold for manufacturing into cheese, dried milk, butter, and other manufactured dairy products. The Department of Agriculture estimates that there will be a gain in production of around 1 billion pounds this year—considerably less than 1 percent. Prices will be down 7 percent, and volume marketed will be up less than 1 percent—this spells a severe cut in the total cash that farmers will receive for their milk, and an even greater proportionate cut in the net returns farmers will have available for family living expenses. Moreover, indications are that farmers' production costs and living costs will continue to go up.

Not only the producers of manufacturing milk will suffer as a result of Mr. Benson's order. Here is what the Department of Agriculture estimates in respect to the effects of this cut in price supports on prices farmers will receive for milk for fluid consumption:

Prices for fluid milk, however, will be influenced by several other additional factors and price changes will vary among market areas. Overall, the reduction probably will be less for fluid milk than for manufacturing milk. The average price to farmers for all milk (fluid and manufacturing milk combined) will average 15 to 18 cents per hundredweight lower after April 1, than a year earlier, a reduction of about 4 percent.

Mr. President, the result of this action by the Secretary of Agriculture will be to slash the returns of dairy producers who are now receiving far less than a fair return for their work. It will result in a dangerous additional downthrust to the economic recession which has thrown 5 million or more breadwinners out of work and brought breadlines back to the American scene. It will destroy additional small-business men in the rural communities. It is dangerous, unfair, and destructive.

INDIAN MEDICAL CARE

Mr. LANGER. Mr. President, I would like to bring to the attention of the United States Senate an article printed in the Grand Forks (N. Dak.) Herald on March 2, 1958, dealing with a "New agreement signed on Indian medical care."

I wish to state that the Honorable Carlyle D. Onsrud, executive director, North Dakota Public Welfare, was instrumental in working out this agreement with the area medical officer for the Public Health Service, Dr. Herbert A. Hudgins, of Aberdeen, S. Dak.

One significant feature of this agreement is that the State and county welfare boards will provide medical health service to Indians who have established residence away from their home area, and the Public Health Service will be responsible for medical health services to Indians living within the boundaries of reservations or adjacent areas.

Mr. President, this is one of the most significant advances in aid to the American Indian. We have learned from experience and from the many hearings we have held around the country that one of the factors in making the Indian, who has gone to the big city to obtain employment, return to the reservation, is that he and his family could not obtain medical and health services through the Federal Government unless they were residing on the Indian reservation. Also, this factor has been significant in the Indians being reluctant to leave their reservation to join the relocation program of the Bureau of Indian Affairs, since medical attention is not provided to them as to the other Indians living on the Indian reservation.

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

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

[From the Grand Forks (N. Dak.) Herald of March 2, 1958]

NEW AGREEMENT SIGNED ON INDIAN MEDICAL CARE

BISMARCK.—The Public Health Service and the State welfare board have signed an agreement instituting a new system of medical care for Indians living in North Dakota.

Carlyle D. Onsrud, executive director of the welfare board, said the agreement outlines geographical areas in which each agency will be responsible and in general should serve to minimize conflicts between public agencies over Indian health services.

The agreement was signed by Onsrud and Dr. Herbert A. Hudgins, Aberdeen, S. Dak., area medical officer for the Public Health Service. Its basic points:

Public Health Service will be responsible for medical health services to Indians living within the boundaries of reservations or adjacent areas.

State and county welfare boards will provide medical health services to Indians who have established residence away from their home area.

OBJECTIVES NOTED

Indians who leave reservations to gain employment need not, in all cases, return to the reservation to receive medical care.

The hoped for result, said Onsrud, will be enhancing of the twin objectives of care where needed and affirmative action toward Indian employment.

He pointed out that both the board and the health service recognizes a sameness in living conditions in the Indian community that cannot be artificially separated by a mere reservation boundary.

Under the agreement, the Health Service assumes responsibility for several areas outside exact reservation boundaries.

AREAS DEFINED

The Turtle Mountain area is defined as Rolette County. Fort Totten area is the original reservation plus certain townships including the town of Sheyenne in Eddy County, city of Devils Lake, and some area between the north reservation boundary and Devils Lake.

Fort Berthold area is defined as the original reservation plus designated townships including an area north of the reservation and the towns of Parshall, New Town, and New Sanish.

Standing Rock area remains only the reservation, since it does not have a substantial number of Indians living outside or near its boundaries.

Where Indians establish residence away from their home area, the Health Service will give them treatment even though they are nominally then the responsibility of State and county welfare boards.

Another part of the agreement is that when personal funds are not available, the Health Service will be responsible for burial of any Indian who dies while in its custody, either in a hospital facility directly operated by the Service or in a contract facility.

The Public Health Service took over Indian medical care from the Bureau of Indian Affairs on July 1, 1955.

ECONOMIC ASSISTANCE TO INDIAN TRIBES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated January 30, 1958, addressed to me by the Kickapoo Tribal Council, and also a resolution which accompanied the letter.

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

HORTON, KANS., *January 30, 1958.*

Hon. Senator WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SIR: Referring to your letter of January 17, you mentioned not getting the resolution, passed by our tribal council.

Please find enclosed a copy of resolution passed by the tribal council on December 27, in regard to Senate bill 809, which we sincerely hope receives due consideration as we do find that circumstances over which we have not had and do not now have control, has forced practically all of our working people from the home reservation in an effort to provide a living for our people.

Sincerely,

VESTANA CADUE,
Chairman, Kickapoo Tribal Council.

POTAWATOMI INDIAN AGENCY,
Horton, Kans., December 27, 1957.

Resolution

Whereas membership in the Kickapoo Tribe is governed by article 11 of the constitution and bylaws ratified by the tribe on January 23, 1937, and approved by the Secretary of the Interior on February 26, 1937; and

Whereas because of changing conditions and unemployment that exists on Indian reservations it is desired that Senate bill 809 be passed to provide economic assistance to the American Indian Tribes and their members; and

Whereas to encourage private enterprise and to promote the establishment of industrial plants in or near Indian reservations which will provide steady employment to the Indian people; and

Whereas it is felt that the Indian people should be given an opportunity to establish private enterprise and to obtain steady employment near their homes so they may properly provide for their families: Now, therefore, be it

Resolved, That the Tribal Council of the Kickapoo Tribe go on record as requesting Senate bill 809 be passed to provide loans and grants to the Indian people for the establishment of private enterprise and industrial plants in or near their reservation which will create steady employment and improve and raise their standard of living.

VESTANA CADUE, *Chairman.*
MINERVA SPOONE, *Secretary.*
GERALDINE SCHUETZ,
LEO WAH MASSUAK.
DAVID KEO.
IRA ALLEN.

EMPLOYMENT OF INDIANS ON THE GREAT NORTHERN RAILWAY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me by Isadore C. Azure, of Belcourt, N. Dak., and a letter dated January 13, 1958, addressed to me by J. M. Budd, president of the Great Northern Railway, concerning the employment of Indians on the railway.

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

BELCOURT, N. DAK.

DEAR MR. LANGER: We of the Turtle Mountain Tribe of Indians, are sure in favor of Senate bill 809. We think that jobs closer to home are better than looking for work 3, 4, to a thousand miles.

We are in favor of working instead of getting relief or checks. Course relief and relief checks are indeed welcome if there is no income of any kind. Most people would think that Indians would rather stay home and get help from the Government, but that is a long way from being the truth. We would rather earn money, just like our white counterpart.

We are thanking you and the others who are doing all they can for the Indian people. If it wasn't for you and others like you, the Indians would indeed be in poor shape.

Would you do me and also 17 other heads of families a favor? There are 18 of us Indians working on the Great Northern Railway from Rugby to Minot. This is district gang 11, and there are 18 of us on this gang. Very unusual for an all-Indian gang on the railroad.

You are in a high position, so will you thank the Great Northern Railway for us for hiring Indians and keeping us on. All of us have families that are working on the gang. Our roadmaster is S. J. Gates Rugby N. Dak.

Thanking you,

Sincerely,

ISADORE C. AZURE.

GREAT NORTHERN RAILWAY CO.,
St. Paul, Minn., January 13, 1958.

HON. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: Thank you for sending me the letter from Mr. Isadore C. Azure of Belcourt, N. Dak.

I am taking the liberty of passing on a copy of the letter to our people who are responsible for the employment of the Indians and letting them know of the appreciation expressed in Mr. Azure's letter.

Yours very truly,

JOHN M. BUDD.

OCCUPATION OF ESTONIA BY THE SOVIET UNION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a declaration concerning the occupation of the Republic of Estonia.

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

DECLARATION

In 1940 the armed forces of the U. S. S. R. invaded and occupied the Republic of Estonia and later forcibly incorporated Estonia into the Soviet Union in violation of all existing treaties and provisions of international law. Estonia was a recognized member of the community of free nations. Its policy had been the development of friendly and peaceful relations with other countries including its eastern neighbor, the U. S. S. R.

Estonia had declared its neutrality at the outbreak of World War II.

After being repulsed from Estonia in the course of war in 1941 the Soviet forces returned to Estonia in 1944 and reestablished the Soviet rule.

The invasion, occupation, and forcible incorporation of Estonia into the Soviet Union was a flagrant act of aggression.

Regardless of all international agreements and commitments signed or adhered to by the U. S. S. R., the Soviet Union has not withdrawn its armed forces and administration from Estonia, so that the Estonians could continue their own national life.

In view of the fact that the Soviet policy is guided by the Communist doctrine and Russian imperialism, there is no hope that the U. S. S. R. would voluntarily leave the territory of Estonia. Instead of liberating occupied countries, the leaders of the U. S. S. R. have repeatedly stated that their unalterable aim is the conquest of the entire world.

The only way to stop Communist conquest and to liberate the enslaved nations from the Communist yoke is to pursue a forceful, persistent, and all-out policy against communism and Soviet aggression.

The policy to contain communism and Soviet rule in its present borders is unrealistic and would mean recognition of the status quo and the acts of aggression.

Nations who have suffered under the Communist yoke are potentially the strongest allies of the free world and they should not be abandoned to their present fate.

Estonians and American citizens of Estonian descent and their friends gathered here today for the commemoration of the 40th anniversary of the declaration of independence of Estonia are expressing their appreciation of the policy of the United States Government in fighting the Communist onslaught and the continued recognition of Estonia as an independent and sovereign nation.

BLOODMOBILE TO VISIT SENATE TOMORROW

Mr. DIRKSEN. Mr. President. I wish to call the attention of the Members of the Senate, Senate committee staffs, and the staffs of Senators, to the fact that the Bloodmobile will be at the Capitol tomorrow. Blood may be donated in rooms 154 and 155 of the Senate Office Building.

This is being done under the direction of the Red Cross and the Federal Civil Defense Administration, in conjunction with the medical authorities who are conducting the blood pledge campaign.

It is hoped that 100,000 pledges of blood will be made in the metropolitan area of Washington. This will serve as a pattern for blood drives in other sections of the Nation.

In connection with this announcement, I wished to place a statement in the body of the RECORD. But I thought since the Bloodmobile will be here tomorrow, the announcement should be made now, so that everyone might hold himself in readiness for the occasion.

STATEMENT BY SENATOR DIRKSEN

With the growing emphasis on missiles, rockets, and other space-age weapons, there is a grave danger of overlooking a vital form of self-survival. This essential defense line for the Nation is the American National Red Cross blood program, now observing its 10th anniversary.

March, as you know, is traditionally Red Cross month, now being observed in all sections of our country. In many of the towns and cities, Red Cross chapters are conducting their membership and annual fund drives. The success of the Red Cross fund drive is essential to every family in the Nation who may be confronted with some sort of disaster—floods, hurricanes, cyclones, fire, or the immediate need for blood or one of its derivatives. Within the past week you have seen or read of the fire that devastated a large number of apartments here in Washington and left 49 families without food, shelter, or personal possessions. It was the Red Cross that moved in to alleviate suffering and organize a rehabilitation program. Equally important as the disaster service is the Red Cross blood program. Here, tomorrow, when the bloodmobile will visit, you will have an opportunity to express your belief in the blood program by personally donating a pint of blood or securing a substitute to donate for you.

Six metropolitan area chapters, participants in a United Givers Fund drive earlier last year, now are engaged in a unique campaign. The area chapters, which include the District of Columbia (Washington, D. C.); Alexandria, Arlington, and Fairfax, Va.; and Montgomery and Prince Georges Counties, in Maryland, are calling upon the residents of the area to pledge a pint of blood. One hundred thousand pledges is the goal.

This blood donor pledge campaign is significant for several reasons. Among the many reasons are: (1) It is the first Red Cross-organized blood donor pledge campaign yet attempted on such an organized and vast scale. (2) As residents of the Nation's Capital, the army of volunteer campaign workers are constantly reminded of the need for preparedness in all forms of defense. And defense preparedness can mean saving the life of some man or woman through a blood transfusion.

The metropolitan-area blood-donor campaign must be successful. If it succeeds, and I am sure it will, it will set the pattern for similar ones in other parts of the country.

In August 1956, the American National Red Cross undertook a responsibility that may prove to be one of the most significant in the history of the blood program.

At the request of the Federal Civil Defense Administration, the Red Cross agreed to develop a national plan for providing whole blood in time of war emergency. This plan would be carried out by the Red Cross under the supervision of the Federal Civil Defense Administration Health Office. The other participating agencies in the Joint Blood Council—the American Hospital Association, the American Association of Blood Banks, the American Society of Clinical Pathologists, and the American Medical Association—will all participate in the program with the Red Cross.

This plan must take into account that an attack with nuclear weapons on this country would cause vast destruction. Millions would be killed and injured and tremendous quantities of blood and its derivatives would be needed in a relatively short time to treat casualties. All surviving blood-collecting resources would have to put forth a maximum effort to even meet the partial blood needs.

Organized in 1948, the Red Cross blood program has grown to 51 regional programs with 1,500 participating chapters. It collects more than 2 million pints of blood annually and distributes blood to 3,900 hospitals in all 48 States and the District of Columbia. The Red Cross Washington regional blood center supplies the total blood needs of 51 civilian and Federal hospitals in the District of Columbia and neighboring States of Virginia, West Virginia, and Maryland. Part of the blood collected by the

Red Cross regional center must go to Civil Defense for stockpiling blood derivatives.

Besides supplying fresh whole blood for hospitals, the Red Cross has processed and distributed millions of units of valuable blood products. These blood products include gamma globulin, for the modification and prevention of measles and for agammaglobulinemia—a condition in which the patient cannot manufacture his own gamma globulin and thereby is subject to repeated infection; serum albumin, used in treating shock, severe burns, and certain kidney diseases; fibrinogen, latest in the derivative family, now used in cases of severe hemorrhaging resulting from certain complications of childbirth.

In the past decade, American Red Cross processed and distributed at Red Cross expense 18,994,900 cc.'s of gamma globulin, 435,000 units of serum albumin, and 5,200 units of fibrinogen. These derivatives have a current commercial value of more than $50 million.

While the entire life-saving whole blood and blood derivatives are valuable to the health and well-being of the American people, Gen. Alfred M. Gruenther, president of the American National Red Cross, stressed the fact that the real significance of the blood program lies in the continuing research in blood which had been made possible largely by the Red Cross blood program.

In a recent speech General Gruenther said, "New blood fractions now are being studied; one of these is plasminogen, which when changed into active form, enzyme plasmin, is capable of dissolving blood clots."

The Washington regional blood center is to be congratulated in leading the blood pledge donor campaign and deserves your support now. Unless there is replenishment of blood supplies by regular, continuing donations, the blood bank cannot meet their obligations or assure you and your family whole blood or derivatives when they are needed.

A Member of the House of Representatives is currently in a local hospital and has to date received 40 pints of Red Cross blood.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business?

Mr. JOHNSON of Texas. 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. 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.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Interstate and Foreign Commerce.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

John M. Allison, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Czechoslovakia, vice U. Alexis Johnson; and

Robert G. Barnes, of Pennsylvania, a Foreign Service officer of class 2, to be Special Assistant for Mutual Security Coordination, in the Department of State.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of Malcolm Anderson to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations of United States marshals be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

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

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

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

UNEMPLOYMENT STATISTICS AND A TAX CUT

(The following speech subsequently delivered by Mr. DOUGLAS was, on his request, and by unanimous consent, ordered to be printed in the RECORD preceding the debate on the amendment affecting the east front of the Capitol:)

Mr. DOUGLAS. Mr. President, the Department of Commerce and the Department of Labor have just announced the unemployment figures taken by the census for the middle of February, and I read from the announcement which has been made:

Unemployment totaled 5.2 million in mid-February, Secretary of Labor Mitchell and Secretary of Commerce Weeks jointly announced today.

In the middle of last week, on the basis of the unemployment insurance figures for the middle of February, I predicted that the census figures of unemployment for the middle of February would be not less than 5 million, but more probably 5.2 million. It thus develops in my prediction I hit the nail precisely on the head.

While it is always somewhat ungracious to point to one's own record in these matters, I think I should also indicate for the RECORD that on February 10, and on days preceding February 10, I predicted, on the basis of the unemployment insurance figures, that the census figures for the middle of January would be 4.5 million. That is precisely what they turned out to be. So I submit that, far from being a prophet of gloom and doom, my prophecies seem to be precisely on the head.

I regret very much, as we all do, that there has been this great increase in unemployment.

Mr. President, I ask unanimous consent that the first few pages of the current release, together with an analysis and explanatory notes, be printed in the RECORD at this point in my remarks.

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

COMBINED EMPLOYMENT AND UNEMPLOYMENT RELEASE, FEBRUARY 1958

Unemployment totaled 5.2 million in mid-February, Secretary of Labor Mitchell and Secretary of Commerce Weeks jointly announced today. The number of jobless—normally stable at this time of year—was up by 700,000 from a month earlier. Continued layoffs in durable goods manufacturing and unusually bad weather in some areas which affected construction and other outdoor activities accounted for a major part of the rise. In addition to these job losses—which mainly affected men—unemployment was further increased by the entry of a considerable number of women and young persons into the labor market. State insured unemployment—which does not include these new labor market entrants—rose by 300,000 between mid-January and mid-February.

The seasonally adjusted rate of unemployment reached 6.7 percent in February as compared with 5.8 percent the month before. Prior to last fall, the rate had ranged between 4 and 4½ percent for more than 2 years. The rate is now higher than at the peak of the 1954 business downturn (then around 6 percent) but about the same as in the later stages of the 1949 recession.

Total civilian employment, at 62 million in February, showed a relatively small change in view of the sharp rise in unemployment, because many of the new labor market entrants were able to find jobs. These new additions partly offset a job reduction of about 400,000 among adult men.

The number of workers on nonfarm payrolls (BLS), which normally changes little between January and February, dropped by 670,000 to a level of 50.3 million as a result of greater than seasonal reductions in hard goods manufacturing industries and construction. Compared with a year ago, employment on nonfarm payrolls was down by 1.4 million, with more than 80 percent of this decline in durable goods manufacturing industries.

The job changes were much sharper in the BLS payroll series than in the overall census employment estimates for two principal reasons. First, the BLS figures do not include the self-employed and domestic service groups which were up both over the month and since a year ago. Second, unusually large numbers of workers were absent from

their jobs during the February survey week because of bad weather; these are counted as employed by the Census if not seeking other jobs, but not by BLS unless they were paid for the time off.

Manufacturing employment dropped by 300,000 over the month to 15.6 million, with particularly sharp declines in primary and fabricated metals, machinery industries, and automobile plants. Weekly hours of factory workers, virtually unchanged over the month at 38.5, were at the lowest level for any February in the postwar period. Weekly earnings at $80.85 were about the same as in January, although down by about $1.50 over the year because of reduced hours of work.

Outside of the manufacturing sector, there were continued declines in railroad and mining employment and a large drop, 220,000, in construction, much of it due to bad weather. The employment reduction of 150,000 in trade was mainly seasonal.

State insured unemployment rose in all but nine States between January and February. Four leading industrial States showed increases of more than 25,000—California (51,000), Ohio (38,500), Michigan (31,500), and Illinois (25,700).

As compared with February 1957, insured unemployment was up by 1.4 million, total unemployment by 2.1 million.

The national rate of insured unemployment in mid-February was 7.5 percent (not adjusted for seasonality) compared with 4.4 percent a year earlier. The February 1958 rates were above 10 percent in 14 States compared with two States in February 1957. Among the large industrial States, Michigan had the highest rate this year (11.4 percent), while those in New Jersey and Pennsylvania were about 9 percent. Illinois had the lowest rate among the large States (5.9 percent).

Approximately 1 million workers who had been unemployed in January—about one-fifth of the jobless total—had found jobs by the February survey week. The proportion finding jobs at this time of year is usually considerably larger, however—about one-third. The slowdown in hiring was also reflected in a greater than seasonal increase in the number of long-term unemployed—those seeking work 15 weeks or longer. This group increased by 300,000 to 1,150,000 whereas it had previously remained well under the 1-million mark since the spring of 1955. The longer period of unemployment in recent months is reflected in the rising number of claimants exhausting their unemployment insurance benefits. Preliminary data indicate, however, that the February total of those exhausting benefits will approximate the 147,000 figure for January compared with less than 100,000 last February.

Employment and unemployment indicators

	1958	
	February	January
Labor force figures (census): [1]		
Total labor force, including Armed Forces	69,804,000	69,379,000
Civilian labor force	67,160,000	66,732,000
Employed, total	61,988,000	62,238,000
In agriculture	4,830,000	4,998,000
In nonagricultural industries	57,158,000	57,240,000
Worked 35 hours or more during week	43,212,000	44,767,000
Worked less than 35 hours during week	11,469,000	10,465,000
Usually work full time at present job	4,931,000	4,021,000
Worked part time for economic reasons	2,084,000	1,953,000
Worked part time for other reasons	2,847,000	2,068,000
Usually work part time at present job	6,539,000	6,444,000
Worked part time for economic reasons	1,111,000	1,116,000
Worked part time for other reasons	5,428,000	5,328,000
With a job but absent from work entire week	2,476,000	2,008,000
Unemployed, total	5,173,000	4,494,000
Seasonally adjusted unemployment rate	6.7	5.8
Unemployed 15 weeks or longer	1,148,000	865,000
Not in labor force	51,627,000	51,947,000
Payroll employment statistics (BLS): [2]		
Total employees in nonagricultural establishments	50,314,000	50,987,000
Manufacturing	15,586,000	15,880,000
Durable goods	8,859,000	9,113,000
Nondurable goods	6,727,000	6,767,000
Mining	793,000	807,000
Contract construction	2,391,000	2,610,000
Transportation and public utilities	3,962,000	3,997,000
Wholesale and retail trade	11,302,000	11,456,000
Finance, insurance, and real estate	2,344,000	2,343,000
Service and miscellaneous	6,398,000	6,393,000
Government	7,538,000	7,501,000
Average weekly hours of production workers in manufacturing industries	38.5	38.6
Durable goods	38.8	38.9
Nondurable goods	38.2	38.3
Unemployment insurance statistics (BES):		
Initial claims (State), week ending—		
Feb. 8; Jan. 11	456,800	609,600
Feb. 15; Jan. 18	425,300	523,200
Feb. 22; Jan. 25	459,200	452,300
Mar. 1; Feb. 1	435,900	442,100
Insured unemployment (State), week ending—		
Feb. 1; Jan. 4	2,939,400	2,809,300
Feb. 8; Jan. 11	2,971,800	2,863,800
Feb. 15; Jan. 18	3,130,200	2,850,000
Feb. 22; Jan. 25	3,268,000	2,895,300

[1] Calendar week ending nearest 15th of month. Figures based on new definitions adopted in 1957.
[2] Payroll period ending nearest 15th of month. January figures revised.

EXPLANATORY NOTES

Changes in employment and unemployment result from a variety of economic and social forces. Genuine understanding of what is happening in the labor market requires the collection of many different kinds of information. Current statistics on the employment situation are available from three principal sources: (1) Sample surveys of the population, (2) payroll reports from employers, and (3) administrative statistics of unemployment insurance systems. Although there is some inevitable overlap in coverage, the statistics from these separate sources provide information on basically different aspects of employment and unemployment and largely supplement each other.

A sample survey of the population provides the only comprehensive measure of the entire labor force, both employed and unemployed. It also provides information on the characteristics of employed and unemployed persons, such as age, sex, and color, which cannot be readily obtained except from direct enumerations of the population. Other unique information obtained are distributions of the employed by hours worked and by broad occupational attachment and of the unemployed by duration of unemployment. A sample of employers, on the other hand, can report the number of people on establishment payrolls, the hours worked, and the wages paid in nonagricultural industries. Statistics on employment, hours of work, and earnings are provided from this source for a large number of specific industries and areas on a current basis. Not included on these payrolls are several million people who are self-employed, who are hired as domestics, or who work at unpaid jobs. Most nonfarm workers, however, are employed in establishments and these are the basic figures on employment levels and trends for a wide range of specific industries. Finally, administrative statistics of unemployment insurance systems furnish a complete count of new and insured unemployment among the two-thirds of the working population covered by unemployment insurance programs. Although these administrative reports do not cover all of the unemployed, they are valuable as current indicators because the figures are available weekly, are given separately for each State, and show both emerging new unemployment and continued unemployment.

These three series reflect the same underlying economic situations yet measure different aspects of the labor market. It is therefore expected that the numbers will not move in complete harmony from month to month. Some discrepancies may also arise because of sampling variability and response or reporting errors, and administrative factors. The principal purpose of the combined report is to provide a rounded picture of the employment situation based on all of the available information and to promote a better understanding of the different types of data and of differences which may arise, from time to time, between the various series.

Following is a brief description of each series. For more detail, the publications of the Bureaus compiling the series may be consulted.

Sample surveys of the population—labor force statistics

Bureau of the Census: This Bureau prepares monthly estimates of the population of working age (14 years and over) showing the total number employed, the total unemployed, and the number not in the labor force. The information is obtained from a scientifically selected sample of about 35,000 interviewed households in 330 areas throughout the country and is based on the reported activity or status of the surveyed persons during the calendar week ending nearest the 15th day of the month. The employed total—which is divided between agricultural and nonagricultural pursuits—includes all wage and salary workers and self-employed persons who worked at all during the survey week or who had jobs or businesses from which they were temporarily absent that week because of illness, vacation, or various other reasons; it also includes unpaid workers in family-operated enterprises who worked 15 hours or more during the survey week. The unemployed total includes all jobless persons who were looking for work, regardless of whether or not they were eligible for unemployment insurance. Also counted as unemployed, effective January 1957, are persons on temporary (less than 30 days' layoff) and those scheduled to start new wage and salary jobs within 30 days.

Sample surveys of employers—payroll employment statistics

Bureau of Labor Statistics: This Bureau issues monthly statistics of the number of employees on the payrolls of nonagricultural establishments, by industry. The figures are based on reports from a sample of 155,000 employers covering more than 20 million workers. The employment of production and related workers is also shown separately by industry, together with average weekly hours and average hourly and weekly earnings. The employee figures include all persons who worked or received pay from nonagricultural establishments during the payroll period ending nearest the 15th of the month. Persons on paid sick leave, paid holiday or paid vacation, etc., are included, but not those on leave without pay for the entire payroll period. Persons on the payroll of more than one establishment during the period are counted each time reported.

Unemployment insurance statistics

Bureau of Employment Security: This Bureau issues weekly reports, by State, on the number of initial claims and the volume and rate of insured unemployment under State unemployment insurance programs, including the program of unemployment compensation for Federal employees. Figures are also issued by State on the volume of unemployment compensation for veterans and nationally for the Railroad Retirement Board program. Week-to-week changes may be affected by holidays and other administrative factors. The count of insured unemployment represents the number of persons reporting a week of unemployment under programs which currently cover about two-thirds of the Nation's labor force. Included are some persons who are only partially unemployed, and excluded are persons such as those who have exhausted their benefit rights, new workers who have not earned rights to unemployment insurance and persons losing jobs not covered by unemployment insurance systems (agriculture, State and local government, domestic service, self-employment, unpaid family work, nonprofit organizations, firms below a minimum size). State initial claims are notices given by those losing jobs covered by State and Federal employee programs that they are starting periods of unemployment. A claimant who continues to be unemployed a full week is then counted in the insured unemployment figure. Initial claim counts are of value as the first indication of emerging new unemployment.

Mr. DOUGLAS. Mr. President, the figure which has been given out by the Department of Labor and the Department of Commerce jointly does not include a computation as to what the full-time equivalent unemployment would be of those who are involuntary part-time employees.

On various occasions I have called attention to the fact that for some years I have had computed a private figure, or a private index, reducing the involuntary part-time workers to a full-time equivalent unemployment basis.

I now ask unanimous consent that the computation be inserted in the RECORD at this point in my remarks.

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

Unemployed persons, part-time workers, and estimated full-time equivalent unemployment, by months, January 1956–February 1958

Unemployed persons		Persons who worked part time because of economic factors			Full-time equivalent unemployment	
		Total	Usually work full time	Usually work part time	Of part-time workers	Total
1956—January	3,092	1,847	1,060	787	769	3,861
February	3,137	1,877	1,130	747	798	3,935
March	3,125	1,722	938	784	783	3,908
April	2,755	1,873	1,057	816	796	3,551
May	2,870	2,046	1,221	825	835	3,705
June	3,400	2,398	1,172	1,226	1,092	4,492
July	3,134	2,167	1,016	1,151	1,011	4,145
August	2,527	2,280	1,118	1,162	1,004	3,531
September	2,295	1,919	1,023	896	821	3,116
October	2,127	1,793	1,000	793	721	2,848
November	2,648	1,839	1,055	804	767	3,415
December	2,727	1,863	1,043	820	804	3,531
1957—January	3,244	1,935	1,190	745	816	4,060
February	3,121	2,076	1,203	873	879	4,000
March	2,882	2,136	1,288	848	893	3,775
April	2,690	2,083	1,242	841	844	3,534
May	2,715	2,133	1,215	918	831	3,546
June	3,337	2,501	1,312	1,189	1,089	4,426
July	3,007	2,363	1,091	1,272	1,061	4,068
August	2,609	2,323	1,076	1,247	1,016	3,625
September	2,552	1,952	1,068	884	799	3,351
October	2,508	1,991	1,057	934	826	3,334
November	3,188	2,208	1,152	1,056	942	4,130
December	3,374	2,332	1,306	1,026	979	4,353
1958—January	4,494	3,069	1,953	1,116	1,210	5,704
February	5,173	3,195	2,084	1,111	1,204	6,377

Mr. DOUGLAS. Mr. President, I will say the computations which we have just made for February indicate that there would be the full-time equivalent unemployment of an additional 1,204,000 workers, which when added to the 5,173,000 full-time unemployed makes a total completely unemployed and equivalent unemployed of 6,377,000.

The question then comes, What percentage of unemployment is this? Sometimes the figure of unemployment is divided by the total working force to get a percentage, but that is obviously inaccurate. The civilian labor force includes some 10 million persons who are self-employed, who are farmers and shopkeepers, and who, in some instances—about 1 million of them—embrace the families of the self-employed, such as wives who help husbands keep stores, and so forth. As I tried to point out, such persons are not subject to unemployment during a recession or depression. The recession or depression hits them in the form of reduced income, but they still have their jobs underneath their feet. Therefore, they should not be included in the denominator when we are computing the percentage of unemployment. That denominator, instead, should include only those who are already employed in wage and salaried labor, and those who are seeking wage and salaried labor, but are unable at the moment to obtain it. Therefore, the denominator should not be 67 million, but 57 million, namely, 67 million minus the 10 million self-employed.

If we used that figure as the denominator and the 6,377,000 equivalent unemployment figure as the numerator, we would get a percentage of 11.2, or one-ninth of the working force who are completely unemployed or equivalently unemployed.

I might say the part-time situation is very serious. It is being increasingly resorted to. It is certainly true that 2 people working part time are the equivalent of 1 person unemployed.

Mr. President, the situation is extremely serious, and I cannot understand the psychology of those who would dally with this problem and who are saying that now is not the time to act. The time to act is now, and the problem is getting more serious every day.

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

Mr. DOUGLAS. I am glad to yield to my good friend from Michigan.

Mr. McNAMARA. I should like to ask the distinguished Senator from Illinois if he has taken into consideration the fact that in June of this year, with the graduates, and with the dropouts from our educational system, a tremendous number will be added to the figures the Senator has already mentioned. Is not the outlook very black for those youngsters? Is not now the time, as the Senator has said, to do something to create a possible pickup in our economy, so that our young people will have something better to look forward to as they graduate from schools and colleges?

Mr. DOUGLAS. It is true that a very large number of young people who will leave college and a still larger number who will leave high school and not go on to college will be seeking work. Unless employment opportunities are expanded, they will be compelled to walk the streets.

We all hope that employment opportunities will expand. The Senator from Michigan has invited attention to a very important matter; namely, that we must get a pickup in employment soon or the situation is going to become worse and worse.

Mr. President, since on these last two occasions I have hit the nail precisely on the head as regards the probable number of unemployed, I believe that fact lends some support to the method which I have used. Very briefly, what we find is that in the past few months, if we take the number of claimants for unemployment insurance under State

laws, under special provisions for veterans and under railroad unemployment—the last two items sometimes being ignored by economic writers—we get a total which has been in January and February about 63 percent of the final figure as it has been reported by the Census Bureau. Therefore, at least for the present we can assume that the figures as to the number of claimants for unemployment benefits will represent, roughly, 63 percent of the total number who are unemployed. As I mentioned yesterday, this may increase in the future as a larger number have exhausted their claims to benefits.

We also have the figures for February 22 which have been released by the Department of Labor as to the total number of claimants under insured employment; State unemployment compensation laws, veterans' provisions, and railroad provisions.

I read from page 2 of the release dated March 7, where I note that the total number of claimants for benefits was 3,478,600. Applying the 63-percent factor, we would get an estimated total number of unemployed for the week of February 22 of 5,520,000, or a figure well in excess of 300,000 more than the census figures for the preceding week.

Let me say that I think this figure of 5,520,000 is a little bit higher than the actual number, because the week of February 22 was the week of the big snow, so to speak. There are some workers who are hired by the day in construction and building who would technically be counted as unemployed on that day. That would not be true, of course, for the factory workers.

Mr. SPARKMAN. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. I fail to see how such a situation would affect the formula by which the number of people drawing unemployment compensation is converted by a factor of 63 percent. A person out of employment for 1 day would not be drawing unemployment compensation, would he?

Mr. DOUGLAS. No, but he would be counted. If the Census had taken a figure with relation to that week he would have been unemployed.

Mr. SPARKMAN. That would be true, but, as I understand the situation, the Senator arrived at his figure of 5,520,000 by converting the unemployment insurance paid by a factor of 63 percent.

Mr. DOUGLAS. By using the insurance figure. The Senator is correct.

Mr. SPARKMAN. Then this element the Senator mentions would not enter the picture at all.

Mr. DOUGLAS. It is perhaps true that I have been excessively cautious.

Mr. SPARKMAN. I merely wanted to remind the Senator of his ultraconservatism.

Mr. DOUGLAS. I have always tried to be conservative in my views on this point.

In any event, it is very significant that the week from February 15 to February 22 showed an increase in unemployment.

If I may read the unemployment-insurance claimant figures for those 2 weeks, for the week of the 15th of February, which was the week the Census covered by its study, there were 3,337,800 claimants, and for the next week, February 22, the figure had risen to 3,478,600, which was an increase of 140,800. Therefore, conditions slid downhill from the 15th to the 22d of February very markedly, and the number of unemployed certainly increased by more than 141,000.

Mr. President, I believe on Friday of this week the Department of Labor will give the figures as to the claimants for unemployment-insurance benefits for the week ending the 1st of March. As soon as I obtain those figures, I shall make an estimate as to what the total unemployment was as of the 1st of March. I shall do the same thing for the 8th of March and for the 15th of March. The Ides of March are here.

Then we shall be able to compare the estimate which I make for the 15th of March with the census figures which will be published some time in April for the 15th of March.

Again, without pinning any roses on myself, I should like to have the RECORD show that on the two previous predictions—namely, the probable numbers whom the Census Bureau would show as unemployed as of the 15th of January and the 15th of February—I hit the number on the head to the precise 100,000.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a speech delivered by President George Meany of the AFL–CIO this morning at 10 o'clock, to an emergency economic and legislative conference of the AFL–CIO at the Sheraton Park Hotel. In his speech Mr. Meany states that "We have a right to expect action," and he also states that "Probably the most important single weapon through which the Federal Government can fight recession is by a cut in taxes, which will immediately pump new purchasing power into the economy."

I want to commend President Meany for this speech. I believe the priorities he establishes for fighting a recession are correct. He first wants to help the unemployed by increasing the amount of benefits and by extending the period of coverage. He then says that a tax cut is the best single weapon to fight a recession and advocates such a cut. He then points out that we should expand slum clearance, school construction, hospital building, and other needed public works, as well as aid to the chronically depressed areas. He is quite right to put a tax cut at the top of his list of priorities, for it is by far the quickest and most immediate action we can take.

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

SPEECH BY AFL–CIO PRESIDENT GEORGE MEANY TO AN EMERGENCY ECONOMIC AND LEGISLATIVE CONFERENCE OF THE AFL–CIO, WASHINGTON, D. C.

You men and women are here today because our Nation is in trouble—bad economic trouble.

I don't suppose that any of us here in Washington can tell you anything you don't know already about unemployment in your hometown. But unemployment is not an isolated phenomenon—peculiar to your hometown.

This is a contagious disease. I say that flatly and without equivocation. I say it without partisanship, without rancor; and I don't consider that I am a prophet of doom and gloom.

I say unemployment is now a contagious disease because we have reached the point—the danger point—where unemployment is now feeding on itself.

The time has come to put a halt to it. In fact, we must do more now just because we've done nothing up to now.

I wish that I could speak to you in the same tone of calm confidence that has been used in discussing this situation by many of our elected officials. I wish I could say confidently to you that the statistics, the facts, the figures that you will hear during this conference do not merit alarm. I wish I could say to you, "Let's do nothing for awhile and maybe this bad dream will vanish."

I can't in all honesty do that. I can't because I don't view—and the trade-union movement will never view—the problem of millions of job-hungry people in terms of just statistics and percentages.

We are going to be talking about people at this conference—about men looking for jobs, about wives who daily face the task of feeding and clothing the family on a meager budget.

You are here today because it is high time that people in high places in Washington learned what unemployment means in human terms; learned to think of this problem—the No. 1 problem in the United States today—in terms of men and women, not just in terms of cold figures.

You're here to tell the Congressmen and the Senators—elected by the people of your area—just exactly what's going on back at home; to tell them about the Jones family and the Smith family and the XYZ factory that closed down and about the corner grocery store that is on the economic rocks.

You're here because it is high time this problem of unemployment was taken out of the political arena, was stripped of the fancy language of the economists, was translated into terms that we all understand—the problems and sufferings of people.

Suffering is an individual thing. None of us, I suppose, can really know how intense some are suffering these days. But we can imagine; we can understand; we can react.

As for me, I am tired of headlines that talk of millions of jobless men and women in terms of just plain statistics. You know, these aren't figures comparable to railroad carloadings, or the price of hogs at the Chicago stockyards.

These are men and women. Millions of them are our members.

We have a right to be concerned; we have a right to be alarmed; we have a right to demand action now.

And as Americans we have a right to expect to get action.

Let me make one thing clear. There are a lot of people who carry some responsibility for today's economic crisis.

The administration is to blame for shortsightedness, for its basic lack of confidence in the American people while it preaches confidence. The administration is to blame because it has done too little until it's almost too late, because it has sought to hide the truth behind a face of political cheerfulness.

But the people on Capitol Hill must share the blame too. There is no excuse for the delay in the Congress. The Congress need not have waited for administration leadership. It could—it should—have moved before this.

I say that after having examined with care the proposal made last Thursday by all of

the Democrats in the Senate, with the sole exception of Senator Byrd, and by 18 of the Republican Senators.

That proposal contains much that is sound and sensible and necessary. But it is awfully late and it does not meet what I consider the first need—putting cash into the pockets of people so that they can spend it without delay.

I say that there is blame on both sides after having examined with equal care the proposals of eight Republican Senators, which indeed go further in some areas than the proposal of Senator JOHNSON and also go further in some areas than the administration's proposals.

But this proposition again fails to meet today's basic need—to put money into the pockets of all workers, as I shall outline in detail in a few minutes.

Do not be misled by the political soothsayers and spellbinders from either side. The Democrats know they can make political capital out of talking about the recession and doing little about it. The Republicans hope to protect themselves by hiding the fact that, during a Republican administration, the economy has become dangerously sick.

This is not the time to indulge ourselves in partisan name calling or partisan blame tossing. Now is the time for all of us—no matter what our political preferences—to close ranks and to get something done.

That means abandonment of some of the administration's favorite and now thoroughly disproven theories of economics. That means that, for the good of the country, the Democrats are going to have to put political capital to one side and do something.

We propose here to outline what that "something" should be.

But first, let's take a hard, factual look at where we stand.

The current unemployment figures have not, as yet, been issued. I am told they will be released in an hour or so.

I predict, however, that they will be so close to 5,250,000 jobless that there won't be any necessity of correcting the record.

That's an increase of three-quarters of a million in a month.

Five and a quarter million. That's more than twice as many people as there are in the entire city of Philadelphia. That's more than all the people in the States of Wyoming, Vermont, Utah, South Dakota, Rhode Island, North Dakota, New Mexico, New Hampshire, and Nevada, altogether.

That's not all.

In February, more than 3 million people were working part time—3- and 4-day workweeks—through no fault of their own. If you add up their lost time and divide it by a 5-day week, you'd add another 1.3 million to the number of people who are totally unemployed—or 6½ million wage earners who are no longer contributing their purchasing power to keeping the economy going.

Now I know all about the economic cushions that were built into our economic structure during the years when Congress was socially conscious and was passing social-welfare legislation. Many of us here in this room fought vigorously for the adoption of unemployment insurance, for example, and we fought vigorously for years for improvement. Unfortunately, our fight hasn't been successful. If it had been, we wouldn't be in the spot we are in today.

I'll have more to say on the subject of unemployment insurance in a few minutes. Now let me get on with the picture of where we stand economically in this Nation today. Here are some more statistics which, though I dislike using them, do present the figure.

More than 25 percent of our industrial capacity is idle. In some industries, like steel, our output is only at 50 percent of capacity. Factory working hours in January were the lowest for that month since 1951.

Freightcar loadings are 25 percent less than they were a year ago. Exports are 25 percent below March of 1957.

Let me see if I can't bring one of these statistics to life. Do you know what the cut in steel production means? It means that during the last month we lost more steel production than the average monthly output of the Soviet Union.

How can we keep superiority in production and material if we allow this condition to continue?

And one last, but vitally important, set of statistics: In February, 170,000 workers exhausted their unemployment-insurance benefits. Imagine that. More than 40,000 workers every week during the month of February ran through all of the unemployment-compensation benefits to which they were entitled.

As of mid-February, 7½ percent of those eligible to receive unemployment compensation were receiving benefits. That's the highest figure on record.

Now those are the facts. There's no sense in trying to gloss them over. There's no sense in trying to pretend they don't exist. There is no sense in doing anything else but facing up to the grim realities of the situation—and then doing something about it.

Now, now did we get into this fix?

Well, I think it dates back to 1954, when the Congress of the United States heeded the wishes of big business and ignored the pleas of the trade union movement. The key was the economic policy which encouraged and subsidized a business investment boom while discouraging consumer buying power. As a result, we created a tremendous ability to produce, but we paid no attention to the Nation's ability to consume.

The trade union movement warned them—and I get no satisfaction out of saying "I told you so" but facts are facts—we warned then that the 1954 tax law was geared to special-tax privileges to encourage business investment. We warned then that ignoring the needs for increasing consumer purchasing power was bound to put this Nation in economic hot water.

For 3 years our warnings must have sounded hollow, for business continued to boom. But by early 1957 the economy was weakening. The business investment boom had lost its steam; the consumer markets showed no new strength.

Despite some clear-warning signals, the Government last summer took two decisive and fatal actions. The Federal Reserve Board further tightened up on money. The administration, in a budget-cutting mood that was aided and abetted by men from both parties on Capitol Hill, slashed defense contracts.

Last August, the AFL–CIO warned that we were in for real trouble.

In Washington, people laughed.

Last September, one month later, the economy began slipping.

It hasn't stopped.

Now the question for us here today—the question for all America—is crystal clear; what can be done about it?

The AFL–CIO says we can do plenty. We say that the time for waiting and whistling and hoping is past. The time for bold, decisive actions by the Federal Government is here.

Probably the most important single weapon through which the Federal Government can fight recession is by a cut in taxes which will immediately pump new purchasing power into the economy. This can be done, simply and with an immediate effect by increasing the individual basic exemption from $600 to $700. In fact, it may even be necessary to go higher than $700.

In these days of withholding taxes that would mean an immediate increasing in purchasing power in the pay envelope of every single American worker.

Let's examine, first of all, the justice and the basic commonsense of cutting taxes at this time. At this very minute, 5¼ million wage earners aren't paying a cent in taxes for the very simple reason that they haven't got a cent in income. By putting this new purchasing power into the economy and putting people back to work, we would be creating taxable income—a fact which the conservative economists seem to forget.

And why not increase the basic exemption? What is so sacred about the $600 figure? When the Congress established, in 1948, the basic individual exemption of $600, it was acting on the assumption and belief that $600 was the rock-bottom income per individual that was necessary for the most basic living essentials. As a matter of public policy, the Government decided that it had no right to tax income below that level.

That was 1948. The cost of living has risen so markedly since then that it takes more than $700 a year to buy what $600 bought in 1948.

And what would this increased exemption mean? Well, it would mean that the family of 4, with an income of $3,100 or less a year would pay no taxes. Well, isn't that fair, since the Department of Labor figures, brought up to date, say that a family of 4 needs an income of $4,472 a year just to maintain a minimum, decent standard of living?

We can also, and we should, eliminate or reduce some of the Federal excise taxes on consumer goods and thus stimulate purchasing through lower prices.

And if anyone on Capitol Hill says to you that the Government can't afford a reduction in its income, just remind them that the most important thing is to put people back to work.

If this takes a deficit, let there be a deficit.

It is better to have a deficit this year and prosperity next, than to have a balanced budget this year and even more unemployment next year.

In No. 2 spot on the list of "must" legislation, I believe we should place the so-called Kennedy-McCarthy bill—the measure introduced in the United States Senate by Senator JOHN KENNEDY of Massachusetts, and in the House of Representatives by Congressman EUGENE MCCARTHY of Minnesota.

This is the measure designed to establish some realistic and sensible Federal standards for unemployment compensation.

I don't have to tell those of you here, who have fought in your State legislatures year after discouraging year for realistic improvements in unemployment compensation, of the need for improving the unemployment insurance laws of your home State.

In good years, the legislators said there was no sense in improving unemployment insurance when you didn't have unemployment. In bad years, they said they couldn't afford to improve unemployment insurance. And in routine years, they said: "Let's not rock the boat."

Well, the time has come to end this kind of nonsense. The time has come to show that we mean it when we say that the family of a man who is unemployed through no fault of his own must—and of a right should—live in some sort of decency.

Every year since February 1954, President Eisenhower and Secretary Mitchell have recommended to the several States that they establish standards to provide that workers unemployed through no fault of their own would get benefits equal to at least half of their lost wages.

Not a single State in the 48 has come anywhere near that standard.

The reason is rather obvious. If the Secretary will pardon my candor, I think I should tell him that the legislatures of the several States have far less regard for the urging of the President of the United States

and of the Secretary of Labor than they have for the political power of the business interests of their States.

Well, the Kennedy-McCarthy bill would right the wrong created by the shortsighted businessmen whose voices have been heeded in these legislatures. It would improve unemployment compensation benefits immediately by raising the Federal standards; by forcing the States to do what they should have done as a matter of common justice and economic sense.

And that's another measure which would immediately put more purchasing power into the market place. It would give today's jobless worker some money to spend for the bare necessities of life.

The Kennedy-McCarthy bill meets the immediate needs of the unemployed and at the same time makes the essential repairs to our unemployment insurance system which must be made if that system is to play its part in preventing future downward slides in our economy. It would restore the Federal Government to full partnership with the States.

We believe that if the Federal Government is to pay the bill, the Federal Government should have some say as to the adequacy of the benefits paid to the unemployed, and as to the conditions on which benefits are paid.

In contrast, the proposals put forward by the administration this past weekend would leave untouched the basic inequities that have, over the years, crept into the State programs. Nevertheless, it is encouraging to note that now the administration has recognized the need for action, and even more significantly, recognized that the action should be at the Federal level.

But certainly this administration proposal, as outlined in the President's letter to the leaders of the House and Senate, can't be accepted as a substitute for what must be done to make unemployment insurance meaningful in the future, nor can it be accepted as a substitute for what should and must be done today to meet the real problems posed by this recession.

In third place on the legislative list, I would put increases in defense spending.

I can't for the life of me see any common sense to the contention that a balanced budget is more important than defense spending at this moment in history when international tensions are dangerously high, and when the Soviet Union is demonstrating, through its satellite program, a superiority over the United States in the ballistics field.

Budget-balancing and penny-pinching are not the answer. We can't protect ourselves against Communist aggression with cash registers or balance sheets.

We need guided missiles and manned aircraft; we need armaments and aircraft carriers; we need a trained, expert, well-manned and well-paid military establishment; we need to adopt a military posture consistent with our abilities, not with our fears.

All of this costs money. All of it, however, costs far less than total war. And what's the use of having a balanced budget if we lose to the Communists?

Now, it is a matter of simple arithmetic, that if we spend the money we need for national defense and thus create more jobs, more spending, new wealth, we are at exactly the same moment creating new income which can be taxed in a fair manner and with true adherence to the theory of ability to pay.

In other words, we can have both adequate defense and we can have a prosperous Nation. They are not mutually exclusive. As a matter of fact, they go hand in hand.

Next—and I put it in this order for a very realistic reason—is the whole subject of public works.

Public works are vital to overcoming this recession.

But as all of you who have had experience with the legislative process know, it takes time in a democracy to pass a law, to get the appropriation, and to translate the authorization into a program which puts men and women to work.

The other measures I outlined can give our economy the economic blood transfusion it needs with far more speed. But public works can give the economy the sustained strength that it needs.

Now I'm not talking about leaf-raking projects. I don't think America wants any more make-work projects.

I'm talking about the things that we need; the things that we've needed for a long time; the things that must be built in America by the Federal Government some time or other. I say the time is now. We can have the things we need, and we can help move off this crisis spot, by enacting the legislation without delay.

What things? Well, homes, for example, and schools, and roads, and hospitals, and airports.

No honest person can contend that America needs no new houisng. You don't need statistics to prove that—as a matter of fact you can see it with your own eyes. If the Congress needs any expert witnesses on the subject, I suggest they invite the mayors to come and testify. The mayors know the problem of their towns, the problems of slums and of delayed urban redevelopment.

What do we need in the way of new housing? Well, the answer is 2 million more homes a year—for a long, long time. Do you know that the most recent census survey shows that in December 1956, 13 million families were living in substandard homes? Thirteen million families—and the survey notes that there has been virtually no change in these figures since 1950.

And building homes would mean jobs for building tradesmen, jobs for everybody in the construction-supply industry. Jobs for these thousands of workers would mean new spending and new spending would mean new jobs for other workers, and on and on and on.

For you see prosperity, like unemployment, is contagious. It feeds on itself. Every new worker drawing a paycheck means new spending. And all that spending adds up to good news for the American economy.

No one can contend that America doesn't need schools. We are short thousands and thousands of classrooms. Many of the children of our members today go to school in buildings which are little more than converted chicken coops; in buildings which are old and neglected and are dangerous and are firetraps. Thousands of children go to school on split shifts these days. And then people wonder why we don't have the scientists and the engineers and the technicians to match the Soviet Union.

Let me give you a few of the school statistics. At this moment, the most conservative estimate is that we need 140,400 more classrooms just to catch up.

In the last 5 years, public school enrollment rose 5 million. In the next 5 years, it will rise 6 million more. Incidentally, that's not just guesswork. That's counting the children that are already born and that will be going to school in the next 5 years.

Just to meet this growth, we will need 45,000 new classrooms every year—or 225,000 more in the 5-year period. Every year, thousands of classrooms become obsolete or must be replaced because of destruction by fire or flood. So in the next 5 years, we must build a total of 502,900 classrooms. Now that too is just plain arithmetic. There's no crystal-ball gazing here.

Let me translate those statistics for you, too.

If we were to build all the classrooms we need to meet the shortage as one-story buildings, 50 feet wide, they would stretch from New York City to San Francisco.

The fact is that these classrooms cannot be built without Federal aid. This year, the States and the political subdivisions, which are making an heroic effort to keep up with this need, are spending $12 billion on education.

I consider that's the soundest possible investment in the future of the United States. But the States and cities can't do it all. They must have Federal help if we are to get the classrooms we need.

Everything I said about houses and schools goes just as well for roads. Look at the highway situation in this country today. Any one of you who drives a car knows the need for new highways. And, hospitals, too, as any of you who've had a sick relative or friend in a hospital in recent years knows.

And how about improving the minimum wage to $1.25 and extending it to the millions of workers who today are denied even the ridiculously low income of $1 an hour?

How about improving the social security law so that our senior citizens can spend their twilight years in decency and security?

How about improving the lot of the chronically distressed cities—and remember that figure is growing every day that this recession lasts.

In other words—and this is what you should be saying to your Senators and Congressmen—how about doing something now to pull America out of this slump?

That's the situation. That's the program of the AFL–CIO, designed to end this recession. That's what you're going to be talking about when you go up on Capitol Hill tomorrow and Thursday.

Now, of course, legislation is not the whole answer to this problem.

Some of the answer lies at the collective-bargaining table. Some of it can be achieved by higher wages which actually mean more purchasing power for the consumer.

Some of it can be achieved if business would reverse its pricing policy and realize that it can make greater profits in the long run by lowering prices on individual items, by making a smaller profit per item and thus having a large volume of sales.

When you go into collective bargaining with your employers, don't let anyone tell you this is the time to hold the line on wages, like Herbert Hoover did the other night.

Maybe Mr. Hoover hasn't learned it yet, but we've sure learned that higher wages means greater purchases. The higher the purchasing power, the greater the sales; and the greater the sales, the greater the production; and the greater the production, the greater the employment; and the greater the employment, the greater the prosperity—not only for us but for the farmer, and for the businessman, and for the professional man, and for every single segment of our society.

But what we're trying to do here—the reason for your presence in Washington—is to deal with the legislative aspect of this situation. And as you go up on Capitol Hill, let me remind you of two things.

First of all, some of you may be told up on the Hill that these proposals are radical, that they create a whole new concept of Federal Government intervention into the economic life of this Nation.

Well, to begin with, they aren't radical. But more important, we have on the statute books of this Nation—and we have had for a dozen years now—a law called the Employment Act of 1946. That law makes it mandatory that the President of the United States report on the economic situation to the Congress annually and that, as a matter of public policy, this Government intervene at any time when it becomes necessary to maintain full employment in our land.

What we now propose is that the administration and the Congress do their duty.

And secondly, I want to caution you about maintaining a sense of urgency and not being misled by optimistic prophecies that when

the unemployment figures are reported a month from now things are going to be a lot better.

As a building tradesman, I know what happens in the period between February and March every year—the period when the winter weather breaks. That's when building tradesmen go back to work.

Unless unemployment drops by at least 200,000 in that period, then we have not hit the bottom of the recession.

I don't care who says differently. I don't care from what high source these statements come. Our troubles will not have diminished unless unemployment is down by at least 200,000 by a month from today.

Nothing that I can find in the present picture, and nothing that the economists and research people on our staff can find, leads me to believe that things are going to grow any better—unless, and this is important, unless the Congress heeds our plea, awakens to its responsibilities, thinks of this recession in terms of people and not statistics, and acts.

We must put America back to work.

That's the answer to this recession. That's the only possible answer to the economic crisis which faces this Nation today.

Mr. DOUGLAS. Mr. President, that point in President Meany's speech that a tax cut is the most important single weapon to fight a recession is exactly what the Senator from Illinois has been contending for well over a month. That is the program which was denounced as crazy and foolish and unneeded by many people when it was first advanced, but it is a program which is winning increasing support and which will be adopted at some time. The question is not whether we shall get a tax cut, but when we shall get a tax cut and what kind of a tax cut we shall get.

I predict that certain people who have been saying that a tax cut is foolish will shortly come out with a proposal to cut taxes on the upper income groups and on corporations, and who will say that what we need to do is to build up and increase the productive capacity of the Nation, when 30 percent of the productive capacity of the Nation is now idle and unused.

Mr. President, I think the discussion is now moving into another phase. My own belief is that what we should primarily try to do is build up the purchasing power of the country by releasing income to those in the lower and middle income groups and by reducing excise taxes.

I yield the floor, Mr. President; and I ask unanimous consent that this discussion of mine be printed in the RECORD prior to the discussion with regard to the extension of the east front of the Capitol, so that it will not obscure the very valuable discussion started by the Senator from Virginia. I may say that I am wholly in accord with what the Senator from Virginia has said and I intend to support his motion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? Without objection, it is so ordered.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. ROBERTSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The CHIEF CLERK. On page 18, after line 5, it is proposed to insert the following:

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

Extension of the Capitol: Nothwithstanding any other provision of law, no further funds shall be obligated and no further contracts entered into in connection with the proposal for the extension, reconstruction, and replacement of the central portion of the Capitol until the end of the 2d session of the 85th Congress unless prior thereto the Senate shall have acted upon S. 2883.

Mr. HAYDEN. 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. 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.

The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. ROBERTSON].

Mr. HAYDEN. Mr. President, I make the point of order that the amendment is not in order, inasmuch as it provides for legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. ROBERTSON. Mr. President, I move to suspend paragraph 4 of rule XVI in order that my amendment may be considered.

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

Mr. ROBERTSON. Mr. President, before the Senate proceeds to vote on my motion, I feel that I owe it to my colleagues to explain why I make a rather unusual motion of this character.

The PRESIDING OFFICER. The motion is debatable. The Senator from Virginia is recognized.

Mr. ROBERTSON. Mr. President, last Monday, March 3, I made a brief statement on the floor of the Senate in which I confessed I had been slow to realize the full implications of the authorization which had been given to move the east front of the Capitol Building, but that I felt that we were committed to an unnecessary and undesirable program.

The following day, in the Appropriations Committee, I offered an amendment to the bill which is now before the Senate, which reads:

Notwithstanding any other provision of law, no further funds shall be obligated and no further contracts entered into in connection with the proposal for the extension, reconstruction, and replacement of the central portion of the Capitol until the end of the 2d session of the 85th Congress unless prior thereto the Senate shall have acted upon S. 2883.

My amendment was rejected by the committee on the point of order that it would be legislation on an appropriation bill. I then indicated my intention of seeking a suspension of the rule when the second supplemental bill came before the Senate in order that my amendment could be considered on its merits.

Since that time the Public Works Committee has reported S. 2883 to the Senate, but we have no present assurance as to when it will be taken from the calendar and considered. Under these circumstances, I am asking that the rule be suspended and that my amendment may be considered.

While admitting that my proposal is technically subject to a point of order, which makes the rule suspension necessary, I believe that this is the appropriate time and place for us to record our views on the question whether the presently authorized remodeling of the Capitol Building should be held up long enough for us to take another look at the plans, or whether we should go forward with a program which ultimately may cost the taxpayers $110 million.

My amendment would not necessarily delay the work a single day, because it merely provides that no more money shall be spent until the Senate has acted one way or another on S. 2883. That bill is on the calendar, and could be taken up on short notice if a majority of the Senate felt that it was urgent to dispose of the issue and get on with the work.

On the other hand, if my amendment is not accepted, there is the possibility that no convenient time will be found to bring up S. 2883; and those of us who feel strongly that the program ought to be stopped and reevaluated will have no opportunity to go on record.

Incidentally, as the senior Senator from Virginia will later very thoroughly explain and document, we are not dealing merely with $10 million for improving the east front, or with a $17 million appropriation. Instead, we are dealing with an overall program of $110 million, the expenditure of every dollar of which will have as much authority in the small paragraph in the Appropriation Act of 1957 as the authority now claimed to alter the historic appearance of the east front of the Capitol.

Mr. President, $110 million is involved if my amendment is voted down and no stop is put to the program with which the Architect of the Capitol claims he has been authorized to proceed, subject, of course, to the approval of his Commission. Incidentally, the Commission has not actually approved anything, according to the testimony of the Architect in the hearings which I read.

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

Mr. ROBERTSON. I yield.

Mr. HAYDEN. Senate bill 2883, introduced by the Senator from New Jersey [Mr. SMITH], is on the calendar. Does the Senator from Virginia not believe it would be better for the Senate to take up and consider that bill in the usual order, instead of amending the appropriation bill now pending before the Senate? The

bill before the Senate provides $256 million for the Veterans' Administration for the payment of compensation and pensions. The Administration cannot pay the veterans without this money. The bill also provides $33 million for grants to States for unemployment compensation. There is also contained in the bill an appropriation of $170,600,000 in grants to States for public assistance, which is highly important.

If the Senate should agree to the Senator's amendment and it should go to conference with the House, inasmuch as it is such a controversial matter, it would be tied up for some time, and would tie up the whole bill, which is essentially an appropriation bill, and should be passed immediately. Why does the Senator from Virginia feel it is necessary to amend the appropriation bill in the way he suggests?

Mr. ROBERTSON. The Senator from Virginia has not yet reached that point in his speech, but when he gets to it he will say, first, that Congress never authorized the alteration except by legislation on an appropriation bill. If Congress can authorize it in that way, Congress can repeal it in the same way. The Senator from Virginia will then say that he does not propose necessarily to halt the construction by so much as 24 hours. All the leadership need do is to bring up for immediate consideration the bill which is now on the calendar, as reported by the distinguished committee headed by our amiable and beloved friend from New Mexico [Mr. CHAVEZ] and we can vote it up or down in the regular way.

Last, but not least, the Senator from Virginia, with all due deference to and commending the Commission, and sympathizing with the problem that confronts them, taking into account the $110 million for capital improvements, and knowing how busy the Commission is and how it would welcome someone's coming to its relief, in view of all the public clamor, to have the responsibility taken off its shoulders. The Senator from Virginia believes it would be very fitting to take about 10 or 15 minutes on the pending bill in order to insert a little stopgap provision to help the Commission, which has not had the time to consider all the facets of what the Architect of the Capitol said he has the power to do under the one small paragraph in the appropriation bill of 1957.

The junior Senator from Virginia intended then to say that he had the highest respect for the Commission which is to advise the Architect, and that he had every confidence in their wisdom. However, we are dealing with a building very much beloved by the whole Nation, the Capitol. We are dealing with the front of the Capitol, where many historic events have taken place. It is where all the Presidents since John Quincy Adams have been inaugurated. It is where Lincoln delivered his wonderful inaugural addresses.

The Senator from Virginia would then quote from one of the very great orators, the great Daniel Webster, one of the grandest statesmen this country has ever produced, who wanted to be temperate on the subject of civil rights, who wanted to preserve the Union, and who managed to be too temperate for the Abolitionists of Massachusetts, but did not go far enough for the citizens of South Carolina, and as a result was caught in a crossfire.

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

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. I am delighted that the Senator from Virginia should express his admiration for the inaugural addresses of Abraham Lincoln, and also that he should praise the Liberty and Union speech of Daniel Webster. This makes me believe the Civil War is at last over. [Laughter.]

Mr. ROBERTSON. It was a tragedy for us in the South that we could not grasp the wisdom of Webster, who, in appealing for the Union, predicted what would happen:

> When my eyes shall be turned to behold, for the last time, the sun in heaven, may I not see him shining on the broken and dishonored fragments of a once glorious Union; on States dissevered, discordant, belligerent; on a land rent with civil feuds, or drenched, it may be, in fraternal blood.

Fortunately, Mr. President, Daniel Webster died before it happened, but it did happen. It could have been prevented.

The assassination of Lincoln, which was toasted in the Union League Club in Chicago, was a body blow to the South. Many of the abuses which occurred would never have happened but for that assassination.

In my office I have a picture of Abraham Lincoln. I also have there a picture of Robert E. Lee, and a Confederate flag. The other day, a friend of mine from New Jersey said to me, "I should like to have my picture taken with you."

I said, "Get in front of the picture of Robert E. Lee and the Confederate flag and I will have my picture taken with you."

That is what happened.

Mr. President, that flag, to me, is a symbol of the courage with which the South defended a principle of government. It reminds me of the story told of the Confederate soldier who was telling his grandchildren of what had happened when he was blown up in the crater at Petersburg. He said, "When we were blown up in the crater, on the way up we passed our captain coming down. He yelled to us, 'Rally, boys, as soon as you hit the ground.'" [Laughter.]

We need a little more of that kind of courage. That is why I keep that flag in my office. What concerns the Colonial Dames and the Daughters of the American Revolution is that they think of the Capitol as their ancestors knew it. They do not want it torn down. That is why I am speaking as I am today.

Mr. President, I desire now to return to the remarks I had planned to make. Some of my colleagues caused me to become a little excited, and I got off the track. [Laughter.]

The members of the Commission deserve some consideration. They need a little help. That is what I propose to give them.

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

Mr. ROBERTSON. I yield.

Mr. CHAVEZ. Inasmuch as the Senator from Virginia is discussing the question of the cost, the information obtained in good faith by the Chairman of the Committee on Public Works, in connection with the bill now pending on the calendar, is to the effect that while word has gone out that the contemplated work under item E or B will be $10 million, actually, when the work has been finished, we will be lucky if the cost is not $100 million.

Mr. ROBERTSON. My friend from New Mexico is absolutely correct. Included in the cost will be a garage for Capitol employees. They are accustomed to nice, steam-heated offices and warm automobiles. They do not want to get into cold automobiles and become sick waiting for the engines to heat up before they start off.

It is proposed to spend $30 million or $40 million for an underground garage. It will not be built for Senators. We have our parking places. It is not intended for use by Members of the House. They have their parking places. But it is said that the plan is to move all the automobiles away from the front of the Capitol, because they make the area so unsightly. The same authority is claimed for that expenditure as is claimed for the remodeling of the east front. It is all contained in the same authorization.

As the chairman of the Committee on Public Works has said, we shall be spending $110 million without knowing whether it has been authorized specifically, simply to provide a little more office space and to install another dining room or two.

Mr. President, I must hurry on. I told the distinguished chairman of the committee [Mr. HAYDEN] I did not want to delay action on the bill which provides funds for the relief of unemployment. I said I did not think 15 or 20 minutes would affect the situation too much. But I must hurry on. I understand other Senators wish to speak on the subject. I understand they will all speak briefly.

The situation confronting us today is very different from what happened in 1903, when the enlargement was first suggested. Then there was a shortage of space. The Senate Office Building had not been constructed. There was no House Office Building either. Offices were needed on both sides of the Capitol.

Since then, what has happened? The Senate Office Building was constructed and then enlarged. Congress has also voted $18 million to build a new Senate Office Building—and it will be a nice one. The Senate garage was built.

On the other side of the Capitol, the Old House Office Building was constructed, as was the New House Office Building. There is now under construction a third and larger office building, which will cost possibly $60 million before it is completed.

Other allied projects are under way, including tunnel work and provision for additional parking space. All this will probably make the entire cost of the project about $100 million. We have

raised no objection to it. The House said it was needed. We said, "Very well; we will go along with it." We have raised no question.

The only question we raise concerns the proposal to alter the portion of the Capitol which is between the two Houses, and for which we have joint responsibility to our constituents. When one group says, "We are going to change it," we say, "We would like to look into the matter further."

Mr. President, there is much objection to the proposed alteration. We find it in Virginia, and I feel certain that it is duplicated elsewhere. Among the objectors are the Daughters of the American Revolution, the Colonial Dames, and the Virginia Society for the Preservation of Antiquities. They are organizations which are dedicated to the fundamental principle which we read in the Bible:

Remove not the ancient landmark which thy fathers have set.

We want to be tied to something which carries us back to the incomparable wisdom of the Founding Fathers, who gave us the greatest form of government any nation has ever had, and under which we have experienced so much prosperity and freedom. Some of these fundamental landmarks we desire to preserve.

The problem is not one of space, as it was in 1903, when program B was first authorized. Following that, in 1935 and 1937, there were efforts to enact authorizing legislation. In one House or the other, the proposal always failed when a vote was taken.

This time it was first included in one paragraph of the appropriation bill of 1956. There was an enlarging paragraph, first for $5 million under some limited authority; then another for $12 million under greater authority, which was contained in an appropriation bill.

Hence I said to our distinguished chairman, "This is not the way to legislate. If the Senate could include this item in an appropriation bill, certainly we should have the power to repeal it."

I must hurry on. I call attention to the fact that the situation has changed from what it was in 1903 or 1905. The best experts say that the proposed extension of the Capitol should not be carried out. We have the testimony of the National Institute of Architects, and of other experts who appeared before the Committee on Public Works. Everyone who has really studied the project says it should not be completed; that it is not necessary to do what is planned to be done.

I, personally, feel we should take steps at once, before additional large amounts of money are finally committed, to get control back into the hands of Congress where it belongs. Then we should make sure that any future work is done in accordance with the wishes of the people of the United States, to whom the National Capitol belongs, rather than to suit the convenience of those of us who were sent here to represent them.

I take this position, Mr. President, without implying any disrespect or lack of confidence in the distinguished members of the Commission for Extension of the United States Capitol. My feeling is that they must be reluctant to carry the full burden of responsibility which has been placed on them by what I must frankly call legislative carelessness. They are probably less to be blamed for trying to carry on without complaint the duties imposed on them than the rest of us are for asking them to do it and that blame falls doubly on members of the Appropriations Committees, of whom I am one.

The fact remains, however, that five extremely busy men have been asked, ex officio, to do a job of supervision which is entirely outside the normal routine of four of them and which they must necessarily delegate in large part to others, accepting the results on faith.

All I am asking today is that we revise our instructions to the extent of asking them not to spend any more money until we have had a chance to consider this problem again. If that is done, I expect to join later with other Members of the Senate in revising the Commission's instructions so that responsibility for future spending decisions will be shared by all Members of the Congress and that those who act will know just what they are approving.

Now, generally speaking, I am opposed to permitting any legislative riders on appropriations bills. I think there is great merit in the requirement that authorizations and appropriations shall be considered separately on their own merits and that no item of legislation should be allowed to slip into a public law merely because it cannot conveniently be detached from an essential appropriation.

That very line of reasoning, however, leads me to feel that the amendment I am offering today is a proper and appropriate one. I say that because all I am trying to do is slightly modify in an appropriation bill an authorization which has never been given anywhere except in an appropriation bill. If we can give such power in that type of legislation, we ought also be able to take it away.

In his report to the Chairman of the Commission for Extension of the United States Capitol dated August 1957 and in testimony given before a Senate subcommittee on February 17, 1958, the Architect of the Capitol stated that authorization for the extension project he is undertaking is contained in Public Laws 242 and 406 of the 84th Congress. The second act named was a technical correction of the first which was the 1956 Legislative Appropriations Act approved on August 5, 1955.

There has been no pretense that any authorization was given outside of that contained in this appropriation bill and the 1957 legislative appropriation bill which made available for spending $12 million in addition to the original $5 million appropriation.

In addition to the absence of any independent authorization legislation, we must consider the fact that the power to spend up to $110 million and the first installment of money to be spent were bundled together in a legislative appropriation bill which normally receives little public attention because it contains only our Congressional "housekeeping" items.

Consequently, the public clamor against that part of the proposal which involves extension of the historic east front of the Capitol and would deface the plaza where so many Presidents have taken their oath of office, was slow in building because few persons realized what was being done.

This situation is in contrast with what happened in 1903 when this plan originally was proposed and approved by the House but rejected by the Senate and in 1935 and 1937, when the plan was reconsidered and approved by the Senate but rejected by the House.

On those previous occasions there were public hearings and when the will of the American people became known, Congress decided to let the Capitol's main architectural features stand undisturbed.

In 1955 the authorization and $5 million appropriation were approved after a Senate subcommittee hearing attended only by four Senators and the Architect of the Capitol and his assistants. A suggestion made in that hearing by the senior Senator from Massachusetts [Mr. SALTONSTALL] that it would be wise to withhold final approval until the proposed Commission had prepared and submitted plans and the cost was known was ignored. The only indication of outside reaction was a letter from the American Institute of Architects, inserted on the last page of the hearing record, which said that important organization which includes a majority of the practicing architects in the country, reiterated the position it had taken in 1935 and 1937 against altering the east front of the Capitol.

The hearings held by our Senate Appropriations Committee in 1956, when the $12 million appropriation was made, were of the same limited order. The Architect made his case before an audience of three subcommittee members on one day. The next day a representative of the American Institute of Architects appeared before four subcommittee members and reported on the official position of that organization, which remained unchanged against moving the east front of the Capitol. But this witness admitted that he personally thought it might not be a bad idea after all.

So far as I can recall there was no debate on these items in the full committee either year before the appropriations were approved.

I submit, therefore, that the American public did not have an adequate opportunity to know what was being done when the authorization was given and the two appropriations were made for changing the Capitol.

We know now that there is at least divided sentiment on the wisdom of "extension, reconstruction and replacement of the central portion of the United States Capitol in substantial accordance with scheme B of the architectural plan" of 1905 with "such modifications and additions" as present Commission may approve.

I think we would be wise to give that sentiment a little more time to crystallize and to be sure we understood it before the plan was further advanced.

So far as I know only two plausible sounding arguments have been offered for proceeding immediately with this work. They were good enough to persuade us to let this authorization and the appropriations slip by in the first place, but on analysis they do not stand up as adequate reasons to let construction go forward now.

The first and least persuasive reason is that the extra working space which would be provided by moving out the east front of the Capitol is needed.

That argument probably had more validity in 1905, when what is called plan B was formulated, but even then it was not acceptable enough to get the change authorized once Members of Congress realized how the public felt about the matter.

Since then the committee rooms, restaurants and other working space which an extension of the Capitol would have furnished have been supplied several times over through erection of a Senate Office Building and two House Office Buildings already in use, a second Senate Office Building which is nearly finished, and a third House Office Building which has been authorized will provide further additions.

The first House and Senate Office Buildings were started in 1905 and 1906, immediately after plan B had first been considered and rejected. They obviously were intended as an alternate way of obtaining the required room. The second House Office Building was built in 1932 and 1933.

Our new Senate Office Building is costing $23 million. The House has appropriated $64 million for its third office building, and the entire plan which includes remodeling the two older House Buildings is estimated to cost around $100 million.

If all these facilities still do not fully meet the needs of an expanding Government, better ways still can be found than radically changing the main section of the Nation's most historically precious building.

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

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. The Senator from Virginia has made mention of experts who have given advice and have opposed the suggested change. Would the Senator from Virginia elaborate on that subject?

Mr. ROBERTSON. I shall try to do so. I shall quote from the statement of Richard H. Howland, president of the National Trust for Historic Preservation:

> In the guise of "necessary repairs," "improved circulation," and "additional facilities for work which must be done in the Capitol by the Congress," the obliteration of the historic "court of honor," which has been the scene of the inauguration of every President since John Quincy Adams, is demanded.
>
> The National Trust has no desire to see the Capitol retained as a mausoleum of our Nation's history. It recognizes with Thomas Jefferson, a philosopher-statesman, as well as an architect, that "the earth belongs to the living." He was also mindful, however, of the rights of what he called "our innocent posterity." The National Trust wishes to express a hope that present needs, and the heritage of the past can be so reconciled that future generations will receive from us at least this small part of our legacy.
>
> No mere 32 feet of the most expensive square feet of official building in history can expand the historic Capitol to a size that will encompass all the needs of the present generation of legislators for more space, more restaurant area, and more parking spaces, as well as more offices and hearing rooms. Of necessity these have already been assigned to the two Senate Office Buildings, two large House Office Buildings, and an additional even larger House Office Building now under construction. All of these are connected to the parent building by underground subways not defacing the historic exterior.
>
> Thomas Jefferson, in discussing plans for the building of a Federal City on the Potomac, stated, "Whenever it is proposed to build plans for the Capitol I should propose the adoption of some one of the models of antiquity which have had the approbation of thousands of years; and for the President's house I should prefer the celebrated fronts of modern buildings which have already received the approbation of all good judges." In this he had his wish, and later described Dr. William Thornton's prize-winning design for the Capitol as "simple, noble, beautiful, excellently distributed and moderate in size."
>
> To this original design succeeding generations of able architects: Latrobe, Bulfinch, Mills, Walter, and Clark have made necessary and sympathetic additions, working in a variety of materials, and facing a variety of demands, but somehow achieving a harmonious structure that still fits Jefferson's initial description.
>
> Work must still continue to keep the building in repair, to extend the western facade and wings if needed, but the National Trust for Historic Preservation urges that the surviving, original facade that epitomizes our earliest ambitions, and records the greatest events of our history, be preserved. We sincerely agree with one of our western members who wrote, "A nation that has no regard for its past will have no future worth remembering."

The second argument offered for carrying out plan B, and the one which many of us accepted too readily, was that the walls of the Capitol had deteriorated to a point where they were dangerous, and that something must be done quickly, not only to preserve the building, but also to protect human life.

Testimony presented at the Senate subcommittee hearing on S. 2883 has made it obvious that the reports of impending death and destruction were somewhat exaggerated. The testimony also indicated that alternative ways of dealing with whatever damage existed have not been adequately explored.

There is, for example, the record that the Bureau of Standards, which made tests, found that deterioration of the sandstone did not extend deeply below the surface; and witnesses said it should be quite feasible to chip off the bad part and resurface it.

There was reference to the fact that the White House, which has walls of stone taken from the same quarries that the stone for the Capitol came from, was successfully repaired a few years ago without tearing down and rebuilding its walls when the entire interior was restored. Similar repairs have been made on State capitols and other older buildings with sandstone walls.

Testimony by competent architects also indicating that even if replacing the present stone surface with one of marble were considered desirable, that could be done much more cheaply by facing the existing wall, rather than building in another location an entirely new wall of marble.

The American Institute of Architects, which has in its membership a majority of the practicing architects of the Nation, and which officially has gone on record time after time in opposition to the moving of the east front of the Capitol, has offered its services to the Congress to work out plans for obtaining more space without sacrificing priceless historic values.

In its largely attended centennial meeting in Washington last year, this organization adopted a resolution which read as follows:

> *Be it resolved,* That the American Institute of Architects, convened for their centenary celebration, reaffirm their conviction that the east front of the National Capitol, the outstanding architectural heritage of the American people, should be preserved in its present form and position in accordance with the considered views of the majority of informed architectural opinion. * * *
>
> As architects, we would like the people of the United States to be able to enjoy the full benefits of the best thinking our professional training and experience can offer. We feel this to be particularly important when one of the most significant buildings of our great country is involved.

Mr. President, I shall not go into further detail today. The arguments for and against carrying out plan B can be, and should be, thoroughly discussed when the Senate considers Senate bill 2883. But in urging immediate action to protect the Capitol until that bill can be considered on its merits I wish to remind my colleagues once more of the monumental significance of the structure with which we are dealing.

Mr. LAUSCHE. Mr. President, is the American Institute of Architects the best and most highly qualified group of architects in the Nation that could possibly give advice on this subject?

Mr. ROBERTSON. Beyond doubt. All the great architectural experts are members of that organization. Among its members are those who have the best architectural skill and wisdom in the Nation. For years that organization has opposed altering the east front of the Capitol. Mr. President, that is our main concern today. We do not wish to prevent the taking of any necessary safety measures, and, of course, we do not want to say arbitrarily what space shall be provided. However, I have indicated that a great deal more space can be obtained without paying $200 a square foot for it—which would make the proposed additional space the most expensive office space of which I have ever heard. The architects say, "The change proposed in the Capitol should not be made. If more space is needed, we shall tell you where to get it."

But, Mr. President, those who favor the proposed change say that it must be made at once.

Mr. LAUSCHE. Has there been created by law an agency to give advice regarding what shall be done architecturally?

Mr. ROBERTSON. We have a Commission on Fine Arts and a Commission on National Capital Planning. But a very splendid Architect of the Capitol had the good judgment to employ a very fine firm of architects to advise him. Then Congress created a commission composed of some of its ablest senior Members. Our distinguished minority leader is one of them. As I understand, the Architect cannot proceed with the proposed work unless the Commission gives its approval. According to my reading of the report and the testimony, the Architect agreed that he submitted to the Commission his plan for changes costing $110 million, but that proposal never received the Commission's approval.

So far as authority is concerned, he has just as much authority for the $110 million plan as he has for the $10 million plan, except perhaps the Commission has already approved the $10 million plan. However, I do not know that detail. But there is not a standing commission to deal with such matters.

Mr. LAUSCHE. The Senator from Virginia referred to a cost of $200 a square foot. Did he mean to say that if the proposed additional space were to be provided in a private office building, then, in order to provide a fair return to the owner, a rent of $200 a square foot would have to be charged?

Mr. ROBERTSON. Of course, the Government is going to do the work at the taxpayers' expense, and the Government will use the additional space; it will not be rented. But in all history there never has been an instance of such expensive office space having been provided.

The Senate is fortunate in having among its membership the distinguished junior Senator from Michigan [Mr. McNAMARA], who is a very experienced builder. He is on the committee which submitted the report. I ask him whether he ever heard of office space constructed at a cost of $200 a square foot.

Mr. McNAMARA. Mr. President, the hearings are replete with testimony which indicates, as the Senator from Virginia has said, that the proposed office and restaurant space would be constructed at the highest cost ever contemplated in the history of the world.

Mr. LAUSCHE. I thank the Senator very much.

Mr. ROBERTSON. Mr. President, aside from the point that, under the proposal, violence would be done to what we regard as a very precious heritage which has been handed down to us, I desire to conclude by referring to a statement made by Daniel Webster.

On July 4, 1851, ceremonies were held at the laying of the cornerstone of the major addition to the Capitol, which included addition of the House and Senate wings and replacement of the old wooden dome by the present cast-iron structure.

The orator on that occasion was Daniel Webster; and among the things deposited in the cornerstone was an account in Webster's own handwriting of the day's proceedings.

I commend to the serious consideration of my colleagues the last paragraph of that document, which read:

> If, therefore, it shall be hereafter the will of God that this structure shall fall from its base, that its foundation be upturned, and this deposit brought to the eyes of men, be it then known, that on this day the Union of the United States of America stands firm, that their Constitution still exists unimpaired, and with all its original usefulness and glory; growing every day stronger and stronger in the affections of the great body of the American people, and attracting more and more the admiration of the world. And all here assembled, whether belonging to public life or to private life, with hearts devoutly thankful to Almighty God for the preservation of the liberty and happiness of the country, unite in sincere and fervent prayers that this deposit, and the walls and arches, the domes and towers, the columns and entablatures, now to be erected over it, may endure forever.

Mr. President, every year more and more of the people of the United States and more and more of the people of the world visit the Capitol Building. Yet under the proposed remodeling, a secret passageway would be provided, to enable Members of Congress to move back and forth without having to meet their constituents, who pour into the Capitol Building in a steady stream. Daniel Webster predicted that when he said the Capitol Building would be "attracting more and more the admiration of the world."

Mr. HAYDEN. Mr. President, will the Senator from Virginia yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Virginia yield to the Senator from Arizona?

Mr. ROBERTSON. I yield.

Mr. HAYDEN. I wish to assure the Senator from Virginia that, as I understand the plan, not one wall of the Capitol will fail to endure forever.

I should like to inquire of the Senator from Virginia whether he has examined closely the model of the Capitol Building which has been in the crypt, in the basement of the Capitol, for a good many years. If he has not examined it, I can tell him that many persons have examined it; and they have not realized that in that model, the front of the Capitol has been advanced 40 feet, or 7½ feet farther than is proposed in the present plan. No one who has observed it has been able to tell the difference; those who observe it do not realize that they are not looking at an exact replica of the Capitol Building as it stands today. In other words, otherwise it is an exact replica of the entire east front of the Capitol Building as it now exists.

Under the provision in the pending bill no change is to be made other than to advance the central portion of the east front 32½ feet.

Mr. ROBERTSON. All the architects who have testified say that the difference will be apparent. If the east front of the Capitol is advanced 32½ feet, a person who stands on the plaza will not be able to see the beautiful Corinthian columns of the dome, which Daniel Webster said he hoped would "endure forever."

One who views the west side of the Capitol finds that about all he can see of the dome is the Statue of Freedom, on its top.

On the other hand, we have become accustomed to being able to walk on the Capitol plaza and see all of the historic dome. We wish to have the present situation continued. Today, when photographs are taken on the steps of the east front, the entire dome shows. But if the proposed change is made, only the steps and the very top of the dome will be seen.

With all due deference to my friend from Arizona, who has said that if the east front is moved forward 40 feet, no one will know the difference, I wish to say that many architects say the difference will be apparent. Certainly if we judge by the picture which was published in the Washington Post, the difference could easily be observed.

Mr. President, we should consider the testimony taken before the Committee on Public Works; namely, that if the central portion of the east front of the Capitol is moved forward 32 feet, then, for goodness sake, the wings should also be moved forward 32 feet, in order to preserve the present symmetry of a very unique and wonderful building.

In conclusion, Mr. President, let me say—without any desire to delay action on the necessary appropriations carried in the pending supplemental appropriation bill—that I hope two-thirds of the Members of the Senate will vote to suspend the rule, and that then the Senate will vote in favor of delaying action until a quick look can be taken at the bill which the distinguished Senator from New Jersey [Mr. SMITH] now has on the calendar.

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

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

Mr. WILEY. I have listened with a great deal of enthusiasm to the exuberant remarks of my good friend from Virginia. I know he is a lover of this old Capitol. He has convinced me that he is right about changes which will not add to the beauty or strength of the building itself. I wish to compliment him.

Mr. ROBERTSON. I thank my distinguished friend. I appreciate his remarks, coming as they do from one who represents an area which was originally a part of Virginia. During the whole conflict between the States, the soldiers from Wisconsin were about the toughest the southern armies had to confront.

During the delivery of Mr. ROBERTSON'S speech,

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

Mr. ROBERTSON. I yield.

Mr. CLARK. I was one of the cosponsors of Senate bill 2883, which, at the time it was introduced and referred to the Committee on Public Works, appeared to be appropriate to achieve the end which the distinguished Senator from Virginia and I both hoped for.

Since that time, however, other steps have been taken. The Commission charged with going forward with the work with respect to the east front of

the Capitol has indicated its intention of moving forward despite the action of the Public Works Committee in favorably reporting Senate bill 2883, so that this bill may no longer be effective to achieve the results for which we hoped.

Threfore, Mr. President, I should like to give notice to my colleagues that I intend to propose, on behalf of myself, the sesnior Senator from Virginia [Mr. BYRD], the junior Senator from Virginia [Mr. ROBERTSON], the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from New Jersey [Mr. SMITH], the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Maryland [Mr. BEALL], as well as such other Members of the Senate as may wish to take the opportunity to co-sponsor it, an amendment which will, in effect, provide that the moneys to be spent on the improvement of the east front of the Capitol shall be spent for the improvement of the east central portion of the United States Capitol without extending, altering, or otherwise changing the character of the east front.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table. Without objection, the amendment will lie on the table for 24 hours.

Mr. CLARK. If my friend from Virginia will indulge me for one more moment, I should like to ask unanimous consent to have printed in the RECORD at this point four editorials, two from the Philadelphia Inquirer, one from the Erie Morning News, and the fourth from the Philadelphia Evening Bulletin, sustaining the position which the distinguished Senator from Virginia and I are taking with respect to this matter.

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

[From the Philadelphia Inquirer of February 20, 1958]

CAPITOL FACE LIFTING

A special commission, headed by House Speaker SAM RAYBURN, was created some years ago to revamp the front face of the National Capitol by pushing a central section outward some distance to adjust the symmetry of the historic structure.

This project has, after a considerable lapse of time, become the subject of heated arguments. A large number of architects are cited as being strenuously opposed to the alteration, while the Capitol Architect, Mr. RAYBURN, and other Representatives are as strenuously in favor of going ahead with it.

Latest development is a move in a Senate committee to block or delay the change by shutting off appropriations for it, or trying to. This would require acquiescence of the House of Representatives, naturally. And with the weight Speaker RAYBURN is known to swing around, that could create difficulties.

It has been alleged that the project has not been dealt with in public hearings and similar formalities. That raises questions which ought to concern Mr. RAYBURN, too. Since so much argument is generating around the proposal it would be desirable to have all sides of it opened up for the information of the American people.

We don't discern any important signs of unrest throughout the country about this face lifting of the Capitol. The important thing is that we all like to be sure that it is sound, necessary, and won't mess up one of Washington's notable structures. Some light on that would be worthwhile from all standpoints.

[From the Philadelphia Inquirer of February 20, 1958]

MORE THAN FACE LIFTING

In the area between the Senate and House wings of the Capitol in Washington on the east front, every President since John Quincy Adams has been inaugurated.

That is one of the reasons being put forward by a growing number of critics for their opposition to a proposal to extend the eastern front of the Capitol by some 32 feet, and there to build a new foundation and wall.

A commission of Congressional leaders and the Capitol Architect has been considering the proposal, and has ordered plans and specifications drawn for the construction. This would provide a little more room inside. It would also, say the opponents, ruin the beauty of the present east front.

We have an idea that this project will be delayed, at least until Congress, rather than a commission, can take a closer look at it. For the Capitol is more than a place where Congress meets. It is a national symbol, laden with cherished historical associations.

Possibly repairs are essential to the east front as it stands, which with the two wings forms a court providing balance and scale to the entire building. But it seems to us that these repairs could be made without radically changing the appearance of a building which means more to the Nation than it does to any Congressmen who temporarily use it.

[From the Erie Morning News of February 25, 1958]

SENATOR CLARK LEADS OPPOSITION TO VANDALIZING HISTORIC CAPITOL

Pennsylvania's Senator JOSEPH S. CLARK is one of a growing number of legislators and ordinary Americans who think Congress should not tamper with the architecture of the Capitol.

Two years ago Congress authorized the Architect of the Capitol, J. George Stewart, to provide for the extension, reconstruction and replacement of the central portion of the Nation's most famous building, in accordance with plans originally drawn up in 1905.

Heart of the plan is the extension of the east front of the Capitol, facing the plaza, by 32½ feet. This would bring the center steps in line with the steps of the House Senate wings.

Seventeen million dollars already has been appropriated for the work and contracts will be let as soon as architects have completed their drawings. The center building's sandstone walls would be refaced with marble.

The plans also call for remodeling of the west front facing the Mall to provide a badly needed restaurant for Members, but this portion of the work will be postponed. Additional office space would be provided in the overall $110 million dollar plan.

Most of the opposition is centered on the part of the plan which provides for extension of the historic east front. House Speaker SAM RAYBURN, one of the principal advocates of the plan, said he hopes construction will be completed in time for the 1961 inauguration.

Opposition was sporadic in the past, but took a new lease on life this year, so much so that the entire program is now apparently jeopardized.

Powerful support has been provided opponents of the plan, the latest from House Republican Leader JOE MARTIN, former Speaker of the House and a commission member, who now says he is against it.

Bills have been introduced in the House and Senate by members of both parties and committee hearings scheduled. One of the sponsors, Senator CLARK, branded the proposal to extend the east front as "unnecessary and ill-conceived."

Harsher words were uttered by Julian E. Berla, architect who heads the newly-formed Committee for the Preservation of the National Capitol. He declared that if the extension is carried through, it should be marked with a new inscription, "Vandalized by Congress, 1958."

The Society of Architectural Historians has unanimously voted to ask President Eisenhower to halt the project.

Congress should not go through with the plan.

[From the Pittsburgh Post Gazette of March 8, 1958]

SPARE THAT EAST FRONT

In defiance of a rising tide of protest, Speaker of the House RAYBURN is pushing highhandedly ahead with pet plans to alter the east front of the National Capitol at a cost of many millions of dollars. Ways should be found to blow the whistle on this project, which opponents have labeled vandalism.

Mr. RAYBURN is proceeding under a bill which Congress enacted in 1955, with little thought or debate, authorizing an extension of the east front by 32½ feet. That would give Congressmen a little more room for dining and working.

It would be the costliest construction in history. Architectural Forum, a magazine devoted to building, has estimated that the ultimate cost of a few hearing rooms would probably come to $200 per square foot, "close to 4 times the costliest working space ever erected * * * a high price to pay for a project which will ruin the beauty of a national shrine."

More alarming than costs, however, is the defacement of an historic building owned and revered by the American people. The east front, where Presidents are inaugurated, is one of the Capitol's few original and unchanged portions. It should remain as it is.

At the urging of Pennsylvania's Senator JOSEPH S. CLARK and others, a Senate subcommittee has unanimously approved a bill to reconsider the Capitol project. The American Institute of Architects has adopted an official policy which opposes any alterations of the external form of the National Capitol and urges the Congress to preserve intact the authenticity and integrity of the Capitol as the Nation's greatest historic monument.

Congress should have the space it requires to conduct the Nation's business efficiently and comfortably. But surely it can be provided without defacing the Capitol. What about the third House office building presently under construction; could it not be made to suffice?

At the very least, Congress should delay this project long enough to hear its opponents, including the Society of Architectural Historians, which declares that if this project goes through it should bear an inscription reading: "Founded, 1791; burnt by a British army, 1814; restored by Congress, 1817; vandalized by Congress, 1958."

Mr. ROBERTSON. I ask unanimous consent that the remarks of the distinguished Senator from Pennsylvania be printed at another point in the RECORD. I thank my distinguished colleague from Pennsylvania, because he has offered a very vital amendment to a bill which is now on the calendar, and which was reported unanimously by the Committee on Public Works. We had assumed that that bill would be sufficient to give us another look at the matter and would not permit anything to be done except the necessary support work for any

crumbling of the sandstone walls of the east front that may have taken place.

On further examination, however, we found that it did not do that. The amendment which will be offered to that bill, when it comes before the Senate for consideration, will have as its purpose bringing about a complete stoppage of everything except the necessary repairs purely from the standpoint of safety.

(At this point Mr. DOUGLAS addressed the Senate on the unemployment situation. On his request, and by unanimous consent, his remarks were ordered to be printed in the RECORD preceding the debate on the amendment affecting the east front of the Capitol.)

Mr. SMITH of New Jersey. Mr. President, I wish to comment briefly on the fine speech delivered today by the junior Senator from Virginia [Mr. ROBERTSON] on the question of the east front of the Capitol.

I appreciate the action of the distinguished Senator from Virginia and his distinguished colleague [Mr. BYRD] and other Senators in attempting to secure reconsideration of the merits of the plans to extend the east front of the Capitol.

The fine support given to those of us who are working on this matter by many newspapers and magazines has indeed been gratifying and has done much to arouse the concern of the Congress and the public throughout the country.

On August 29, 1957, S. 2883 was introduced by me together with my colleague from New Jersey [Mr. CASE], and also the Senator from Pennsylvania [Mr. CLARK], and the Senator from Minnesota [Mr. HUMPHREY].

The purpose of this proposed legislation is to remove the handicap of the mandatory requirement adopted some years ago that any consideration of Capitol improvements must include the moving forward of the east front of the Capitol. The Senate Public Works Committee last Thursday gave their unanimous approval to S. 2883 and the bill is now on the Senate Calendar.

Dealing with this matter from the standpoint of appropriations, the pending Robertson amendment supplements the efforts my colleagues and I have been making to postpone the letting of any contracts in order to give additional opportunity to reconsidering alternate plans for enlarging the Capitol Building to meet present-day needs and make the necessary repairs.

I hope that Members of the Senate will support the Robertson amendment and will give full support to S. 2883 when it comes before this body.

We have it within our power to rectify what many feel to be a grievous mistake in extending the east front of the Capitol.

Mr. BYRD. Mr. President, I sincerely believe the people of this country would be overwhelmingly opposed to destruction or distortion of the contour of the Capitol of the United States.

But, I am equally certain that they wish this fine old building maintained in a safe state of repair, and in condition befitting the majesty of this Nation.

There have been proposals to extend the Capitol, change it, and so forth, for more than a half century. One of the proposals made back in 1905 was known as scheme B. Among other changes, this scheme proposed extension of the east central front of the building, including the portico where Presidents are inaugurated.

This scheme B was not even submitted as a principal plan. It was prepared 53 years ago by consulting architects Carrere & Hastings to comply with orders to suggest an alternate plan which would produce additional space. The architects, themselves, did not approve of the scheme. When they submitted it they said:

> It would be a great change from the present facade, so familiar to our people and which they have learned to love and venerate, that we make this suggestion merely to meet the condition which has been imposed upon us by your Commission of reporting a scheme with added space. We hope, nevertheless, that this alternative plan, scheme B, will not be favorably considered.

There is now before us a proposal immediately to begin construction of another east central front of the Capitol "in substantial accordance with scheme B." This is the same old scheme B which has been opposed by some of the best architects in the country since 1905. It has not been accepted from that time until now.

I have seen the new photographs of the architects' drawings, supplied by the Architect of the Capitol, and I am familiar with the contention that there will be no serious change in appearance.

But I have also seen opposite views expressed by competent architects, and I have read the testimony given by the Senator from New Jersey [Mr. SMITH], who has introduced a bill to eliminate the direction to proceed under scheme B. Senator SMITH testified, in part, as follows:

> It is shocking to realize that the present plans * * * would result in the drastic alteration of the historic east facade.

In this whole matter, only one thing is clear: the contentions and testimony are conflicting. In fact, I find current information on present plans for extension of the Capitol to be exceedingly confusing.

I intend no personal criticism of any one involved, but I must say I find a great lack of clarity throughout all of the material available to me in connection with the proposal to extend the Capitol at this time.

But I shall deal here with the lack of clarity with respect to costs.

The expenditure authority for extension of the Capitol is open end. There is no limit on amount or time. Obligations may be made without prior appropriation.

The Budget document for the current fiscal year, 1958, page 24, shows $5 million was appropriated in 1956 along with an indefinite contract authorization for $37.6 million—a total obligational authority of $42.6 million. It shows also a $12 million appropriation in 1957 for contract liquidation.

The Architect of the Capitol says there have been $17 million in appropriations, and that is what will be spent for the extension along with electrical and lighting improvements, repairs to the dome and incidentals. The figure generally referred to in connection with this project is $10.1 million.

As you unwind the available information on the subject, you come to the realization that this scheme B proposal to extend the east front, according to recommendations by the Architect of the Capitol, is only the first step in a master plan to make over the whole Capitol. And when you look as the unlimited expenditure authority which has already been granted, it may be well at this time to anticipate the ultimate.

This master plan was set forth in eight pages of detail in the CONGRESSIONAL RECORD on the day Congress adjourned last summer—August 30, 1957. It is in the nature of a report by the Architect of the Capitol with his recommendations which add up to a total cost of $110 million. And that is not all. As I understand it, the Architect's recommendations break down as follows:

Extension of the east front	$10,100,000
Refacing west front between Senate and House wings	1,595,000
Transportation terminals at New House and Senate Office Buildings subways	4,025,000
Underground garage for 1,900 automobiles	41,970,000
Pedestrian tunnel to Supreme Court and Library of Congress	960,000
Extension of north and south wings of west central portion and extension of House and Senate connections	16,625,000
Subtotal	75,275,000
Communications center, underpinning, landscape treatment of Capitol grounds, repairs to Capitol dome, replacement of lighting fixtures and wiring in Capitol Building	34,725,000
Total	110,000,000

These figures, of course, were tentative estimates a year ago. They would have to be raised considerably now.

As to further expansion, in addition to his outline, the Architect said his associates for the future suggested:

First. Extension of the present Senate and House wings to the east a distance approximately equal to eastward extension of the east front.

Second. Wings extended north from the north portico of the Senate wing, and south from the south portico of the House wing.

Third. An extension north and south of the present terrace on the east side.

Fourth. An extension northwest and southwest of the present terrace on the west side.

Fifth. The addition of a lower level in the present terrace by changing the grade to permit windows.

No cost estimates were given on these additional proposals.

Mr. President, many Senators who have traveled in foreign countries have noted that the people of those countries go to the greatest pains and incur great cost in order to preserve their historic buildings in their original condition. If it is necessary to repair them, they repair

them stone by stone, not by making great changes to them and not by adding to them. They want to preserve their buildings because of their great historic significance.

I venture to say that is true of almost every country in the world. I have just returned from Mexico, where I saw in progress the restoration work on buildings damaged by earthquakes. In connection with their old buildings they are going to tremendous expense in order to restore them exactly as they were. They are not adding to them or changing their appearance.

There is nothing in any of the schemes proposed for the Capitol of the United States which simply provides for maintaining a safe state of repair and preserving traditional and historical contour. I am in favor of spending all that may be necessary to preserve this great building in a safe state of repair.

In their places, spacious offices, underground parking garages, ornate restaurants, underground tunnel systems, and so forth, are desirable.

I suggest that, in the case of the United States Capitol, we evaluate the proposals in terms of the sacrifice which may be involved.

I suggest we stop this latest headlong rush into the east front-scheme B-step 1 project. I think we should stop it long enough to find out why a plan which has not been accepted for 50 years should suddenly be accepted and expedited now.

I think we should review the whole program to be sure that what we are about to do is right. Hearings incident to this latest move on the east front are difficult to find, and there is a minimum of recent testimony on the subject.

I suggest also that if this project is to be continued, the full story on the cost should be budgeted, and that orthodox methods of financing should be followed.

In conclusion, I should like to request publication by the Architect of the latest estimate of the total cost of the New Senate Office Building, the New House Office Building, and the additional property being acquired across the street from the New Senate Office Building. I should like to request him also to publish a statement as to the use which is to be made of this additional unimproved property, and an estimate of costs involved.

I hope that the motion offered by my distinguished colleague, the junior Senator from Virginia, will be agreed to.

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

Mr. BYRD. I yield.

Mr. HAYDEN. I have examined the figures the Senator has mentioned. My understanding is that at the present time an appropriation of $17 million is available, and that there is an additional $25.6 million in contract authority. All the Commission has done is to authorize the expenditure of $17 million on the east front; no more and no less.

The Commission has declared that it does not intend to spend $25.6 million. So far as I am concerned, the logical way to prevent any contract authorization from becoming effective would be by amending the legislative appropriation bill, when the Senate considers it this year.

In other words, I believe the Senator is right, that if we are going to do anything to the Capitol we should do it one thing at a time, and know what we are doing. It is a good thing to do it that way, and it is the proper thing to do. I can see no harm in it. Beyond that there is no need to go until we have further information.

Would it meet with the Senator's desire that the additional authorization at least be canceled?

Mr. BYRD. I think that would be helpful. I am not in favor of the extension of the east front or changing the east front.

Mr. HAYDEN. The Commission has given its final approval to only one thing, and that is the extension of the east front of the Capitol 32½ feet, the walls to be of marble, and the completed project to be an absolute replica of the existing front, the present sandstone walls of which are now crumbling. Incidentally, it would also provide some rooms. However, my understanding is that viewed from a distance one could not tell the difference between the two except that the new one would be of marble.

Mr. KNOWLAND. Mr. President, the Senator from Arizona has stated the situation correctly. The only funds which have been appropriated and are available as I understand, are the $17 million, of which the extension of the east front amounts to about $10,100,000, and the balance is for necessary repairs which have been under way, and the changes in the electrical work in the Capitol Building, and so forth.

The Senator mentioned earlier the model which is in the basement of the Capitol. I believe that was put there in 1938, and it has been there for some 20 years. It shows the Capitol as it would be with the extension.

Mr. HAYDEN. That is what I was told.

Mr. KNOWLAND. Except, actually, the scale of the model shows an extension of 40 feet, whereas the proposal under scheme B is 32 feet.

So the model which has been admired for so many years by so many persons, including Members of Congress, as being a representation of the Capitol, will be a representation of the Capitol after the extension shall have been made.

Mr. HAYDEN. That is correct; that is exactly what I said.

Mr. FLANDERS. Mr. President, I desired to question the senior Senator from Virginia, but he took his seat so quickly that I was unable to do so. May I have the privilege of questioning him?

Mr. BYRD. Certainly.

Mr. FLANDERS. Among the various suggestions which have been made concerning improvements which would result from the extension of the east front, one was the important suggestion of providing more room. Does it not seem reasonable to the Senator from Virginia that all standing Senate committees now quartered in the Capitol should be transferred to the New Senate Office Building? Would not that release a large amount of valuable space? It has long seemed to me that committee rooms in the Capitol should be reserved for the joint committees. That would afford better accommodations to the joint committees.

My last remark does not seem to be a question. I hope the Senator from Virginia does not become so exasperated as I do when questions are not addressed to me.

Mr. BYRD. I do not become exasperated.

Mr. FLANDERS. The Senator does not become exasperated?

Mr. BYRD. Not with the Senator from Vermont.

Mr. FLANDERS. I suppose none of us do visibly, but perhaps we do internally.

It seems to me that the proposal to build a private walkway from the Senate Chamber to the House Chamber is queer—just plain queer. The people of the United States own the Capitol. The people of the United States have elected every Senator. For us to go through a "sneakret" way from the Senate to the House in order to attend a joint session is beyond my imagination.

I am willing to be looked at; in fact, at times I court it. I think every Senator has times when he is eager to be looked at. That is one of the times I am willing to be looked at.

If anyone wants to make a new passageway between the Senate and the House, I should like to have it done in the basement so that it will not be necessary for us to go upstairs and then downstairs again. There is a way at present, but it is a long, toilsome walk under the terraces of the western front.

If some good tunnel builder could be engaged to construct a passageway through the middle of the Capitol from north to south on the basement floor, I would approve of that.

I simply wished to second the remarks which the senior Senator from Virginia has made.

The proposed changes in the Capitol seem to have come—to me, at least; I do not know about other Senators—as a sudden surprise. I am told about things after they have been decided upon. What are plans A and B? Have plans A and B ever been set forth? Has the Senator from Virginia ever seen them?

Mr. BYRD. I have not. This particular plan to change the east front was first proposed in 1905. It has been rejected ever since until now, when it has been revived.

Mr. FLANDERS. I desired, by means of the procedure of questioning the Senator from Virginia, to give expression to my own thoughts.

Mr. BYRD. I think the Senator from Vermont is exactly correct about the committee rooms. The standing committees could be moved from the Capitol to either the House Office Building or the Senate Office Building. There are quite a number of committee rooms in those buildings.

I was chairman of the Committee on Rules for quite a while. I know there is much space in the Capitol which could be

recaptured from the standing committees. The new Senate Office Building will afford much more space for committee rooms and for rooms for Senators. Also, some Senators have rooms in the Capitol which might be vacated.

Mr. FLANDERS. To provide joint committees with appropriate signals to announce quorum calls and yea-and-nay votes at the respective ends of the Capitol would seem to me to be a proper arrangement. That is of much more importance, so far as I am concerned, than to provide a "sneakret" passage from the Senate to the House.

I thank the Senator from Virginia.

Mr. BYRD. I agree with the Senator from Vermont.

LAYOFFS OF EMPLOYEES IN THE FEDERAL SERVICE

Mr. JOHNSTON of South Carolina. Mr. President, incredible as it may seem, while we of the Senate are gravely concerning ourselves with rising unemployment and the sagging national economy—and while, I might add, the President is earnestly adjuring business and industry to hold the line against increasing joblessness—no less a source than the Federal Government itself is apparently making an appreciable contribution to the numbers of the Nation's unemployed.

In fact, Mr. President, on last Thursday, March 6, at almost the same time that the majority leader was introducing, for myself and some 18 of our colleagues, Senate Concurrent Resolutions 68 and 69, declaring it to be the sense of the Congress that there be an acceleration in those civil and military construction projects for which funds have already been appropriated in order to alleviate unemployment—the Washington Post and Times Herald was reporting that "Layoffs have started again in the Federal service, chiefly in defense agencies."

According to the usually most reliable reporting of Mr. Jerry Kluttz, whose column, the Federal Diary, appears daily in the Washington Post:

> The numbers of jobless Federal employees being paid unemployment compensation reached 46,849 last week (the week of February 24, 1958) including the 2,852 new applicants. The record number on the unemployment rolls shows that laid-off Federal employees are no longer able to get other jobs.

I have carefully checked Mr. Kluttz' figures, Mr. President, and find them to be quite correct. Therefore, I ask unanimous consent that the article written by Mr. Kluttz be printed at this point in the RECORD.

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

THREE THOUSAND LAYOFFS DUE THIS MONTH—TOTAL IDLE HITS NEW PEAK

(By Jerry Kluttz)

Layoffs have started again in the Federal service, chiefly in defense agencies. * * * Jobless Federal employees touched another new high last week.

That is bad news. It is particularly bad for the unfortunate people involved and also for the Nation's sagging economy.

There were very few layoffs during January and February. But during this month about 50 agencies and installations have reported plans to discharge more than 3,000 employees. Unreported layoffs are expected to total at least another 1,000.

Navy's Bureau of Ships is letting off 109 employees here the end of this month. Otherwise, Federal employees in this area will escape the economy ax during March.

With the exception of 75 in TVA and 50 in VA's Denver office, all the layoffs set for this month are in the Army, Navy, and Air Force. Among the larger ones are:

Naval air stations in Corpus Christi, Tex., Jacksonville, Fla., Alameda, Calif., and Quonset Point, R. I., 225, 130, 163, and 100, respectively; Lima (Ohio) Ordnance Depot, 170; Fort Polk, La., 149; Camp Pendleton, Calif., 126; Military Sea Transport (Seattle), 126, and the Twin City Army Arsenal at Minneapolis, 66.

Meanwhile, the number of jobless Federal employees being paid unemployment compensation reached 46,849 last week, including the 2,852 new applicants. A year ago about 21,000 were receiving jobless pay. The record number on the unemployment compensation rolls shows that laid-off Federal employees are no longer able to get other jobs.

The Federal employee jobless were paid an average of $29.22 a week during January, which is about a dollar less than the national maximum rate.

In the week ending February 15, 1,240 former Federal people were being paid unemployment compensation in this city, and another 112 applied for it. In Virginia, 898 were on the rolls and 68 applied for aid, and in Maryland, 797 were on the rolls, with 68 new applicants.

Defense officials explain that the Army, Navy and Air Force are in a transition period, that job cutbacks are being made in some established operations as those above, but the money saved thereby will be spent to hire more people on missiles and other modern weapons. Overall, they expect little change in the number (1,100,000) of civilian jobs in Army, Navy and Air Force.

Wage Board boost? A new increase for the 18,000 laborers and mechanics of the Army, Navy and Air Force in the Washington area is now imminent. The wage study has been completed, and all of the necessary papers and recommendations have been made to the wage committee.

The average increase should be no less than 10 cents an hour.

The wage survey was started last October. It also includes food-service personnel in Federal hospitals and maintenance employees in Federal buildings. Some of these employees will get only minor increases.

Senator WAYNE MORSE, Democrat, Oregon, a real good friend of postal employees, is critical of AFL–CIO postal employees for endorsing the successful Senate maneuver to couple the postal pay plan with the postal rate-increase bill.

He predicted their action "will rise to plague them" and that in the years to come there will be no increase in salaries unless there is also "a juggling of postal rates."

Roundup: Col. Charles C. McCall has retired from HHFA's legal staff after 31 years of service. Harry A. Babcock has been promoted to executive director at Federal Trade. He has served the agency 36 years.

Mr. JOHNSTON of South Carolina. Mr. President, I wish, moreover, especially to point out that the figure of 46,849 unemployed Federal workers is more than double the number of 21,900 Government employees who were drawing unemployment compensation in the same period 1 year ago. That shows the condition which is developing.

Thus, contrary to the common assumption, Federal employees seem to be less fortunately situated today than are their coworkers in private industry. For whereas total covered unemployment on a nationwide basis climbed to a peak of 3.268 million in this same week of February 24—an alltime high since the unemployment insurance program was initiated in 1938—this figure is still not quite double the 1.7 million who were drawing unemployment compensation in the like period of 1957.

Moreover, according to Mr. Kluttz—and again, I may say that my preliminary investigation of the situation shows him to be accurate—"during this month of March about 50 agencies and installations have reported plans to discharge more than 3,000 employees. Unreported layoffs are expected to total at least another 1,000."

While these figures, Mr. President, may not loom very large in proportion to the overall national figure, in federally impacted areas, where unemployment is already serious, they become staggering. They are also staggering to the families of the unfortunate Government workers who are facing protracted periods of hardship while their breadwinners remain jobless.

It is my intention to go further into the causes and the validity of these layoffs. Entirely aside from the harmful effect upon national morale which such dismissals by the Federal Government must have—especially at this particular time—I am not convinced that they represent the maximum of either efficiency or of economy in the good administration of Government.

Even in the lower grades of classified Federal employees, a good deal has been invested by the Government in their training. But those who have lost their jobs can hardly be expected to wait patiently until they are recalled into service.

This means that a constant training program for new recruits must be maintained—a costly operation for either Government or industry. Furthermore, with Government employment no longer offering its former security and stability, the generally lower salaries paid by Government, in comparison with the salaries paid by private industry, are scarcely likely to attract the most desirable workers into the service of their country.

THE COTTON SOIL BANK PROGRAM FOR 1958

Mr. THURMOND. Mr. President, included in the supplemental appropriation bill, now being considered, is an appropriation of $250 million for the cotton Soil Bank program for 1958. At this time, I should like to discuss briefly the necessity for this expenditure.

My remarks will not include anything on the merits or the demerits of the Soil Bank plan, or any of the other devices that have been set up for the well-being of our farmers. To do so would only becloud the point of my remarks.

The point, very simply, is that the Federal Government has made a moral

commitment to the farmers, and, therefore, has a clear duty to pay 100 cents on the dollar to fulfill its Soil Bank obligation.

The Department of Agriculture evidently overlooked the fact that 1957 was a disastrous year for cottongrowers in most parts of the Southeastern States, and greatly underestimated the demand for Soil Bank funds for 1958. These growers—small farmers for the most part—were pushed to the wall by the losses resulting from the poor growing season of 1957.

For some growers, no doubt, this dark cloud had a silver lining. With the cotton surplus reduced, as a result of the poor crop, they saw a chance for a better market for the 1958 crop, and prepared to plant their full acreage allotments.

Such was not the case, however, for the small cotton farmer. His debt position would not permit him to take even the normal farming risks. He required a year of operating under minimum risk conditions, in order to get back on something approaching an even keel.

The plain fact, which the Department of Agriculture has consistently failed to recognize, is that the low price supports favored by the present administration do not offer enough hope for profitable operation for the small cotton farmer. His best chance for getting a return for his year's work lies in renting substantial acreage to the Government under the Soil Bank plan.

Faced with this situation, our cotton farmers voted in the cotton referendum of December 10, 1957, to continue the Soil Bank program through the 1958 crop year. The results of this referendum, in the eyes of the farmers, constituted a clear contract between them and the United States Government.

During the winter, cottongrowers made their plans accordingly. They made no arrangements for hiring hands to work the acreage that was intended to go into the Soil Bank. In numerous cases, tractors and other farm equipment used to work the fields were sold. In many cases tenant farmers moved off the land and sought work elsewhere. Wornout farm equipment was not replaced.

In announcing its plans for administering the Soil Bank plan in 1958, the Department of Agriculture announced that the period for farmers to contract for participation would be from January 13 through March 7. In many of the counties in South Carolina—and, I am sure, in other States as well—the local authorities advised farmers not to rush to sign up. In this way they hoped to spread out the clerical work involved and to insure that the work would be done in an orderly and efficient manner.

Nevertheless, there was quite an early rush. In some counties, the rush to sign was of such magnitude as to make this comparatively simple procedure quite a chore.

Let me quote here from a sampling of letters I have received from constituents, which will give some idea of the picture at signup time.

Here is a report from a gentleman who had the foresight on January 13 not to put full reliance in the information that the Department of Agriculture had put out, and, therefore, he was among the first in line:

> On the morning of January 13, I arose at 4:30 a. m. and drove 20 miles to the ASC office then stood in the cold and rain for 2 hours waiting for the office to open.

This grower feels that, having had the foresight to be among the earliest applicants and having undergone the rigors involved in getting a place toward the front of the line, he should receive the full Soil Bank allotment for which he contracted.

However, this opinion is not a unanimous one by any means.

Here is a portion of a letter from another South Carolina citizen, who also was ready to sign up the first morning that agreements were being accepted:

> I went to the office of the ASC county committee on the morning of the first day of the signup for the cotton acreage reserve program. There were so many waiting that I left to attend to some other important business. I returned in the afternoon and was assigned a number. The following day I went back and signed a contract to put my entire cotton allotment, 43 acres, in the reserve program.
>
> Now I am informed that because I did not fight my way in ahead of the crowd that was waiting and get in among the first few, that there are no funds and that the contract I signed with the Government in good faith will not be carried out by the Government. How can the Government of the United States of America expect loyalty from her citizens when she repudiates a contract made between her and her citizens?

I have received a letter from a 61-year-old widow, who states that her small farm provides her with her only income. She could not sign up until after the allotment for her county was exhausted. She had only 4 acres to put in the Soil Bank, but her name is on the waiting list because, as she expresses it, "widow women cannot go at 4 o'clock in the morning and stand in a mob several hours."

I could go on in this vein for some time, but I think these letters illustrate the point.

In some counties, the farmers were warned that the allotment would be on a first-come, first-served basis; and these counties, in general, were the ones where the signup line began forming before daylight on the morning of January 13.

In other counties, local committeemen relied on the United States Department of Agriculture notice SB–106, dated December 27, 1957, which said, in part:

> It is believed that * * * national funds will be adequate to cover all offered acreage for spring wheat, corn, cotton, rice, and certain kinds of tobacco for the first several weeks of the signup campaign. Therefore, until further notice, State and county fund allocations * * * will be considered as automatically equaling the amount obligated on signed agreements at the county level.

These were the counties where, in general, standing in line was discouraged.

Mr. President, the cottongrowers of South Carolina are as mad as hornets about this badly bungled mess.

The Department of Agriculture earmarked the sum of $13 million for the payment of Soil Bank funds to the cotton farmers of South Carolina. Within 4 days, farmers had applied for payments totaling $19 million. At the last report, the total applications had risen to over $23.5 million.

If these payments are made on a pro rata basis—giving each farmer a portion of the money due him—the individual farmer will receive less than 60 percent of the money the Government represented he would receive.

In recent months, we have experienced a distinct downturn in business activity. Economists disagree as to the seriousness of the business recession. To my mind, nothing is more discouraging in the general economic outlook than the continued failure of our farmers to gain their proper financial status. They have not shared fully in the general prosperity of the last several years, and they are always among the first affected when business activity turns downward.

It appears to me that there could be no better starting point than for the Government to stand behind the obligations it has contracted to pay, and put some cash in the hands of the hard-stricken farmers.

We are spending billions of dollars annually for foreign aid. It is difficult for the farmers of our country to understand how the Government can justify an expenditure of this kind, while refusing to pay in full the moral debt it has contracted with a number of its individual citizens.

The reports I am receiving from South Carolina cotton farmers are the reports of disillusioned people. It is not now possible at this late time to plan and enact a complete remedy for our numerous agriculture problems to be effective in 1958. But we can and should do what is plainly indicated, and that is to supply the Agriculture Department with the appropriation needed for it to carry out its commitments.

Mr. COOPER. Mr. President, on February 13 I introduced Senate bill 3280, providing that an additional $250 million be made available for the acreage-reserve program of the Soil Bank.

I introduced the bill because I had just returned from Kentucky, and there I had learned at firsthand that our farmers had signed up for the contracts to place corn in the Soil Bank in an amount far exceeding the sum which had been appropriated and allotted in 1957 for corn in the 1958 Soil Bank.

I am very glad the Senate Appropriations Committee has recommended the additional appropriation of $250 million in the supplemental appropriation bill we are now considering. That amount, when approved by the Senate, will add to the $500 million provided in 1957, and will provide a total of $750 million for the acreage-reserve program during this fiscal year. And it will correct the inequity which developed because of the unexpected participation by farmers in the acreage-reserve program for 1958.

I think it is only fair to say that the situation which developed cannot be laid at the door of the Department of Agriculture. The fact is that last year, when the appropriation bill providing funds for the Soil Bank program came to the Senate of the United States, it had no money for the acreage reserve of the Soil Bank program. It was with

great difficulty that we were able to include in the appropriation a provision for $500 million for the acreage reserve. That was done in the Senate of the United States and later approved by the House.

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

Mr. COOPER. Yes, I yield.

Mr. THYE. The distinguished Senator from Kentucky is entirely correct in his statement relative to the farmer's position. Last year the corn farmer was waiting for legislative action relative to what would be the approved number of acres for the commercial corn area as a basic allotment; 37,300,000 acres were approved for the commercial area. The historical planting would amount to about 57 million acres. Everyone knew that acreage allotment was too small to enable the farmer to participate. However, the increased corn acreage allotment bill which was introduced by me was defeated on April 10. Therefore, many farmers who had waited to see what would happen to that proposed legislation were caught short. Furthermore, not too many were thoroughly familiar with the reserve acreage phase of the Soil Bank. They learned much in calendar year 1957. Therefore, as the opportunity to sign up for participation in the reserve acreage section came about in 1958, there was a great influx of participants. That happened in Minnesota. In the first few days, all the allotments were obligated, because the sign-ups were on a first-come-first-served basis.

As the Senator from Kentucky visited his State, I, too, visited my State, not only in January, but in February. I found farmers were greatly disturbed. In fact, they came to me wherever they could reach me and talked to me about the matter.

I returned to Washington and introduced a bill proposing to increase the appropriation to the full amount authorized by the act, $750 million. Congress had appropriated $500 million, but the authorization permitted $250 million more to be appropriated.

I am happy that the bill now before the Senate provides for that fund. Even if approved, there will be more applications than can be taken care of under the additional appropriation, and we shall have reached the maximum amount authorized. There will have to be some surrender if all applications are to be covered.

I thank the distinguished Senator for discussing and bringing the question to the floor of the Senate.

Mr. COOPER. I am glad to have the comments of my friend, the senior Senator from Minnesota. I do remember that in the early part of the session last year the distinguished senior Senator from Minnesota [Mr. THYE] introduced a bill which would have helped corn farmers. Action on that bill was delayed, and finally the bill was not approved, but not because of any fault on the part of the distinguished Senator from Minnesota. In fact, he made every effort to relieve the situation in which corn farmers found themselves. It was because the program was not settled, and because of lack of experience with the Soil Bank program, and also because of the delay by Congress in approving funds for the program that the situation developed regarding Soil Bank allotment which has made necessary this additional appropriation of $250 million.

I remember that the distinguished Senator from Minnesota did introduce a bill which would have increased the amount to $750 million. My own bill called for an appropriation of an additional $250 million, so we were in complete accord when we introduced our bills to help the thousands of farmers who had applied for Soil Bank participation, whether wheat, corn, tobacco, rice, or cotton.

It is my information that the total signup for corn, cotton, wheat, rice, and tobacco approximated $750 million, as against the $500 million which we appropriated in 1957. As a present example, Kentucky farmers had by February 20 applied for corn contracts in the Soil Bank totaling $12.3 million, against a State allotment of $6.3 million. Unless the Senate takes the action recommended by the Appropriations Committee and provides the additional $250 million, many farmers will be denied participation in the acreage-reserve program of the Soil Bank, whether for cotton, corn, wheat, tobacco, or rice, for which they believed they were eligible, because they had filed their applications within the time prescribed by the Department of Agriculture.

The action of the committee is fair and equitable to our farmers. I am sure that the Senate will quickly vote to provide the additional $250 million, and I shall be glad to vote for this appropriation.

Mr. President, on March 4, the distinguished senior Senator from Louisiana [Mr. ELLENDER] made one of the most effective speeches I have ever heard in the Senate on the water resources of the United States, and the necessity of their development. It was a complete answer to an inaccurate article by Mr. Leslie A. Miller, which recently appeared in the Saturday Evening Post. The article was very critical of the Congress of the United States and the Corps of Engineers, in connection with expenditures for rivers and harbors development, flood control, and the protection of our water resources.

No one in the Senate of the United States or in the House of Representatives is better qualified to speak on water resource development than is the senior Senator from Louisiana. He draws from an experience of 20 years' service in the Senate. He has served for years as a member of the Senate Committee on Appropriations, and as chairman of the Subcommittee on Public Works, which deals directly with appropriations for flood control, navigation, harbor improvement, and other types of water-development projects. I know from my own experience, as a witness before his subcommittee, of his patience and industry, and of the care he takes in hearing and appraising testimony. I know, also, his wide knowledge in the field of water resources and river and harbor development, and his fairness in judging the matters that come before him. And, I may say, he is known in the Senate of the United States as a Senator who vigorously opposes waste in Government spending.

I cannot add to the unanswerable case the Senator from Louisiana made in his speech of March 4 regarding the necessity of supporting and continuing the work of the Corps of Engineers, the Department of Agriculture, and other agencies charged with the conservation and development of our waterways and other water resources. Flood control and its protection of human life, navigation, water conservation, water supply for industry, are among the objectives of water-resource development. We in Kentucky recognize that the current improvement of locks and dams on the Ohio River has contributed to new industrial investment in the Ohio River Valley, approaching $15 billion. The Ohio River carries more traffic than any river in the world, and traffic is increasing. The improvement of the locks and dams on the Ohio River must continue, and we in Kentucky want very much that the development of other rivers in Kentucky and particularly flood-protection facilities, shall steadily progress. We have been concerned by the tragic floods which only last year swept the Big Sandy, upper Kentucky and upper Cumberland Rivers, and the necessity that the people in these valleys be protected.

In the last year in my State great floods have swept many river valleys, particularly along the Big Sandy, the Cumberland, and the Kentucky Rivers.

I should like to say at this point, that waterway transportation must not be taxed, as has been proposed in some quarters. The development of our waterways and river resources creates new wealth for the Nation. It is necessary to conserve and develop the water resources that our Nation will need in the future and without which it cannot grow. I congratulate the senior Senator from Louisiana on his speech, on his consistent support of water conservation and development. I am happy to support him in his position.

THE UNEMPLOYMENT SITUATION

Mr. KEFAUVER. Mr. President, the Labor Department's latest figures show that in February unemployment rose to over 5,100,000—a 600,000 increase over January. This means that 1 out of every 14 workers is unemployed. On Saturday, March 8, the President announced what has been described as a vigorous, new program to combat the current downswing.

The President's announcement was of course intended to have the effect of allaying any fears which the American people might have that what is now admitted to be a recession might ripen into a full-fledged depression.

If the President's program is enough to turn the tide, he has rendered a great service to the country. But if it is not enough and unemployment continues to rise despite this new program, what confidence the American people have in the

present administration will be sorely shaken. The administration has a well-known proclivity for trying to make difficult problems disappear by the use of Madison Avenue catchwords and slogans. An economic decline, however, is one problem which, as former President Hoover should have learned, cannot be made to disappear by incantation and exhortation.

How effective, therefore, can we expect this new program of the President to be? Can it be expected to live up in substance to the vigor with which it was presented?

At the outset, I wish to make it clear that I heartily approve of the program—as far as it goes. The recommendations to stimulate housing and small business are particularly desirable, but they are of an indirect character and will not pump new Federal funds into the economic blood stream. It is the latter type of recommendation on which we must place our major reliance for any early revival of our economic fortunes. The critical question is whether they go far enough.

As is the case with many other statements emanating from the White House, it is somewhat difficult to determine the precise meaning of these various recommendations. Thus, the first measure is an acceleration of works projects for which funds already appropriated are available. But a reading of the fine print indicates that this is only to be done where practical.

The President states that certain water resources projects have been accelerated in the present fiscal year. The thought is conveyed that this higher level of activity will continue into the next fiscal year. But again, the fine print indicates that this is by no means a certainty. The affected departments of Government are merely to submit amendments to this end which the Director of the Budget may or may not approve. We will probably not know the results of his decision until the President's next budget message is submitted in January 1959.

The highway program is another type of activity which is to be accelerated. This is to be done by the amendment of the Highway Act to suspend certain expenditure limitations for 3 years. This, of course, will require Congressional action which, even under the best of circumstances, is bound to take a little time in spite of the urgent manner in which the matter is being pursued by the subcommittee of the Committee on Public Works, under the leadership of my colleague, the Senator from Tennessee [Mr. GORE].

The figure used as to the effect of this proposal is $2.2 billion of Federal funds. But again, a reading of the fine print indicates that this is to be spread over a 4-year period. The annual average would be only $550 million, and undoubtedly the amount would be somewhat less in the first year.

The President proposes that unemployment compensation benefits be continued to those unemployed workers who have exhausted their unemployment benefits. This is a very laudable proposal. But again, it is necessary to read the fine print. The extension is only to be for an undefined brief period.

All told, these programs would increase Government expenditures by at most from one-half to three-fourths of a billion dollars. Moreover, there is little prospect that any of these increased expenditures will actually be made within the next 6 months, which may turn out to be the critical period in this economic decline. In a $400 billion economy, it is entirely proper to raise the question of whether a program of this limited size is enough to do the job.

We cannot escape facts, and some of the current reported facts are not encouraging. Thus, the Wall Street Journal of March 10, 1958, contains an article pointing to a possible further decline in the steel industry which is now operating at 52.6 percent of capacity. The article, which I would like to incorporate into the RECORD with my remarks, is headlined as follows: "Steelmakers Hit by Order Deferments; They Fear Production in March May Be Lower Than February." The article goes on to state:

> Within the past few days, new disappointments in the form of order deferments and the failure of expected orders to materialize have hit the Nation's steelmakers, whose giant industry perhaps more than any other mirrors the Nation's economic life.
>
> While some steel men insist there's still a chance March could bring an improvement if a batch of rush orders come through, they add almost in the same breath that the chance is rapidly fading.
>
> They concede that instead of the upturn that had been generally predicted for March a few weeks ago, there may now be a further drop in production. The operations outlook for this week in three major production centers bears them out, for operations in the Pittsburgh, Chicago, and Youngstown districts are scheduled for declines.
>
> Recent cautious optimism expressed by steel men was based mainly on a slight pickup in orders, the grudging nature of the ground-giving in the steel production rate and the expectation that March would begin to see a more substantial improvement in steel buying. And for some mills—exceptions, to be sure—orders actually have improved to the point where operations are being stepped up.
>
> But overall, the past week brought a turn, for the worse, or, at best, a failure of an expected turn for the better to materialize.

Moreover, there are respectable economists who tell us that the end of the decline is nowhere in sight. One well-known forecaster, Prof. V. Lewis Bassie, director of the bureau of business research of the University of Illinois, publicly predicted on February 25 that economic activity would continue to decline in 1958 and would drop to even lower levels in 1959. Professor Bassie correctly called the turn on the present downswing and, in addition, is one of the few experts who correctly predicted that we would have a boom following the end of World War II. His present warning should give us pause indeed.

It may well be that his forecast will turn out to be inaccurate—I certainly hope it does—and that we have already reached or will shortly reach the bottom of the decline. The prediction of things to come, in economics as well as in other fields, remains a hazardous undertaking.

Yet is it not better to be prepared for the worst, just in the event that it does happen? The economy has a fever. The temperature is rising and is up to 5.1 million unemployed. It may well go higher—perhaps much higher. When one's child runs a fever, is it not better to assume that it might be something serious and call a doctor rather than merely exude confidence and give the child aspirin tablets? Confronted with an ailing child and a demand by his wife that he call a doctor, does any father in his right mind denounce his wife as a "prophet of gloom and doom"?

There is one point, however, on which I believe the President is right. He is reported as having said in his last news conference that the critical factor is buying by consumers. He is right because, except for a great expansion of Government expenditures, the only likely source of a stimulus to the economy would be an increase in consumer buying. This is so because the present decline in the other great source of jobs and purchasing power; namely, outlays for capital goods, was more or less inevitable. It was inevitable because most industries had already expanded their facilities to such a point that their capacity was substantially in excess of their probable demand.

In an interesting article appearing in the Washington Post on March 8, which I ask to have printed in the RECORD at the end of my remarks, Bernard D. Nossiter calls attention to the potential seriousness of a decline in this type of spending.

I also ask to have printed two other articles, one from the Journal of Commerce of March 10, 1958, and the other an article written by Edward J. Lally, published in the Wall Street Journal of March 10, 1958.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, the articles may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. KEFAUVER. Mr. Nossiter said:

> Spending for new capacity has an impact beyond its size. Economists attribute to it multiplying effects on income, jobs, and output because dollars put in at the beginning of the production process lead to orders and employment at all intermediary stages.

Surveys made last fall of plans by business to make outlays for new plant and equipment and other facilities showed a significant falling off in 1958 as compared to 1957. But even these surveys probably understate the decline. Mr. Nossiter predicts that the forthcoming survey by the Department of Commerce and the Securities and Exchange Commission "will show a larger cutback than earlier forecasts." If this turns out to be true, the need for an increase in consumer buying to offset the decrease in business investment becomes urgent.

It so happened that exactly 1 year ago today the Subcommittee on Antitrust and Monopoly, of which I have the honor to serve as chairman, became concerned with one important phase of this problem. Accordingly, we launched an inquiry into what are referred to as "ad-

ministered price" industries. In announcing the inquiry, I stated:

The inevitable result of cartel behavior is reduced consumption, lower living standards, and unemployment. Low volume-high price behavior can help cause a depression and, if it develops, can make it much worse.

Since that time we have held lengthy hearings on the steel industry and the automobile industry and, in addition, heard from leading economists in the country who have specialized on the subject. We have found that, confronted with falling demand, both industries nonetheless raised their prices. Today, operation in both industries have fallen to just above 50 percent of capacity. I should like to place in the RECORD following my remarks a copy of the press release summarizing both the majority and minority views of our steel report which is now at the Government Printing Office.

The PRESIDING OFFICER. Without objection, the press release may be printed in the RECORD, as requested.

(See exhibit 2.)

Mr. KEFAUVER. I quote briefly from that release:

From the material presented in this report, it is clear that the price increase substantially exceeded the cost increases in 1957, and apparently also in 1956. It is also reasonably clear that at the time the 1957 price increase was made, there was nothing in the information then available to suggest a forthcoming increase in demand which would support the higher prices. That the price increase was made and has been held in the face of these underlying conditions is tribute to the perfection with which price leadership in the steel industry maintains price rigidity.

Prices have been raised in the face of declining demand and substantial excess capacity. * * * This pattern of rising prices and decreasing production and employment is something new in this country. It is in conflict with all competitive norms and defies explanation on theoretical grounds. It carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment.

The $64 billion question is this: How can we expect real consumer buying power to increase, as it must to offset the decline in business investment, if prices are raised? Instead of offsetting the decrease in capital-goods expenditures, the price increases in administered price industries will cause real consumer demand to go down, thereby aggravating the general decline. And if both capital-goods expenditures and consumer buying power go down together, we are headed for real trouble.

The way in which price increases are eroding the buying power of the American people is illustrated by the fact that the increase in the cost of living between January 1957 and January 1958 reduced by 3.3 percent the ability of the American consumer to buy goods and services. Since then prices have reached even higher levels and the purchasing power of the consumer's dollar has correspondingly declined.

What this country needs above all else at the present time are price decreases which will place more goods and services within the reach of the average citizen's pocketbook. Consumers want more goods, and they want them badly, but they simply cannot afford to pay the prices being demanded. Yet, instead of stimulating buying power by making these needed price reductions, the managers of the administered price industries are apparently planning even further price increases. Spokesmen for three of the large steel companies have publicly announced that a further increase in steel prices will take place in the next few months. The can manufacturers have just put into effect a new price increase. The retiring president of the American Paper and Pulp Association on February 20 stated that "The Nation's papermakers will be forced to raise prices if operations continue to lag."

What we need in this economic situation is real statesmanship on the part of the managers of industry. I include also the leaders of labor.

But so long as big business keeps prices high, and indeed raises them to even higher levels, we must look to a substantial increase in Government spending to save the day. Only a large-scale program, such as that outlined by our distinguished majority leader, Senator JOHNSON, can begin to fill the gap created by the decreases in business investment and in real consumer buying power.

EXHIBIT 1

[From the Washington Post of March 8, 1958]

NEW, AND DOUR, READINGS DUE SOON

(By Bernard D. Nossiter)

A freshet of dour readings on the economy is due to come pouring from Government agencies in the next 10 days.

New figures on business capital spending plans and unemployment will provide more steam for Democratic demands to force feed the economy and set the stage for next week's AFL–CIO unemployment conference.

Economists are split over the meaning of figures already in hand. But most of them are reluctant to stamp this as the bottom of the slump.

Some indication of how sharp a drop is in sight will come from the Commerce Department-Securities Exchange Commission forecast of 1958 business investment. The survey will show a larger cutback than earlier forecasts.

These outlays for factories, stores, machinery—items to produce other goods—fueled the 1955–56 boom, began leveling off in the middle of last year and turned down slightly in the final quarter to about $37.5 billion.

An earlier Government survey put the drop for the first 3 months of this year at $500 million; the McGraw-Hill Publishing Co. estimated the entire 1958 slide at somewhat more than $2.5 billion.

But both of these reports are out of date. How much more this cutback has already taken place and is still to come, will measure the change in business confidence since last fall.

This spending for new capacity has an impact beyond its size. Economists attribute to it multiplying effects on incomes, jobs and output because dollars put in at the beginning of the production process lead to orders and employment at all the intermediary stages.

The new estimates on unemployment for February have already been compiled and Secretary of Labor James P. Mitchell has revealed that the jobless exceeded 5 million for the first time since 1941. The best estimate is a figure of 5.1 to 5.2 million—more than 600,000 above January. The Secretary flatly predicted that this would be the recession peak in jobless.

Optimists take some comfort from these factors: Unemployment usually hits a high in January or February because bad weather holds up building, road construction and other outdoor work, and this year was an especially severe February; and the month-to-month gain is far under the whopping 1.1 million increase from December to January.

But a 600,000 increase is considerably more severe than had been expected. The official figures are sure to be cited at the AFL–CIO meetings, which begin on Tuesday, as added evidence of the need for Government stimulus.

Contrary meanings are being assigned to the Commerce report that manufacturers cut back goods on their shelves at a stiff rate in January. For the moment, it means smaller orders to their suppliers, who in turn reduce output and lay off workers.

The cutback, $600 million on a seasonally adjusted basis, was as much as the liquidation in the whole fourth quarter. At some point, both the gloomy and cheerful agree, businessmen will not have enough goods on hand to take care of orders and will rebuild inventories. This starts a new chain reaction of orders and jobs. But the key question is, How soon?

Optimists note that business shifted from buildup to cutback at the end of last summer, just as the recession began. In the past, this turning point has usually been missed and stocks have grown for a while as business turned down. The early change this time, it is argued, means the cutback will not have to go as far and much of it may already be over. The steel industry is believed to be scraping the bottom of its supply barrel now, for example.

But other experts note that the reduction was even steeper in January. They concede that a hefty portion of it was due to the Defense Department's inability to order as much as had been planned, a situation that has now changed.

But they point to the ratios of inventories to sales to show that the cutbacks have not gone far enough. This relationship—dividing stocks on hand by a current month's sales—was under 1.8 a year ago; in January, manufacturers had about 2 months' worth of goods in stock. Reductions, then, had not matched the drop in sales.

The gloom dispellers see nothing alarming in this since inventory-sales ratios always mount in a recession's early stage. And the January figures showed an important change. Last year, the inventory cutting had taken place in raw materials and semi-finished goods, while manufacturers' stocks of finished goods actually rose. This forced an unwanted pileup which was reduced sharply as the current year began.

[From the Journal of Commerce of March 10, 1958]

FURTHER CUTBACKS FORECAST FOR AUTOS

DETROIT.—Ward's automotive reports said that further curtailment of automobile production is in prospect for March and April. It said that despite the cut in factory operations dealer stocks now are pressing the 890,000-unit mark.

Ward's said new-car sales in February dropped to 321,400 units. In February last year they numbered 438,725 units.

The agency put last week's United States output at 84,202 cars and 18,240 trucks, compared with 91,508 cars and 17,451 trucks in the previous week. In the like 1957 week, 140,161 cars and 17,835 trucks were built.

Ward's noted that Ford last week slashed its car assembly in half, idling half a dozen plants; that Chevrolet closed 3 plants for 1

day; Dodge at Detroit, 3 days; Chrysler (Detroit), 1 day and De Soto the entire week. American Motors also was down all week.

[From the Wall Street Journal of March 10, 1958]

STEELMAKERS HIT BY ORDER DEFERMENTS; THEY FEAR PRODUCTION IN MARCH MAY BE LOWER THAN FEBRUARY—HOPES FOR EARLY UPTURN FADE AND MILLS SHOW CONCERN OVER APRIL PROSPECTS

(By Edward J. Lally)

PITTSBURGH.—A lamb-like March is threatening to upset the steel industry's modest hopes for an early spring recovery.

Within the past few days, now disappointments in the form of order deferments and the failure of expected orders to materialize have hit the Nation's steelmakers, whose giant industry perhaps more than any other mirrors the Nation's economic life.

Based on orders now on the books, March is not going to bring the moderate upturn that producers had been looking for and April is taking on a question-mark air that has steel men worried. Those two points were emphasized time and again late last week in a survey of steel companies, large and small, here, in the Midwest and in the East.

While some steel men insist there's still a chance March could bring an improvement if a batch of rush orders come through, they add almost in the same breath that the chance is rapidly fading.

FURTHER DROP POSSIBLE

They conceded that instead of the upturn that had been generally predicted for March a few weeks ago, there may now be a further drop in production. The operations outlook for this week in three major production centers bears them out, for operations in the Pittsburgh, Chicago, and Youngstown districts are scheduled for declines.

In the Pittsburgh district, mills are expected to operate this week at 56.3 percent of rated 1958 capacity, down a half-percentage-point from last week, and in Chicago production is scheduled to drop to 52.8 percent from a rate of 54 percent last week. These two districts, along with the Youngstown, Ohio area, produced nearly 50 percent of the Nation's steel.

Youngstown operations are scheduled for a 2-percentage-point drop to about 51 percent of capacity.

The low rate of operations in these three big steel centers is typical of what's happening nationally. The steel production line has taken a ragged downward course since shortly after the first of the year and last week the scheduled rate moved down to 52.6 percent of capacity, lowest of the year to date except for the 50.9 percent in the week of February 17, when extreme cold and snow took a wintery slice out of production.

Stacked up against a year ago, production totals this year look sickly. Since the first of the year, the steel furnaces have poured only about 15,250,000 tons of molten metal, against 24,447,000 tons for the corresponding period last year.

Current production is running at an annual rate of only about 74 million tons, which if continued would mean that 1958 would be the worst production year since 1946. In that year, marked by postwar dislocations and a long winter steel strike, output totaled only 66,600,000 tons.

In steel's 1949 recession, when the industry's capacity was only 96,100,000 tons, compared with present annual capacity of 140,700,000 tons, production amounted to 77,900,000. And in the industry's most recent important slump, in 1954, tonnage was 88,300,000.

Of course, there's plenty of deep-rooted optimism in the industry for a recovery late in the year and scarcely any thought that production will sink as low as the present annual rate of output. But estimates on 1958 production, which earlier in the year ranged as high as 116 million tons, have been revised downward, in some cases to around 95 million tons.

Recent cautious optimism expressed by steel men was based mainly on a slight pickup in orders, the grudging nature of the ground-giving in the steel production rate and the expectation that March would begin to see a more substantial improvement in steel buying. And for some mills—exceptions, to be sure—orders actually have improved to the point where operations are being stepped up.

But overall, the past week brought a turn for the worse, or, at best, a failure of an expected turn for the better to materialize. Here's what one of the country's biggest steel producers had to say about it:

"Frankly, we thought in the past 5 or 6 days we would receive tangible encouragement for March.

"We have not. March will have to go like blazes to equal February. It's definitely not going to be a better month. We just don't see any hope for it.

APRIL LOOKS ABOUT LIKE MARCH

"As of the moment, April looks about like March, but we may be premature about that."

Despite his discouraging view on order and production prospects for the next month or two, this steel maker is forecasting a higher steel-production rate in the second quarter than for the first. "But whether it will be 10 points better—or 5, or 3, or 7—we just don't know."

Another Pittsburgh district steel company that had looked for better things in March did so, an official confided, on the strength of customers talking a little more brightly.

"Our encouragement," he said, "was not based on orders and releases. So far as March is concerned, the orders just haven't come through and the month may not equal February."

Similar reports came late last week from producers in Ohio, Illinois, Indiana, and parts of Pennsylvania. Chicago area producers painted a gloomy picture.

"We are receiving a considerable number of order pushbacks from automobile companies," one said, explaining that orders booked for March are being delayed to April and some April orders are being shifted to May delivery dates.

"We do not have as many orders today for March delivery as we had a month ago for February delivery," he added.

Another midwestern company said it expected its daily shipment rate in March to drop 2 percent to 3 percent below February, although for the month as a whole, because of its 31 days, it figures on shipping about as much tonnage as in February.

An executive of this company commented that "we thought February would be our low point for the year, but now we think February and March combined will be the low point, and we are not so sure that we shouldn't include April, too."

An Ohio producer who had consistently predicted a pickup in orders for March reported Friday that so far things are no better—"and from where we sit, we can't see where March will be any better than February."

"We can't tell about April," he said, "ordinarily, we should be getting April orders if customers would observe the 45-day lead time, but nobody does that any more. We are down to 2-week delivery wherever possible."

AN EASTERN VIEW

Asked how March business is stacking up, and eastern producer said:

"The answer to that is it's not coming up to expectations. And for April, we see little change over March and slightly lower if anything."

Ordering of steel has been on a hand-to-mouth basis for months as customers have been cutting into their inventories and, according to another eastern mill "orders are getting more hand-to-mouth."

This mill said it still has orders coming in for March shipment, but the month "definitely won't be as good as the first 2 months and I don't think April will be, either."

Some of the expressions in the industry that business has hit bottom have had a wistful air and producers themselves occasionally conceded that. "I think we've hit bottom," said the sales chief of a medium-size Pennsylvania producer, "but I would like to see a few more orders. There's lots of talk and a better attitude, but no orders. Generally we find our customers are talking about more business but they're not placing orders for steel."

The inventory slashing that steel consumers embarked on last spring has brought down customers' stocks of steel about 7 million tons since last summer, some steel leaders estimate. They figure consumers' stocks now total around 15 million tons, only 2 million or 3 million tons above the point they think will mark a leveling off.

"This inventory reduction is the most important thing influencing the steel business," a large producer here said. "We know inventories are coming down. But why aren't more of our customers run out completely, so that replenishment would make itself felt? Some shipments now may be for replenishment, but apparently stocks are not low enough overall to make for a measurable uplift."

An example of how customers are holding down inventories is provided by a Chicago steel warehousing company with nationwide outlets. The warehouse said the average size of its orders now is just under 1,000 pounds compared with 2,000 pounds 6 and 8 months ago. Nearly all its orders are coming in after 2 o'clock in the afternoon.

An official explained:

"Apparently people get together in the morning or at lunch and talk about steel consumption. Then orders are placed in the afternoon for the next morning's delivery. That shows how close to the vest many of our customers are operating."

The steel recession has hit practically all products turned out by the mills. Such stalwarts as heavy steel plates, structural shapes, and oil country tubular products, which helped keep last year's production high after demand has slipped for light-steel products like sheet and strip, are now readily available. "Dime a dozen," commented one mill man.

On a wide variety of other products, including sheet, strip, bars, and wire products, you get such comment from producers as "slow," "extremely quiet," and "no life." The flurry in sheet and strip that often comes with spring as auto demand and production perk up, hasn't materialized this year, although a few mills report a little more activity in these light flat rolled products due to slightly better demand from miscellaneous sources.

SOME SEASONAL GAINS REPORTED

Seasonal gains are being reported for tinplate, in advance of the food-packing season; galvanized sheets, used extensively on farms for roofing and siding, and for some wire products. But mills emphasize that none of it is spectacular or important enough to give a lift to the whole market.

Steel production last year wound up at a little under 113 million tons, compared with 115,200,000 tons in 1956 and with the record 117 million tons of 1955.

Output sagged to about 1,366,000 tons in Christmas week and since then has been

running at the following week-to-week levels, with rates based on a weekly capacity of 2,699,172 tons:

Week beginning	Percent of capacity	Tonnage
Dec. 30, 1957 [1]	55.6	1,072,000
Jan. 6, 1958	56.1	1,515,000
Jan. 13	57.0	1,538,000
Jan. 20	55.4	1,496,000
Jan. 27	54.1	1,459,000
Feb. 3	54.0	1,457,000
Feb. 10	53.5	1,445,000
Feb. 17	50.9	1,373,000
Feb. 24	54.6	1,475,000
Mar. 3 [2]	52.6	1,419,000

[1] Less approximate pro rata production for the final 2 days of 1957.
[2] Scheduled.

EXHIBIT 2

The steel industry was not justified in establishing recent price increases, since these increases substantially exceeded its cost increases, the Senate Antitrust and Monoply Subcommittee has concluded in a report today.

The report, entitled "Study of Administered Prices in the Steel Industry" and now being printed, criticized steel industry management for its lack of responsible leadership and called on the Antitrust Division of the Department of Justice and the Federal Trade Commission to launch a study of steel pricing in order to determine possible violations of the antitrust laws.

The report presented subcommittee views based on hearings held between August 8 and November 5, 1957, on the subject of administered prices in the steel industry. Witnesses included officials of United States Steel Corp., Bethlehem Steel Corp., National Steel Corp., United Steelworkers of America, and technical experts. The hearings followed steel-price increases totaling $19.50 per ton set in a 12-month period preceding the start of the inquiry.

Subcommittee members include Chairman ESTES KEFAUVER, Democrat, of Tennessee, and Senators THOMAS C. HENNINGS, JR., Democrat, of Missouri, JOSEPH C. O'MAHONEY, Democrat, of Wyoming, JOHN A. CARROLL, Democrat, of Colorado, WILLIAM LANGER, Republican, of North Dakota, EVERETT M. DIRKSEN, Republican, of Illinois, and ALEXANDER WILEY, Republican, of Wisconsin. The report contains the majority views of the subcommittee and the individual views of Senators DIRKSEN and WILEY, separately presented.

Calling for the extension of the subcommittee's administered price inquiry into other important industries also characterized by the phenomenon of increasing prices accompanied by falling production and employment, the report concluded that "if it is determined that new laws are required, it is the subcommittee's belief and hope that they will be of such a nature as not to repeal or set aside the antitrust laws, but to make of the antitrust statutes a more effective instrument in dealing with present-day realities."

"The time might have very well arrived when the 1890 Sherman Act and the 1914 Federal Trade Commission Act should be strengthened to meet the demands of a dynamic 1958 economy," it said.

The report noted that the steel industry operates on a different concept of competition from that which is believed to govern the American economy. "Notable among these differences," it points out, "are the high levels of concentration in the market, the long-established practice of price leadership which appears to operate just as effectively when prices are increased as when they are reduced, the relative absence of newcomers, the historical use of elaborate pricing systems which have produced complete identity of delivered prices at any given point of destination, etc."

No matter what the change in cost or demand, since 1947 steel prices have moved only upward, the report maintained. "From the material presented in this report, it is clear that the price increase substantially exceeded the cost increases in 1957, and apparently, also in 1956. It is also reasonably clear that, at the time the 1957 price increase was made, there was nothing in the information then available to suggest a forthcoming increase in demand which would support the higher prices. That the price increase was made and has been held in the face of these underlying conditions is tribute to the perfection with which price leadership in the steel industry maintains price rigidity."

Discussing the general problem of administered prices, the report stressed that in industries where administered prices are maintained, "prices have been raised in the face of declining demand and substantial excess capacity. * * * This pattern of rising prices and decreasing production and employment is something new in this country. It is in conflict with all competitive norms and defies explanation on theoretical grounds. It carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment."

An administered price is defined in the report as having two characteristics: It is set by administrative action, and it is maintained for a period of time. The report noted, however, that administered prices are not necessarily illegal, nor are they undesirable per se. "The question at issue is the manner in which they are administered," it emphasized.

The hearings were set off by an announcement issued by the United States Steel Corp., raising steel prices an average of $6 per ton, effective July 1, 1957. Within a few days, price increases nearly identical in every instance were announced by other steel firms, producing "a general pattern * * * of virtually complete uniformity," to the United States Steel increases. "The records of the subcommittee do not disclose a single instance in which a major producer ended up with a lower price for any product than the United States Steel price after these changes," the report stated. These identical price increases were made in spite of the fact that the producers freely admitted that the costs of operation of each of the companies were widely at variance.

The type of competition by which the other steel companies moved in unison to increase their prices to the level of the United States Steel increase was referred to by Senator O'MAHONEY as upsidedown competition.

It was noted that the July 1957, price rise of $6 a ton was the third sizable increase within a 12-month period—the first was in August 1956, averaging $8.50 a ton, and the second between that period and July of the following year, averaging $5 a ton. This totaled $19.50 a ton in just about a year.

"The fears expressed concerning the inflationary potential of recent steel price increases appears to be well founded," according to the report. It was estimated that the direct cost to steel users of the July 1957, increase alone will exceed $500 million. It was also estimated that the direct cost of the three price increases will be $1.6 billion. There has been no estimate of additional costs to consumers of finished products made in whole or in part of steel, or such indirect costs as higher prices for machinery, transportation services, etc., except that they will be substantial.

In a discussion of concentration in the steel industry, the report said that "while there has been a decline in the position of United States Steel, concentration or capacity in the industry as a whole in terms of the four largest companies is about the same today as it was in 1901 upon the formation of the corporation; recently, the trend of concentration appears to have been upward; concentration is noticeably higher for most of the individual steel products than for the industry as a whole and, by any standard, can only be regarded as extremely high. And, finally, in the substantial majority of the industry's products there is still to be found the ubiquitous presence of United States Steel as the leading and dominant producer."

The report emphasized that the heads of United States Steel, Bethlehem, and National had similar philosophies of competition at variance with the traditional American view of competition. When Roger Blough, chairman of the board of United States Steel, was asked to comment on uniform bids on Government contracts where prices of competitors matched each other to the last decimal place, he explained, "A price that matches another price is a competitive price."

When Senator KEFAUVER asked whether it would not be more competitive if there were at least a slight difference in price, Mr. Blough replied, "My concept is that a price that matches another price is a competitive price * * * In the steel industry, we know it is so."

The report commented that the basic conflict here was not on the identity of prices, but on how identity was arrived at. "Mr. Blough made identity of price synonymous with competition. But where price uniformity is achieved through lockstep action on the part of producers, all following the price leader, the behavior is hardly of the type traditionally associated with the operation of free competitive forces."

Arthur B. Homer, president of Bethlehem, expressed his disagreement with the idea that simply because a firm had lower costs, it should pass on to the consumer the benefit of those lower costs in the form of lower prices, stating that if that were to happen "you will just end up eventually in a place where you just do not have anybody in the steel industry * * * you eventually get to a point where you have monopoly."

George M. Humphrey, chairman of the board of National, had still another, though similar, view. When asked by Senator KEFAUVER whether he would try to get the same increase as another producer, he replied, "I would be ashamed of myself if I could not get the price that was justified, that conditions justified, yes, sir; that other people could get."

Senator KEFAUVER summarized his position in these words: "As I interpret that, Mr. Humphrey, you would be ashamed of yourself if you did not get what the traffic would bear."

Discussing the "extraordinarily high payments by management to itself," the report maintained that "unconscionably high payments to executives act as an impetus to labor to seek higher salaries. * * * The linking of executive compensation to dividends or market values of stocks can be an unhealthy trend. * * * Stock option plans are a method of income tax avoidance and their efficacy as incentives is questionable. * * * Since steel price increases—with subsequent increases in profits and the general price level—raise stock prices, we are in the anomalous position of steel management tying much of its long-term compensation to rising steel and stock prices rather than to lower costs and lower price levels. * * * Management has not exercised responsible leadership in raising steel prices and linking its own compensation to the very same price increases."

On the subject of the uniform pattern of prices of leading steel producers, the report noted the need for examination by antitrust enforcement agencies of possible violation of the Sherman Act and the existing orders of the Federal Trade Commission with respect to the important element of steel prices. Furthermore, it went on, "it is evident that either by legal or illegal

means, the steel industry has continued to preserve matched delivered prices despite the present f. o. b. mill pricing system, and under the present pricing formula the public will continue to suffer the ills of identical bids, matched prices and stifled competition."

Concerning possible monopoly power by United States Steel, the report declared that the substantially identical increase in base prices "were evidently the result of the power of United States Steel as price leader to name prices for the industry. Whether illegal conduct or abuse of power are involved in pricing in the steel industry should be determined and acted upon by the Antitrust Division of the Department of Justice and the Federal Trade Commission. If no violations of present law are found, and amendments are believed to be needed, such recommended changes would aid Congress."

The report concluded that "whether or not our present antitrust laws are capable of coping with the phenomenon of administered pricing has not at this stage been determined. In fact, presently to render such an opinion without the benefit of expert opinions and testimony would, in a sense, be premature. For this reason, as these hearings progress, it is intended to seek the opinion and advice of the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, the Chairman of the Federal Trade Commission, and legal and economic scholars.

"The subcommittee is seeking to ascertain whether present laws are sufficient to cope with the problem, or whether new laws are required. To answer this question, a great deal more must be learned about the nature and behavior of administered-price industries. If it is determined that new laws are required, it is the subcommittee's belief and hope that they will be of such a nature as not to repeal or set aside the antitrust laws, but to make of the antitrust statutes a more effective instrument in dealing with present-day realities," it said.

SENATOR DIRKSEN'S INDIVIDUAL VIEWS

Senator DIRKSEN disagreed "emphatically with the position taken in the majority's report that so-called administered prices are associated with monopoly power." He dissented "vigorously from the attempt of the majority to raise the completely unfounded specter of future economic stagnation in America as a result of an alleged monopoly power in large segments of industry."

"The majority's report," he continued, "is based on a theoretical, preconceived, biased economic and legal analysis developed by the subcommittee staff. It fails to make an impartial appraisal of the testimony presented to the subcommittee; and in many respects it would appear to offer economic superstition where simple and reasonable facts are plainly evident."

Senator DIRKSEN maintained: "The evidence presented to the subcommittee at this time does not support a need to strengthen the antitrust laws, or to recommend the enactment of new laws to accomplish the desirable objectives of free competition."

Discussing at great length 12 charges in the majority report, Senator DIRKSEN stated that "after careful analysis of the testimony adduced at the hearings," he concluded in each instance that each charge was "erroneous and unfounded." The charges which Senator DIRKSEN rejected are summarized by him as follows:

"1. The steel industry has made unjustified price increases.

"2. Steel price increases are injurious to the whole economy.

"3. Corporate profits in general and profits in the steel industry in particular are exorbitant.

"4. There is no price competition in the steel industry.

"5. Steel prices are insensitive to changes in market conditions.

"6. The efficiency of the low-cost producers is reflected in higher profits rather than in lower prices.

"7. Inelasticity of demand for steel has not been proven.

"8. Uniformity of steel prices is maintained through the price leadership of the largest producer.

"9. There is too much concentration in the steel industry, and such concentration is increasing.

"10. Executive compensation in the steel industry is excessive and contributes to inflation.

"11. The frequency of identical price bidding on Government contracts suggests antitrust implications.

"12. Present pricing practices in the steel industry are a continution of elaborate pricing systems historically used for the purpose of eliminating competition."

In his conclusions, Senator DIRKSEN noted that Russia and its satellites have used documents produced by our own Government to embarrass United States representatives.

"Many American firms," he declared, "have encountered unwarranted difficulties in their operations abroad, because the Communist bloc was successful in labeling large American firms as cartels and American monopolies, even though there is no justification for such a characterization.

"Every Member of the Congress has a responsibility in terms of our national welfare to avoid exaggeration, partisan statements and criticism not supported by the evidence developed in committee hearings or otherwise in the preparation of Congressional reports. Every Congressional report may become an official Government document.

"The minority regrets that the majority has accepted the unwarranted and prejudiced assumptions of the staff in the preparation of its views. It is satisfied that they have unwittingly provided propaganda which may be used to our national detriment."

SENATOR WILEY'S INDIVIDUAL VIEWS

Senator WILEY's statement contained the following points:

"1. The jurisdiction of the Antitrust Subcommittee is to discover violations of the antitrust laws and to determine whether those laws should be amended.

"2. This subcommittee has no jurisdiction to determine what the price of steel should be.

"3. Nor has the subcommittee jurisdiction to say what the wage level in the steel industry should be.

"4. The evidence before the Antitrust Subcommittee does not disclose any conspiracy or other violation of the antitrust laws by the steel companies.

"5. Nor does the evidence in the record prove that the steel business is a monopoly. There are many steel companies in the industry and the United States Steel Corp. does not sell more than about one-third of the steel manufactured. When the antitrust suit was brought against the Aluminum Corporation of America, that company had full and absolute control of the aluminum industry. Whether price leadership in an industry where there are a few big concerns is an evil, and what can be done about it if it is, is one of those questions which only the combined thinking of all men of good will can solve. It is not in my judgment a matter for legislative enactment, at least at the present time.

"6. The issue whether labor is or is not a monopoly is not before our subcommittee.

"7. Increasing production of steel would help everyone concerned, those receiving wages, those receiving profits, those buying products, and also the Federal Government which collects a 52 percent corporate income tax on the profits of the steel companies. Increased confidence can go far toward increasing purchases and increasing production."

Mr. THYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Montana [Mr. MURRAY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Nevada [Mr. MALONE] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. HAYDEN. Mr. President, I ask you and the other distinguished Members of this body a question: What is the crowning glory of this Capitol Building which we all love and respect? What is the symbol of the Congress and of Government to every school child in the Nation? What is the first object visitors see both night and day, when they arrive in the city by rail and leave the Union Station? What is the beauty we behold when approaching the Capitol from the Mall, Constitution Avenue, Pennsylvania Avenue, and the other great avenues which radiate from the Capitol? It is not the east front, the west front, the Senate wing or the House wing. The one crowning feature is the great dome. The dome, as well as the Senate and House wings, was designed and constructed by Thomas U. Walter, the fourth Architect of the Capitol. Architect Walter had this to say about the extension of the front eastward, I quote his words:

The eastern portico of the old building will certainly be taken down at no very distant day and the front be extended eastward.

The old records clearly indicate that had it not been for the occurrence of the War Between the States at the time, the extension would have been promptly carried forward.

Every Senator knows, or should know, that the base of the great dome now projects over the east front of the Capitol. The circumference of its base had to be that large in order to conform with the size of the dome as designed by Walter, and that is the obvious reason why he said that the front of the old building should be extended eastward. Extending the front 32½ feet eastward is just what is now proposed to be done. When that work is completed, the east front of the old building will be reproduced exactly as it now is, except that it will be of enduring marble, instead of crumbling sandstone.

Who was it that authorized an exact replica of the present front to be constructed? That has been done by authority of an act of Congress, approved by the President on August 5, 1955, which created a Commission consisting of the President of the Senate, the Speaker of the House of Representatives, the minority leaders of the Senate and the House, and the Architect of the Capitol.

I have not talked about the east front of the Capitol to the Vice President or to Speaker RAYBURN, or to the Senator from California [Mr. KNOWLAND], or to Representative MARTIN, but I know that not one of them would at any time give his consent to any desecration or vandalism of any feature of the Nation's Capitol. Next to myself, SAM RAYBURN has been a Member of Congress for a longer time than anyone else now serving in either body. He has the same reverence for the Capitol, in which we have served together for so many years, that I have, yet, according to the outcries in newspaper articles, he is made to appear to be the chief vandal. The truth is that he wants to do nothing more than to have the Capitol look just as it is, except to make certain that it will remain that way. It is also true that every other member of the special Commission had no thought of altering the appearance of the east front of the Capitol. They would retain all its features and make them more enduring.

After the enactment of Public Law 242, the Commission authorized the Architect of the Capitol to engage a group of architectural advisers and a group of associate architects to advise and assist the Commission and the Architect in determining the scope of the work and the manner in which the work should be carried forward. As a result, a group of outstanding architects was selected from across the country to study and plan this work. The architects are all fellows or members of the American Institute of Architects. Their names and addresses are as follows:

Consulting and advisory group: John F. Harbeson, architect, of Philadelphia, Pa.; Henry R. Shepley, architect, of Boston, Mass.; Gilmore D. Clarke, consulting engineer and landscape architect, of New York City, N. Y.; Arthur Brown, Jr., architect, of San Francisco, Calif, deceased.

Associate architects and engineers: Roscoe DeWitt and Fred L. Hardison, architects, of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, architects, of New York City; Jesse M. Shelton and Alan G. Stanford, of Robert & Co. Associates, Atlanta, Ga., architects and engineers.

These architects and the Architect of the Capitol studied the problems for many months, and came forward in the summer of 1957 with plans and recommendations for expanding the Capitol and its facilities both now and in the future. These plans and recommendations were submitted to the Commission at its meeting of August 30, 1957, the last day of the first session of the 85th Congress. Because of the pressure of Congressional business at that late date, no action was taken by the Commission on the report of the Architect of the Capitol.

Subsequent to the meeting of August 30, 1957, the Commission, by directive of October 28, 1957, ordered the Architect of the Capitol to proceed with necessary repairs and improvements to the dome, changes and improvements to the electrical and lighting systems, and preparation of contract drawings and specifications for the extension of the east-central front of the Capitol. All members of the Commission signed this directive.

Thereafter, the Commission formally met on February 21, 1958. All five members of the Commission were present. At that meeting, the plans and recommendations of the Architect were carefully considered; and the Architect of the Capitol was ordered to proceed with the extension of the east-central front, at a total estimated cost of $10,100,000, in addition to the dome and lighting improvements authorized in October.

The approved plans provide for faithfully reproducing in marble the present historic east front 32½ feet to the east of the present location.

There has been some complaint with regard to the uncertainty of the total cost of the work to be undertaken. It is true that under the authorization act, responsibility for establishing the total cost of the work on the project is placed upon the Commission. However, it is a matter of public record that the total cost of all work under this program will not exceed the $17 million already appropriated. In directing the Architect of the Capitol to proceed with the extension of the east-central front, the Commission ordered that all work must be accomplished within the amount of $17 million already appropriated.

It has been further agreed that the amount of unfunded contract authorization of $25,600,000 appearing in the current budget document no longer is applicable, and will be canceled in the next budget of the Architect of the Capitol, leaving only the $17 million as the total cost of the project. That contract authorization could be abrogated in the next appropriation bill.

Mr. President, I can see no reason why we should not proceed in an orderly way to extend the east front as directed by the Commission. All the evidence furnished by the Architect, his advisers, and associates, indicates that something must be done to the deteriorated east-central front, if it is to be made safe and sound. I believe that even the opponents of the project agree to this. Some think that we should reface and rebuild the wall and portico in its present location. The Architect of the Capitol assures me that, based upon the best information available to him, it would cost as much or more to reface and rebuild the wall in its present location as it would to construct the proposed marble reproduction 32½ feet to the east.

Let me emphasize that there is no thought of carrying the central front so far forward as to bring it into line with the Senate and House wings. Even after the present front is extended 32½ feet to the east, the central steps will still be 40 feet back of the steps of the Senate and House wings. Thus, the so-called concavity of the whole composition is to be preserved.

I ask my colleagues, are we exercising good judgment, are we proceeding in an economical manner, in spending $10 million or more to reface and rebuild the front in its present location, when we can have a new marble front 32½ feet eastward for the same price? The extension to the east will result in the present exterior wall becoming an interior wall. Being thus protected from the elements and being repaired and tied into the new front, it will stand indefinitely.

By extending the east front, two major problems are solved: one, structural; the other, architectural. The crumbling east-central front will be constructed of marble, which will last for hundreds of years and will require no more painting; and the architectural defect of the great dome overhanging the portico will at last be corrected—as the architect who designed the dome said should be done.

As an incidental item, this program will provide the Congress with 54 office rooms, 2 rooms which may be used for committee rooms or restaurant facilities, and 17 other miscellaneous rooms. If we are to spend $10 million for this work, does not it make good sense to provide these additional facilities in the process?

Mr. President, I can see no desecration or any vandalism in this program. On the contrary, I see a plan in conformity with the ideas of Architect Walter—a plan which will reproduce and preserve in permanent stone the work of the first three great early Architects of the Capitol—Thornton, Latrobe, and Bulfinch.

I trust that we shall do nothing in this chamber to delay or stop the work as planned by the Architect of the Capitol and his outstanding panel of advisors and associates and as approved by the Commission for Extension of the United States Capitol.

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

Mr. HAYDEN. I yield.

Mr. KNOWLAND. I wish to say that the distinguished senior Senator from Arizona, the chairman of the Appropriations Committee, has made a very able presentation of the facts, as I understand them.

As was stated earlier—although perhaps some Senators were not present at that time—there has now been for more than 20 years in the basement of the Capitol, where it has been seen by tens of thousands—or perhaps even hundreds of thousands—of people, and also by the Members of Congress, a reproduction of the Capitol. It shows the present Capitol building with the east front extended. The only difference is that the extension, on scale, of the east front as shown on the model, which has been there for 20 years, is 40 feet, whereas the extension under plan B is about 32 feet.

Much has been said about the overall plans and what may be done many years in the future. The only problem before us, whose solution is the only purpose for which funds have been appropriated and are now available, relates to the extension of the east front, under plan B, by some 32 feet, and necessary repairs to the Capitol Building and to the dome, in order to prevent loss of life. There is no change proposed in the dome. It would be precisely as it is, with necessary electrical work.

It is necessary to keep in mind that the Capitol Building represents the whole people of the country, and houses the legislative branch of the Government, a coequal branch of the Government, which has been live and growing since the cornerstone of the Capitol was laid.

The original Capitol comprised only the central portion. Subsequently, as the Nation grew and as the need arose for additional space for the House of Representatives, when additional States were taken into the Union, it became necessary to build what is now known as the House and Senate wings of the Capitol. When that was done, it changed the entire concept of the original Capitol building. It was obvious to the architects, and to everyone else concerned at the time, that, the original small wooden dome was not large enough for the new mass of the Capitol, which had increased from the original concept. Therefore, the small dome which had been built on the Capitol originally was removed, and the dome which is presently there was erected in its place.

A reading of the reports submitted at the time and the recommendations of the architects who had responsibility for the building will show it was their opinion that the east front should be extended.

There was discussion as to whether plan A or plan B would be more acceptable, but both plan A and plan B provided for extension of the east front, one plan by 12½ feet and the other by 32½ feet.

The proposal is nothing unusual. It has been before the Congress from the year 1905, if not from before that time. The Commission acted under the mandate of the Congress in making its study and recommendation.

It must be kept in mind that if the work is to be completed—and this is true whether the walls of the east front at their present location should be refaced, otherwise—the work will have to be undertaken very soon if it is to be completed by the time the next President will be inaugurated, on the 20th of January 1961.

The question has been raised by some persons why the same thing which was done with the White House could not be done with the Capitol. The outer walls of the White House were retained, and an entirely new structure was built within the walls. It was possible to move the Office of the President completely out of the White House to the Blair House. However, the functioning of Congress in the Capitol cannot be closed down. Therefore, I do not believe anyone thinks that type of arrangement would be practical under the circumstances.

The proposal relates only to the extension of the east front, and the question of what may come about 50 or 100 years in the future, or 10 or 20 years in the future, as the Nation grows, is not the issue before the Senate today.

I thank the Senator from Arizona. He has made a very able presentation of the question.

Mr. CARROLL. Mr. President, will the Senator from Arizona yield to me for a question?

Mr. HAYDEN. I yield.

Mr. CARROLL. I have missed the debate on the pending question up to this point. What is the fact as to the danger to life as a result of the possibility of crumbling stone falling? I believe the Senator from Arizona referred to crumbling stone. What does that mean from the standpoint of safety of visitors to the Capitol?

Mr. HAYDEN. I have been told, and I think it is correct, that should an airplane crash near the Capitol—not hit the building, but crash near it—because of the condition of the walls at the present time and the strain on them, the building might collapse. The walls are cracked. The stones have been there 100 years. The Capitol was built in stages. The first part included the old portion, where the old Supreme Court chamber is. Then Statuary Hall was constructed. Then the small dome was constructed. Then when the Architect later designed the two wings, he also designed the great dome. It is a heavy dome. When lightning strikes the bronze on top of the dome, it shakes the whole building. The building is not in as sound a condition as it should be. The improvements will make it very much better.

Mr. KNOWLAND. Mr. President, if the Senator from Arizona will yield, I wish to say to the Senator from Colorado that the Architect has shown members of the Commission parts of the cornices which have fallen into the outer court. My recollection of the testimony of the Architect of the Capitol is that if the work is not carried on, there will have to be constructed wooden protections at the entrances to the Capitol, because of the danger of falling pieces from the cornice stones, and so forth.

Mr. CARROLL. My next question was going to cover that point. As I recall I read in the newspapers that a piece of stone weighing as much as 30 pounds had fallen. I do not know the area into which it had fallen. Suppose we merely confined the work to repairing and strengthening the walls. What would it cost? Is there any cost estimate of that work?

Mr. KNOWLAND. I am not an architect, and persons have honestly differed on the question, but the Architect of the Capitol, who was selected by the Congress to hold his responsible position, has been advised on the cost by competent architects, although there are competent architects who disagree, and his opinion has been fortified by the fact that during the whole history of the Capitol those who participated in its building have made recommendations, and there is now an attempt to carry out their ideas. I think the testimony has been that if we are to do the type of job which needs to be done, we shall have to extend the east front. Even if the extension were not made, there would have to be a replacement of the sandstone which is presently there. Marble would be used in the permanent structure, because it would conform with the construction of the Senate and House wings. The cost of such reconstruction—and the Capitol would have to be practically closed during that period of time—would be the approximate cost of extending the east front by 32½ feet, as originally recommended by some of those who designed the present dome. If that work were done, and the east front were not extended, we would not have the advantage of the additional space which is desirable in the Capitol Building.

Mr. CARROLL. Will the Senator answer one more question? From the standpoint of the distinguished Members of Congress who have served on the committee and on the commission, would the Senator say there is a real safety factor involved in the proposals?

Mr. KNOWLAND. Based on the factors presented to the commission, I believe that there is a safety factor involved, as respects visitors to the building, as cornices and pieces of stone have fallen over the years.

Mr. CARROLL. I thank the Senator from California.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield to the distinguished Senator from New Jersey.

Mr. SMITH of New Jersey. I have understood that the Architect of the Capitol had the authority to do anything which needed to be done for the protection of people against such happenings as falling stones. He would not need additional authority for that work. He does not need to extend the east front of the Capitol for that purpose.

I do not quite see that the possibility of falling stone has anything to do with the extension of the east front.

Mr. KNOWLAND. It is only that we had under consideration the whole problem of the reconstruction of the east front.

Mr. SMITH of New Jersey. Yes.

Mr. KNOWLAND. There is no question about the fact that we could reconstruct the east front precisely where the

east front is today. I would not want to be held to an exact cost figure, but my recollection is that the cost of reconstructing the east front under those circumstances would be approximately the cost of the extension of 32½ feet. That, of course, would probably require the closing off of a large portion of the Capitol during the period of reconstruction, which would not be necessary in the case of an extension.

Mr. SMITH of New Jersey. Let me ask another question, if the Senator will permit.

The purpose of the bill which I introduced was simply to try to hold back the authorization for the expenditure of the money which commits us to the project of changing the east front until some of the important architects, who felt they had not had an adequate opportunity to be heard, could be heard. The will was considered by the Committee on Public Works, and the Committee on Public Works unanimously reported our bill, S. 2883.

Is it not possible for the leadership to indicate that it is not planning to go ahead and support the letting of a contract until that bill can be considered by the Senate, and until we have heard all the arguments? I am only trying to assure that the question will be further considered, because so many organizations have been urging us to think twice before we undertake this project.

Mr. KNOWLAND. I will say to the Senator that this project has been opposed by some and strongly recommended by others since the year 1905. As a matter of fact, it was long before that when the first proposal for extension of the east front of the Capitol was made. In 1905 the Congress itself first took steps to move ahead with the program.

Hearings were held in the House. Hearings have been held in the Senate. It is true that until more recently the two Houses have not in the same session of Congress or in the same year acted on the same bill, but both Houses have gone into the matter very extensively.

As the distinguished Senator from New Jersey knows, as the minority leader I do not determine the order of consideration of proposed legislation by the Senate. A bill has been reported by the Committee on Public Works, which I understand is on the Senate Calendar.

Mr. SMITH of New Jersey. That is the bill to which I refer.

Mr. KNOWLAND. I assume that in due course, after the majority leader and the majority policy committee have had a chance to pass upon that matter, a determination will be made as to when the bill will be called up for consideration by the Senate. I have no control over that matter.

Mr. SMITH of New Jersey. What I fear may happen is that a contract will be let and the water will be over the dam before we can obtain consideration of the bill.

It seems to me to be reasonable, considering the many people who are interested in the matter, to ask, at least, that the bill be taken up for consideration and voted on, after all the evidence has been submitted to us. When the evidence was presented to the Committee on Public Works, the committee thereafter submitted a unanimous report. It seems to me only reasonable to ask for such consideration.

I am absolutely sure that the Senator from Virginia [Mr. ROBERTSON] and my colleagues on the other side of the aisle would be perfectly willing to forego having this matter brought up in connection with an appropriation bill. We do not desire to have to move to amend an appropriation bill, if we can help it. We are simply afraid that nothing will be done and a contract will be let, at which time the matter will be settled without many interested persons having a chance to be heard. People all over the country have been making a furor about this project. I have been deluged with mail written from all over the country—east, west, north, and south.

Mr. KNOWLAND. If the majority leader and the majority policy committee at some reasonable time in the future ask to have the bill taken up for consideration by the Senate I hope the Members of the Senate will in the meantime personally acquaint themselves with the problem. I know the distinguished Senator from New Jersey has taken a keen interest in this matter.

Mr. SMITH of New Jersey. I have.

Mr. KNOWLAND. The Architect of the Capitol has made it clear that he will welcome to his office any Member of the Senate and any Member of the House, and that he will show all Members the entire plans and take them on a personally conducted tour. I am sure the Architect would be glad to appear before any group of Senators. I only hope that the Senators will get their information directly from the Architect of the Capitol and will take a look at the plans themselves, rather than depend upon some newspaper stories.

Mr. SMITH of New Jersey. I agree with that statement. I want the thing to be done in an orderly and proper way. But I believe the feeling in this country should be respected, and that a contract ought not to be let now, before the bill can be given consideration. I request that the bill be considered.

When the Committee on Public Works first met it was in doubt about what ought to be done. After they heard the testimony, they submitted a unanimous report in favor of the bill, feeling that the project should be reconsidered and that any further action should not be taken hastily.

Nothing will be lost by a delay of a week or two, if we can have assurance that the bill will be considered. Even a 1-month delay or a 2-month delay would not be serious. I hope the money for this work will not be committed and that the building of this project will not be started, until we can have a final decision made as to the east front. That is all I am pleading for.

Mr. KNOWLAND. I will say to the Senator that I think it would be far better procedure to have the issue settled by a vote on the bill, rather than to try to suspend the rule.

Mr. SMITH of New Jersey. I agree.

Mr. KNOWLAND. It should not be done without Senators having a chance to fully acquaint themselves with the problem.

Mr. SMITH of New Jersey. I agree. We do not want to debate this question on the motion the Senator from Virginia has made. The Senator is simply asking that no money be spent until the bill has been considered. That is all the Senator is requesting. He is not asking for anything else. That is most reasonable.

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

Mr. KNOWLAND. I yield.

Mr. HAYDEN. Mr. President, that is exactly what has happened twice before. Twice in the past 50 years the Senate carefully considered and passed legislation in order to get the work done, but difficulty arose in the House. This time the House and the Senate are in accord, so far as I know, that the work should be done.

Every time we talk about changing the east front of the Capitol somebody says, "Don't do it now." As a result the deterioration goes on.

Mr. SMITH of New Jersey. Mr. President, if the Senator will yield further, I do not say anything like that at all. I want to have done what needs to be done as soon as possible. However, I desire that the people throughout the United States who feel so strongly on this matter be heard. They believe this to be a very serious matter. I want them to have a chance. At least, the bill should be brought up for consideration by the Senate, so that the Senate may pass upon it. This matter should not be settled by a small committee. I make no reflection upon the committee whatever, but it ought not be done in that way. That is the wrong way to deal with this project.

Mr. KNOWLAND. Mr. President, for the information of the Senate, I ask unanimous consent that there be printed at this point in the RECORD the statement of Mr. J. George Stewart, the Architect of the Capitol, giving the background and history relative to the extension of the east front, which appears on pages 7 to 18 of the hearings of the subcommittee of the Committee on Public Works.

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

STATEMENT OF THE ARCHITECT OF THE CAPITOL, J. GEORGE STEWART, ACCOMPANIED BY CHARLES A. HENLOCK, ADMINISTRATIVE OFFICER; JOHN F. HARBESON, CONSULTANT ARCHITECT; ROSCOE DEWITT AND ALFRED E. POOR, ASSOCIATE ARCHITECTS

Mr. STEWART. Mr. Chairman and members of the committee, I appear before your committee in my position as Architect of the Capitol only. I make this statement because I am also, by law, a member of the Commission for Extension of the United States Capitol.

I am testifying in my role as Architect of the Capitol and my testimony should in no way be construed as reflecting the views of the Commission.

I have prepared a report to the committee and have included in my report a comprehensive account of all facts pertinent to the Capitol extension project and would therefore

like to be permitted to read my statement at this time.

Senator McNAMARA. We would be glad to have you proceed in that manner.

Mr. STEWART. My report is dated February 13, 1958, and addressed to the Honorable DENNIS CHAVEZ, chairman, Senate Committee on Public Works, and reads as follows:

"In compliance with your request that I submit to your committee a report containing such suggestions as I may deem proper touching the merits of S. 2883, 85th Congress, and the propriety of its passage, I submit the following report on S. 2883, 'A bill to amend the Legislative Appropriation Act of 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905.'"

It is my recommendation that no change be made in the present legislation authorizing the extension of the Capitol project—Public Law 242, 84th Congress, as amended by Public Law 406, 84th Congress.

CONTROL AND SCOPE OF PROJECT

The present legislation governing the extension of the Capitol project provides that all work in connection with this project, including the preparation of plans and the letting of contracts, shall be performed under the direction of a Commission to be composed of the President of the Senate, the Speaker of the House of Representatives, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol.

The present legislation provides for the extension, reconstruction, and replacement of the central portion of the Capitol in substantial accordance with scheme B of the architectural plan reported to Congress March 3, 1905, in House Document 385, 58th Congress. This plan provides that that part of the east central front of the Capitol, constructed of sandstone and located between the Senate and House wings, be extended eastward 32 feet 6 inches, and that the extended section be constructed of marble; also, that that part of the west central front of the Capitol, similarly constructed and located, be refaced with marble.

The present legislation, however, authorizes the Commission to effect modifications of the 1905 plan, so long as the substance of that plan is followed, and also authorizes the Commission to effect additions to that plan.

The present legislation further authorizes the construction of such facilities in the Capitol Grounds and such approaches, appurtenances, or other necessary items as the Commission may approve. The hearings before the Senate and House Appropriations Committees show that this authorization was included to cover such items as underground garages, security vaults, underground transportation systems, and other improvements in the Capitol Grounds.

To date, a total of $17 million has been appropriated for the project and, under the provisions of the Authorization Act, such additional amounts as may be necessary are authorized to be appropriated.

LEGISLATIVE BACKGROUND

Opponents to the plan to extend the east central front of the Capitol and to construct the extended section in marble have indicated that such extension is being carried into effect without adequate consideration by the Congress.

The facts of record do not bear out this contention.

The House of Representatives in 1903 considered and passed legislation authorizing the extension of the east central front of the Capitol and provided an initial appropriation to start such work. The item at that time was not, however, approved by the Senate.

The United States Senate has twice considered and passed bills authorizing the extension of the east central front of the Capitol, in addition to the legislative action taken in 1955. One of those bills was passed in 1935 and the other in 1937, following hearings conducted by the Senate Committee on Public Buildings and Grounds at that time. The committee in 1937 not only had the benefit of the hearings which it had held in 1935 and the 3 days' hearings which it held in 1937, but also of 9 days' hearings held on such proposed legislation by the House Committee on Public Buildings and Grounds in 1935. Proponents and opponents of the legislation were given full and free opportunity to testify on these occasions, and their testimony is a matter of record in the printed hearings of those committees for such years.

Although neither the 1935 nor the 1937 bill was reported out by the House committee, the action taken by the Senate is significant.

In 1935, the Senate authorization bill was reported out unanimously by the Senate Committee on Public Buildings and Grounds and was considered and passed on the Consent Calendar, when the objection of a single Senator would, in that case, have prevented its consideration and passage.

In 1937, after being favorably reported by the Senate Committee on Public Buildings and Grounds, the Senate authorization bill was considered under regular order of the Senate and was passed immediately following a quorum call to which 82 Senators responded. When this bill was considered and approved, two present Members of the Senate, Senator CHAVEZ, the present chairman of the Senate Committee on Public Works, and Senator GREEN, were members of the Senate Committee on Public Buildings and Grounds.

The present authorization for the extension project is contained in the Legislative Appropriation Act, 1956, as amended by Public Law 406, 84th Congress—the amendment being in the nature of correction of technical defects. This authorization together with an initial appropriation, was included in the Legislative Appropriation Act, 1956, by the House Committee on Appropriations, following consideration of the item by that committee, and was retained in the bill upon recommendation of the Senate Committee on Appropriations, following consideration of the item by that committee. Before action was taken on this item by the House and Senate committees, these committees were furnished copies of the 1935 and 1937 printed Senate and House hearings on the extension of the Capitol and a résumé of previous action taken by the Senate and House committees and by the Senate itself.

The 1935 and 1937 printed hearings covered a complete exposition of all possible arguments, pro and con, relating to the extension. The validity of those arguments, whether they be pro or be con, does not change with the years.

The facts which I have just presented certainly render untenable any charges that the extension of the Capitol is a matter that has not received due consideration on the part of the Senate and the House.

PURPOSE OF LEGISLATION

Just what has been the intention of the Congress in its introduction and consideration of these bills and passage of the present legislation? I think the intent is obvious.

Correction of the architectural defect caused by the overhang of the dome over the east portico.

Reconstruction of the central portion in marble in order to provide a durable material for the exterior of this part of the building, in replacement of the deteriorated sandstone exterior.

Provision of much-needed additional space in the Capitol for the Congress, its officers and employees, and functions required to be carried on in this building.

In every previous hearing, there have been those who were opposed to the passage of the bill then in question. Their opposition centered around what its opponents have characterized as desecration, and more recently as vandalism. It was their desire that no stone be touched, no wall be moved, and that painting be continued down the long stretch of the centuries. Sentimental attachment to the old work was their one motivating force, without regard to other factors which must necessarily be considered and which the Congress has considered. It is fair to state that those Members of the Senate and of the House, who have voted to approve the proposed work would yield to no one in their devotion to this grand old building.

I feel I should review in this report the intentions cited above, weigh the objections, and attempt to reach some conclusions.

EXTENSION OF THE EAST FRONT

Opponents of the plan to extend the east central front of the Capitol have, as stated, referred to such extension as desecration and vandalism, but almost without exception have frankly admitted the existence of the architectural defect which the Congress is attempting to correct.

The need, architecturally, for this extension of the east front dates back to the addition of the House and Senate wings and the construction of the present great dome. As soon as the wings were completed, and probably as soon as they were designed, it was obvious that the existing low wooden dome designed by Charles Bulfinch was entirely inadequate to dominate the greatly extended mass of the Capitol Building; and because the east wall behind the portico was also the wall of the rotunda, it was equally obvious that a dome of proper size and proportion would extend beyond the rotunda wall and hang out over the portico. What actually is the case is that the lower columns of the dome are bracketed out from the rotunda wall so that both the columns and the octagonal skirt below them appear to rest entirely on the roof of the pediment over the portico. No other support is visible. This does violence to the one universally accepted tenet of good classic architecture—that is, that adequate and proper support for every load should be apparent. When viewed from any angle, except straight on, not only can this lack of apparent support be readily seen, but the mass of skirt and dome seem to overpower the portico and detract from its beauty. Conversely, the simple portico crushed against the great mass of the dome detracts from the dome's magnificence.

This may seem to be a technical matter. Those who have opposed its correction for the sake of preserving a sort of architectural status quo have called the proponents of the correction "purists," which is not necessarily a bad charge. For architecturally, it is a matter of real importance and has always been so considered by those who both know good architecture and are anxious that the Capitol Building of the United States be without correctible defect. It was one of great importance to Thomas U. Walter, the designer of the wings and the dome, for he not only urged the extension of the east front as soon as recovery from the Civil War would permit but also made sketch plans for such extension before his departure from office. The need for this extension has, as previously brought out, been felt by the Congress, and its position in the matter has been supported by all architects identified with the Capitol since Walter's time, including Robert Mills, the architect of the Washington Monument, and the Treasury Building.

In 1904, Carrere and Hastings, who designed the original Senate and House Office Buildings, were engaged to make studies and prepare plans for the proposed extension of the east central front of the Capitol under the direction of a Joint Commission of Congress. They submitted two schemes—one scheme A, which provided for extending the east central front eastward 12 feet 10 inches, and the other scheme B, which provided for an extension of 32 feet 6 inches, as an alternate, if the needs of Congress for additional accommodations required the greater extension. They expressed their decided preference for scheme A, but in a letter to the Joint Commission, September 23, 1904, they stated:

"If your Commission decides that more room must be provided we would submit scheme B. This in our opinion is the plan which least changes the artistic character of the building at the same time giving a large number of committee rooms; it would affect the appearance of the building very slightly and make an excellent second-best plan and we would advise the selection of this plan in case you require the rooms."

Their proposed schemes are contained in House Report 385, 58th Congress, cited in the present legislation authorizing the extension of the Capitol project. A model, prepared at that time, showing a proposed extension substantially in accordance with scheme B has been on exhibit in the crypt of the Capitol for a number of years.

I might add at this point that when Carrere & Hastings were engaged, in 1904, by the Joint Congressional Commission, they were instructed to base their studies on Thomas U. Walter's plan of February 20, 1865, for the extension of the east front, which provided for extension of the central portion to the line of the House and Senate wings.

I want to emphasize that Walter, the architect who designed the dome and wings is the original advocate of the extension of the east front. Extension of the east front has also been advocated by most of the architects who have done monumental work in Washington—Carrere & Hastings; Bacon; Cass Gilbert; McKim, Mead & White; Platt; Coolidge; Pope; York and Sawyer; Zantzinger; Wyeth; Sullivan; and Cunningham. Totten, Hirons, Howells, Swartwout, and Magonigle have also expressed their approval. A number of these architects appeared at the hearings in 1935 and 1937 in support of the extension.

The works of these men include such monumental achievements as the Senate and House Office Buildings, the Archives Building, National Gallery of Art, Jefferson Memorial, Lincoln Memorial, Constitution Hall, Red Cross Building, Department of Justice Building, Freer Art Gallery, Supreme Court Building, Philadelphia Museum of Art, Panhellenic Tower, Liberty Memorial in Kansas City, McKinley National Memorial in Ohio, Philadelphia Mint, Maine Memorial, Missouri State Capitol, Museum of Fine Arts of Yale University, additions to the British Museum; also the recent remodeling of the Senate and House Chambers.

The National Commission of Fine Arts approved of the extension in 1919 and 1935, and its Chairman, Charles Moore, in the 1935 hearing, lent to it the weight of his 36 years of experience in the Washington plan.

On June 12, 1956, at a hearing before the Senate Committee on Appropriations, on a request for a second appropriation of $12 million, Mr. Edmund Purves, executive director of the American Institute of Architects, appeared to state that the official position of the American Institute of Architects was that of opposition to the proposed extension, but, under questioning, he disclosed that this position was in conflict with the position of the institute's own committee on the National Capital and in conflict with his own personal sentiments.

The foregoing evidence and the impressive record of the proponents of the project during the past century should be enough to refute the charge of vandalism which has been leveled at the Congress and to point up the fact that objections to the extension are solely sentimental ones. These I will subsequently consider.

RECONSTRUCTION OF CENTRAL PORTION IN MARBLE

Opponents of the east-front extension have objected to replacing the existing sandstone front with marble.

Thornton, the first Architect of the Capitol, whose design for the Capitol was adopted by President Washington, urged that marble be used for the exterior facings. He felt that only marble would be satisfactory to give true definition to the moldings and carved ornaments and to serve as a proper and durable dress for so monumental a building. In the absence of a domestic source for such material, he even advocated that it should be imported. In spite of his strong recommendation, the President, in the interest of economy, finally ordered the building to be built of Virginia sandstone.

This sandstone, taken from the Aquia Creek quarries in Virginia, is a soft friable material which is uneven in color and texture. The variations in color detract from the sharpness of the moldings and carved ornaments, and its soft friable quality has been the cause of progressive deterioration. It was heavily damaged by the fire set by the British in 1814 and very considerable repair and replacement were required. At this time, according to testimony in the 1935 hearing, Latrobe, who followed Thornton as Architect of the Capitol, recommended that marble be used as a new covering for the Capitol.

Shortly after the reconstruction of the Capitol was completed in 1819, the entire structure was painted and has been a painted building ever since. Recent research of old records discloses that exterior painting was done in 1819, 1822, 1827, 1832 and 1849, and that this painting was done primarily for preservation of the stonework. This corrects previous statements that painting began in 1862 with the erection of the House and Senate wings. There have been some beneficial results of this painting: (1) the color was improved so that the detail was clarified; and, (2) the rate of deterioration of the sandstone was somewhat reduced. There has been, however, in spite of repeated paintings over the years, a positive and progressive deterioration of the stone and a concurrent deterioration of the paint film. Many stones have had to be replaced, moldings and ornaments have eroded, cornice stones and balustrade members have fallen out, and in one instance the parts of a capital are wired together. The paint film peels and the scaling paint frequently takes the surface of the stone with it, leaving unsightly blisters on the surface. An impartial observer is bound to judge the present appearance of the surface of the building to be far short of that rightfully expected of the Capitol of our great Nation. The ever-thickening paint more and more obscures the sharp detail of the original designs. Even now one cannot see the actual details of the work of Thornton, Latrobe, and Bulfinch. All one can see is paint. This matter of appearance is, however, secondary to the integrity of the structure and of its priceless detail. Unless it is faced, and its rich ornamentation faithfully reproduced, in a durable material, there will eventually be nothing left but a drawing in the files to bear witness to the art of Thornton, Latrobe, and Bulfinch.

Mere refacing of the present east front, however, is not enough. Here a number of cracks extend the full height of the wall, from balustrade to footing, and extend completely through the masonry behind the sandstone facing. It is probable that if this facing were cut back and replaced with marble, the cracks would immediately recur in the new facing. The proper repair, therefore, involves partial reconstruction of the wall. As the several floors of the building are supported on masonry arches and vaults which bear upon and thrust against the exterior walls, their reconstruction is a major operation which would be difficult, costly, and disrupting. For it is very unlikely that the areas inside the walls could be continued in use during the construction period. If a new exterior wall is constructed to the east and the present wall becomes an interior one, and is thus protected, it should endure for centuries.

There are those who object to the replacement of any stone however deteriorated. There are those who oppose replacement of deteriorated sandstone with any material except sandstone. There are also those who, while objecting to any other change in the building, are willing to see a more durable material used as a replacement for deteriorated stones. These are the ones who feel that painting of the building must continue—and confront the Congress and the American people with an everlasting undertaking. Decade after decade, century after century, down the vista of years beyond man's imaginative vision, the painting continues. Whereas there are now 35 coats of paint, a hundred years from now there would be 60, in another century 85—a staggering prospect. Already peeling and cracking, already obscuring fine detail, the building would be a mass of pockmarks—and, of detail, there would only be a trace. Such treatment of a fine old building can only be called desecration.

When Thomas U. Walter submitted his design for the enlargement of the Capitol, which resulted in erection of the Senate and House wings, he insisted on the use of a white marble for the exterior facing and suggested that refacing the old center part with marble was both practicable and desirable.

In a letter to the Senate Committee on Public Buildings, dated November 21, 1850, he stated:

"In the adoption of this, or any other plan for an enlargement of the Capitol, it is essential to the beauty and durability of the structure, that its exterior be composed, if possible, of an imperishable material. I would, therefore, strongly recommend that white marble be used for facing all the new work, and that the old work be painted to imitate it.

"I may venture further to suggest that it would by no means be impracticable to remove all the facing of the present building and substitute marble, without interfering at all with the stability of the structure. If, therefore, the work is commenced by facing the new part with marble, the day will no doubt come when we shall have a marble Capitol, upon which time can work but little change."

The plans prepared by Carrere and Hastings in 1904 for the east-front extension provided for reconstruction of the central portion of the Capitol in marble. Without exception, the great architects who appeared at the 1935 hearings in favor of the east-front extension expressed themselves as being in favor of the use of marble for the facing of the east-central portion of the building.

From this record, it is evident that the decision to use marble to preserve the details of the present design in durable material has not been a hasty one, but is the result of mature deliberation by the Congress. The charge of vandalism on the part of the Congress is not substantiated and the objections raised to replacement of the old work in marble again boil down to the matter of sentiment.

NEED FOR ADDITIONAL SPACE

One of the intentions of the Congress in the passage of the 1955 act, as evidenced by its adoption of scheme B, was to secure additional space for carrying on its functions in the Capitol. The Capitol is a workshop—and the workshop of a growing Nation whose needs have made more varied and complex the activities of the Congress, its Members, and employees. If these activities are not to be hampered at every turn and if committees and offices are to function efficiently and not be handicapped in their efforts to serve the people, the space in the Capitol must expand as the Nation expands and grows in population and in power. This is recognized by the Congress, but implementation of plans to meet these needs may possibly run afoul of some of those, outside of Congress, who would keep the building as it is, unchanged through the years.

The Capitol is not a museum, even though many areas of it are now largely devoted to museum purposes. But insofar as it is a museum, it is a living one—the live seat of a great government—the activities of which give to the building its dynamic quality. Remove these activities and it becomes a relic. But if these activities are not to be removed, the building must be expanded; it must grow now and in the future, just as it has grown in the past. The action of the Congress, in taking steps to provide more space by the creation of new areas, is indicative of its vision.

CHANGES AND ADDITIONS TO THE CAPITOL

The Capitol, as seen today, is the composite of many building projects. Construction began in 1793 with the section north of the rotunda in accordance with plans prepared by Thornton, and it was at the southeast base of this section that George Washington laid the cornerstone. Then came the construction of the section south of the rotunda, now called the Statuary Hall section, which was also planned by Thornton. The two sections were joined by a wooden breezeway across the area now occupied by the rotunda. At this stage of development, the building was burned by the British and in the fire very considerable damage was done to the soft sandstone with which the building was faced.

The rebuilding of the heavily damaged structure was entrusted to Latrobe, who took great liberties with the design of Thornton, who at the time was already incensed by the changes attempted by Hatfield and Hallet. Latrobe completely revised the plan of the Hall of the House of Representatives, discarding Thornton's elliptical plan and constructing a semicircular one, around the perimeter of which was placed a row of marble columns, the first use of marble in the building.

He changed the design of both the east and west central elements, providing a wider east portico than Thornton had designed and introducing the great flight of steps on the east and omitting them on the west. These changes made the east the important entrance, whereas the original concept was for the building to face west down the Mall. On the exterior there was much work done to repair the ravages of the fire of 1814 and part of this work was the removal of a very considerable amount of the stonework, parts of the cornice, and balustrade. In fact, there are now but a few stones which one can say with certainty were a part of the original work.

Bulfinch followed Latrobe and carried out his designs for the east portico and steps and for the section west of the rotunda. He took considerable liberty with Latrobe's details, however, and changed the latter's design for the west portico. Bulfinch designed the original dome and in his design departed entirely from that of Thornton.

In 1849, a considerable amount of stone in the three lower courses were so eroded and deteriorated that they were replaced with granite.

After the 1851 fire in the west area occupied by the Library of Congress, extensive repairs and alterations ensued.

Between 1851 and 1865 the House and Senate wings were added and the low wooden dome of Bulfinch was replaced by the great cast-iron dome of Walter.

In 1892, the construction of the terraces was completed by Olmstead and a marked change in the aspect of the Capitol from the west resulted.

In 1897, the Library of Congress left its quarters in the west section of the building to occupy its own new building. The area was divided into offices and this effected a complete change in the plan and aspect of this historic area.

After the gas explosion of 1898, the small domes over the Supreme Court Chamber and Statuary Hall were replaced with replicas of the early brick and wood originals.

The original roof construction over the east and west porticoes and over the central portion of the building has been replaced with fireproof construction. The new roof over the central section was lowered several feet, changing the silhouette, but in accord with Walter's plan for the east front extension.

In 1915, the original sandstone steps on the east central front were replaced with granite steps.

In 1949, the roofs over the Senate and House wings were in such a dangerous condition that they were replaced by fireproof roof construction. The huge skylights over the Chambers were eliminated. The large skylights over the west central section of the building have likewise been eliminated. These changes have changed the original roof lines and markedly altered the appearance of the building.

In 1950, the Senate and House Chambers were completely remodeled to meet the present-day requirements of the Congress, and in this work their interior designs were subjected to major changes and improvements. Thus two historic rooms gave way to changes before the needs of Congress.

Many other changes were made to the interior of the building when the needs of the Congress dictated. These include changes in the restaurant and kitchen location and facilities, the installation of central heating and then that of year-round air-conditioning, the introduction of, first, gas and then electricity for lighting, and the installation of elevators for vertical transportation.

It is obvious from the foregoing that the Capitol has undergone almost constant change and, in the last analysis, the needs of the Congress and its offices and committees have brought about those changes. This is as it should be. In any event, there is ample evidence—the building itself is sufficient evidence—that the changes have been thoughtfully made by men in whom devotion to the building was instinctive. What is considered today should no more be characterized as vandalism or desecration than the thoughtful studied changes of the past.

EAST AND WEST EXTENSIONS

There have been proposals that the extensions be to the west rather than to the east. Based on surveys that have been made, there is strong evidence that the ultimate needs of the Congress can be met only through extensions to both the east and the west, but the following considerations give emphasis to the need for proceeding first with work to the east.

Among the items which were authorized by the present legislation are improvements to the restaurant facilities of both Houses; underground-transportation systems, and an underground garage designed to rid the forecourt of the Capitol from its present sea of asphalt and row upon row of cars. The authorization also includes security vaults and other improvements to the Capitol Grounds. It further permits modifications and additions to scheme B.

The present restaurant facilities are all located on the east side of the existing building; the dining rooms are on the first floor, and the kitchens are in the basement. Supplies to these kitchens and, in fact, all supplies to the building and all garbage and trash are now handled by sidewalk lifts in the east plaza. When and if an underground service approach is achieved, it will of necessity be on the east side.

The logical—and the only practical—location for the underground garage is below the east plaza; in fact, below the present parking area. Logically, the entrance to it is from the east side of the building. This garage can be approached by underground tunnels from the north and south and, possibly, from the west, so that all vehicular traffic can be removed from the area in front of the building. The landscape treatment, which now exists east of the present parking area, can then be extended up to the building itself. Elimination of cars and traffic from the forecourt of the Capitol and proper landscape treatment will give to the setting of the building the dignity which the building deserves.

The east side is the nearest and most convenient to the House and Senate Office Buildings and it is on the east side that the tunnels connecting the Capitol with these office buildings terminate.

Very few utilities of a nature which would be difficult to move exist under the east plaza. Those which do exist are steam and water mains, the moving of which creates no great problem. There exists a book tunnel from the Library of Congress, but this needs only to be shortened to be continued in use, at least until such time as the underground development takes place.

The east front urgently requires immediate attention, not only because the sandstone is badly cracked and deteriorated, but also because the east front constitutes the main approach to the Capitol for both pedestrians and vehicles and, in its present condition, constitutes a hazard, due to the possibility of injury to persons or vehicles from any sandstone which may erode and fall. So extensive is the deterioration of both stone and paint, the face which the building presents to the four or five million persons who annually use it is an unhappy one.

Any extensions to be made to the west front would require the demolition of a portion of the existing west terraces, as it would be impracticable, even though possible, to attempt an extension of the west front without first removing part of the terraces and then reconstructing the central area. Changes to the electrical systems of the Capitol and conversion from direct to alternating current, now planned, must be accomplished before any move can be made to change the structure on the west; also, most of the large air-conditioning equipment would necessarily have to be relocated in space not yet found or determined, and complex service and delivery problems would have to be resolved, provided a practical solution can be worked out, before extensions to the west front could be effected. Although extension of the west front would result in the acquisition of more space than on the east, the acquisition would be at a much greater cost.

From the viewpoint of those concerned with sentiment and with the preservation of the Capitol intact, in its present state and condition, it must be remembered that extension of the west front also effects the work of our first three architects and, on such basis, would fall into the same category of "desecration" and "vandalism" as is alleged against the east front extension. Should it happen that the same hue and cry

which has been raised over the extension of the east front should occur if the extension of the west front were attempted, the Congress would really be in a sorry plight for adequate space in which to do its work.

Extension of the east front will certainly afford immediate and substantial relief to the overcrowded and space-shortage conditions that now exist in the Capitol. Although there is good reason to believe that it, alone, will not meet the ultimate requirements of the Congress, it will alleviate conditions in this part of the building and provide much-needed additional office, committee, restaurant, and storage space. No matter what else is done about the building, expansion on the east side fulfills a logical demand. It is believed that any attempt to solve space requirements, without extension of the east front, would fail to satisfactorily accomplish its objectives.

The associate architects for the extension of the Capitol project, in collaboration with the Advisory Board of Consultants, have prepared preliminary plans and estimates of cost for the enlargement of the Capitol, which include the extension of the east front in substantial accordance with scheme B, but with the retention of the deep recesses now existing between the House and Senate wings and the central portion—this recess not having been provided in the original scheme B; also, another scheme, identified as scheme C, which, in essence, is a comprehensive or master plan for the Capitol Building and Grounds. Scheme C is inclusive of scheme B and goes further to include not only a subsequent extension of the west front and enlargement of the west terrace area, but also the underground garage, underground approaches and transportation systems and the development of the Capitol Grounds.

The extension of the east front is the logical first step in this overall plan for the reasons which have been pointed out. No such logical first step could be taken on the west, as there would remain too many unresolved matters on the east. It is essential therefore that the east front be undertaken first.

PLANS FOR EXTENSION

The associate architects retained for the extension of the Capitol project are: Roscoe DeWitt and Fred L. Hardison, architects of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, architects of New York City; and Jesse M. Shelton, architect of Atlanta, Ga. They are all members of the American Institute of Architects, and two are fellows of the institute. Alan G. Stanford, engineer of Atlanta, Ga., has been retained with this group.

A board of consultants retained for this project consists of John F. Harbeson, architect of Philadelphia, and Henry R. Shepley, architect of Boston, and, until his death, July 7, 1957, the board also included Arthur Brown, Jr., architect of San Francisco, Calif.—all fellows of the American Institute of Architects. Advisory services for this project are also being furnished by Gilmore D. Clarke, consulting landscape architect and engineer.

All were retained by the Architect of the Capitol at the direction of the Commission and were instructed by the Architect of the Capitol, also at the direction of the Commission, to prepare preliminary plans and estimates of cost for the project in such a manner that the Commission would be in a position to approve the program in whole or in part.

Last August I submitted to the Commission for the Extension of the United States Capitol a report on the preliminary plans and estimates of cost for this project, which embodied the recommendations of the associate architects and the consultants and my own approval of the plans and estimates. This report was presented to the Senate by Senator KNOWLAND and is contained in the CONGRESSIONAL RECORD of August 30, 1957. I am prepared to furnish copies of my report to the committee, if you wish me to do so, together with letters from the consultants endorsing my report as a correct presentation of their views.

As stated in my discussion of the east and west extension, it is proposed to proceed at this time with work under scheme B, as the first logical step of the master plan.

Under scheme B, it is proposed to leave most of the existing east front sandstone undisturbed; to let the old east sandstone walls remain as interior walls, wherever possible; and to make an exact replica of the present front in marble at a distance of 32 feet 6 inches beyond the present walls, but still well behind the front of the House and Senate wings. The details of the eastern central portion will be faithfully reproduced in marble for future generations to have and to hold.

This work should be done now when architects are still alive who are sensitive to the meaning and substance of traditional architecture and while artisans still live who can transmit traditional design to enduring stone. That time is not long.

Mr. McNAMARA. Mr. President, I think the RECORD should show that the suggestion made that Senators familiarize themselves with the plans which are involved in the extension of the east front is a timely one. It is the first time I have heard that suggestion made.

When we held hearings in the Subcommittee on Public Buildings and Grounds of the Committee on Public Works, the plans were not available for the subcommittee to consider. To the best of my knowledge, the plans still have not been made available to the Committee on Public Works or to any subcommittee of the Committee on Public Works.

I do not believe any Senator is going to be able to go downstairs to look at such plans. One can see models and one can see artists' drawings, but one cannot see the plans.

In the same report which has been referred to by the distinguished minority leader, in answer to a question the Architect of the Capitol stated that these plans were in the nature of plans being drawn by the Atomic Energy Commission or any other Commission, and that they cannot be made available—that there is a great deal of secrecy about them.

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

Mr. McNAMARA. I will yield in a moment.

To justify that statement, he said to the architects, who were very much concerned about this matter and who are well-qualified, world-renowned architects, that they could not see the plans, because the Commission had not authorized him to make the plans available to interested parties. I am pretty sure we are not going to see the plans if we go to the Architect's office.

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

Mr. McNAMARA. I yield.

Mr. KNOWLAND. I can give categorical assurance, because I have personally raised the issue with the Architect of the Capitol and with the Commission. Any United States Senator or any Member of the House of Representatives who wishes to examine the plans is welcome to do so. The Architect will make them available.

There are some factors and information relative to communications systems and other matters which, as in the case of the White House, are not generally made available to the public. I think the Senator thoroughly understands that situation. But there is not a Member of the Senate who is not most welcome in the office of the Architect of the Capitol, who is prepared not only to show him all the plans, but to take him on a personally conducted tour.

Mr. McNAMARA. That is a new situation. That has not been the case up to this time.

I think this assurance removes some of the secrecy. The result will be to make available to interested persons information as to the use to which this area is to be put, so that Senators can decide upon the necessity of private corridors in order that they may not have to bump into their constituents.

This assurance will make available to interested persons information as to the use to which the general area is to be put, by way of restaurants, and so forth, so that Senators can evaluate the plans for the use of the additional space. However, I think this offer comes very late. It would have been much better if it had been made at the time of the hearings.

Mr. KNOWLAND. Not later than yesterday I addressed an inquiry to the Architect of the Capitol as to the number of Senators who had requested an opportunity to examine the plans. He told me that not more than six Senators had ever asked to see the plans. I am sure they were available at all times; and I categorically say here today that every Senator will have full opportunity to examine any of the plans he would like to see.

Mr. McNAMARA. I am sure that the minority leader and I are in complete agreement, but I insist that this proffer is new.

Representatives of the American Institute of Architects had been to the office of the Architect of the Capitol and they were told that they could not see the plans. Then they were told to come back a day later. They returned a day later, and were told, "Now you may look at the plans, but you must be sworn to secrecy before you look at them." The representatives of the American Institute of Architects did not want to examine the plans under those circumstances. There would be no point in not being able to discuss them and make recommendations. They are interested in the Capitol, and they have a right to be interested. They are the ones upon whom we must rely. No matter on which side of the question a Senator may be, he must rely on technicians. None of us is a technician to the degree necessary to pass judgment on this question. As has been pointed out, the technicians disagree. They were found on both sides at the public hearings. However, those in opposition to the extension predominated.

Mr. KNOWLAND. Mr. President, I hold in my hand the annual report of the Architect of the Capitol for the year

ending June 30, 1938. Mr. David Lynn was then the Architect of the Capitol.

We have previously spoken of the model which has been on display in the basement since 1938, a period of some 20 years. I think Senators would be interested in a very brief descriptive statement of the model to be found on pages 7 and the top of page 8. The model was first authorized in 1903, when Mr. Joseph G. Cannon, of Illinois, was Speaker of the House of Representatives. That model, which shows the extension as it will be—except that the extension will not reach out so far as the model shows—was first exhibited in 1915 at the Panama-Pacific International Exposition in San Francisco, Calif.; next, in 1926, at the Sesquicentennial Exposition, in Philadelphia, Pa.; in 1928–29, at the International Exposition, Seville, Spain; and in 1937, at the Great Lakes Exposition, in Cleveland, Ohio.

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

Mr. KNOWLAND. I yield.

Mr. ELLENDER. I wonder if the distinguished Senator can tell us how much more space, how many more rooms, would be added if the construction were done as planned. The reason I ask the question is that Senators will recall that for 8 years I opposed the construction of the new Senate Office Building. I proposed instead that the east front of the Capitol Building be extended in order to make additional space available to Senators. That proposal would have cost far less than the construction of a new building, but it was rejected by the Senate.

I wonder why, since the new office building is under way, there is now a hue and cry to also extend the east front of the Capitol? We are to have the new Senate Office Building, where each Senator will be accorded a minimum of five rooms. In addition, there would be whatever rooms will be provided by the proposed extension.

Mr. President, each year the Congress seeks to impose economy upon the various agencies of our Government. I think it is up to the Congress to set a proper example. We should not seek to enforce one standard upon the agencies and then adhere to another ourselves.

It is my judgment now, as it was several years ago, that the taxpayers of our country would have been better served if Congress had expanded the east front of the Capitol in order to make additional space available to Senators and Members of the House of Representatives. I felt that was a more logical route to follow than constructing a new Senate Office Building.

My alternate plan was voted down, and the new Senate Office Building was built.

Now, we find that those who then opposed an east-front extension, as an alternative to a new Senate Office Building, want to eat their cake and have it, too; they want both the east-front extension and the new Senate Office Building.

I say that is no way to help our burdened taxpayers; it is no way for Congress to act, insofar as our relations with the executive department branches are concerned. It does not make sense for us to preach economy in other areas of government and then proceed to spend money unnecessarily upon ourselves.

I do not know how many more rooms this proposal would make available, but since we are now building the new Senate Office Building, and since the other body is building a new office building of its own, it is my opinion that the extra space this proposal would provide is unnecessary.

Mr. KNOWLAND. My recollection is that there will be some 40 or 45 additional rooms.

Mr. ELLENDER. What is proposed to do with those rooms?

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

Mr. KNOWLAND. I yield.

Mr. HAYDEN. The rooms will be divided between the House and the Senate. There will be 54 office rooms, 2 rooms mainly to be used for committee rooms, and 17 miscellaneous rooms.

Mr. ELLENDER. Those are in addition to all the rooms in the new Senate Office Building, are they not?

Mr. HAYDEN. Yes.

Mr. ELLENDER. Counting space in both the New and Old Senate Office Buildings, there will be assigned to each Senator five rooms, whether he needs them or not.

Mr. HAYDEN. The question is, Is it better to spend money to repair the old wall where it stands, or to make the proposed extension?

Mr. ELLENDER. I proposed to do that 3 years ago, and my proposal was turned down by the Senate. Now the Senator wants to build the extension. The new Senate Office Building is being constructed, irrespective of cost. More expenses will be saddled onto the taxpayers. If we add 50 more rooms, necessarily someone must take care of them. There must be more lights and more of everything else. There will be many additional costs.

Mr. KNOWLAND. But the fact is that whether we add a single room or not, the best advice of the Architect of the Capitol and other architects is that we shall have to reconstruct, even if it be in the present precise location, the walls of the Capitol where the east front is now located.

Mr. ELLENDER. I wish that when I made the suggestion on the floor of the Senate 2 or 3 years ago there had been as much interest shown as there is now. We might have saved the taxpayers $25 million or $30 million in the construction of the new Senate Office Building.

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

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. Let me say to the Senator from Louisiana that I voted, with him, against funds for the Senate Office Building in the first instance, but I changed, as he did, and voted for them the second time, when the plans were changed.

So far as the east front is concerned, I personally voted for such funds twice, not because of the additional rooms—that is merely incidental—but because the building is in such condition that the proposed construction must be done. If we must construct a new front for the Capitol, let us get the additional space, and build the Capitol the way it was originally designed. That was the form in which the proposal went through the Legislative Subcommittee of the Appropriations Committee 2 years ago.

Mr. JOHNSTON of South Carolina. Mr. President, personally I do not think we should be spending too much money at the present time. I believe that in the near future we ought to move the Capital to the center of the United States. I think there are a good many reasons why we should do so, and I believe we shall hear more on that subject in the future.

For that reason I do not think we should spend a great deal of money and do a great amount of repairing, remodeling, or additional building to provide more rooms in the Capitol Building. If something like that is to take place, I believe we shall be jeopardizing the safety of the legislative branch, because Senators and Members of the House are here practically the year round.

I think Senators will admit that we jeopardize our entire Defense Establishment by having so many high-ranking officers in the Pentagon Building.

The President, Vice President, and every other national official are in Washington most of the year round. That being so, I ask Senators what would the Russians have to do if they wished to knock us off the top of the earth? They could destroy all the national offices and all the leaders of the United States in only a few minutes.

Mr. SMITH of New Jersey. Mr. President, I ask for the yeas and nays on this important vote.

The yeas and nays were not ordered.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HILL. 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.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia [Mr. ROBERTSON] to suspend paragraph 4 of rule XVI of the Senate.

Mr. SMITH of New Jersey. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for a division.

The Senate divided.

The PRESIDING OFFICER. The motion having failed to receive two-thirds of the votes of the Members of the Senate present and voting, the motion is not agreed to.

Mr. THYE. Mr. President, I call up my amendment designated "3–6–58–B" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, between lines 13 and 14, it is proposed to insert the following:

PRICE SUPPORTS FOR DAIRY PRODUCTS

Notwithstanding the provisions of any other law, the price supports for whole milk, butterfat, and the products of such commodities for the marketing year beginning April 1, 1958, shall be not less than the price support made available for such commodities for the marketing year beginning April 1, 1957.

Mr. HAYDEN. Mr. President, I make the point of order that the amendment seeks to amend existing law on an appropriation bill. Therefore, it cannot be acted upon except by a suspension of the rule.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The Chair sustains the point of order.

Mr. THYE. Mr. President, I have moved to suspend the rule. I shall speak to the amendment briefly, and then ask for the yeas and nays on the question of the suspension of the rule.

Mr. President, I ask for the yeas and nays.

Mr. HAYDEN. Mr. President, I did not quite understand the Senator. Does he ask for the yeas and nays on the suspension of the rule?

Mr. THYE. My request for the yeas and nays is on the question of the suspension of the rule.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. THYE. Mr. President, I shall speak to the question. Later, I shall suggest the absence of a quorum and again ask for the yeas and nays on the question of the suspension of the rule.

My only reason for proposing to suspend the rule on the amendment is that an emergency exists. In the event no action is taken, the proposal of the Secretary of Agriculture to reduce the price supports on dairy products by 25 cents a hundredweight will take effect on April 1. If such a reduction occurs the dairy farmer will suffer a loss in income.

I can only judge by the past what benefits the consumer will receive from a 25-cents-a-hundredweight reduction in the price the farmers receive. In examining the question, we need only go back to the calendar year 1954, when dairy-price supports were lowered by Secretary of Agriculture Benson because the Executive had the right to establish supports between 75 percent and 90 percent of parity.

In 1954, when the price support was dropped 59 cents a hundredweight, there was reflected to the consumer, the person who bought a quart of milk, a reduction of only four-tenths of 1 cent. If the drop to the consumer was only four-tenths of 1 cent on a 59-cents-a-hundredweight reduction, what may we expect the drop actually to be on a quart of milk when the reduction is but 25 cents a hundredweight? Judging by what happened in 1954, I believe that such a reduction will not reflect a drop in the price to the consumer who buys a quart of milk in the Midwest area of the United States, where surpluses exist, and where we are not privileged to have Federal milk-marketing orders in operation, as they exist in 68 other national markets.

It is a little difficult, I can understand, for Senators who are not aware of what a farmer in the surplus area of the Nation receives for his milk to appreciate the situation.

Under the Federal milk-marketing orders in existence in the New England area, the producer in the Boston milkshed receives $6.36 a hundredweight.

The distinguished senior Senator from Wisconsin [Mr. WILEY] represents the largest dairy-producing State in the Nation. There the farmer who produces grade-A milk receives but $3.25 a hundredweight.

The Secretary of Agriculture announced on December 18, 1957, that he proposed to reduce that price by 25 cents a hundredweight, or to $3. That is the subject to which I am addressing myself this afternoon.

I might refer to other large city areas. An example is the Fall River, Mass., area in New England. There the producer receives $6.97 a hundredweight for 3.5 percent butterfat tested milk.

Consider the Springfield, Mass., area of New England. There the producer gets $6.90 a hundredweight.

On the other hand, we might consider the North Central section of the United States. In Minneapolis and St. Paul the price, under a Federal milk marketing order, is $3.81 a hundredweight. Why is that? Those cities are located in a vast area where large quantities of milk are produced. Besides Minneapolis and St. Paul, there are no other large cities to take the product as fluid milk, so it must go into manufacturing. If the Twin City milk price was much higher than the outlying creameries' price, the situation would be competitive, and a price war would be in progress. Consequently, that market must reflect a much lower milk order price than exists in the New England area or than will be found in Chicago or the Quad Cities in Illinois and Iowa.

This is why I am taking the time to discuss a proposal which I do not usually approve, namely, the suspension of the rule. But I would not have moved in this instance to suspend the rule if an emergency did not exist. Only 20 days remain between now and midnight of March 31. At that time the existing order, which provides for the present $3.25 a hundredweight for 3½ percent butterfat milk, will expire, and the price will drop to $3 a hundredweight for the milk. That is something which the farmer should not be made to suffer. The farmer cannot take such a loss, in view of the fact that today he lives in a semi-inflationary period, so far as the farmer's production costs are concerned. The farmer's taxes reflect the inflationary cost. He must pay that cost.

The farmer is living in a machine age. When he replaces a machine of any kind, he must pay the inflationary price for the new equipment. I need not tell Senators that today the cost of the farmer's tractor is double what it was 10 years ago. The same is true of fuel oil. Every price he must pay is at the inflationary level.

If we ask the dairy farmers to accept a price decrease now, we shall only aggravate the recession which today confronts the country and is a matter of serious consideration, not only in the Senate, but also in the House of Representatives.

If the purchasing power of the farmer is decreased, immediately there will be a depressed economic condition in the local communities, whether in Ohio, Minnesota, Illinois, Iowa, or any State where the outlet for dairy products is dependent upon manufacturing plants.

Mr. President, the States operating under the national marketing orders will not be affected by what the Secretary of Agriculture does on April 1—absolutely not. Before they could be affected, there would be required a long period of negotiations, preceded by notice of intent to open hearings on the subject of a decrease in the price of milk; such negotiations and conferences would have to be had before a decision as to the future price was reached.

Only the dairy farmers who produce milk to be used for butter and other milk products will be affected immediately if the price is decreased by 25 cents per hundredweight on April 1.

Both of the resolutions before the Committee on Agriculture and Forestry propose that the price of milk be frozen as it is today, relative to the price of grain and relative to all the agricultural price supports in effect today. These resolutions would, of course, affect wheat; they would stay the hand of the Secretary of Agriculture if he attempted to announce a lowering of the support price on wheat.

A resolution which now is on the calendar, after being reported by the Committee on Agriculture and Forestry, proposes that the hand of the Secretary of Agriculture be stayed as regards a reduction in the milk supports on April 1.

Mr. President, I had thought that the Secretary of Agriculture might change his mind during the past winter. When I returned to Washington on the reconvening of Congress, I called on the Secretary of Agriculture. I said to him that in my humble opinion he was in error, and should change his mind, and should immediately announce that he had no intention of reducing the support price on milk. However, he has not chosen to do so.

Up to this time, I have endeavored in every possible way, other than by legislative means, to prevent a reduction in the support price for milk.

I do not like to ask this legislative body to suspend the rule pertaining to the consideration of legislative amendments offered to an appropriation bill. However, that course is open to us; otherwise there would not be such a provision in regard to the rule. Of course there is a requirement that notice be given a day in advance, and I have done that. I propose to do my best to convince my colleagues that they should support the motion to suspend the rule, and thereafter should agree to an amendment which would have the effect

of freezing the price of milk at its present level. I must emphasize that such action must be taken before April 1.

Between today and April 1 I doubt that there will be time for the Senate and the House to pass a joint resolution to freeze dairy price supports. Furthermore, if there are variations in the form of the joint resolution, as passed by the respective Houses, it would have to go to conference and the conference report would have to be acted upon by both Houses. The measure would then be sent to the President, who would have 10 days in which to make his decision. If the President decided to veto the measure, it would be returned to the Congress, where a two-thirds vote would be required to override the President's veto.

Of course, Mr. President, a two-thirds vote is also required if the rule is to be suspended. Therefore, the same number of votes would be required in either case.

I say to the grain farmer—whether he be producing feed grains or whether he be producing wheat—that I will give him the same support in an attempt to establish by legislation a firmer price than the one he is now receiving. However, it would take longer to enact such legislation than it would to suspend the rule and to adopt such an amendment to the appropriation bill now before us.

On the other hand, in connection with the consideration of such new legislation, we would not be confronted with the April 1 deadline which faces us at this time with respect to dairy supports. The chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER] has announced that on next Wednesday the committee will proceed to study such measures, and will consider the holding of hearings, in an effort to determine what permanent farm legislation should be enacted. After that study is made, I hope the Congress will enact legislation similar to the measure which incorporates the self-help plan for dairy farmers. In the dairy producing area there is much sentiment in favor of such a bill. No farmer wishes to request that Congress provide supports for him, in the form of Treasury checks or Federal appropriations. The farmers much prefer to remain independent. But they cannot be entirely independent in an organized society and under an organized economy such as we have today.

Yesterday there was spread on the RECORD evidence in regard to the supports and subsidies given to various industries. Supports and subsidies are given in many ways and manners which, in many cases, are not exposed to the public. For instance, subsidies are received by the merchant marine. The existing tariffs, under the agreements between the United States and other countries, and under the United States own tariff structure, amount to subsidies.

Therefore, Mr. President, it will be proper for the Congress to enact into law a self-help plan for the dairy farmers. I shall support such a plan. I certainly shall endeavor to persuade my colleagues to vote for the necessary enabling legislation.

Likewise, I shall assist in the enactment of a more positive and helpful legislative program for the farmers who are engaged in the production of feed grains. I believe that in recent years the Congress has done a tremendous amount of good for agriculture by means of measures such as the authorization contained in Public Law 480, which permits surplus agricultural commodities to be sold, bartered, traded, or donated through international channels. Such operations are of assistance to the peoples living in areas of the world where there is not sufficient food or fiber for their own domestic needs and welfare. By that means, good will for the United States is created. Certainly the United States Government would have to spend a great deal of money if it were not for the existence of the surpluses of agricultural commodities which win for our country that which it now seeks to win in countries where there is a shortage of food or fiber.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. THYE. Mr. President, I am delighted to yield to my colleague, the Senator from North Dakota. There is no greater friend of agriculture than he, and there is no one who better understands agricultural problems and questions.

Mr. YOUNG. I thank the Senator from Minnesota very much.

Does he have available any figures regarding the price of milk at this time, as compared to the price 10 years ago?

Mr. THYE. No. I do have figures regarding the price of milk over a period of 5 years, in the so-called fluid milk area, or for the support level, in percentages, as of that time.

In 1952, the support level was 90 percent. At that time the support level, in terms of dollars and cents, was $3.85 a hundredweight for milk. That price applied to milk used for manufactured milk; it had nothing to do with the price of fluid milk or the price of milk under fluid-milk orders.

Today the price is $3.25, merely as a result of the fact that the support is holding the price at that level. That is the price for fluid milk in the surplus milk-producing areas. The Federal milk orders have been set forth; and, as I have stated, they range up to $6 or more. In fact, in one market I believe the price is as high as $7. I do not see it in the list I now have before me, but I know there are several markets where the price was $6.90 a hundredweight.

Mr. YOUNG. Does the Senator agree that the price the farmer receives for the milk he produces represents his wages, just as the salary check a laboring man receives at the end of each month represents his wages?

Mr. THYE. Yes. That is the dairy farmer's only source of income. Many farmers have, as their only source of income, the payments they receive for the milk they produce or for the veal calves they sell from their dairy herds or the amounts they receive from the occasional sale of a dairy cow or a dairy heifer which they have culled out. But many, many farmers in Minnesota—more especially in the northern part of the State; and the same is true of farmers in Wisconsin and Michigan who depend entirely, for their income or "wage," on the payments they receive for the milk they produce.

Mr. YOUNG. Does the Senator from Minnesota know of any other segment of the economy as to which there has been a Government proposal that its income be decreased at this time?

Mr. THYE. No, I do not know of any other. Today, minimum-wage laws are in effect; and I am thankful they exist. They maintain a reasonable floor or level under the payments received by the wage earners.

Mr. YOUNG. Dairy farming represents the best possible means of helping the small farmer continue to farm. Dairy farming does more to conserve the soil of the Nation than does any other type of farming.

It seems to me that it would be a pity at this time to decrease still further the price of dairy products, when the dairy farmer—of all farmers—has to work 7 days a week, not 5 days or 4 days. To decrease at this time the price he receives for his dairy products does not make sense. After all, his costs of operation have increased year after year.

I heard some figures stated on the floor of the Senate a little while ago that there are over 5½ million unemployed in the United States. About 7 million farmers have left the farms in the last 5 years, many of them, or most of them, to seek employment in the cities. If the farmers could have been kept on the farms, there would not have been any unemployment problem today.

Mr. THYE. The Senator from North Dakota is entirely correct in that contention, because every person who has left the farm and has gone to the city is another person who must seek unemployment compensation if he is unemployed. If he had been left on the farm, he would not receive unemployment compensation, though his income might drop to such a low amount that he could not meet his obligations. The dairy farmer has no means by which to draw on the Treasury, whether it be the State or National Treasury, for compensation benefits during a period when he has no earnings. He has to use his best resources and means to exist, until enough cows have freshened to give sufficient fluid milk to provide an income for him. The same farmer may go along for several months, able to get only a minimum flow of milk, waiting for a cow or a number of cows to freshen and supply milk which will provide an income for him.

Embodied in the proposal there are many questions that justify a continuation of supports at the present level. I have tried to outline roughly why I think it was unwise, first for the Secretary to announce his intention to roll back price supports, and, secondly, why I think I am justified in imposing upon my colleagues by my proposal to suspend the rule, when I personally have opposed such suspensions in the past.

As I have stated, I would not seek such a suspension now if we were not faced with an emergency. If we are willing

to vote huge sums of money for national public works programs, if we are willing to incur deficits by providing for reductions in taxes, and if we propose such measures to bolster our economy, I think it is inconsistent to force a recession upon the farmer by the mere stroke of a pen, which will result in a reduction of 25 cents in prices received for milk. I shall prove that the dairy farmer has done the best job of all in trying to bring his production in line with consumption and his ability to sell his products abroad.

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

Mr. THYE. I yield.

Mr. YOUNG. The Senator has undoubtedly read many columns by so-called political authorities to the effect that a drop in price supports affects only a few people, only about 12 percent of the total population. However, would not the Senator agree that such a drop would affect more than just those living on the farms? Is it not true that every small town with a population of from 5 to 10 thousand and even many with a population of as much as 50 to 100 thousand depends for survival almost entirely on farm income and providing vital services to agriculture? Is it not a fact that the income of the farmers affects the Nation as a whole directly and indirectly?

Mr. THYE. The Senator knows very well that if a farmer places an order for a $3,500 tractor—the price of many of them is in the $5,000 range—the implement dealer who has an opportunity to make a sale in the community, whether it be La Moure, or Devils Lake, or Jamestown, is the first person to feel the benefit of such sale. The sale also benefits the manufacturer, whether the product is manufactured in Minneapolis, Moline, Chicago, or in Waterloo, Iowa. Everyone concerned gets the benefit of the sale of the tractor, including the manufacturer and the skilled worker who makes the crankshaft, or piston, or any part of the tractor. The benefit of the sale is reflected in the steel mill which first produced either the steel or the iron. The benefit is reflected in the iron-ore mine in Minnesota, where workers are engaged in bringing out of the earth minerals which are sent to blast furnaces across the Nation. When a sale has been made in any community in Minnesota or North Dakota, the benefit of the sale is felt in all the channels of business, from the producer of the raw material, to the manufacturer of the product, to the seller. When the purchasing power of the countryside is increased, a parallel benefit is felt by employees in the factories.

In the 1930's, we tried to tell the people of the importance of maintaining the farmer's income. It was thought that the farmer was unimportant. People were told to forget about the farmer, that he does too much complaining. However, the day came when the purchasing power in the countryside fell to zero. Then there had to be action. Then the Commissioners Act was passed, and second mortgages were taken by the Federal land banks. Then the farmers regained possession of farms which were up for sale by the sheriff because of their inability to pay interest on their mortgages.

Mr. YOUNG. Mr. President, if the Senator will yield, I have just obtained some official Government figures, which I should like to state for the RECORD. In the last 5 years 6,672,000 farm people have left the farms. That figure is more than the total number of unemployed persons today.

In my State of North Dakota about half the people live on the farms and about half live in small towns and cities. Despite the fact that we are now one of the major oil-producing States in the country, 90 percent of our total income still comes from the farms.

The Senator from Minnesota may not be successful in obtaining a suspension of the rule, but I commend him for focusing attention on a very important problem, not only to the farmers, but to the entire Nation. If there is a desire that we have economic stability, we shall not attain it if we bankrupt agriculture. The loss of the farmer's income will be reflected in the country as a whole.

Mr. THYE. I have heard many noted economists state that the condition of the national economy can be judgd by observing the status of farm income. If farm income decreases, it is only a matter of months before the whole national economy will reflect the same reduction in income.

Mr. President, I stated before, and I now restate, that I shall support the freezing of the wheat price support at the present level. Much wheat last fall was sold directly from the combine to the cash market, because the market price was up near the loan value of the wheat. Therefore, much wheat went directly to the cash market rather than under a commodity loan.

I shall support a move to freeze the price support for wheat at its present level.

I shall support a move to establish the present supports on feed grains at the same level. I do not want to see our farm economy drop.

Any change we desire to make can be made in the future, because we have a greater time factor for taking such steps than we have now in the case of the dairy industry.

We need to take action at the present time on dairy price supports, or we will not accomplish the needed result. The situation is serious.

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

Mr. THYE. I am happy to yield.

Mr. YOUNG. I note the Senator's comment as to supporting the proposal to freeze the price supports of all commodities at not less than the level of last year. The level of last year, so far as dairy products and wheat and most other commodities are concerned, is a level which was set by President Eisenhower himself when he vetoed the farm bill of 2 years ago. Is that a correct statement?

Mr. THYE. That is correct.

Mr. YOUNG. The farm operating costs have gone up greatly in the past 2 years. If the figure fixed 2 years ago was a fair level for farm price supports, at that time, it certainly ought to be a minimum now. Does the Senator agree with that statement?

Mr. THYE. There is no question about it. That is why I was unable to concur with the Secretary in his statement that he was going to reduce price supports on wheat and was going to reduce price supports on dairy products. That action was inconsistent with the facts. The President had set the price supports at a time when farmers' costs were not so great as they are today. For that reason I felt perfectly justified in endeavoring to secure a continuation of at least the present price-support level.

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

Mr. THYE. I am delighted to yield.

Mr. YOUNG. Is there anything in the RECORD to indicate that the production of dairy commodities has been lowered as a result of price supports being lowered?

Mr. THYE. No. I shall now read some information from a chart I have, in order that there may be a positive figure in the RECORD.

I hope Senators will take note of the fact that in the calendar year 1952 the price supports on dairy products were at 90 percent of parity. This gave the farmer an average price of $3.85 for manufacturing milk.

At that time fresh milk sold to the grocer at an average of 22.8 cents a quart. The fresh milk delivered to the consumer per quart was 24.2 cents.

In 1953, dairy price supports were at the same level, and at that time the price to the grocer had dropped from 22.8 cents to 22.3 cents, or a one-half-cent drop. At that time the price of delivered fresh milk to the consumer was 23.4 cents.

In 1954, the Secretary lowered price supports on dairy products by 59 cents a hundredweight. Price supports were dropped to 75 percent of parity. That gave the farmer a price of $3.15. I refer to the time before the President's action. I hope Senators will bear that fact in mind.

The price per quart for fresh milk to the grocer at that time dropped to 21.9 cents. The price of fresh milk delivered to the consumer was 23 cents a quart.

In 1955 the President had not yet acted, and at that time the support price for manufactured milk was still $3.15. The price to the grocer for fresh milk was 21.9 cents per quart, and the price to the consumer of delivered fresh milk was 23.1 cents.

Then came the legislation of 1956, which the President vetoed. After that the President in his letter stated that the price support for dairy products should be maintained at $3.25. The support was set at that level, which gave the farmers 83 percent of parity. That support level brought about an increase in the price of a quart of fresh milk to the grocer to 22.6 cents per quart, and to the consumer, in the form of a quart of delivered milk, to 24.2 cents.

However, the price did not long remain at that level, because it was being forced up, even though the farmer's price support remained at $3.25. In the calendar year 1957 the dairy price support stayed at 83 percent of parity, or $3.25 to the

farmer. The cost of fresh milk per quart to the grocer was 24.3 cents. The fresh milk delivered to the housewife cost 25.8 cents a quart.

Even though the farmer's price support remained at $3.25, we have noted that the cost to the consumer went up. In reality, Mr. President, when the farmer in 1954 lost 59 cents a hundredweight for his milk the housewife rereceived four-tenths of 1 cent as a saving in the cost of a quart of milk delivered to her door.

In 1953, when the dairy price supports were at 90 percent of parity, the cost of a delivered quart of milk was 23.4 cents. When the dairy price supports were dropped to 75 percent of parity in 1954 the cost of a quart of milk delivered to the housewife was 23 cents a quart. That is only four-tenths of 1 cent as a saving to the consumer who was buying the quart of milk.

Do my colleagues here in the Senate think that the consumer is going to get a reduction in the price of a quart of milk in these circumstances, when the consumer only obtained a reduction of four-tenths of 1 cent when the price support dropped 59 cents a hundredweight? I think the question is answered by its simple statement, without any further attempt to explain it.

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

Mr. THYE. I am delighted to yield.

Mr. YOUNG. It would be easy for all of us, I think, if we could believe in the viewpoint that the lowering of price supports would take care of all the surpluses and all other farm problems. The entire history of agricultural production—and the figures are available from the Department of Agriculture—indicates exactly the opposite. Lowering of price supports will do nothing toward solving farm surplus problems.

If the Senator will permit, I should like to say a word about wheat at this point. A statement has been widely publicized recently which indicates that the cost of the wheat price support program was about $15 for every farmer in America, which is about as far from the truth as any statement I have ever read. It has also been claimed that when the consumer goes to the store to buy bread, it costs another additional $20 per family to purchase the bread as a result of the wheat price support program.

It is unbelievable to me that some of the figures which are thrown about would even be published by a responsible magazine or newspaper in America.

Let me state some figures as to wheat for the information of Senators. In 1948 the price support for wheat was $2 per bushel. The average cost of bread was 13.9 cents per loaf. The farmer received for the wheat which went into that loaf of bread 2.6 cents. During the intervening years the price supports went from $1.95 up to as high as $2.24 a bushel, and price supports in 1957 were again $2 a bushel.

In the meantime, the price support for wheat is exactly the same now per bushel as it was 10 years ago. Ten years ago the price support for wheat was exactly $2 per bushel, on the average, throughout the United States. The same figure applies for 1957. The price of wheat was $2 a bushel.

In 1948, the average cost of a loaf of bread was 13.9 cents. Today it is 18.8 cents a loaf. So, while the price of wheat remains the same, the cost of a loaf of bread to the consumer is up from 13.9 cents to 18.8 cents a loaf. These figures are from the Department of Agriculture.

If the farmer gave his wheat to the bakers of America, I doubt if it would affect the price of a loaf of bread more than 1 cent a loaf. The total cost of a loaf of bread today is 18.8 cents. Today the farmer receives only 2.6 cents for his part of that loaf of bread.

I ask unanimous consent to have printed in the RECORD at this point a table of figures which I obtained from the Department of Agriculture.

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

TABLE III

[In cents]

Year	Cash price-support level	Retail price of a 1-pound loaf of bread	Farm value of the wheat in a loaf of bread
1948	2.0	13.9	2.6
1949	1.95	14.0	2.4
1950	1.99	14.3	2.5
1951	2.18	15.7	2.6
1952	2.20	16.0	2.6
1953	2.21	16.4	2.5
1954	2.24	17.2	2.7
1955	2.08	17.7	2.7
1956	2.0	17.9	2.6
1957	2.0	18.8	2.6

NOTE.—Estimated number of families in the United States, 42,548,000.

Source: J. Murray Thompson, Price Division, Commodity Stabilization Service.

Mr. THYE. What the distinguished Senator from North Dakota has stated is absolutely correct. The situation in the dairy industry is much the same. If we consider the 5 years which I have listed on a chart, from the calendar year 1952 down through 1957, we find that when butter was supported at 90 percent of parity the price per pound of butter to the consumer was 85½ cents. When the percent of parity to the farmer dropped to 75 percent, the price of butter to the consumer was 72.4 cents.

In 1955, when the support price to the farmer was at 80 percent of parity, the price for butter averaged 70.9 cents. In 1956 when butter was supported at 84 percent of parity, a pound of butter then sold for 72.1 cents. When the percent of parity dropped in 1957 to 83 percent of parity to the farmer, the price to the consumer was 74.9 cents.

The same is true with respect to cheese. I could go through the index with respect to cheese or evaporated milk. In 1952, evaporated milk, under 90 percent parity, was 14.9 cents. In 1957, under 83 percent parity, it was estimated at 14.8 cents. These figures run through December. They are not exactly 100 percent accurate, because figures for the entire year had not been completely tabulated.

Because of the information it contains, I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

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

Year	Support prices for milk and dairy products (from Support Price Levels, Commodity Stabilization Service, Department of Agriculture)				United States average annual retail prices of dairy products (from Retail Food Prices by Cities, Bureau of Labor Statistics, Department of Labor)					
	Milk [1]		Butterfat [1]		Fresh milk, grocery	Fresh milk, delivered	Ice cream	Butter	Cheese, American process	Milk, evaporated (14½-ounce can)
	Support level	Average support price	Support level	Average support price						
	Percent	Dollars per hundredweight	Percent	Cents per pound	Cents per quart	Cents per quart	Cents per pint	Cents per pound	Cents per pound	Cents per can
1952	90	3.85	90	.692	22.8	24.2	31.4	85.5	60.7	14.9
1953	90	3.74	90	.673	22.3	23.4	30.1	79.0	59.8	14.6
1954	75	3.15	75	.562	21.9	23.0	29.6	72.4	57.6	13.9
1955	80	3.15	76	.562	21.9	23.1	29.0	70.9	57.7	13.7
1956	84	3.25	81	.586	22.6	24.2	28.9	72.1	57.2	14.0
1957	83	3.25	80	.586	[2] 24.3	[2] 25.8	[2] 29.6	[2] 74.9	[2] 57.8	[2] 14.8

[1] Support prices for marketing year beginning Apr. 1.
[2] Data for December 1957, only; 1957 annual average not yet published.

Mr. THYE. As I have previously stated, the farmer had tried his utmost to effect a reduction in his overall dairy operations so as to produce about what our domestic needs were, so that there would be no necessity for the Department of Agriculture to buy the surpluses.

The table which I have before me shows that total milk production has increased steadily since 1952 in spite of steady decrease in the number of milk cows on farms. It naturally follows that the reason for the increase in total milk production was the increase in milk production per cow. Milk production per cow increased 15 percent since 1952.

This was the result of better breeding, better management, and lower feed prices. The present occupant of the chair [Mr. PROXMIRE], from the great State of Wisconsin, knows very well that when corn is at 54 percent of parity, as it is now, and as it was during the late fall months, the dairy-feed ratio will be greatly increased, and therefore there will be greater production per animal.

Every time there is an abundance of cheap feed, there will be increased production per dairy cow, as well as an increase in poultry flocks, and also increases in other livestock, such as pork.

Let me say for the benefit of Senators who are listening, and who do not have the tables before them, that in the calendar year 1950 there were 21,944,000 head of milk cows on farms. In 1957,

although there had been 7 years of annual increase in the national population, there was a decrease in the number of milk cows on farms, to as low a figure as 20,510,000 head. That is an indication that the farmer was trying to reduce his production by reducing the number of cows on farms.

I ask unanimous consent that the entire table be printed in the RECORD at this point as a part of my remarks. It covers all the years from 1950 through 1957.

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

TABLE 1.—*Number of cows, milk production per cow, and total milk production, 1950–57*

Year	Average number of milk cows on farms	Milk production per cow	Total milk production
	Thousands	*Pounds*	*Million pounds*
1950	21,944	5,314	116,602
1951	21,505	5,333	114,681
1952	21,338	5,374	114,671
1953	21,691	5,542	120,221
1954	21,581	5,657	122,094
1955	21,193	5,810	123,228
1956	20,900	6,004	125,474
1957	20,510	6,162	126,381

Source: Agricultural Marketing Service, U. S. Department of Agriculture, Feb. 19, 1958.

Mr. THYE. Table 2 shows total supply of feed concentrates and feed grains, as well as supply per animal unit for the period 1952–57. The total supply of feed concentrates and feed grains has shown a steady increase each year since 1952. The total supply of feed concentrates increased from 167.1 million tons in 1952 to 218.5 million tons in 1957, and the feed concentrates supply per animal unit increased from 1.05 tons in 1952 to 1.34 tons in 1957. The total supply of feed grains increased from 90.6 million tons in 1953 to 121.1 million tons in 1957, and the feed grain supply per animal unit increased from 1,141 pounds in 1953 to 1,490 pounds in 1957.

The fact that a more than ample supply of feed grains is available at relatively low prices is directly responsible for the increased milk production per cow.

I ask unanimous consent that the entire table be printed in the RECORD at this point as a part of my remarks.

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

TABLE 2.—*Total supply of feed concentrates and feed grains*[1] *and supply per animal unit, 1952–57*

Year	Total supply feed concentrate	Concentrate supply per animal unit	Total supply of feed grains	Feed grain supply per animal unit
	Million tons	*Tons*	*Million tons*	*Pounds*
1952	167.1	1.05	[2]	[2]
1953	172.5	1.10	90.6	1,141
1954	181.7	1.13	94.7	1,209
1955	196.4	1.19	107.6	1,333
1956	200.5	1.23	116.7	1,409
1957	218.5	1.34	121.1	1,490

[1] Corn, oats, barley, and sorghum grains only.
[2] Not available.

Source: The Feed Situation, January 1958, AMS, USDA.

Mr. THYE. Table 3 shows the purchases of the United States Department of Agriculture by year since 1952. In 1952, when total milk production was at 114.7 billion pounds, the United States Department of Agriculture purchases amounted to only 300 million pounds. However, in 1953 the United States Department of Agriculture had to purchase 10 billion pounds—whole-milk equivalent—because of the substantial increase in production that occurred during that year. Although milk production has continued to increase, the United States Department of Agriculture purchases has been substantially below the 1953 level and in 1957 amounted to only 5.9 billion pounds. This was only 4.7 percent of the total milk production of this land.

Under Public Law 480, we have used surplus dairy products in payments for NATO base construction. We have used them for barter in foreign countries, and, above all, we have won friends who stand with the United States now in countries where there was a food deficit and where our dairy products have served a most worthy purpose.

I now send to the desk a table covering all these figures, in order that they may stand as evidence of what I am bringing out this afternoon when I say that the dairy farmer has endeavored to reduce production and spare the Treasury support payments. I ask that the table be printed in the RECORD at this point as a part of my remarks.

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

TABLE 3.—*Total milk production in the United States and purchases by the U. S. Department of Agriculture*

Year	1952–57		
	Total milk production	U. S. Department of Agriculture purchases	U. S. Department of Agriculture purchases as a percent of total production
	Whole milk equivalents, billion pounds	*Whole milk equivalents, billion pounds*	*Percent*
1952	114.7	0.3	0.2
1953	120.2	10.0	8.3
1954	122.1	9.1	7.5
1955	123.1	4.7	3.8
1956	125.5	5.2	4.1
1957	126.4	5.9	4.7

Source: Dairy Situation, February 1958, AMS, USDA.

Mr. THYE. Mr. President, the dairy products which were purchased by the United States Department of Agriculture, as shown in table 4, became valuable assets both domestically and in our foreign relations. Domestically they provided our schoolchildren, our needy persons, and other less fortunate persons in this country with one of the best foods in America; and in foreign countries these foods were used to stave off famine and disaster. During the period 1953–57, total donations of dairy products, both foreign and domestic, amounted to $1,133 million, which was 67 percent of total food donations both at home and abroad.

That is how the farmer has aided the Nation in its endeavors not only to win friends abroad, but also to take care of our schoolchildren under the school-lunch program. I ask unanimous consent that the chart be printed in the RECORD.

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

TABLE 4.—*Donations of dairy products and other foods domestic and foreign during the fiscal years 1953–57*

Donations	Dairy products	Other foods	Total donations	Dairy products as a percent of the total
	Million dollars	*Million dollars*	*Million dollars*	*Percent*
Domestic	459.0	404.0	863.0	53
Foreign	674.0	153.0	827.0	81
Total	1,133.0	557.0	1,690.0	67

Source: CCC, USDA.

Mr. THYE. Mr. President, chart No. 5 is a table which shows that the total cost of the dairy price-support program from the period October 17, 1933, through December 31, 1957, has amounted to only $2,103,400,000. This table shows not only donations, but also dollar sales, barter, and Public Law 480 sales.

Mr. President, I ask unanimous consent that the table may be printed in the RECORD at this point in my remarks.

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

TABLE 5.—*Realized cost of the dairy price support program for the period October 17, 1933, through December 31, 1957, by program*

	Amount (millions)
Gain or loss on sales of CCC price support commodities:	
Dollar sales:	
Export	$110.1
Domestic	106.6
Barter	.3
Public Law 480, title I	[1] .4
Public Law 480, title II	[1] 2.4
Sec. 402, ICA	.7
Sec. 32	6.4
Other—Sales to other Government agencies	78.1
Subtotal	299.4
Cost of CCC price support commodities donated and payments made for the increased consumption of fluid milk, Public Law 439, 81st Cong., as amended:	
Sec. 202 (Armed services and veterans	97.6
Sec. 202 (Increased consumption of fluid milk)	147.1
Sec. 416 (Needy persons, institutions, etc.):	
Domestic	276.4
Foreign	742.8
Other	.9
Subtotal	1,264.8
Other program adjustments	[1] .4
Total CCC nonrecourse loan purchase and payment programs	1,563.8
Donations of commodities to other nations (Public Law 480, title II)— Subtotal, Public Law 480, title II	71.2

[1] Denotes gain.

TABLE 5.—*Realized cost of the dairy price support program for the period October 17, 1933, through December 31, 1957, by program*—Continued

	Amount (millions)
Commodities sold for foreign currencies under Public Law 480, title I:	
Subtotal	$24.1
Less: Foreign currencies collected	16.1
Subtotal, Public Law 480	8.0
Removal of surplus agricultural commodities—Cost allocable to specific commodities, sec. 32	458.9
Acreage allotments and marketing quotas:	
Subtotal	.5
Total realized cost	2,102.4

Mr. THYE. Mr. President, table 6 shows the total number of persons who have benefited from donations and grants of agricultural commodities by the United States Department of Agriculture. In 1957, 11.9 million schoolchildren benefited from surplus commodities in the United States while 1.4 million people in institutions and 3.2 million needy persons also received help. Dairy products constituted 53 percent of total domestic donations and 81 percent of foreign donations. The Department of Agriculture estimates that a total of more than 75 million people at home and abroad have received donations of our surplus food.

Without the dairy surplus we would not have been able to assist the needy people, or have taken the other welfare actions which the surplus foods have permitted us to take.

I ask unanimous consent that this chart also be made a part of my remarks.

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

TABLE 6.—*Number of persons receiving surplus [1] commodities in the United States*

[In millions]

Year	Children in school	Persons in institutions	Needy persons	Total
1953	9.4	1.3	0.1	10.8
1954	9.7	1.4	.8	11.9
1955	10.2	1.3	2.2	13.7
1956	10.9	1.4	2.7	15.0
1957	11.9	1.4	3.2	16.5

[1] Dairy products constitute 53 percent of domestic donations and 81 percent of foreign donations.
This does not include the school milk program, the Armed Forces dairy products program, or other programs not considered donations.
The Department of Agriculture estimates that a total of more than 75,000,000 people at home and abroad receive donations of our food.

Source: Sharing America Abundance, USDA.

Mr. THYE. Mr. President, table No. 7 shows domestic disappearance of dairy products from commercial sources. In 1952, 1,102 million pounds of butter moved through domestic channels of trade. In 1957, this had increased to 1,273 million pounds. American cheese increased from 806 million pounds to 817 million pounds, and nonfat dried milk increased from 690 million pounds to 781 million pounds. Fluid milk and cream increased from 53,224 million pounds in 1952 to 57,993 million pounds in 1957.

The total disappearance of all dairy products in milk equivalent from commercial sources increased from 106,510 million pounds in 1952 to 112,835 million pounds in 1957.

I have a table which lists every one of these figures specifically, and I ask unanimous consent that it may be printed in the RECORD at this point.

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

TABLE 7.—*Domestic disappearance of dairy products from commercial sources*

[Million pounds]

Year	1952–57				
	Butter	American cheese	Nonfat dry milk	Fluid milk and cream	Total disappearance in milk equivalents from commercial sources
1952	1,102	806	690	53,224	106,510
1953	1,079	770	630	53,380	105,795
1954	1,141	816	767	54,358	108,035
1955	1,187	777	815	55,678	110,170
1956	1,175	806	742	56,883	111,683
1957	1,273	817	781	57,993	112,835

Source: Dairy Situation, February 1958, AMS, USDA.

Mr. THYE. Mr. President, I have other charts which are just as important as the ones I have placed in the RECORD. They should convince the Senate that at this time the supports on dairy products should not be reduced, because it will immediately effect a reduction in the farmer's purchasing power, and it will also drive some of the young farmers off the farms, especially those who do not have the financial means with which to withstand such a loss in income. The consequence will be that such a young farmer will have to sell his farm, and will be added to the rolls of those who seek employment in community centers and in the large cities.

That is the main reason for my pleading here today. My main concern is not for the established farmer, who can suffer a year or two of a slight recession, but for the young farm families, particularly the young persons who came back from World War II or the Korean war and bought farms and commenced farming under the inflationary prices which then prevailed. They are today attempting to pay their obligations, with an increased interest rate and reduced income.

The only commodities which have been firm in the past few years have been pork and beef. The only reason that beef has been firm is that the drought years reduced the brood herds, and therefore the beef cattle population of the country has been low. The replenishing of the brood herds in the grazing areas has kept cattle from the feed lots. Therefore we have had a relatively few number of cattle going to the feed lots, and the prices remain firm. It is not the farm program that has kept them firm. It was the drought, which reduced the potential production and the productive ability of the vast grazing areas, because the brood herds were liquidated.

Pork has been relatively firm, although many a farmer was financially hurt when pork prices were low a few years ago. However if we let the feed prices continue at the present level—corn is 54 percent of parity—we will see what will happen to pork production and to turkeys and poultry.

Mr. President, I ask unanimous consent that table No. 8 be printed in the RECORD at this point.

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

TABLE 8.—*Average daily sales in 1957 as a percent of sales in 1956 in specified Federal order market areas*

Market area	Whole milk	Skim milk	Milk and cream mixtures [1]
Boston, Mass.	101	104	[2]
Philadelphia, Pa.	101	105	169
Cleveland, Ohio	105	111	110
Chicago, Ill.	101	110	100
Detroit, Mich.	101	100	114
Milwaukee, Wis.	104	114	116
Minneapolis-St. Paul	103	104	102
St. Louis, Mo.	103	109	111
Louisville, Ky.	102	111	120
Knoxville, Tenn.	100	103	126
Corpus Christi, Tex.	104	99	101
Pudget Sound, Wash.	102	102	104
Fort Smith, Ark.	114	97	108
Average for 34 markets	102	106	104

[1] Includes mixtures of milk and cream with milkfat content higher than whole milk and lower than the minimum for fluid cream.
[2] Not available.

Source: Fluid Milk and Cream Report, February 1958, AMS, USDA.

Mr. THYE. Mr. President, I ask unanimous consent to have table No. 9 printed in the RECORD at this point.

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

TABLE 9.—*Comparison of rates of change of United States population and total milk production*

Year	Yearly		Yearly	
	United States population	Rate of change	Milk production	Rate of change
	Number	*Percent*	*Number*	*Percent*
1952	156.4		114.7	
1953	159.0	1.7	120.2	4.8
1954	161.8	1.8	122.1	1.6
1955	164.6	1.7	123.1	.8
1953	167.5	1.8	125.5	1.9
1957	170.5	1.8	126.4	.7

Mr. THYE. Table No. 10 shows the average hourly earnings of dairy-farm operators in Wisconsin compared to dairy price supports.

The studies of the United States Department of Agriculture show that dairy farmers in Wisconsin have extremely low hourly income earnings. Wisconsin is one of the finest dairy States in the United States. It has some of the finest dairy herds to be found anywhere outside my own State of Minnesota.

In 1953, western Wisconsin dairy farmers earned an average of 53 cents an hour, and in 1957, 48 cents an hour; while eastern Wisconsin farmers earned only 50 cents an hour in 1953, and only 37 cents an hour in 1957.

Some of the eastern Wisconsin farmers belong to the Chicago milkshed, and therefore they have the benefit of the firm price that exists in the city.

When farmers in eastern Wisconsin receive only 50 cents an hour, as they did in 1953, and only 37 cents an hour in 1957, we know what has happened to

the dairy farmers' prices. The prices have been dropping. The drop in price, of course, is reflected in a farmer's income.

In 1953 price supports were at 90 percent of parity. In 1954 the Secretary of Agriculture dropped price supports to 75 percent of parity, and farmers in western Wisconsin earned only 33 cents an hour, and 38 cents an hour in eastern Wisconsin.

In 1956, price supports were at 81 percent of parity for butterfat and 84 percent for manufacturing milk. In this year the average hourly earnings increased to 52 cents an hour in western Wisconsin, and to 43 cents an hour in eastern Wisconsin.

In 1957, price supports were at 80 percent for butterfat and 83 percent for manufacturing milk, and farmer income dropped to 48 cents an hour in western Wisconsin, and to 37 cents in eastern Wisconsin.

So the farmer's wage per hour reflects the price of milk. If the price drops 25 cents a hundredweight the 1st of April, that will cause a decrease in the farmer's income and will be indicated in his next milk check.

The Department of Agriculture has not collected information about hourly earnings in Minnesota. If price supports are allowed to drop to 75 percent of parity, that can only mean that the average hourly wages of all farmers, including Wisconsin farmers, will be lowered substantially. They will be lowered in every area where there is a substantial amount of dairying being carried on.

Mr. President, I ask unanimous consent that a table entitled "Average Hourly Earnings of Dairy Farm Operations in Wisconsin Compared to Dairy Price Supports, 1953–57," be printed at this point in the RECORD.

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

TABLE 10.—*Average hourly earnings of dairy farm operations in Wisconsin compared with dairy price supports, 1953–57*

Year	Hourly earnings		Level of price supports			
			Percent of parity		Average support price	
	Eastern Wisconsin	Western Wisconsin	Butterfat	Manufacturing milk	Butterfat	Manufacturing milk
	Cents	*Cents*				
1953	0.50	0.53	90	90	0.673	3.74
1954	.38	.33	75	75	.562	3.15
1955	.29	.35	76	80	.562	3.15
1956	.43	.52	81	84	.586	3.25
1957	.37	.48	80	83	.586	3.25

Source: Farm Costs and Returns, ARS, USDA.

Mr. THYE. Mr. President, I should like to mention for the record a few of the large cities which are under Federal milk marketing orders but which are not in any sense affected by the 25-cent-a-hundredweight reduction. Neither do they reflect, in the reference to national quotas, what is parity, because in the national quotas what a farmer gets for milk which is sold to a condensery, cheese factory or butter plant is entirely different with respect to the return to the farmer than the return from a gallon or a hundredweight of milk which goes into a fluid milk market, such as Washington, Boston, New York, or other large cities which are under Federal milk marketing orders.

For instance, in the New England area, every one of the 6 major cities which are under milk marketing orders has prices which range from $6.36 to $6.97 a hundredweight.

In some of the southern and southwestern cities the situation is similar. In San Antonio, Tex., the milk marketing order provides for $5.79 a hundredweight; in Corpus Christi, it is $5.37 a hundredweight; in the Texas Panhandle area, it is $5.40 a hundredweight.

Mr. President, a farmer who produces milk for a creamery, a cheese factory, or a condensery will have 25 cents a hundredweight taken off the price he receives for his milk beginning April 1, unless we, this afternoon, suspend the rule and then amend the appropriation bill. That is the only avenue which is open to us to have such a provision enacted before April 1.

I would have preferred to follow the course of legislation through the Committee on Agriculture and Forestry of which I am a member and of which my colleague, the junior Senator from Minnesota [Mr. HUMPHREY], is a member, and to have had the Senate act on the 2 resolutions which are on the calendar, 1 to freeze all farm commodities at their present level, the other to freeze dairy prices at $3.25 a hundredweight. But if such a legislative avenue were taken, I am afraid that April 1 would have arrived and we would not have effected a freeze in the price supports for dairy products.

That is why I am asking this afternoon to have the rule suspended, even though ordinarily I am opposed to such a procedure. I am anxious to have this legislative amendment added to the appropriation bill, because it is the only way by which we can be positive that such a provision will become law before April 1.

Mr. LANGER. Mr. President, I associate myself with the remarks of the distinguished senior Senator from Minnesota. I think he has done outstanding work in calling the attention of the Senate to the plight of the farmer and the dairyman. I shall certainly vote with him to have the rule suspended.

Mr. THYE. I thank the Senator from North Dakota.

Mr. COOPER. Mr. President, I support the motion of the distinguished senior Senator from Minnesota and his amendment to maintain the dairy-price supports at the present level. I oppose the reduction of price supports as announced by Secretary of Agriculture Benson to become effective April 1.

I have received hundreds of letters from dairy farmers in every section of Kentucky, pointing out the losses they will suffer if dairy-price supports are lowered on April 1. Every dairy cooperative and every farm organization in my State, that I know of, supports the effort to reverse the proposed action.

I concur in the statements which have been made by my colleague from Minnesota, who has pointed out that such action is unnecessary and unjustifiable. I think it has been shown that the consumption of milk is now increasing faster than the production of milk. Government stocks of milk are down sharply. The dairy industry itself is doing outstanding work in advertising to promote the consumption of milk. This is being done through the contributions of dairy farmers all over the Nation.

I do not suppose it is widely known, but it is a fact that Kentucky ranks 13th in the Nation as a producer of dairy products. In the production of cheese, Kentucky is surpassed only by Wisconsin and Missouri.

Approximately 60,000 farm families in Kentucky depend on dairying as a source of cash income. The gross farm income from dairy products in Kentucky in 1956 amounted to $99 million.

It has been calculated that if the proposed cut should become effective, it would mean an estimated loss to dairy farmers in Kentucky of approximately $5,865,200 annually.

I agree with my colleague from Minnesota that this is not the time to reduce the income of dairy farmers. I do not intend to support any measure which will lower the income of the farmers at this time. I concur in the arguments which have been made by my able colleague from Minnesota and by other Senators. I intend to support the motion and the amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement showing the volume of milk production and of dairy products in Kentucky, and the effect which the lowering of price supports would have upon the dairy industry of Kentucky.

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

Dairy statistics for the State of Kentucky

In 1957:

Milk production on farms in Kentucky (pounds)	2,666,000,000
The average production per cow (pounds)	4,580
Average number of milk cows in Kentucky (excludes heifers not yet fresh)	582,000
Creamery butter produced (pounds)	16,270,000
American cheese produced (pounds)	50,140,000

Kentucky ranked third in 1957 in the production of American cheese—being surpassed only by Wisconsin and Missouri.

Source: Milk Production on Farms and Statistics of Dairy Plant Products, 1957, AMS, USDA, February 1958.

In 1956—last year for which statistics are available by States by commodities—the total cash receipts from farm marketings in Kentucky, $555,249,000, the total cash receipts from marketings of dairy products, $78,732,000.

For Kentucky, the income from the sale of dairy products ranked third, exceeded only by the receipts from the sales of tobacco and cattle and calves.

Source: The Farm Income Situation, September 1957, AMS, USDA.

1954: There were 37,444 farms reporting sales of whole milk in Kentucky.

1954: The total pounds of whole milk sold was 1,189,141,860 at a value of $41,731,888.

1954: There were 19,942 farms reporting cream sold.

1954: The total pounds of butterfat sold was 6,111,717 at a value of $2,606,821.

Source: Agricultural Census of 1954, United States Department of Commerce.

If the support price for manufacturing milk were changed from the present $3.25 per hundredweight level to 75 percent of parity or $3.03 per hundredweight, the estimated loss to dairy farmers in the State of Kentucky would be $5,865,200.

If the support price for manufacturing milk were changed from the present $3.25 per hundredweight level to 60 percent of parity or $2.37 per hundredweight, the estimated loss to dairy farmers in the State of Kentucky would be $23,460,800.

Mr. PROXMIRE. Mr. President, I rise in support of the motion of the Senator from Minnesota [Mr. THYE]. Today he has made an excellent statement in support of the dairy farmer.

Wisconsin is the No. 1 dairy State of the Union, and we are very proud of that. It is my understanding that Wisconsin produces nearly twice as much milk as does any other State of the Union.

If the announced order of the Secretary of Agriculture to reduce the price supports on dairy products is put into effect, it will be a devastating blow, not only to the Wisconsin dairy farmers, but to the Wisconsin economy generally.

I believe the Senator from Minnesota [Mr. THYE] has clearly shown that today the No. 1 victim of economic injustice in the country is the farmer; and of all the farmers, I believe the dairy farmer is right in the forefront as the chief victim.

The fact is that the farmer's income is less than half the income of those who do not work on the farms, even though the farmer works much longer hours than do those who do not work on the farms. As a matter of fact, in Wisconsin the average dairy farmer—as shown by very responsible statistics which have been prepared by the University of Wisconsin—works 12 hours a day, or nearly 1½ hours more each day than do farmers throughout the country as a whole.

I believe that the case which has been made by the Senator from Minnesota [Mr. THYE] is unanswerable, because if price supports are reduced—as proposed by the Secretary of Agriculture—the problem from the standpoint of either the consumer or the taxpayer or the farmer will not be solved. The record shows that a reduction in the price supports for dairy products will not mean a reduction of production. On the contrary, Mr. President, the forecast is that during the coming year, milk production will increase substantially. That is shown by a publication which I hold in my hand; it was released 3 days ago by the Department of Agriculture itself, and is entitled "The Dairy Situation." Although the Secretary of Agriculture assumes he will be able to cut the price supports for milk, this publication estimates that during the coming year milk production will increase substantially. The Department of Agriculture itself knows that a reduction of the price supports will not reduce the production of milk.

Furthermore, Mr. President, tables which are included in the article which has come from the Department of Agriculture also prove that the proposed reduction in price supports will not increase the consumption of milk. In other words, the action proposed to be taken by the Department of Agriculture will not solve the problem either on the supply side or on the demand side.

In conclusion, I should like to say that the Senator from Minnesota [Mr. THYE] has shown that Wisconsin farmers have an average hourly income which varies between 35 cents and 48 cents. Let me repeat those figures, Mr. President: Wisconsin farmers—who have a capital investment, on the average, of $35,000, and who work 12 hours or more a day, and who have no vacations—have an average hourly income, so the Department of Agriculture itself admits, of between 35 cents and 45 or 48 cents.

What will happen if the proposed order of the Secretary of Agriculture goes into effect is this: In many cases, Wisconsin farmers will have no hourly income at all. On the average, their income will be reduced to 25 or 30 cents an hour.

Mr. President, it seems to me that this afternoon the Senate has an opportunity to do something about the recession which is occurring in the country. At this time the Senate has an opportunity to take a constructive step toward protecting the present income of the farmers. The Senate will do that if it agrees to the motion of the Senator from Minnesota to suspend the rules, and if thereafter it agrees to the amendment to which he has referred, and if eventually the amendment is enacted into law.

I feel very strongly that if such action is not taken, the order of the Secretary of Agriculture will result in a further recession and depression, not only in Wisconsin, Minnesota, North Dakota, New York, and the other dairy States, but throughout the Nation.

Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I request the indulgence of the Senate for only a few minutes.

As will be recalled, yesterday I had before the Senate a motion to suspend the rules, in order to offer a very simple cotton amendment. I believed then, and I believe now, that that motion to suspend the rules and that amendment were in a much better position to receive favorable action by the Senate than is the pending motion of the Senator from Minnesota.

Mr. President, today there is on the calendar a measure which I am sure will be acted upon by the Senate this week. It will do the very thing the Senator from Minnesota seeks to have done. Not only that, but there is also on the calendar a measure—Calendar No. 1377—which will preclude any reduction in support prices or acreage allotments for all commodities until Congress can make appropriate changes in the price support and acreage allotment laws. That measure covers all commodities.

As I said on yesterday, the only reason I advocated the cotton amendment was the fact that the pending bill will provide more funds for the Soil Bank and will result in taking more acres out of the production of cotton. That was the only reason I made my effort to have the Senate vote to suspend the rules.

Mr. President, the Committee on Agriculture and Forestry worked diligently this week to report the two joint resolutions to which I have just referred. They are Calendar No. 1376 and Calendar No. 1377, Senate Joint Resolution 163 and Senate Joint Resolution 162. The committee reported them because of its belief that this is not the time to lower price supports on farm commodities.

I have a chart which indicates that last year income to persons on farms of the Nation was less, percentagewise, as compared with national income, than at any other time since figures of this sort have been kept by the Department of Agriculture, and they have been kept since 1910. The net income of persons on farms, from farming, as a percentage of the national income, in 1910 was 14.1. At the present time it has decreased to 4.2 percent. As a matter of fact, the net income of persons on the farm, from farming, as a percentage of the national income, is even less today than it was during the depression days of 1933 and 1934.

So, Mr. President, I say that it would be disastrous to lower farm income at this time; and I believe that fact is what prompted the Committee on Agriculture and Forestry to report, almost unanimously, to the Senate the two joint resolutions which would freeze farm support prices and acreage allotments at the 1957 levels.

Mr. President, the two resolutions will be considered this week. As I said yesterday, I have spoken to the leadership on the House side. I believe that by next week the bills, which I hope will pass the Senate this week, will be considered by the House, so that both resolutions will be on the desk of the President within 2 weeks, that is, before April 1, when dairy support levels will be reduced as the law now stands.

Mr. President, my good friend from Minnesota has made a good case, but I do not believe the amendment should be attached to the appropriation bill, since, as I have said, there are measures on the calendar designed to cure the evils of which he complains.

I ask unanimous consent that there be inserted in the RECORD at this point a table showing the net income to persons on farms from farming in comparison with the national income.

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

Net income to persons on farms from farming as a percentage of national income [1]

	Percent
1910	14.1
1912	14.2
1914	12.8
1916	11.3
1918	16.4
1919	14.9
1920	11.9
1921	7.0
1922	8.3
1923	8.2
1924	8.0

[1] Includes Government payments.

Net income to persons on farms from farming as a percentage of national income—Con.

	Percent
1925	9.9
1926	8.4
1927	8.3
1928	8.4
1929	8.1
1930	6.7
1931	6.6
1932	5.8
1933	7.4
1934	6.9
1935	10.3
1936	7.7
1937	9.4
1938	7.8
1939	7.4
1940	6.8
1941	7.8
1942	8.9
1943	8.6
1944	8.0
1945	8.3
1946	9.9
1947	9.4
1948	9.4
1949	7.2
1950	7.0
1951	7.2
1952	6.4
1953	5.4
1954	5.2
1955	4.6
1956	4.3
1957	4.2

Source: AMS, USDA.

Mr. IVES. Mr. President, I am a typical example of what happens in the Senate after one sits here a long time and listens to extended debate. I had not expected to say a word on the pending question. Now I think I shall.

I am strongly in favor of the amendment offered by my distinguished colleague from Minnesota. My answer to the distinguished Senator from Louisiana is simply this. The joint resolutions reported by the Committee on Agriculture and Forestry, and particularly the one which parallels the amendment now before the Senate, may be passed by the Senate this week. We do not know, but it is possible that one or both will be. It is possible that they will be passed by the House the following week. We do not know. We have no way of knowing.

The one pertaining to milk and milk products may reach the President before the end of the month. It may not be approved by the President, it may be vetoed. Then will come the question of trying to pass it over the veto. It will then be too late, because the whole problem will come to a head on April 1. If we are going to do anything, we shall have to complete our action before April 1. That is the reason why the distinguished Senator from Minnesota is offering the amendment. If we can incorporate it in the bill, it will be before the President before April 1. Undoubtedly he will have to approve the bill. That will take care of the situation. That is why I am for the amendment.

Generally speaking, I do not approve amendments of this type to appropriation bills. I do not approve of putting substantive matters in appropriation bills. However, there exists a real and dire emergency. I should like to say, for the information of Senators, that I come from the second largest milk-producing State, New York. This proposal means a great deal to the farmers in the State of New York. Therefore, I am in favor of the amendment, and I shall vote to suspend the rule in order that it may be considered.

WISCONSIN DAIRYMEN ARE HURTING—PRICE SUPPORTS MUST NOT BE SLASHED

Mr. WILEY. Mr. President, during the extended debate on the farm parity amendments, I have not attempted to take the time of the Senate to comment in detail regarding the problem as faced by the dairymen of my State. I have felt that the time is at hand for action, and not for extended words.

I had pledged to the dairymen of my State an all-out effort to prevent the ruinous reduction of dairy income by an estimated $43 million—a reduction which is now but 20 days away unless we act to freeze the present support level. In my judgment, it will be a sad day, indeed, if April 1 rolls around and if there is not on the statute books a law to prevent another harmful diminishing of the meager income now received by the Nation's dairymen.

It is a source of regret to me, as I am sure it is to all my colleagues, that it should be necessary to take emergency action to prevent an administrative decision by the Secretary of Agriculture.

It is a source of regret to me that we should have to appeal most earnestly to our distinguished President not to veto our action in the event that we successfully write a bill on the floor of the Congress.

I, for one, would have wished that we might have been able, by now, to have written a long-range dairy bill, instead of finding it necessary to take this temporary and emergency action. But time is running out. The days of the month are slipping away. We have no alternative, therefore, but to earnestly ask the administration to accept our appeal to prevent another harmful reduction of the dairymen's income.

Do the dairymen want to maintain present dairy parity level? The answer is "yes." From all over my State I have received appeals pleading for constructive action by the Congress. The dairymen have appealed as a matter of simple justice for themselves. But, more important, they have appealed because they know it is in the interests of this Nation that dairying thrive and prosper.

More especially, it is in the interest of America that the family dairy thrive and prosper.

As proof of the deep feelings in the hearts of the Nation's dairymen, I send to the desk now several clippings and three representative letters from businessmen. One clipping is from the February 28 issue of the Wisconsin Farmers' Union News. It consists of an open letter from the Barron County, Wis., Farm Union Local to the President, asking for help to the dairymen. Another is an article from last Sunday's Milwaukee Journal, wherein the Milwaukee Cooperative Milk Producers earnestly appealed against the Secretary of Agriculture's order.

I ask unanimous consent that these clippings and letters be printed at this point in the body of the RECORD.

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

DAIRY FARMERS TO FEEL DROP IN PRICE PROPS BEFORE APRIL 1

MADISON.—Wisconsin dairy farmers can expect 15 to 20 cents per hundredweight lower milk prices for February and March as a result of the scheduled April 1 drop in milk price supports, says Hugh Moore, University of Wisconsin agricultural economist.

Secretary Benson's announced cut in the support level for manufactured milk from 83 to 75 percent of parity price equivalent means a drop in the support price from $3.25 to around $2.95 for average test milk, he says.

Moore reports on a study that was made of milk prices before and after the April 1954, drop in milk support prices from 90 percent to 75 percent of parity equivalent. These figures show that Wisconsin manufactured milk prices fell about half of the 59-cent price decline in the 3 months prior to April 1.

Little, if any, of this price decline was a seasonal price change. A further look at milk prices for the same months of the year, in the years with no change in the support level indicates that. We can expect the 1958 milk prices to follow the same pattern as 1954.

The major reason for lower prices before the change in the support level is in the method used to support milk prices, says Moore. Milk prices are supported through direct purchases from plants of cheddar cheese, butter, and nonfat dry-milk powder by the Government. The prices paid for these products are set at a level that will permit the plants to pay the farmers the support level for their milk. Plants must sell their products prior to the April 1 price change to be able to pay their producers the current higher support price. Because of the timelag between the plants receiving the milk and when it is processed, assembled, and sold to the Government, a large quantity of products made from milk produced before April 1 will be sold at the lowered support price. He says, for most plants, this timelag should be less than a month.

[From the Milwaukee Journal of March 9, 1958]

DAIRY ORDER ALL WRONG—PRODUCERS RAP CUT

HARTLAND, WIS.—The Milwaukee Co-operative Milk Producers Saturday opposed Secretary of Agriculture Benson's order cutting dairy price supports April 1. The cooperative has 1,637 farmer members in the 10 counties supplying milk to the Milwaukee metropolitan area.

Benson's order would reduce support payments on manufactured milk products from 83 percent to 75 percent of parity and on butterfat from 80 percent to 75 percent.

Charles F. Dineen, Cedarburg, executive secretary of the cooperative, told its 41st annual meeting at Arrowhead High School here that Benson's order was all wrong.

Dineen said that prices paid to farmers supplying milk to the Milwaukee markets were too low. He said Benson's belief that lower prices would reduce surpluses was wrong.

SAYS PLAN DOES NOT WORK

"It does not work that way," he declared. "When the price is too low, the farmer produces more milk to get more money."

Dineen said that if the plan went into effect farmers would receive 23 cents a hundred pounds less than they now were getting. He said it would mean a half cent reduction per quart.

The cooperative approved negotiations now under way with Milwaukee dairies for payments of a premium over the price set for class 1 bottling milk by the Federal milk marketing administration.

Cooperative members have urged that Milwaukee dairies pay the same premium now being paid to Chicago area farmers. They got 25 cents per hundred pounds over the marketing administration price to offset higher production costs in the metropolitan areas.

The new premium would extend through 1958.

PROTEST TRANSPORT TAX

The cooperative also:

Protested continuation of the Federal transportation tax established after World War II on hauling of milk and livestock from farm to market.

Endorsed a checkoff of 1 cent per 100 pounds to help the Milwaukee Dairy Council promote dairy products, and asked Milwaukee dairies to equal the amount.

Reelected Henry Rosenow, Oconomowoc, and Edward Stuesser, Richfield, to the board of directors for 1 year. New directors are Arthur Rummel, Wind Lake, and Joseph Unrein, Merton.

[From the Wisconsin Farmers' Union News of February 28, 1958]

BARRON COUNTY LOCAL WRITES IKE SEEKING HELP FOR DAIRY FARMERS

A letter, calling for support of measures to help dairy farmers, was sent to President Eisenhower this month by members of the Dallas Farmers Union local in Barron County.

The letter stated that dairy farmers have had their earnings lowered for the past 5 years while manufacturing corporations and companies have made billions of dollars in profit.

The President was asked to give the dairy farmers' problem serious consideration and to secure ways and means for the most immediate relief.

A full text of the letter follows:

DALLAS, WIS., *February 15, 1958.*

THE PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: No doubt you have received many communications from family farmers of the State of Wisconsin requesting an increase in the dairy-price supports for dairy family farmers.

Wisconsin, as you know, is one of the leading dairy States of our Nation.

The dairy family farmers at present are confronted with a serious problem which includes many hours of the day of hard work, determination, energy, and courage in order to be successful and to insure themselves and their families an American standard of living.

For the past 5 years their earnings have been lowered, and from the following report you will note that while the dairy family farmer has lost heavily, the manufacturing corporations and companies have made billions of dollars in profits.

The following is the report of the United States Department of Commerce relative to profits secured:

Income from farms

1952	$18,641,000,000
1956	15,205,000,000
	3,436,000,000

Or a loss to family farmers of $3 billion.

Income of manufacturing corporations

1952	$89,318,000,000
1956	101,805,000,000
	12,487,000,000

Or a gain for corporations of more than $12 billion.

The loss for dairy family farmers, and the gain for corporations still continues.

Our Senator PROXMIRE and Congressman LESTER JOHNSON, both recently elected to Congress from Wisconsin, are working vigorously and both have presented bills to Congress to relieve this present dairy family farmers trouble on a very fair basis. Also our Hon. Senator WILEY supports these measures for dairy family farmers.

It is very discouraging to the farmers and their families to have their earnings constantly lowered while the cost of their living is constantly increasing.

Mr. President, will you please give this matter your most considerate attention and secure ways and means for the most immediate relief?

Wishing your good health to continue, we are,

Very sincerely yours,

BARRON COUNTY MEMBERS OF WISCONSIN EDUCATIONAL & COOPERATIVE UNION OF AMERICA, LOCAL NO. 175, OF DALLAS, WIS.

WOODROW LENTZ, *President.*
R. D. PECORE, *Publicity Director.*

FOND DU LAC
ASSOCIATION OF COMMERCE,
Fond du Lac, Wis., February 7, 1958.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Our agricultural committee held a meeting last night and discussed Secretary of Agriculture Benson's plan to lower the parity rates of dairy products and milk, on April 1.

This committee of 20 members covers a good cross section of business, most of whom, of course, are close to the farmer, and are affected by the price he obtains for milk. After considerable discussion, and I might add, a very good and constructive discussion, the committee came up with a resolution which was passed unanimously.

A copy of this resolution is made part of this letter and is sent to you in accord with the request of the committee.

Cordially,

R. W. MILLS,
Executive Secretary.

RESOLUTION PASSED BY THE AGRICULTURAL COMMITTEE OF THE FOND DU LAC ASSOCIATION OF COMMERCE IN A MEETING HELD THURSDAY, FEBRUARY 6, IN FOND DU LAC, WIS.

Whereas the Congress has now before it several bills pertaining to farm legislation and in particular pertaining to milk and dairy products; and

Whereas most Members of Congress readily admit that some form of farm legislation must be enacted in 1958 and most of them admit that they are not sure what form that legislation should take; and

Whereas this combination of Congressional attitudes will obviously produce considerable debate and controversy over farm legislation; all of which will cause considerable delay beyond April 1, in the adoption of a program: Be it

Resolved, That the Agricultural Committee of the Fond du Lac Association of Commerce believes that the present prices of manufactured milk should be maintained at not less than 82½ percent of parity until such time as a self-help milk price program is adopted by this session of the 85th Congress: Be it further

Resolved, That, copies of this resolution be forwarded to President D. D. Eisenhower, Secretary of Agriculture E. T. Benson, Senators ALEXANDER WILEY, and WILLIAM PROXMIRE and Congressman WILLIAM K. VAN PELT.

PETER P. WEIDENBRUCH,
Director, President, and General Manager, Damrow Bros. Co.

VALDERS, WIS., *February 27, 1958.*

The Honorable ALEXANDER WILEY,
United States Senator,
Washington, D. C.

DEAR SENATOR WILEY: The Valders Lions Club strongly opposes the Secretary of Agriculture's plan of lowering the price support for milk. We feel that such talk is unwarranted when farmers have been receiving a smaller and smaller percentage of the dollar. We can see the repercussions in agricultural communities with further curtailment of the farmers' purchasing power.

We feel the benefits of price support far outweigh its cost. The surplus milk is but a small amount of the whole amount of milk produced. The cost of absorbing this small amount goes way ahead of what can be gained from keeping the price of milk at a respectable level to give the farmer a fair place in the American standard of living.

We feel it is your duty to help maintain the farmers' fair share in our economy. Do not let milk price supports slip to the point suggested by Mr. Benson.

Sincerely yours,

EARL MULLINS,
Lion President.
WILLIAM DAYTON,
Lion Secretary.

PULASKI, WIS., *March 10, 1958.*

SENATOR ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The Pulaski Chamber of Commerce, of Pulaski, Wis., is opposed to any cut in the dairy support prices until a new, satisfactory dairy program is formulated and put into force.

J. F. JOSWICK,
Secretary of Chamber of Commerce.

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

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The clerk will call the roll.

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

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

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from Minnesota to suspend paragraph 4 of rule XVI.

Mr. IVES. Mr. President, on this question I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota [Mr. THYE] to suspend paragraph 4 of rule XVI to enable him to offer a certain amendment.

Mr. ANDERSON. Mr. President, with reference to the motion to suspend the rule, I hope there will be no misunderstanding or misinterpretation of the issue on which the Senate is about to vote.

This is purely a procedural motion to suspend the rule with respect to an appropriation bill which is before the Senate. Certainly a vote against suspending the rule is not in any way a vote against protecting the dairy farmers, nor a vote in support of Secretary Benson's proposed cut in dairy-support prices. Instead, in my opinion, such a vote would be in the best interests of our farmers by helping to clear the way for orderly procedure in the Senate toward acting on legislation now pending to protect farmers from further price cuts.

Actually, the delay being caused by this maneuver of offering a legislative provision to an appropriation bill may delay the procedure. I have been informed that if the rule is suspended a motion will be made to include all other commodities. I can only say that no one could object to that, because if we are to start selecting commodities one by one some of us might be very much interested in seeing that certain other commodities are taken care of. But I have believed for a long time, and I now believe, that proposals relating to agriculture should come from the Committee on Agriculture and Forestry. A motion to suspend the rule should be made only if everything else has failed. I do not believe that everything else has failed.

The able chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] is present, and many other members of that committee are in the Chamber. The Committee on Agriculture and Forestry has approved, by a vote of 12 to 2, a joint resolution preventing the proposed cut in dairy support prices, and taking similar action with respect to other commodities. It is a course of action agreed upon by the Committee on Agriculture and Forestry as an effective way of protecting farmers pending further action by the Congress.

I wish to be perfectly fair. It may be that I shall not be very much in favor of what the Committee on Agriculture and Forestry has reported, and my able friend from Louisiana [Mr. ELLENDER] will not be too much shocked if that happens. I am only trying to say that I think the procedure which the able Senator from Louisiana has followed has been correct. He has reported a measure by a vote of 12 to 2. If the Committee on Agriculture and Forestry had refused to consider the proposal, or if the majority leader and the minority leader had agreed that they would not bring it to the floor of the Senate, a motion to suspend the rule might be appropriate. On the contrary, we have had assurances by the leadership that the joint resolution which the able Senator from Louisiana has reported will be brought to the floor. Under those circumstances I think it is bad procedure to bring the issue to the floor in this fashion.

I have had a few things to say about the Soil Bank at various times. In the Committee on Agriculture and Forestry, when I was a member of that committee, I offered the Soil Bank plank which the American Farm Bureau Federation had thrashed out after 2 years of hard work. The Committee on Agriculture and Forestry, in its wisdom, decided that another program was better. I do not question the majority vote by which it so decided. However, the experience of the past few years has not made me too enthusiastic about it. It might have been a good thing to have taken what the Farm Bureau Federation had worked out. At least on this subject we have a very clear statement of Farm Bureau Federation policy, reflected in the action which the American Farm Bureau Federation took. I read from a letter from Frank K. Woolley, legislative counsel of the American Farm Bureau Federation:

> We oppose legislation to reinstate price support for dairy products at 1957 levels.

That may not influence many of us, except those who have watched the American Farm Bureau Federation work over a period of years. However, it ought to warn Senators that the question on which they are about to cast their votes is not an open-and-shut question.

I believe that complete cooperation has been given by the leadership to assure speedy action on the joint resolution. The House Committee on Agriculture is ready to act on the joint resolution as soon as it is acted upon by the Senate.

If the Senate committee had failed to act, or if the leadership had failed to cooperate, I could perhaps understand a colleague trying, in desperation, to find some other recourse by moving to suspend the rule. I do not believe that is the case in this instance.

There was more justification for the cotton amendment than there is for a dairy amendment, because there is no legislation pending to take care of the problem which cotton producers face. There is legislation pending to take care of dairy producers and wheat producers, but we must complete action on the pending appropriation bill in order to get to it. Delaying the appropriation bill is delaying our efforts to enact the farm price freeze on all commodities.

As I tried to indicate last night, I did not agree with the proposal which had been made yesterday. I did not think it was the best resolution that could be offered on behalf of cotton producers; but I say that there was far more reason for offering an amendment relating to cotton, with respect to which there is pending no legislative relief, than there was for offering an amendment with respect to dairy products. Legislation dealing with that phase of the economy has been acted upon by the committee, and shortly will be before the Senate for consideration.

I do not believe it would serve a useful purpose to cover the entire dairy situation. I remind Senators that under section 201 of the Agricultural Act of 1949, as amended—and I had a fair amount to do with the Agricultural Act of 1949—the Secretary of Agriculture is directed to support the price of butterfat and manufactured milk at such a level, between 75 and 90 percent of parity, as the Secretary determines to be necessary in order to assure an adequate supply. I think anyone familiar with the dairy situation must know that an adequate supply has been obtained, and the price levels will continue to assure it.

Under those circumstances, I think the recourse is by agricultural legislation, and not by trying to set aside the administrative act of an officer.

Moreover, I believe that the action taken by the Committee on Agriculture and Forestry—action which I wish to leave myself perfectly free to oppose on the floor, and action which was opposed by my able friend from Florida [Mr. HOLLAND] with whom I frequently found myself in agreement when I was a member of the Committee on Agriculture and Forestry—is what I regard as a proper way to bring this issue to the floor.

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

Mr. ANDERSON. I yield.

Mr. THYE. Does the Senator from New Mexico believe that there is time enough to enact the legislation to which he refers? This is the 11th day of March. The expiration of the existing support act, holding dairy supports at $3.25 a hundredweight to the producer, is close at hand. Does the Senator from New Mexico have an idea that we could pass a joint resolution, have the House pass it, and send it to the President for his signature, and have it become law in time? If the President should see fit not to approve the measure, does the Senator from New Mexico believe that we could act upon it in time?

This is an emergency which we must recognize if we are sincere in our efforts to freeze the present support level on dairy products at $3.25 a hundredweight. Is the Senator from New Mexico of the opinion that, having only 20 days left to enact the legislation, and to override a veto should that become necessary—and I am of the conviction that it might very well come back with a veto—we could effect a freeze on dairy prices in such a short period of time? Are we not faced with an emergency at this time?

Let me say to my good friend from New Mexico that dairy farmers have shown a greater inclination to bring their production into line than have producers of almost any other kind of agricultural commodities. The dairy farmer has reduced the dairy cow population by 266,000 in the past 2 years.

If it were not for the abundance of cheap feed, we would not have the production we have today, because we have not the dairy cows to produce it. That is why we are faced with an emergency, and that is why I have pleaded with Senators to save the farmer, and not let the proposed reduction take effect on the first of April.

Mr. ANDERSON. That is a rather long question, and I shall attempt to answer it in this way.

First, we cannot start with the assumption that we will have disposed of such matter if we add a dairy amendment to the pending bill. Once we start

to suspend the rule in order to adopt a dairy price freeze amendment on an appropriation bill, we will find that other Members of the Senate will offer other motions to suspend the rule. If that happens, we will be considering the appropriation bill for a long time to come. If we undertake a discussion of the various commodities item by item, it will turn out to be a very lengthy discussion and a very long drawn out process. On the floor of the Senate I have taken part in the debate on many agricultural bills. There is a difference of opinion on a great many questions connected with the subject of agriculture. We already have had long discussions on the pending bill, and I am quite sure that there will be further lengthy discussions, because some of us are not persuaded that what we have stood for is wrong.

Therefore, I say, we cannot expect merely to add the dairy price freeze amendment and then adjourn.

Furthermore, I cannot anticipate what the House of Representatives would do if we were to add such an amendment to the appropriation bill. I know some of the members of the Committee on Appropriations in the House. I served on that committee in the House, and I can assure Senators that they will not accept any such provision, or at least not accept it quickly, merely because the Senate has suspended the rule in order to add such an amendment to an appropriation bill. Of course, I do not believe the Senate will suspend the rule.

Then, finally, I do not know what the President will do. That will be up to him. I would hardly presume to know what he would do. I assume the Senator from Minnesota still has some confidence in the President's good judgment. If he has, I am sure he would expect the President to veto the bill. I do not believe it would be a tragedy to the country if the President should veto the bill. I say that because it is a great mistake to say that an administrative officer shall have authority to administer a law in order to get an abundant supply of a product and then, when he has an abundant supply, he should fix the price arbitrarily.

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

Mr. ANDERSON. I shall yield in a moment. First, I should like to say to the Senator that I shall not attempt to answer his question except in this way: First, I do not believe the Senate will suspend the rule; second, if the Senate does suspend the rule, I look for an outpouring of all sorts of proposals, and no one knows how long it will take the Senate to debate all of them; third, if all such attempts should succeed, the House of Representatives, a coordinate branch of Congress with the Senate, may decide not to follow the pattern we have set. In fact, I have found the House of Representatives to be more liberal on these matters than the Senate.

Lastly, I will not attempt to guess what the President may do. I will leave that to his good judgment, and I would say that in his exercise of good judgment he might veto the bill.

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

Mr. ANDERSON. I yield.

Mr. THYE. The point is that there is time available with reference to the other commodities involved in the resolution to which the Senator has referred. The Committee on Agriculture has reported the two joint resolutions, one dealing with dairy products, and the other with the other commodities.

Mr. ANDERSON. I am not sure that we have all the time the Senator speaks of. The able Senator from Texas [Mr. JOHNSON] represents, in part, a State where cotton is being planted and where wheat has been planted, and where grain sorghum has been planted. I am not sure that we can judge the whole country by the agricultural pattern in some of the States. It is not a simple matter. I hope the Senate will vote against the motion.

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

Mr. ANDERSON. I yield.

Mr. HOLLAND. First, Mr. President, let me say that I appreciate the kindly references which my distinguished friend has made to the senior Senator from Florida.

Second, I particularly appreciate the consideration for and recognition of the Committee on Agriculture and Forestry, which has reported Senate Joint Resolution 162, now on the calendar. That joint resolution covers all the basic commodities except tobacco, milk, and milk products. The Committee on Agriculture and Forestry has also reported Senate Joint Resolution 163, which covers only dairy products.

I wish to ask the distinguished Senator from New Mexico if he knows that it was the plan of both the distinguished chairman of the Committee on Agriculture and Forestry, announced to the committee at the time those two joint resolutions were reported to the Senate, and the plan of the majority leader not only to propose the consideration of these measures very shortly but in a definite order, taking up first Senate Joint Resolution 162, since it covers all basic commodities except tobacco, and milk and milk products; and that the effect of the adoption of the pending motion would be to defeat the intention of the chairman of the Committee on Agriculture and Forestry, as announced at the time of the approval by the committee of the two joint resolutions, and would put the two joint resolutions in reverse order, with a different approach strategically from that adopted by the Committee on Agriculture and Forestry?

Mr. ANDERSON. Yes; I agree with that statement. I said a moment ago that I have the greatest faith in the fairness of the able Senator from Louisiana [Mr. ELLENDER]. I have served with him on the Committee on Agriculture and Forestry. Although I have not always agreed with him upon every issue, if the Senator from Louisiana says, "I intend to bring up that bill," everyone had better get out of the road, because that is what he will do.

In this instance he has an agreement with the leadership.

Furthermore, I was impressed by something the Senator from Louisiana said during the discussion of the cotton amendment. He said that he would support the motion to suspend the rule with reference to the cotton amendment when it was brought up, because there was no proposed legislation on the subject pending before the Senate, but that he was opposed to any other such motion.

I was on the opposite side of the question, but I could not praise the conduct of a public official more than I can praise the conduct of the Senator from Louisiana, because he recognized that the cotton producers did not have any other recourse, and therefore they had a perfectly good reason to seek relief in this way.

However, there are joint resolutions pending on the calendar with reference to the other products. These measures should be handled in the regular course. I have served on the Committee on Agriculture and Forestry, and I have the greatest respect for that committee and the members who comprise it. I believe we should handle these measures as they come from the committee to the floor for action.

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

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. Very reluctantly I shall vote against the adoption of the motion and against adding the proposed amendment to the appropriation bill. As the Senator from New Mexico has indicated, he has served on the Committee on Appropriations of the House of Representatives and he knows something of the principles under which that committee acts. I served on it for 12 years of the 14 years I was a Member of the House. I know that if the bill goes to the House with the proposed amendment added to it, since it is an amendment to an appropriation bill, it will be necessary to have a separate vote on it in the House, because the conferees on the part of the House will not agree to it in conference.

I voted against the cotton amendment yesterday, because I did not believe it should be added to an appropriation bill. I shall also have to vote against the dairy products amendment and against other amendments of similar character. I am one of the cosponsors of the joint resolution which is similar in language to the proposed dairy amendment, and I shall vote in favor of the joint resolution when it comes before the Senate.

However, Mr. President, I cannot in one instance take the stand of not adding to an appropriation bill legislation of one character and then make an exception in this special case, much as I should like to do so.

Mr. ANDERSON. I appreciate the remarks of the Senator from South Dakota. He was a most able member of the Committee on Appropriations of the House.

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

Mr. ANDERSON. I yield.

Mr. DOUGLAS. I regret that I have not been on the floor all afternoon. Is it my understanding that a pledge has

been given by the majority leader as to a definite time when Senate Joint Resolution 162 and Senate Joint Resolution 163 will be brought up for consideration by the Senate?

Mr. ANDERSON. I would not attempt to speak for the majority leader. I have merely stated that the chairman of the Committee on Agriculture and Forestry expected it to be brought up. He may wish to speak for himself.

Mr. ELLENDER. It is my understanding that both joint resolutions will be considered this week, probably on Thursday or Friday. Am I correct?

Mr. JOHNSON of Texas. I never made that statement, because I am unable to be that prophetic. I never know how long the Senate will talk. I have indicated for the RECORD several times on the floor that when we dispose of the pending appropriation bill we hope to proceed to the consideration of the housing bill. After the housing bill has been disposed of, I said, we would consider the bill reported by the Committee on Finance, known as the insurance bill. I understand some amendments will be offered to it. I also said we would then consider the farm bill.

We had hoped to be able to consider all those bills this week. How long it will be before we get to the housing bill I do not know. If we can pass the pending bill, we will have 2 or 3 hours of discussion on the housing bill this afternoon. Then we can meet tomorrow morning at 10:30. I am informed that we will probably be able to enter into an agreement for 4 hours of debate on the only controversial amendment in the housing bill; and if that is so, perhaps we can vote on it by noon tomorrow. Then I shall wish to confer with the distinguished chairman of the Committee on Finance and the distinguished chairman of the Committee on Agriculture and Forestry and schedule one of the measures reported by that committee to follow the housing bill.

Mr. AIKEN. Mr. President, have we the assurance of the majority leader that the joint resolution freezing dairy price supports will be taken up?

Mr. JOHNSON of Texas. The Senator has the assurance of the majority leader that the resolution freezing all price supports—I believe it is Calendar No. 1377, Senate Joint Resolution 162—will be taken up.

Mr. AIKEN. The Senator will not give assurance, will he, that the dairy price freeze resolution can be considered by itself, so that we may have a clear-cut vote on it?

Mr. JOHNSON of Texas. I have no present intention of doing so; it has not been cleared by the policy committee.

Mr. AIKEN. I think it must be clear to the majority leader that if we expected the President to sign a general freeze order, we would have to reflect that he would have to go back on all the principles for which he ever stood. Therefore, to include dairy products in the general freeze order would give no assistance to the dairy products at all.

Mr. JOHNSON of Texas. I have no disposition to delay the other resolution; I have just agreed to the calling up of Calendar No. 1377, Senate Joint Resolution 162.

Mr. AIKEN. It would make a difference if we had assurance that Calendar No. 1376, Senate Joint Resolution 163, would be taken up. The majority leader has it within his power to do so.

Mr. ELLENDER. I suggest to the majority leader that Senate Joint Resolution 163, Calendar No. 1376, as the Senator from Vermont has said, affects dairy products only. Calendar No. 1377, Senate Joint Resolution 162, affects all price-supported commodities. So in the discussion of Senate Joint Resolution 162, we will be discussing dairy products also. The dairy products resolution could be taken up following the consideration of Senate Joint Resolution 162.

Mr. JOHNSON of Texas. If that is the desire of the chairman of the committee and it is agreeable to the minority leader, I have no disposition to delay it.

Mr. SPARKMAN and Mr. THYE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. ANDERSON. I yield to the Senator from Alabama.

Mr. SPARKMAN. The Senator from New Mexico referred to Senate Joint Resolution 162, Calendar No. 1377. Does that include dairy products as well as other commodities?

Mr. ANDERSON. It does, I am informed. I am not a member of the committee, but I am informed that it includes dairy products.

Mr. SPARKMAN. Does it include cotton?

Mr. ANDERSON. Yes.

Mr. SPARKMAN. Does it include other basic commodities?

Mr. ANDERSON. It includes all basic commodities except tobacco.

Mr. SPARKMAN. Tobacco is under a program of its own, separate and apart from the other basic commodites; is it not?

Mr. ANDERSON. Yes.

Mr. SPARKMAN. I am completely in sympathy with the proposal of the Senator from Minnesota concerning dairy products; but if a resolution is on the calendar, and we have the assurance of the majority leader and the chairman of the committee that it will be considered soon, it seems to me that what should be done is to proceed in an orderly manner to take it up on the calendar.

Mr. ANDERSON. I thank the Senator.

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

Mr. ANDERSON. I yield.

Mr. DIRKSEN. If agricultural policy is to be written into an appropriation bill so as to modify existing law, I have an amendment ready to repeal the escalator clause; I have one ready with respect to the corn allotment program; and there is no reason why they should not be offered under a suspension of the rule, if that be the will of the Senate. I shall be prepared to offer them, reluctant as I should be to do so.

Mr. ANDERSON. Not only should they be considered, but, so far as I myself am concerned, the repeal of the escalator clause is the first thing I should like to see accomplished.

Mr. DIRKSEN. Exactly.

Mr. ANDERSON. But I do not think this is the proper way to proceed. I want the proposals to come through the Committee on Agriculture and Forestry in proper fashion, and I am willing to wait.

Mr. THYE. Mr. President, we are confronted with an emergency. We have from now until midnight of March 31 in which to enact a freeze of price supports for dairy products. On the other commodities, we can legislate later, because they do not face a deadline of a certain date.

I have introduced a bill providing for a corn allotment acreage of 56 million acres in the commercial corn area. The Senate Agriculture Committee has recommended a bill providing for a commercial corn acreage allotment of 54 million acres. I hope the Senate can act on it in the next few days. I hope the Senate will also act on the resolution to freeze price supports on all commodities in the next few days. But other commodities do not have a deadline as dairy products do.

I have seen appropriation bills which, by unanimous consent agreements, have contained legislation. In this instance, because of the objection, we are confronted with the necessity of moving to suspend the rule. Yesterday I supported a motion to suspend the rule in the case of the cotton amendment, because I recognized the emergency nature of that situation.

In the case of dairy products, we are also faced with an emergency. On April 1, if the dairy farmer's income is not protected, Congress will be responsible for the failure to freeze the price of dairy products at the present level.

Mr. AIKEN. Mr. President, ordinarily I would not approve legislation on an appropriation bill. However, we appear to be faced with rather unusual circumstances.

On December 18, 1957, the Secretary of Agriculture announced that as of April 1, 1958, the price support on manufacturing milk would be sharply cut. That means a great deal to probably 2 million dairy producers. The amendment offered by the senior Senator from Minnesota is an effort to make certain that while we are trying to help everyone else by raising their income, we will not squeeze the dairymen between the millstones.

The Secretary of Agriculture made a grievous mistake in announcing this cut as of April 1. We ought to correct it in any way we can. A deadline confronts us.

It is true that last week two resolutions were reported by the Committee on Agriculture and Forestry, one providing for a general freeze of all price-supported commodities, the other providing for a freeze of the price of dairy products at the level which existed in 1957. I have tried to obtain assurance from the majority leader that both resolutions will come before the Senate for action. We have not had such assurance. In fact, if we can believe the reports we

hear outside the Chamber, we will not have a chance to vote on maintaining the support level for dairy products by itself, but only in connection with other commodities, some of which do not even need to be included, and in such a manner that the President could not, in good conscience and in view of his record, sign the legislation.

I am not certain that the President would sign a bill freezing by itself the support level of dairy products at the 1957 level. I have not asked him. I have done the best I could to have the Department of Agriculture reverse its position and be fair to the dairy industry, but my efforts have been completely ineffectual. The Department has committed a grievous wrong, and I would like to have it corrected.

It appears that this is probably the only chance we shall have to cast an effective vote to maintain the price support for dairy products at the 1957 level.

During the past 3 years, the dairymen have conducted a most effective program to help themselves. They do not deserve the treatment they are getting now. The Government holdings of dairy products have been reduced from 10 billion pounds of milk to 1¾ billion pounds in only 3 years time. That has been done at a moderate cost. The cost has been nothing compared with what the Secretary's press release said it was, namely the Secretary's claim that it was $379,500,000 for 1 year. We got a report on the dairy situation yesterday. If we take the report and figure out the dairy products which were bought in calendar year 1957, it will be found that the amount comes to considerably less than $300 million, a great deal of which was recovered.

There seems to be a determination not to let the Senate vote on a simple measure to freeze the support price for dairy products at the 1957 levels. The only way that we can show the dairy interests of the Nation whether we are for them or against them is to vote either for or against the motion of the Senator from Minnesota [Mr. THYE] to suspend the rule.

Mr. HUMPHREY. Mr. President, before the vote is taken—and I make this statement without making any reference to how any Senator will vote—let me suggest that the vote will be on a matter of procedure, not on a substantive matter. The Senate will vote on the substantive matter only if the existing procedure is set aside.

If the pending motion is rejected—as is liable to be the case—I can hear Mr. Benson say he has won a great victory.

Mr. President, it is regrettable that we are compelled to vote on a precedural matter of this nature, although there are on the calendar two joint resolutions dealing with this subject. I, too, come from a dairy State; and I, too, have to run for election. But I, too, recall that for 1 year the agricultural commodity groups of the country have been attempting to get together, so the so-called farm group would not be torn apart. Our farm legislation has been riddled because one commodity after another has been dealt with separately on the floor of the Senate. One day the Senate deals with cotton; another day it deals with wheat; another day it deals with dairy products; another day it deals with feed grains; another day it deals with tobacco; another day it deals with wool; another day it deals with sugar—commodity by commodity.

If this continues, the Members of the Senate who represent the predominantly agricultural States will—by attempting to take care of their States, at the expense of others—ruin all the producers of farm commodities.

Many Members of this body have asked me, "Why does the Senate vote for a sugar bill?" Mr. President, sugar is not one of the principal commodities produced in Minnesota, although some sugar beets are grown there.

I have heard some Members ask, "How can there be 100 percent of parity for wool at the same time that there is 75 percent of parity for dairy products?"

Mr. President, when the Congress deals with these commodities one by one, it will get in trouble.

It seems to me that Mr. Benson is one of the cleverest politicians ever to come to Washington. He has learned, and has taught, how to divide and conquer.

I have been told that the Senate will not have a chance to vote on a dairy products bill. Mr. President, Senators will have a chance to vote on such a bill, and they will also have a chance to vote to keep the price of wheat from dropping from $2 to $1 a bushel.

I say to the Members of the Senate who represent the States in which any wheat is grown that if they are willing to have the votes scattered from one end of this Chamber to the other, just so long as the Senate votes on a wheat bill, the votes of the Senators who represent the States in which wheat is produced will not be sufficient; neither will the votes of Senators who represent States in which cotton is produced; neither will the votes of Senators who represent States in which dairy products are produced; and so on, down the line.

I have said that it is time for us to discuss the facts of life. It is perfectly true that we have a gun pointed at our heads—not because one Senator or another Senator has spoken; but because the Secretary of Agriculture, at the order of the President of the United States, has said that the prices of dairy products will come down.

President Eisenhower was asked to dismiss Mr. Benson, the Secretary of Agriculture; but President Eisenhower asked some of the Members of Congress who came to him and asked him for Mr. Benson's dismissal whether they were among the very Members of the Senate who supported Mr. Benson's program. Mr. Eisenhower said that, as President of the United States, he was in favor of Mr. Benson; that Mr. Benson was carrying out the President's program; and that he, the President, was not going to dismiss Mr. Benson.

Today, I have heard Senators say that we cannot expect the President of the United States to sign a bill dealing with cotton, wheat, and all the other agricultural commodities, because for him to do so would be to violate all his principles on the subject of agriculture. Well, Mr. President, how about having the President sign a bill dealing with only one agricultural commodity? After all, I gather that one of the reasons why the President is insisting on breaking the backs of the dairy farmers is that he would do so on principle. I hope he would not do so for any other reason.

I say, candidly, that while we are speaking here, the President of the United States can raise the prices on dairy products; for that purpose he will not need an additional act of Congress, for he already has legal authority to raise those prices.

I believe that the time has come for the President of the United States to order Ezra Taft Benson, the Secretary of Agriculture, to start to take care of the interests of agriculture and to stop misleading the American people.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. HUMPHREY. I am happy to yield to the Senator from North Dakota.

Mr. YOUNG. Would it be violating any principle on the part of the President of the United States if he were to sign a bill to fix the price supports on wheat at 82½ percent of parity, as they were in 1957? Two years ago the President vetoed a bill to raise supports to 90 percent of parity and immediately afterward raised supports for wheat from 76 to 82½ percent. Would it be a violation of principle by the President of the United States if he did the same today?

Mr. HUMPHREY. Not at all; it would only be to embrace the very principle the President of the United States established a year or a year and a half ago.

Mr. YOUNG. Did the President of the United States or the Republican Party at any time during the last campaign advocate price supports of from 60 to 90 percent, as Secretary Benson is now doing?

Mr. HUMPHREY. I do not recall any such advocacy. If the President had listened to the distinguished Senator from North Dakota and if the Republican Party had done so, there would not be this impasse this afternoon.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. YOUNG. I may say that I would never have supported the reelection of President Eisenhower if he had advocated the kind of program Secretary Benson is advocating now, that of lowering support levels of basic farm commodities to 60 percent of parity.

Mr. HUMPHREY. I thank the Senator from North Dakota for his extreme candor, courage, and forthrightness.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Mr. President, when I came to the Senate in 1953, an address made by the distinguished senior Senator from Georgia [Mr.

RUSSELL] impressed me very much. In the course of that address, he said the farm population of the United States had decreased to 13 percent of the total population, but that the income received by those on the farms had dropped to 6 percent of the entire income of the United States.

About 10 days ago I thought it might be interesting to see what had happened during the last 5 years; so I obtained the figures. Whereas 5 years ago 13 percent of the population of the United States was in farming, today only 12 percent are in that business. I also find that today the income of the farmers has dropped to but 3.2 percent of the income of the United States. Five years ago it was 6 percent. In other words, there has been a drop of nearly 50 percent in 5 years.

I should like to ask the distinguished Senator from Minnesota whether he thinks those who in recent years have been working to cut against the farmer should be congratulated for the magnificent job they have done.

Mr. HUMPHREY. Mr. President, I will not congratulate them; but I will say they have done their job, even though the proportions, dimensions, and description of that job in my opinion are not what I call in the public interest.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield to the Senator from Montana.

Mr. MANSFIELD. In the same speech to which the Senator from Missouri has referred, I believe the distinguished Senator from Georgia [Mr. RUSSELL] said that, according to the figures of this administration, at that time 1,400,000 farm families were earning less than $1,000 a year. Have I correctly stated the figure?

Mr. RUSSELL. That is my recollection. The number was considerably in excess of one million.

Mr. MANSFIELD. Therefore, although I would not agree that Mr. Benson should be "congratulated," I would say he is doing a very good job to make it extremely difficult for family-size farming. In effect, he is driving such farmers off the farms; and the Secretary of Agriculture is doing nothing to benefit the group of at least 1,400,000 farm families in the United States that are earning less than $1,000 a year.

The Senator from Minnesota is correct; in other words, Mr. Bensons' technique or tactic is to divide and conquer. He will give something to one group—as he did a few years ago to the cotton producers—and the next time he will give something else to another group. But in the long run, all of them will go down the drain, and Mr. Benson will get his zero parity, instead of the 75 percent of parity on dairy products on April 1, or a reduction from $2 a bushel to $1.78 a bushel on wheat.

I believe it is about time for the different farm groups with divergent interests to wake up and get together and take cognizance of the joint resolutions which on last Friday were reported by the Senate Committee on Agriculture and Forestry.

Mr. HUMPHREY. I thank the Senator from Montana.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. When the Secretary of Agriculture came before the Senate Agriculture Committee, I asked him how he felt the farmers could get along, when the first thing the new Secretary of the Treasury tried to do was raise the price of money. I am not saying that was wrong. It helped the bankers.

Similarly, the first thing the new Secretary of Commerce tried to do was to increase the profits made by business.

The first thing the new Secretary of Labor tried to do was increase the minimum-wage law. He was successful in his effort. The President sent to Congress a recommendation that the minimum wage be increased.

I asked the Secretary of Agriculture how he thought the farmers in this country could live if at the same time when all the other members of the Cabinet, representing their respective segments of the economy, were working to increase the income for their segments, he, the Secretary of Agriculture, was attempting to reduce the prices and the price supports for the commodities produced by the very people he is supposed to be representing.

If anybody has any doubt about the mistiness of these policies, I suggest he read the RECORD of those hearings which will be printed soon.

The president of the largest farm organization in Missouri has been saying that depressions are farm bred and farm led. I am not saying we are in a depression. It is said a recession is when one's friends lose their jobs, a depression when one loses his own job. The logic, justification for that statement about farm-bred and farm-led depressions may be found in the fact that many of the small towns in my State are in trouble. That trouble is being reflected in unemployment in the larger towns. It looks like we are going through the same old cycle.

Mr. HUMPHREY. I thank the Senator. There are Members of the Senate who feel very strongly about the rules of procedure, and undoubtedly will follow a strict interpretation of the rules, regardless of how this vote may ultimately turn out. If the vote is not to suspend the rule, I want the RECORD clear that it shall not be interpreted as any vindication of Mr. Benson's agricultural policies. I regret we have to have this kind of demonstration, because ultimately, we ought to be voting on the substantive question of the issue itself. Regardless of how the vote may turn out, we are going to have to accomplish our purpose, anyway. We are going to have to say whether we approve or do not approve of the agricultural policies of this administration. I believe the sound procedure for the long pull is to see to it that the great agricultural community is considered in a comprehensive program, in a total program. In so doing I think we shall hold together the power and the strength which exists in this Chamber to protect the interest of the real minority group in the country today. The farm group is a minority, and needs our help as it never needed it before.

I think we should have a procedure in this body whereby we can carry out the desired program. Obviously, some are going to disagree with us. We do not impugn their motives. Many persons do not agree with my position on farm supports. Many persons do not agree with my position on feed grains and how I think they ought to be treated. There is on the calendar a resolution which would treat every commodity on the same basis it was treated in 1957.

I ask the majority leader again if we can have his assurance that this resolution will be acted on as soon as the housing bill and the tax bill are disposed of. I regret he has decided to wait until the tax bill is disposed of, but I understand there is a deadline involved.

Mr. JOHNSON of Texas. Mr. President, I do not think one gains anything by repeating assurances, but I do repeat, not that there will be action, but that the majority leader will move to consider the measures in the order suggested by the chairman, namely, that Order No. 1377, Senate Joint Resolution 162, will follow the tax bill, and that Order No. 1376, Senate Joint Resolution 163, will follow Senate Joint Resolution 162.

I do not give assurance that action will be taken. I will make the motion to proceed to the consideration of the bills. Action will be up to Members of the Senate. I hope we can act. If we can stop talking on the bill now before the Senate, we will be able to make progress. We shall stay late tonight. We are to meet early tomorrow morning. If we can have a unanimous consent agreement on the Monroney amendment, the only controversial amendment in the housing bill, we could perhaps vote on the farm measures late tomorrow evening.

Mr. HUMPHREY. I thank the Senator. I regret I have had to ask him for reassurance. Three or four of my colleagues were not in the Chamber at the time the Senator gave his assurance. I understand correctly that both resolutions will be acted on.

Mr. JOHNSON of Texas. I am always glad to be fully responsive to my friend.

Mr. KERR. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KERR. Will the Senator state briefly and precisely the question on which the Senate is about to vote?

Mr. HUMPHREY. The question on which the Senate is about to vote is the motion to suspend the rules, in order that, following that motion, if it is carried, price supports on milk and milk products can be sustained at 1957 levels. By the way, I am for sustaining the price supports. I want my position clear. There are differences of view on the question. I am for that.

Mr. KERR. I desire to say that the Senator from Oklahoma is equally as strong for it. He is happy to know the attitude of the distinguished Senator from Minnesota who is among those who are most effective and able in advocating that position.

Would the Senator from Minnesota give the Senator from Oklahoma his

understanding of the percentage of votes required to adopt the motion to suspend the rules?

Mr. HUMPHREY. It would require a vote of two-thirds of those present and voting. It was on that basis that I stated I was afraid we might see some columnists and editorials interpreting the action as a vindication of Ezra Taft Benson's policies.

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

Mr. HUMPHREY. I yield.

Mr. KERR. I am aware of the Senator's distinguished and able ability as a parliamentarian. I ask him if it is not a fact that a motion to consider the resolution which generally deals with this question—that is, of maintaining throughout 1958 the level of price supports on all farm products which prevailed in 1957—could not be adopted by a two-thirds vote of those present and voting.

Mr. HUMPHREY. It is my understanding that could be done, yes.

Mr. KERR. So if the Senator making the motion to suspend the rule, with reference to voting on this question as an amendment to the appropriation bill, which I understand is now before the Senate, was really concerned with the merits of his case rather than with a procedural operation, he could as easily get the agricultural resolution before the Senate for consideration as he could get the rule suspended, in order that it might be considered as an amendment to the bill which is now before the Senate. Is that correct?

Mr. HUMPHREY. I will say I am not positive of that. That may be the case, but there are able parliamentarians present.

Mr. KERR. Will the Senator join with me in propounding that parliamentary inquiry of the Chair?

Mr. HUMPHREY. Yes. Will the Senator propound the parliamentary inquiry?

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. I asked the Senator from Minnesota if he did not share my understanding that it would require two-thirds of those present and voting to sustain the motion on which the Senate is about to vote.

The PRESIDING OFFICER. The Chair will state, in answer to the inquiry, that it takes a two-thirds vote to suspend the rule.

Mr. KERR. That is the question on which the Senate is about to vote, is it not?

The PRESIDING OFFICER. The Chair refers to a motion to suspend the rule. Following such action, an amendment to freeze present price supports would be subject merely to a majority vote.

Mr. KERR. Could not the Senator making the motion to suspend the rule, to permit an amendment to the bill before the Senate, by an equal vote bring up for consideration at this time proposed legislation on the calendar, the purpose of which is to hold the present price support level for farm products prevailing in 1957 through 1958?

The PRESIDING OFFICER. The Chair inquires if the question is whether the proposal to broaden the freeze on price supports would be offered as an amendment to an amendment?

Mr. KERR. No. The parliamentary inquiry I propounded was whether we could not with equal ease lay the pending question on the table and bring up the proposed legislation having to do with the very subject.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that a motion to bring up a matter for consideration of the Senate is in order, and that therefore a majority vote of the membership could accomplish that end.

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

Mr. KERR. A further parliamentary inquiry, Mr. President.

Mr. IVES. I should like to state a parliamentary inquiry. The yeas and nays have been ordered.

Mr. KERR. Mr. President, the Senator from Minnesota yielded to me for the purpose of propounding a parliamentary inquiry.

Mr. IVES. Mr. President, the yeas and nays have been ordered.

The PRESIDING OFFICER. In answer to the Senator from New York, the Chair will advise that even though the yeas and nays have been ordered, the Senate would not be prevented from taking up for consideration a measure properly on the calendar of business of the Senate. After the completion of the consideration of such a bill on the calendar, if taken up now for consideration by a majority vote, the yeas and nays would still be pending on the motion of the Senator from Minnesota if the Senate returned to consideration of the question now before the Senate. The yeas and nays have been ordered on the motion of the Senator from Minnesota to suspend paragraph 4 of Rule XVI.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. KERR. In the light of the information which the Chair has just given the Senator from Oklahoma, the Senator from Minnesota and the other Senators, to the effect that by a majority vote the proponents of this motion to suspend the rule could have a matter in which they are interested, voted on, in lieu of the pending matter, is it not amazing that they insist upon the peculiar procedural method they are now attempting to bring about?

Mr. HUMPHREY. It is, indeed. It seems to me it might be a very good suggestion that we simply proceed to consider that resolution, since we have taken up this much time with regard to agricultural matters, and since a very effective case has been made about the iniquitous action of the Department of Agriculture and the administration relating to dairy price supports.

I see no reason at all for the Senate not wanting to proceed to consider Senate Joint Resolution 162, which is Calendar No. 1377, by a simple majority vote, since it is not necessary to get a vote of two-thirds of the Senators present. We can then pass that resolution. The resolution has been reported by the committee. The resolution has all the support we could hope for, with the exception of, I believe, 2 or 3 who voted against it in the committee.

We could also move to proceed to the consideration of Calendar No. 1376. I see no reason why we should exclude these other matters. I say to my friends from the cotton areas and wheat areas and other areas that I see no reason why their areas should be excluded.

Believe me, the head of the Department of Agriculture has been pretty clever in setting one of us against the other, in pitting one group against the other, and in putting one group out in front and the other in the second position.

I must say, before we proceed to try to get a two-thirds vote, it might be very proper to give thoughtful consideration to obtaining a majority vote, which I gather would be slightly easier to obtain.

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

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. In view of the palpitating eagerness on the part of some Senators to protect a limited group of farmers by this extraordinary procedural effort, does the Senator from Minnesota not feel that they would gladly substitute the other procedure, under which a simple majority vote would give them the opportunity to gratify the burning desire in their hearts to tell Mr. Benson what he must do with reference to a limited group of farmers without remaining entirely silent as to the great mass of farmers equally entitled to this treatment?

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I will gladly yield to my colleague from Minnesota.

Mr. THYE. Mr. President, is the procedure which is now before us as to the dairy farmers not the same procedure that Senators endeavored to follow with regard to cotton farmers yesterday? I only followed the procedure intelligent parliamentarians in the Senate endeavored to follow yesterday with respect to the cotton-acreage question.

Mr. KERR. I rise to a point of personal privilege, Mr. President.

Mr. THYE. My only schooling is what occurred yesterday.

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

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and, if so, to whom?

Mr. HUMPHREY. Mr. President, I yield first to the Senator from Oklahoma.

Mr. KERR. The Senator from Oklahome desires to make a point of personal privilege.

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. I hope that the Senator from Minnesota [Mr. THYE] was not leveling his gun at me when he said "intelligent parliamentarians," but if he was looking at me, Mr. President, I want

to say that the distinguished Senator, with his great ability and knowledge, could not have made the statement sincerely, and I ask him to retract it, since it evidently was made in sarcasm and derision.

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

Mr. HUMPHREY. I yield now to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, if I may address a statement to the Senator from Minnesota [Mr. THYE], after hearing his last remarks, let me say that I was one of the cotton State Senators—and there were others—who voted against the so-called cotton amendment yesterday. One reason I did so was that a measure directly related to the problem is pending on the calendar. That measure came from the Committee on Agriculture in an orderly way. It looks toward not acreage increases but acreage allocation.

As I understand Senate Joint Resolution 162, all the basic commodities with the exception of tobacco are included in its provisions.

Mr. HUMPHREY. The Senator is correct.

Mr. SPARKMAN. I learned about this only from newspaper reports, but a few months ago I noted in the newspapers that the Secretary of Agriculture had announced that for 1959 he would cut the cotton acreage by 25 percent. I know that the cotton farmers cannot stand a 25 percent cut in the cotton acreage.

It is my understanding that Senate Joint Resolution 162 would provide for allocation of the same acreage in 1959 that is allocated in 1958. May I ask the Senator if my understanding is correct?

Mr. HUMPHREY. That is absolutely correct.

Mr. SPARKMAN. Mr. President, I desire to make it clear that I believe in a good program for every single farm commodity. I support a program for dairy products. Dairying has some importance in my State, but not the same importance it has in the State of the Senators from Minnesota and in the States of some other Senators. However, I support a sound dairy program. I shall vote for the program which is proposed.

I do not wish to find myself in the position of voting for one segment of agriculture, voting for another segment of agriculture, and then finding that the cotton farmers have been left out in the cold. Therefore, I propose to support Senate Joint Resolution 162 when it comes up for consideration from the calendar, with the understanding that almost without exception all basic farm commodities are included.

Mr. HUMPHREY. I thank the Senator from Alabama.

Mr. President, I desire to yield the floor, but first I will yield to the Senator from Missouri, who previously asked me to yield.

Mr. SYMINGTON. I thank the Senator.

Mr. President, on page 3747 of yesterday's RECORD there is a colloquy which, better than anything the Senator from Missouri has read in a long time, shows the true position in which the American farmer now finds himself.

Mr. President, in this colloquy, led by the distinguished senior Senator from Vermont [Mr. AIKEN], there were also remarks by the distinguished senior Senator from Georgia [Mr. RUSSELL], the distinguished junior Senator from North Dakota [Mr. YOUNG], and the distinguished junior Senator from Louisiana [Mr. LONG].

Mr. President, I hope all those who are interested in the future of the American farmer will read this colloquy on pages 3747 and 3748 of yesterday's CONGRESSIONAL RECORD.

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

Mr. SYMINGTON. This colloquy gives the truth about the problem of our farmers.

Mr. AIKEN. Mr. President, if the Senator will yield, does he refer to the colloquy concerning the depletion allowance and other subjects?

Mr. SYMINGTON. The colloquy I referred to has to do with all types and character of subsidies other segments of the economy are receiving, at the same there is so much objection to supports for the farmer.

Mr. AIKEN. Yes. I thank the Senator from Missouri. I am very glad to have the colloquy referred to in the RECORD the second time.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have no questions. I desire about a minute on my own time.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, we have had discussion relative to the parliamentary inquiry. I thank the Senator from Oklahoma for his participation in bringing this subject to the attention of the Senate.

Someone might say, "If any Senator can move to proceed to the consideration of Senate Joint Resolution 162 or Senate Joint Resolution 163, why not do it, since that can be done by majority vote?" I wish to make my position crystal clear as to why I do not propose to do so. I believe in orderly procedure. I do not believe it is right to try to supersede the leadership, particularly when there is legislation on the calendar, and particularly when the leadership has said that such legislation will be brought up immediately. If the leadership were to say, "The legislation is on the calendar, but we do not know when we are going to bring it up, if ever," then I should say we would be at a point where we would need to move affirmatively.

The Senate cannot operate in an orderly fashion if each individual Member of the Senate jumps up and moves to consider various bills. That is a difficult matter to explain to one's constituents.

I want the record to be crystal clear that I am not about to embarrass the majority leader, the minority leader, or the policy committee when they outline their program, even though such a thing could be done. We might have a good hot argument, and become tied up in the discussion of a great many little things, and not get to the issue.

Therefore, I feel that we should vote on the pending question, which is a motion to suspend the rule. However, I think we ought to bear in mind that the very same question can be determined by a simple majority, by adopting an orderly procedure with respect to Senate Joint Resolution 162 or Senate Joint Resolution 163. Whether the President would sign such joint resolutions or not, I do not know. I do not see how he can apply one principle to wheat but not to dairy products, or one principle to dairy products which does not apply to cotton or wheat.

I think it is an outrage that the support prices have been reduced. I want my position to be crystal clear. I have protested this action from the day I heard it rumored. I have heard it rumored that the Secretary may increase the price levels. If he does, I shall be the first to thank him for doing so. In the meantime, I suggest that we have orderly procedures to follow for the benefit of American agriculture.

Mr. JOHNSON of Texas. Mr. President, I appreciate the Senator's expression of confidence. I assure him that once we shall have acted on the appropriation bill and the tax bill, we shall proceed to the consideration of the two joint resolutions to which he has referred, and about which he has spoken to me. I refer to Calendar No. 1376, Senate Joint Resolution 163, and Calendar No. 1377, Senate Joint Resolution 162. I am hopeful that we may be able to reach them before the end of the week.

Mr. HUMPHREY. I think it is imperative to do so.

Mr. AIKEN. Mr. President, I must take exception to the statement of the Senator from Minnesota that the Secretary of Agriculture cut the price support on dairy products at the direction of the President. I do not know to what extent the President was consulted. We hear, however, that the White House was considerably concerned over the situation, and the President was reported in one of the newspapers about a week ago as saying that merely because he declined to dismiss the Secretary of Agriculture, that was not to be taken as an indication that he favored the cut in dairy supports. I think the President probably knows more about his relations with the Secretary than does any Member of the Senate.

I am also quite concerned that any Member of the Senate should rise and serve notice on the dairymen that unless they cooperate and give their support and their vote to the producers of other commodities and other interests with which they may not be concerned, they will not receive consideration in the solution of their own problems.

I was sent here largely by the vote of the dairymen of my State, but they did not send me here to trade votes. They sent me here to do what is right.

Mr. NEUBERGER. Mr. President, I am a comparatively new Member, but I

regret what I have witnessed in the past 2 days.

Yesterday I saw Senators from cotton-producing States delaying the vote on the appropriation bill for a day. That represented a delay which was lost to an orderly consideration of legislation which would affect cotton, dairy products, and all other agricultural products.

Today Senators from dairy-producing States are delaying the orderly procedure in bringing up agricultural legislation.

I come from a dairy State. My wife's family operates a dairy farm. Yesterday I voted against suspending the rule for the consideration of a cotton amendment. I admire the two Senators from Alabama, who, in my opinion, had the intellectual integrity to vote against disorderly and questionable procedure, the purpose of which was to enable a farm commodity grown in their State to receive special consideration.

Today I shall vote against a disorderly procedure proposed by the distinguished Senator from Minnesota [Mr. THYE] in order that dairy products, which are major agricultural products in my State, might receive special consideration. I am doing so because I have faith in the pledge made on the floor of the Senate by the majority leader that, in an orderly process, and under an orderly procedure, Calendar No. 1376, Senate Joint Resolution 163, a joint resolution to stay any reduction in support prices for dairy products until Congress can make appropriate provision for such support prices, will be brought up in the regular business of the Senate.

I support that joint resolution. I believe that our dairy farmers are entitled to it. They need and merit it.

I have said so, many times in the past. But merely because I come from a dairy State, I do not propose to be frightened into suspending a rule of the Senate and undertaking what seems to my inexperienced eyes, ears, and mentality, to be a disorderly procedure, for the purpose of giving priority to one commodity over another, and opening the floodgates to people from every State which grows wheat, corn, peanuts, or anything else, to do likewise.

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

Mr. NEUBERGER. I yield.

Mr. THYE. Does not the Senator from Oregon recognize that we are confronted by the time factor? This is the 11th of March, and we have only until midnight of March 31.

Mr. NEUBERGER. As I stated previously, I believe that the one day consumed yesterday in an effort to suspend the rule for the benefit of cotton, and the one day taken today in an effort to suspend the rule, under the motion of the Senator from Minnesota, for the benefit of dairy producers, have cost us 48 hours during which cotton legislation and dairy legislation could have been brought up in an orderly procedure from the Committee on Agriculture and Forestry, and passed.

I also recognize that the practice we are following, if indulged in by every Senator who feels a sense of loyalty and obligation to the products of his State, would result in indefinitely prolonged efforts to suspend the rule.

Mr. THYE. This is a very orderly procedure that we are following. The rules are set forth in the Senate Manual. Notices were properly filed. The Parliamentarian has advised me on every procedure I have followed. I am operating in accord with the rules. My conduct has been exactly what the rules prescribe.

Mr. NEUBERGER. Does the Senator from Minnesota—who, if I am not mistaken, is a distinguished member of the Committee on Appropriations—believe that any Senator who feels he has a particular interest in some farm commodity or some piece of social legislation should move, during the consideration of an appropriation bill, to suspend the rule in order that his legislative language may be added to such appropriation bill whenever it comes before the Senate?

Mr. THYE. If the Senator will further yield, I will answer his question.

There have been many times when, by unanimous consent, we approached the question of cotton in exactly the same manner we are now approaching the dairy products proposal by a motion to suspend the rule in connection with an appropriation bill.

I have seen legislative paragraphs placed in appropriation bills under unanimous-consent agreements. However, in this instance there was denial of unanimous consent. The Senate Manual prescribes how we shall proceed by positive action. I followed the course of positive action. I am proceeding in a very orderly manner, as prescribed by the Senate Manual.

Mr. NEUBERGER. Mr. President, I do not wish to presume further upon the time of the Senate.

It may be a very naive and unsophisticated conclusion, but I have always presumed that farm legislation should come from the Committee on Agriculture and Forestry. Legislation dealing with dairy products has been reported by the Senate Committee on Agriculture and Forestry. It is on the Senate Calendar. It bears a calendar number. We have had assurances from the majority leader—and if I am not mistaken the minority leader concurs in such assurance—that this joint resolution will be brought up very soon, in the orderly procedure of the Senate. I support that procedure. I intend to vote for the joint resolution when it is called up by the majority leader and his associates; and I trust that it will pass in very short order.

Mr. THYE. Mr. President, will the Senator yield further, for a brief comment on his remarks.

Mr. NEUBERGER. I yield.

Mr. THYE. Mr. President, the disinguished junior Senator from Oregon and I are not of contrary opinions or views on this subject. I have proceeded in an orderly manner. I did not give notice of my intent to suspend the rule until such time as the Committee on Agriculture and Forestry, by a very firm vote had approved the freeze on dairy projects and had approved the freeze on the other commodities. That approval was reflected by the committee reporting to the Senate the joint resolutions to which reference has been made.

I acted only because of the time factor. We must act promptly if our action is to be effective in freezing dairy products before the expiration time. That is why I have proceeded to ask for the suspension of the rule.

If we can suspend the rule, we can then debate the question, and then we can have an effective freeze just as if we had acted on the joint resolutions which are on the calendar, and which have been overwhelmingly approved by the Committee on Agriculture and Forestry.

Mr. NEUBERGER. If we were to proceed in the manner suggested by the Senator from Minnesota, we might as well abolish the Committee on Agriculture and Forestry.

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

Mr. NEUBERGER. I yield.

Mr. MORSE. I believe my colleague is absolutely right in the position he is taking with regard to the joint resolutions. The situation has changed remarkably since the debate started. The Senator from Minnesota performed a service by offering the motion in the the first place, because as a result of the debate on the procedure we now have the situation pretty well cleared up so far as future action on the joint resolutions is concerned. We have the assurance now, which we did not have at the beginning of the debate, that the Senate will take up those resolutions, and that they will be taken up a long time in advance of the 31st of this month.

I believe my colleague has performed a service in pointing out that if we defeat the Thye motion we will proceed, after we conclude consideration of the housing bill and the tax bill, to the consideration of the agricultural joint resolutions. No two-thirds vote will be required for those resolutions. They can be passed on the basis of a majority vote, or defeated on the basis of a majority vote. That is the orderly way in which to treat all commodities. They should be treated alike.

When it became perfectly clear to me yesterday that there was a strong possibility that we were going to find ourselves in the position of one product being picked out and treated specially, I made up my mind that I would vote for the motion to suspend the rule in regard to each commodity, as I was satisfied the motions would be made in rotation. I started out with cotton. As my colleagues know, I said in committee, "I think this is bad procedure, but it is the only way we can get to the problem."

Now we have had the air cleared, so far as knowing that we will have a chance to vote on the two joint resolutions. In view of that fact, I want my colleague to know that I intend to join him in opposition to the motion to suspend the rule.

In conclusion, I wish to say that the suspension of the rule is not a disorderly procedure in the Senate. If the parliamentary situation in a given instance justifies a suspension of the rule, it is perfectly orderly procedure. Other-

wise, we would have to take the position that we should repeal the suspension-of-the-rule provision. The suspension-of-the-rule provision is important, to be used in those rare instances when it is necessary to use it. This is not one of those circumstances. It would be if we did not have the assurance that the agricultural joint resolutions will be brought before the Senate before the week is out.

I am very glad my colleague has pointed out to the Senate in a very clear way the procedure we should follow.

Mr. NEUBERGER. I thank the senior Senator from Oregon. It seems to me that dairy legislation should come to the Senate from the Committee on Agriculture and Forestry. We have the assurance of the chairman of that committee and the assurance of the majority leader that this proposed legislation will be before us.

SEVERAL SENATORS. Vote! Vote!

Mr. DIRKSEN. Mr. President, I am not sure whether Members of Congress—and what I say refers to both branches of the Congress—seek to absolve themselves of their own blame and lay it upon the shoulders of the Secretary of Agriculture.

If I understand the Farm Act of 1949, as amended, it provides very distinctly and very expressly that the Secretary of Agriculture shall set the support price at such point between the brackets of 75 percent and 90 percent, as will secure an adequate supply of a particular commodity.

The Secretary of Agriculture calls in his economists and his advisory committee on those commodities, and his own stabilization experts. They have determined that the 75 percent level will assure an adequate supply. On the 18th of December, the Secretary announced that fact to all the world, and said that the new price support would become effective on the 1st day of April 1958. That is the law. That is what Congress wrote. Now, through the instrumentality of an amendment to an appropriation bill, it is proposed to modify that law. It is intended to freeze the price support and to tie the hands of the Secretary of Agriculture. We will say to him, "Yes, that is what we did say."

He says, "That is the law I have followed. That was your mandate. That was your direction."

Now we propose to say to him, "We do not like what you have done."

It is therefore proposed to use the instrumentality of an appropriation bill in order to tie the Secretary's hands.

What an amazing procedure. Let us confess our own sins here today.

The act of 1949 and every amendment to it was written by Congress. Its enactment required the concurrence of the House and the Senate.

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

Mr. DIRKSEN. Not for the moment. Let us be men enough to stand up and take our medicine. If something is wrong, in the dairy area, let us propose amendments in the regular form.

The Secretary is right. Those who deliver their imprecations and tirades against him, as they have this afternoon, are wrong. That devoted and humble man from Utah does not need any defense from me. His character and his devotion and his dedication to the cause are sufficient defense. Surely he can be wrong. All of us can be wrong. However, I will be the last to take advantage of him, and I will be the last to sit in silence and see the finger of scorn pointed at him, and his character maligned, on the ground that he has perpetrated a disservice to agriculture. If we have ever had a more devoted Secretary of Agriculture in the history of the Republic than Ezra Taft Benson, I should like to know it. I will let no day pass without defending him. He may be wrong, but no one, without my protest, will ever put in issue his character and his devotion to the farmers of America.

Mr. AIKEN. Mr. President, the provisions of the law relating to dairy price supports are exactly the same, word for word, as they were 2 or 3 years ago, when the Secretary of Agriculture raised the support price for dairy products from 75 to 83 percent of parity.

At the time the Secretary raised the support price from 75 to 83 percent of parity, the Government owned the equivalent of more than 10 billion pounds of milk. Now the Government owns the equivalent of 1¾ billion pounds of milk.

If the law prevents the Secretary from holding the support price at the 1957 level today, there was a clear and definite violation of the law 2 years ago, because the law was the same, word for word, as it is now.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota [Mr. THYE] to suspend the rule. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN, when his name was called, voted "yea."

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Chair regrets to inform the Senator from Washington that the yea and nay vote is in progress, and the first name has been called.

Mr. MAGNUSON. I was on my feet before the vote began.

The PRESIDING OFFICER. The Chair informs the Senator from Washington that the vote may be suspended only by unanimous consent.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the voting be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. I shall take only a minute.

Mr. THYE. Mr. President, as I understand, this procedure will not change the parliamentary position of the motion, because the yeas and nays have been ordered, and one vote has been recorded.

The PRESIDING OFFICER. The yeas and nays have been ordered, and one vote has been recorded. Unanimous consent has been given to suspend the vote, so as to enable the Senator from Washington to make a brief statement.

Mr. MAGNUSON. Mr. President, I know there is great confusion today about the action concerning the dairy problem. I have just listened to the Senator from Illinois [Mr. DIRKSEN] chastise Congress as a whole about dairy price supports and the law.

Mr. DIRKSEN. I was confessing my own sins.

Mr. MAGNUSON. If the Senator from Illinois was confessing his sins, this is probably one sin which some others of us do not need to confess.

On the other hand, many Senators who were opposed to that provision of the dairy price support law away back when it was started, and who have opposed it ever since and have voted against it, still think it is wrong. I still think that the authority granted to the Secretary of Agriculture to regulate the price supports on dairy products is wrong. I have always favored higher price supports. I think the RECORD should show that all Members of Congress did not favor that law in 1949. All Members of Congress still are not for that provision of the law.

If it is necessary to take up this matter in piecemeal fashion, that is the way we shall have to take it up.

This has been my serious conviction for many years. Therefore, I shall have to vote with the senior Senator from Minnesota, because I have not prevailed for all these years. This is one chance I have to reiterate again that I do not believe the action on dairy price supports or the law that allows them was correct when it was passed.

The PRESIDING OFFICER. The yea-and-nay vote will continue. The clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Nevada [Mr. MALONE] is absent on official business.

The yeas and nays resulted—yeas 30, nays 59, as follows:

YEAS—30

Aiken	Javits	Payne
Allott	Jenner	Potter
Barrett	Kefauver	Proxmire
Church	Langer	Schoeppel
Cooper	Long	Smith, Maine
Dworshak	Magnuson	Stennis
Eastland	Mansfield	Symington
Flanders	McClellan	Thye
Ives	Morton	Wiley
Jackson	Mundt	Young

NAYS—59

Anderson	Capehart	Curtis
Beall	Carlson	Dirksen
Bennett	Carroll	Douglas
Bible	Case, N. J.	Ellender
Bricker	Case, S. Dak.	Ervin
Bridges	Chavez	Frear
Bush	Clark	Fulbright
Butler	Cotton	Goldwater

Green	Knowland	Russell
Hayden	Kuchel	Saltonstall
Hickenlooper	Lausche	Scott
Hill	Martin, Iowa	Smathers
Hoblitzell	Martin, Pa.	Smith, N. J.
Holland	McNamara	Sparkman
Hruska	Monroney	Talmadge
Humphrey	Morse	Thurmond
Johnson, Tex.	Neuberger	Watkins
Johnston, S. C.	Pastore	Williams
Kennedy	Purtell	Yarborough
Kerr	Revercomb	

NOT VOTING—7

Byrd	Malone	Robertson
Gore	Murray	
Hennings	O'Mahoney	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting, not having voted in the affirmative, the motion to suspend the rule is rejected.

PROPOSED REDUCTION OF EXCISE TAXES

Mr. DOUGLAS. Mr. President, earlier in the day I stated that I was waiting for telegrams from the automobile industry as to whether it would agree to pass on to the ultimate purchasers of automobiles any reductions in the excise tax on automobiles, if such reductions were made.

At this time, I should like to read three telegrams I have received. The first is from Henry Ford II, and is addressed to me. I believe similar telegrams have been sent to both the Senators from Michigan. The telegram reads as follows:

DEARBORN, MICH., *March 11, 1958.*

HON. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.:

You may be assured that any reduction in the automobile excise tax that may be determined by the present session of the Congress will be excluded from our charges to our dealers and that we will make specific recommendations to them that they, in turn, exclude the amount of any such reduction from their charges to their customers.

HENRY FORD II.

The second telegram I have received comes from George Romney, president of American Motors Corp. It reads as follows:

DETROIT, MICH, *March 11, 1958.*

The Honorable PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.:

American Motors would pass on to our dealer customers the benefit of excise tax reduction on appliances and cars and would encourage our dealers to pass benefits on to their customers. We support prompt elimination of these excise taxes. Prolonged consideration would add to public uncertainty and be harmful.

GEORGE ROMNEY,
President, American Motors Corp.

The third telegram comes from Frederick J. Bell, executive vice president of the National Automobile Dealers Association. This telegram reads as follows:

WASHINGTON, D. C.

The Honorable PAUL H. DOUGLAS,
United States Senate:

The following telegram was sent this morning to the President and is passed to you for information and appeal for your support:

"THE PRESIDENT,
"The White House,
"Washington, D. C.:

"The 25,000 franchised automobile dealers who comprise the National Automobile Dealers Association urge most respectfully and emphatically that the manufacturers' excise tax on automobiles, parts, and accessories be removed. Our members have pledged themselves to pass along immediately to the consumer the cost benefits that would thus accrue when passed to the dealer by the manufacturer. In the opinion of these many thousands of small-business men, this action would be dramatic, heartening, and of immediate benefit in removing the log-jam that seems to be bottling up consumer confidence in the current state of the economy.

"FREDERICK J. BELL,
"Executive Vice President,
"National Automobile Dealers Association."

Mr. POTTER. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Illinois yield to the Senator from Michigan?

Mr. DOUGLAS. I am glad to yield.

Mr. POTTER. I appreciate the fact that the Senator from Illinois has read the telegrams he has received from Henry Ford and from the president of American Motors Corp. I wish to assure the Senator from Illinois that I have been informed by the president of General Motors Corp. and by the president of the Chrysler Corp. that telegrams from them are en route to him, giving the same assurance that he has received from the others.

Mr. DOUGLAS. I appreciate very much that assurance. I hope when they are received, either the Senator from Michigan or the Senator from Illinois will put them into the RECORD.

Mr. LONG. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. LONG. Is there any reason why General Motors Corp. or the Ford Motor Co. cannot cut the present prices of their automobiles; or are all those companies in a loss condition?

Mr. DOUGLAS. I, myself, would like to see the prices cut. But apparently we have received from the automobile manufacturers pledges that any reductions in the excise taxes on automobiles or parts will be passed on to the dealers, and that the manufacturers will try to have the dealers pass them on to the consumers and purchasers.

Mr. POTTER. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. POTTER. In commenting on the question asked by the Senator from Louisiana [Mr. LONG] about such a reduction, let me say that all of us would like to see the prices of automobiles reduced. I hope all the companies will be able to do the same thing. I would hate to see a price war which would result in driving the American Motors Corp. or the Chrysler Corp. out of business.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. MORSE. Mr. President, I should like to have the attention of the chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN]. I desire to call attention to one provision in the bill now before the Senate. In that connection, I refer to the following paragraph on page 9 of the committee report:

> The committee recommends the addition of $3,000, in order to compensate the Chairman of the Commission for the period between the expiration of his prior appointment and his confirmation for his present appointment.

Of course that refers to Mr. Kuykendall, the Chairman of the Federal Power Commission.

The record shows that some Members of the Senate, including myself, considered him then, and still consider him, to be completely disqualified to hold the position he occupies.

It is my recollection that the Chairman of the Federal Power Commission, when the hearing on the question of confirmation of his nomination was being considered, testified that his name was off the door; that he was off the payroll; that he was not functioning as Chairman of the Commission.

So I am a little at a loss to understand why a $3,000 gratuity should be given the Chairman of the Federal Power Commission for the period of time when, according to my understanding, he was not performing any service for the taxpayers, and when he was subject to a very legitimate and sincere inquiry into his qualifications.

In my judgment the proposed gratuity would constitute an exceedingly bad practice. I should like to be informed whether any precedents in support of such action can be pointed to. If there are any such precedents, certainly they are bad ones; and certainly we should not establish another bad precedent.

It is most unfortunate if we have come to the point where, when a person is nominated to a particular position, and when many Members of the Senate have sincere differences of opinion as to his qualifications, and when some Members of the Senate think that because of the course of action he has followed, he is completely disqualified to hold the job to which he has been nominated, he is thereafter to be given a gratuity in the amount of $3,000 for a period of time when he did not perform any service for the taxpayers of the country. If such a gratuity is to be paid, certainly we have reached a rather bad state of affairs in connection with the handling of the money of the taxpayers.

First of all, I should like to know what allegations have been made in justification of the proposed payment. After I hear about that point, I shall raise a series of parliamentary inquiries in regard to this matter.

I should like to have the chairman of the committee tell me what the committee offers as justification for the proposed payment of a gratuity of $3,000 to Mr. Kuykendall.

Mr. HAYDEN. Mr. President, in the Appropriations Committee we were advised that the Senate Committee on Interstate and Foreign Commerce had considered this matter and had recom-

mended that this action be taken; that the long delay in confirming the nomination ought not prevent the nominee from receiving some compensation for that period of time. That is why the committee placed the provision in the bill.

Mr. MORSE. He was to be compensated for idly standing by while a duly constituted committee of the Senate investigated his qualifications and conducted hearings on an appointment as to which there was a decided split of opinion as to whether he should have been appointed in the first place, and confirmed, in the second place. I see no justification for paying a man to sit idly by while the confirmation issue was under question. In my opinion, it is a giveaway of the taxpayers' money that is unwarranted.

Mr. President, I raise a parliamentary inquiry if under the circumstances of this case it does not amount to legislation on an appropriation bill. The language to which I have reference appears on page 7, lines 16 through 19.

Mr. HAYDEN. It was recommended that the Appropriations Committee take this action. It was no fault of the man. He had no interim appointment. He could not do anything else. He had to live, and was entitled to compensation.

Mr. MORSE. He was not doing anything. I think the record will show he was not working for the taxpayers of the country. He was not working for the Federal Power Commission. I do not think we have any right to give him a gratuity while the question as whether his appointment should be confirmed was under consideration. After all, he should have been doing something to entitle him to compensation.

Mr. President, may I have an answer to my parliamentary inquiry?

The PRESIDING OFFICER. The Chair is of the opinion that, under the law, payments can be made if the Senate authorizes them. Therefore the Chair overrules the point of order.

Mr. MORSE. Mr. President, I shall appeal from the ruling of the Chair after debate. I think we ought to have all the facts. I do not believe the facts of the case fall into the framework of the ruling the Presiding Officer has just made. I do not think the facts are as indicated in the ruling. I submit the facts will show, unless one can produce evidence to the contrary, that the appointee was doing nothing for the taxpayers during the period of time for which it is now proposed to give him $3,000.

The Appropriations Committee could start adding to the appropriations bill $3,000 for A, $3,000 for B, $3,000 for C, and $3,000 for any number of other people the committee wanted to pay by way of gratuity, and such gratuities would fall under the ruling the Presiding Officer has just made.

If the Appropriations Committee decided to pass out $3,000 payments to persons who had not rendered any service, it would be legislating on appropriation bills. Such action requires legislation.

The question of fact is whether the nominee's testimony can be believed when, before the Committee on Interstate and Foreign Commerce, he indicated he was performing service for the Federal Power Commission. A gratuity is legislation on an appropriation bill, and the Chair's ruling is wrong.

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

Mr. MORSE. I yield.

Mr. ANDERSON. Why does the Senator not make a point of order? It must be legislation on an appropriation bill if it is a gratuity.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. If the Senator from Oregon will read the bill, he will see that the principal amount was increased from $133,000 to $136,000, without any statement as to what was to be done with it, but then the language reads:

> Of which $3,000 shall be available for payment of compensation to the present incumbent of the position of Chairman of the Commission for the period June 23, 1957, to August 15, 1957, not heretofore paid.

That is legislation.

Mr. MORSE. Clearly, it is legislation.

Mr. JOHNSTON of South Carolina. But the committee had a perfect right to put that language in the bill. If the law takes care of him, let the law do so.

Mr. MORSE. It cannot take care of him for the period of time he was not on the payroll.

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

Mr. MORSE. Mr. President, I want to make it very clear that I shall appeal from the ruling of the Chair if the ruling is that under the facts of the case this language is not legislation on an appropriation bill. I appeal from the decision of the Chair.

The PRESIDING OFFICER. The Chair is prepared to rule.

Mr. MAGNUSON. Mr. President, I think probably I should have something to say about this matter. I am partially responsible for the insertion in the appropriation bill of this provision. The appointment of the Chairman of the Federal Power Commission was sent to the Senate. There was a promise that there would be early hearings on the nomination by the committee of which I am chairman. Hearings were set, under our committee rule, 2 weeks from the time the name was sent to the committee. In the meantime, there developed a serious illness in the family of Mr. Kuykendall, which I need not go into at this time, since it has nothing to do with the case, but which involved his wife. He was forced to ask if I could postpone the hearings for at least a week, which I did.

Then I postponed the hearings for another week because of the extreme seriousness of the operation performed on his wife. Mr. Kuykendall was in no condition to come before the Senate with such a matter hanging over him. I may point out that the chairman of the committee was ready to oppose his confirmation as vigorously as was the Senator from Oregon. I thought a postponement of the hearing was fair. After that, he was willing to come before the committee.

I set hearings, not once, but three times, before the full Committee on Interstate and Foreign Commerce. Every time I set a hearing a Senator who was in opposition to the nomination wanted a postponement. I agreed to the postponement. I kept calling Mr. Kuykendall, until I was somewhat embarrassed, asking him to agree to a postponement. Almost a month went by with no hearings.

Then the Senator from Oregon testified, and I testified. I opposed the nomination vigorously. I think there were about 22 votes against confirmation. We had to wait until the hearings were printed. Some Senators wanted to have the printed hearings available. All that time went by. Technically, Mr. Kuykendall was not serving as Chairman of the Federal Power Commission.

That is true. He was down there every day working, because there were many cases in which he was involved. He could not draw his salary because of the rules. All the independent agencies have different rules. In the case of some independent agencies, a man may serve and be paid until his successor is appointed. The agencies are governed by different rules.

As a matter of fact, I will say to the Senate that I am having a bill prepared this week to make the rules for these agencies uniform. I think the Senators will agree that a man should serve until his successor is appointed. Orderly procedures should be established for regulatory agencies. God knows that is needed in many cases.

Finally Mr. Kuykendall's nomination was confirmed. I suppose his name was put back on the door. There was so much going on that I know as a personal matter he was there every day working, except for the time he was with his wife, when she was seriously and dangerously ill.

I felt a little bit embarrassed about the matter. Perhaps I became a little sentimental about it. I apologize to the Senate for that.

I know Mr. Kuykendall. He is not a man of any means. He had the problem of the illness to which I referred, in addition to the loss of his regular salary. He did not have any outside income that I know of.

I think Mr. Kuykendall is a fine man, although, as the Senator from Oregon knows, I violently disagree with him on pretty nearly everything he has done.

I said, "Is there some way we can pay you for the time lost which was not your fault?" In one case it was the fault of the committee, practically, and in a good many instances it was due to Senators desiring to delay the matter.

I brought up the question informally in the committee. We could not figure out any way to compensate Mr. Kuykendall for the time he waited. He is serving now as Chairman of the Federal Power Commission.

The suggestion was made that perhaps in the appropriation bill we would be able to work out some provision to give Mr. Kuykendall some pay for the 2½ months he was out of office.

I appeared before the Committee on Appropriations. The Senator from Illinois—I do not know whether he is present in the Chamber now—submitted the amendment. I told the members of the Committee on Appropriations that I

hoped we could accomplish the desired result in some way. I did not know whether we were technically and legislatively correct in the procedure, but I told them that the Committee on Interstate and Foreign Commerce had discussed the matter and was practically unanimous in feeling that something ought to be done about compensating Mr. Kuykendall for time lost when all this happened. That is the background with relation to why the provision was included in the bill.

I think I owe the Senators that explanation. I did not submit the amendment. It was submitted by the Senator from Illinois. I had not talked to the Senator from Illinois about it at all, but I appeared before the committee and I merely supplemented what the Senator had to say, by saying that the Committee on Interstate and Foreign Commerce had very informally discussed this matter, and we hoped something could be done on behalf of the Chairman of the Federal Power Commission, Mr. Kuykendall.

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

Mr. MAGNUSON. I will yield in a moment to my colleague from Rhode Island.

That is the explanation of the way this provision came to be put into the bill. I suspect that a point of order could lie against it. I have no precedents to quote for the Senator from Oregon. I did not look them up, because I did not present the amendment. I was merely present at the committee hearing to supplement what was stated.

As I have said, I am partially responsible for this amendment. The sum of $3,000 was suggested because that would roughly correspond to the figure representing proper payment for the time we in the committee held the matter up. That does not relate to the time Mr. Kuykendall was not working because of the serious illness of his wife.

The Senator from Kansas [Mr. SCHOEPPEL] was present. He is interested in the matter.

I suppose a point of order would lie against the provision. Perhaps it represents a precedent we should not establish. I did feel I was duty bound to tell the Senate what brought the request about.

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

Mr. MAGNUSON. I yield first to the Senator from Rhode Island.

Mr. PASTORE. I thank the Senator from Washington.

First, I should like to corroborate everything the distinguished chairman of the Senate Committee on Interstate and Foreign Commerce has said. I, also, voted against the confirmation of the nomination of Mr. Kuykendall. I am not at this time addressing myself to the point of order which has been raised, but I address myself alone to the substance and justice of the claim.

There is no question in my mind that Mr. Kuykendall did perform services for the United States Government as a member of the Commission during the time the matter was being considered by our committee. There is no question about that in my mind. There is no question in my mind as to the fairness and as to the justice of the claim.

I repeat that I do not debate the question of the point of order. I suppose some argument could be made with reference to it. However, I think Mr. Kuykendall is entitled to the money. Whether the procedure is somewhat unorthodox I do not discuss at this time, but I think that the man should be paid, because during the period of time in question he was serving as a member of the Commission, and without any fault on his part the confirmation of his nomination was delayed because of requests made by various Senators who were interested in the confirmation of the nomination, and who desired to delay the matter and not hear it, when it could have been heard in an orderly procedure.

Mr. SCHOEPPEL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kansas?

Mr. MORSE. I do not have the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. SCHOEPPEL. In my own right, Mr. President?

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. SCHOEPPEL. I wish to commend the Senator from Washington and also the Senator from the great State of Rhode Island.

The Senator from Kansas is a member of the Interstate and Foreign Commerce Committee. I am sure I sat through every one of the committee hearings wherein the confirmation of Mr. Kuykendall's nomination was under consideration.

I wish particularly to commend the Senator from Washington [Mr. MAGNUSON] because, as chairman of the committee, I am sure he honestly had certain misgivings about the confirmation of the nomination of Mr. Kuykendall, and he made his position amply clear. Because of his great sense of fairness the Senator has indicated to the Senate today the very commendable position he takes. He is always fair in such matters, and I have always found him to be so.

The Senator from Washington has said to the Senate that a number of the delays were not due to any fault on the part of Mr. Kuykendall, but came about as a result of the members of the committee making certain requests, legitimately so in many instances. As the Senator said a while ago, Mr. Kuykendall is not a man of any great means, but he held himself open to the will of the committee. Week after week went by and he was not called.

I might point out that in the orderly procedure of the Senate, as well as in the orderly procedure of the committee, the committee voted favorably on the question of confirming Mr. Kuykendall's nomination. The nomination was submitted to the full committee, and the full committee reported it to the Senate, and Mr. Kuykendall's nomination was confirmed.

I am glad to hear the Senator from Rhode Island say what he has, because I checked into that very matter. The facts are that, except for the time he was with his sick wife, Mr. Kuykendall appeared at work, at the Commission. It was probably embarrassing to him, because the confirmation of his nomination was delayed, and the law required during that time that he could not serve as a member of the Commission.

Mr. President, I think the Senate, during the time I have been a Member, in a number of instances, certainly, has appropriated money and funds far beyond the amount the committee is asking the Senate to approve today.

I think approval of the amendment is only fair and just, and it has been proposed because of a sense of fairness and justice.

I wish to say to the distinguished Senator from Oregon that I have no quarrel with him about objecting to this type of procedure. I do not address myself to that. I address myself only to the fairness of the approach which I think the committee took with reference to this matter.

I desire to say in defense of the chairman of the Committee on Interstate and Foreign Commerce that many members of the committee thought, in the interest of fairness and justice, he should appear before the proper appropriations subcommittee and present the matter. I commend the Senator from Washington for doing that.

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

Mr. SCHOEPPEL. I am glad to yield.

Mr. POTTER. Is it not true that upon the basis of the statute governing the actions of the Federal Power Commission, at the expiration of his term a Commissioner is out of the job or is not on the payroll, which is unlike the rule governing some other Commissions, where the member remains on the Commission until succeeded by someone else? In this case, when a Commissioner's term expires, he goes off the payroll before another Commissioner takes his place.

That is a subject which our committee should look into. When we ask a man to assume an important position with a Commission, and because of actions on the part of Congress, or, in this case, perhaps, partly because of illness of his wife, there is a delay in his confirmation, a question as to procedure is raised.

He was not a free agent. He was not in a position to do anything else but wait around without pay. Some persons can afford to do that, and others cannot. Regardless of what we may think about the particular policies of any individual, we should not be unfair to any man whose nomination must be confirmed by the Senate. The question was raised before the Senate in ample time so that the committee could have acted and the Senate could have acted on his nomination. That did not take place, and he was penalized.

I do not know of any other way to correct this situation than by the method proposed here.

Mr. SCHOEPPEL. Mr. President, the Senator from Michigan is correct. As I

understand the law, no member of the Commission can serve beyond the time for which he is appointed. That question arose in the case of the then chairman, Mr. Kuykendall. I agree wholeheartedly with the Senator from Michigan that the Congress should take a look at the applicable statute, because various situations have developed in certain agencies.

From a sense of fairness and justice, I believe that this man should be compensated.

Mr. MORSE. Mr. President, I should like the attention of the Senate for a few minutes while I discuss the procedural issue involved in this case, quite separate and distinct from any personality involved in the $3,000 item, and quite separate and distinct from any personality involved in the debate.

This is the way to make a very serious precedential mistake in the Senate, if we do not take the time to understand the procedural principle which is involved.

After listening to the distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] I do not think there is any escaping the conclusion that he recognizes that this is legislation on an appropriation bill, and that the purpose of placing this amendment in the bill was to right what the members of the committee thought was a wrong, or at least do equity, as the Senator from Washington implied, or correct an injustice, or do what they thought was the fair thing—whatever adjectives may be used to describe the course of action.

All that is irrelevant to the issue before the Senate. It is very important, in my judgment, that we come to grips with the principle of procedure which is involved. If we start underwriting this kind of approach to an appropriaton bill, the Appropriations Committee will become the superlegislative committee of the Senate. The Appropriations Committee is not a legislative committee. Under the rules of the Senate the Appropriations Committee has no power to recommend legislation to the Senate.

This is a delicate matter. I do not deny the fact that I am talking about the most powerful committee in the Senate. That is all the more reason, therefore, why we should hold it to the rules, and make it clear to the Appropriations Committee at all times that we expect it, too, to follow the rule, and not propose legislation on an appropriation bill.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I shall be glad to yield when I shall have concluded my argument.

I believe that the proper procedure to follow is by way of a claim bill or a private bill. If the Senator from Washington, the Senator from Rhode Island, the Senator from Kansas, or any other Senator believes that some injustice has been done to Mr. Kuykendall, let him introduce a bill. Let it be referred to the appropriate standing committee which considers legislative claim bills, and let us get the facts.

What the Appropriations Committee is saying, or what some of its members are saying on the floor of the Senate is, "Mr. Kuykendall performed some services. Therefore, because he performed some services and his wife was sick and had a serious operation, he should get $3,000 of the taxpayers' money."

That is not the way to legislate. If we want to give Mr. Kuykendall $3,000, it should be done through a bill which proposes to give him $3,000. We should have a hearing on the bill. We should take evidence on the bill.

I do not happen to share the view stated on the floor of the Senate this afternoon, that Mr. Kuykendall performed very much work during the time in question. Some of his own statements before the Committee on Interstate and Foreign Commerce indicate that he did not consider himself to be a member of the Commission. He was not on the Commission. He testified that his name was taken off the door. It is true that he asked for speedy action, but the Senator from Washington knows that the Senator from Oregon was not responsible for his not getting speedy action. I was champing at the bit, so to speak, to testify at any time with regard to Mr. Kuykendall, because I considered him to be completely disqualified for the appointment.

But that has nothing to do with the issue which is now before the Senate. I think it is important that we forego any feeling we may have about Mr. Kuykendall, or WAYNE MORSE, or anyone else, and come to grips with the issue which is involved here, namely, whether or not we are to countenance the action of members of the Appropriations Committee in recommending to the Senate a payment of $3,000 to someone whose nomination was the subject of confirmation hearings, to pay him for the time required by the Senate, in its due process, to hold such hearings. If that is not legislation on an appropriation bill, I do not know what it is.

What I am respectfully saying to members of the Appropriations Committee is that I think this amendment should be withdrawn. I think they should say that they propose to introduce a bill to provide $3,000 for Mr. Kuykendall. The senior Senator from Oregon would favor giving the green light for the earliest consideration of such a bill, after a committee report had been submitted which answered such questions as: "What did you do? How many days did you spend in the office? What did you handle? Where were you when you were not in the office during working hours?"

I think the taxpayers are entitled to such information before we give $3,000 of their money to a man who, in my judgment, is not entitled to a red cent of it. Under the existing rules, if he is to be given $3,000, it should be accomplished through proper legislation, and we should not turn the Appropriations Committee into a legislative committee.

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

Mr. MORSE. I yield.

Mr. PASTORE. While it is true that the regular procedure would be to file a claim with the Judiciary Committee, the fact remains that a legislative committee did give thorough examination and study to this case. We considered it at length in the Committee on Interstate and Foreign Commerce. We were quite familiar with the entire background of the situation.

We realized that the nomination came up at an inappropriate time, and that the delay was not caused by any fault on the part of Mr. Kuykendall. It was our own delay. For that reason we decided to recommend to the Appropriations Committee that Mr. Kuykendall be compensated.

I realize that the proper committee to handle a claim bill would be the Judiciary Committee, because the case would have to be handled in the nature of a claim. However, the fact is that the case was passed upon by a legislative committee, not in a formal fashion, but after discussing it thoroughly. We decided that justice dictated that this man should be paid, because he was serving his Government, although perhaps not in the legal manner discussed by the Senator from Oregon. He was on the job, and the only delay was caused by various Members of the Senate who desired to be heard on the nomination. The delay was not caused by Mr. Kuykendall.

I repeat that I was one of those who voted against his confirmation, but on this point I feel justice demands that the man be paid.

Mr. MORSE. I say most respectfully to my friend from Rhode Island that there were many of us in the Senate who did not know the Committee on Interstate and Foreign Commerce was considering the matter. Therefore, I respectfully submit that the committee was following a course of action that could be described by some of us as legislating by way of secrecy. After all, if we are to consider the question of whether we will give $3,000 of the taxpayers' money to someone who at best must be classified as a volunteer, because during that period of time he occupied no official position, then all of us should have notice of hearing and notice of the introduction of a bill, so that we may have an opportunity to appear before the committee, and if we do not share the point of view of the proponents of the bill, may have an opportunity to testify against it.

I respectfully submit that the procedure which my friend the Senator from Rhode Island has outlined as having been followed by the Committee on Interstate and Foreign Commerce was not fair to other Senators because they did not have notice.

Mr. PASTORE. There was no attempt at secrecy involved in the matter. It came up in an orderly fashion. We had before us the case of a man who, through no fault of his own, had not been paid. It was decided by the committee. It was done openly and in an orderly fashion. The matter was then referred to the Committee on Appropriations. That was the decision of the Committee on Interstate and Foreign Commerce.

Furthermore, the matter was heard by the Committee on Appropriations. The appropriation is now in the bill. The attention of the Senator from Oregon

has already been called to the fact that the item has been included in the appropriation bill. He has an opportunity to vote on it just as if it had been reported by the Committee on the Judiciary. The question is, "Is the Senator for it or against it?" Some Senators are for it and some are against it. The Senator's attention has been called to the matter, as is the case with all other Members of the Senate. I repeat that there is no secrecy involved. It is a simple matter of justice.

Mr. MORSE. The Senator from Rhode Island is making a remarkable argument. He knows that that is what we call a matter after the fact, not before the fact. He said it is no longer any secret, now that it is on the floor of the Senate at long last, after the committee has committed itself and after Senators have put themselves in the presumptive position, with every presumption going to be resolved in their favor, and after they are in a strong position and able to carry some votes along with them.

He knows very well that other Senators, who are not members of the Committee on Interstate and Foreign Commerce, did not have the slightest idea that the subject was being considered by the committee. We did not know anything about it. Yet now, in the course of the debate on the appropriation bill, we come across it, as we follow the procedure which most Senators follow when a bill comes before the Senate. In other words, we study the committee report and we study the bill, but now we run into this matter on the floor of the Senate.

I say we were entitled to have a bill introduced. We were entitled to have it go to the calendar and then to the floor. We were entitled to have an opportunity given us to appear before the committee to ask some questions of Mr. Kuykendall, because it may be that we are not so satisfied with the examination of the facts made by the Committee on Inter-State and Foreign Commerce as we would like to be. Therefore, I say that on the procedural record of this matter we were not put on notice. I do not think there is any escaping the fact that what is before us now is a proposal by the Committee on Appropriations to legislate on an appropriation bill, to give a volunteer $3,000.

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

Mr. MORSE. I yield.

Mr. HAYDEN. Mr. President, rule XVI of the Senate rules reads:

> No amendment shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provision of some existing law * * * or unless the same be moved by direction of a standing or select committee of the Senate.

If the Committee on Interstate and Foreign Commerce had thought it necessary to move that Mr. Kuykendall receive this pay, it would have been perfectly in order to put that provision in the bill.

Mr. MORSE. What is one of the purposes of the rule? I ask that question of the Member of the Senate who knows more about the rules of the Senate than all the rest of us put together. The purpose of the rule is to give us some assurance of a chance of notice. The fact is we did not have any notice. The fact is that 25 of us on the floor of the Senate thought the man was completely disqualified for the job in the first place. Now the Committee on Appropriations comes along and says "We ought to give him $3,000."

I think that is the wrong procedure for us to follow. I think the amendment ought to be withdrawn. A bill should be introduced and hearings held on it. We should be given an opportunity to testify on the bill.

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

Mr. MORSE. I yield.

Mr. KNOWLAND. I wish to call to the attention of the Senator from Oregon, and also to the attention of the chairman of the committee, the testimony on the second supplemental bill, at page 49. At that page there is found the statement by the committee, and the procedures which were followed at the time the amendment was offered. It was done on the recommendation of a proper legislative committee.

Mr. MORSE. As a Member of the Senate I have the right to the presumption that the Committee on Appropriations is not bringing forth legislation. I do not believe I should be required to go through the committee report to determine that there is no legislation contained on an appropriation bill. I have a right to assume that it does not contain legislation. I think the proper action to follow in this case is to withdraw the amendment.

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

Mr. MORSE. I yield.

Mr. MAGNUSON. This is a very unfortunate situation. I do not believe the Senator from Oregon is quite fair in saying that we did this in secrecy. We discuss many matters before the committee. At every regular meeting of the committee all kinds of matters are discussed. It is all done openly, and it is all submitted to all the members of the committee. Many times we do not notify every Senator on every question that comes before the committee. I believe I have been as diligent and as fair as other chairmen of committees in notifying Senators when a matter in which a particular Senator was interested would come before the committee. There was nothing secret about it. It was almost a year when this was taken up. Mr. Kuykendall never suggested this himself.

Mr. ANDERSON. Has the Senator from Washington seen the hearings?

Mr. MAGNUSON. Yes.

Mr. ANDERSON. Mr. Kuykendall suggested it, even the figure.

Mr. MAGNUSON. Mr. Kuykendall never suggested it to our committee. In the hearings last year he suggested he would be without pay and therefore he wanted further hearings. Mr. Kuykendall has never consulted me about this matter at any time since Congress has met.

Mr. ANDERSON. These are the hearings.

Mr. MAGNUSON. Those are the last year's hearings.

Mr. ANDERSON. That is the copy of the hearings to which the minority leader has referred.

Mr. MAGNUSON. No; he referred to the hearings of the Committee on Appropriations.

Mr. ANDERSON. Did the Senator from California not refer to page 49 of the hearings?

Mr. MAGNUSON. No. Page 251 of the hearings.

Mr. KNOWLAND. I referred to the hearings of the Committee on Appropriations on the supplemental appropriation bill.

Mr. ANDERSON. To which page did the Senator refer?

Mr. MAGNUSON. Page 251.

Mr. KNOWLAND. Page 49.

Mr. ANDERSON. Mr. Kuykendall testified there.

Mr. KNOWLAND. On page 49? Yes.

Mr. ANDERSON. Does that page not show that Mr. Kuykendall testified?

Mr. KNOWLAND. Yes; it does.

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

Mr. MORSE. I yield.

Mr. FULBRIGHT. How does the Senator interpret section 5 of rule XVI which says:

> No amendment the object of which is to provide for a private claim shall be received to any general appropriation bill.

The PRESIDING OFFICER. Senators will suspend. The Senate will be in order.

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

Mr. MORSE. I yield.

Mr. MAGNUSON. I understand that Mr. Kuykendall did appear at the behest of the Senator from Illinois [Mr. DOUGLAS] on the second supplemental appropriation bill. That is something the Senator from Washington knows nothing about. Mr. Kuykendall has never appeared before the Committee on Interstate and Foreign Commerce. The matter was brought about voluntarily by several Members. We never heard from Mr. Kuykendall, either by word or by letter.

When the Committee on Appropriations was marking up the bill the other day, the Senator from Illinois [Mr. DIRKSEN] offered the amendment. I said for the record, on page 251 of the hearings, on that occasion, about a month or 3 weeks ago:

> I will say for the record that I brought the matter up before the Interstate and Foreign Commerce Committee in charge of the nomination, and they were in agreement to see if we could figure out ways and means to pay him for the time that he was kept in this position. It has full concurrence of the full committee.

That is what I said at that time. But Mr. Kuykendall was not before us.

I hope the Senator from Oregon will not say that there was any secrecy about it in any way whatsoever. I do not understand that the Committee on Interstate and Foreign Commerce, or any other committee, has the obligation

to notify Senators of everything that we discuss in an informal way. I do not know how we could do it, as a practical matter. Many matters are discussed in committee. This was one of them. There was no bill before the committee. This was an informal discussion, and we were trying to do what we thought was simple justice in the matter. I must say I knew nothing of the testimony before the Committee on Appropriations.

It was when the Senator from Illinois [Mr. DIRKSEN] offered the amendment and made a short statement, which appears on page 251 of the hearings on the appropriation bill, that I responded.

I do not think it is fair to say that there was any attempt to put anything over on anyone. Our only purpose was to do what we thought was fair. It had never been suggested to me by anyone, since the hearings were held on the nomination before the Committee on Interstate and Foreign Commerce last June.

Mr. MORSE. I am certain the Senator from Washington does not mean to put words into my mouth. I know he would not think of doing so. I have not said anything about something being put over on anyone. There is nothing in my remarks which implied or intended such an implication.

When I used the word "secrecy" I was talking about a lack of notice to those of us who did not know this matter was before the Committee on Interstate and Foreign Commerce or before the Committee on Appropriations. When I do not have notice of something, then action taken is certainly secret, so far as I am concerned.

When the Senator from Washington says that we cannot expect to have notice given, I say that the Senate has a right, in my judgment, to have notice by way of the introduction of a bill, when it is proposed to grant a private claim.

The regular legislative procedure of the Senate is to have private claim bills introduced. I think we are entitled to have that notice. I do not think a standing committee should proceed to take action without notice to the rest of the Senate concerning a private claim. Then the committee should recommend to the Committee on Appropriations the granting of the private claim. What this amounts to is attaching a claim to an appropriation bill.

The Senator from Illinois [Mr. DOUGLAS] has handed me a copy of the hearings on the second supplemental appropriation bill for 1958, which is the business now before the Senate. On page 49, I find this colloquy:

Senator DIRKSEN. Mr. Chairman, before Mr. Kuykendall makes his statement, I was going to direct the committee's attention to the fact that when he was reappointed by the President, his confirmation was delayed in the hearings before the Committee on Interstate and Foreign Commerce and actually he was in the very unhappy position of having to stay here because other Senators wanted to have additional hearings, and there was no interim appointment.

At the same time Mr. Kuykendall could not go out and look for any employment of any kind during that period when he was out of office. He could not go to his office.

The Senator from Illinois [Mr. DIRKSEN] said:

He could not go to his office.

I continue:

Then, above all else, he had to keep himself available for any special appearances before the committee.

You may recall that Senator MORSE testified at great length.

I digress to say, Mr. President, that I was not the only one who testified at length. I continue:

But there was a period from late June until August when he was completely immobilized and for which he received no pay.

It just seems to me that the fair thing to do is to make available the pay that he lost during that entire interim period because all this was through no fault of his own.

The amount involved is $3,000. I think the easy way to handle it is to insert a little amendment in this bill making provision for the reimbursement of $3,000.

I think it amounts to $3,000.

Mr. KUYKENDALL. Just about that amount, Senator.

Senator DIRKSEN. Is that a fair statement of the case?

Mr. KUYKENDALL. Yes, I believe it is.

Senator DIRKSEN. Mr. Chairman, for consideration of the committee I would submit this language for inclusion in this bill.

Chairman HAYDEN. The committee will give consideration to that.

You may proceed.

I simply want to say that I think it is perfectly clear that the Committee on Appropriations, based on the colloquy I have read, was considering a legislative matter. I think the statement by the Senator from Illinois [Mr. DIRKSEN] is pretty clear evidence that Mr. Kuykendall was out of a job. He had no official appointment at the time. Now it is proposed to give him $3,000.

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

Mr. MORSE. I yield to the Senator from California.

Mr. KNOWLAND. I think it should be made clear that Mr. Kuykendall was not appearing for the purpose of having this matter taken up in the Committee on Appropriations. He was there by virtue of his position on the Commission, and the item in the supplemental appropriation bill related to the Federal Power Commission. That will be found on page 11 of the report of the House Committee on Appropriations on the second supplemental appropriation bill, House Report No. 1373.

It was while Mr. Kuykendall was before the committee to testify on an item concerning the Federal Power Commission that the Senator from Illinois [Mr. DIRKSEN] raised this issue. Mr. Kuykendall was not there for the purpose of appearing on behalf of this item.

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

Mr. MORSE. I yield to the Senator from Arizona.

Mr. HAYDEN. I have made inquiry of the Chair. The Chair has not ruled on the point of order, but he proposes to submit it to the Senate. That will be the same as an appeal by the Senate, so we can vote on the question and dispose of it now without further debate.

Mr. MORSE. Mr. President, I wonder if we may have the yeas and nays on that question. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. I therefore summarize my argument as follows:

I think we should set aside all features of personalities involved in the matter. I think that as the Senate we should come to grips with the procedural problem involved. It is a very important procedural problem.

That leads me to my second point. The issue is whether or not we shall establish a precedent which I think would be a very bad precedent, namely, to authorize the Committee on Appropriations to report an appropriation bill with legislation written into it. If we start to do that, with the $3,000 involved in this instance, the sky will be the limit; we shall have established a precedent.

I have been in the Senate for 13 years. The Senate has rather zealously guarded this protection of its Members. As I have respectfully said, I do not think it is wise to vest this kind of power in the Committee on Appropriations; I think it should be given to the legislative committees.

My third and last point is that there is a clear procedure which will enable the Senator from Washington [Mr. MAGNUSON] and other Senators who are interested in getting $3,000 for Mr. Kuykendall to do so rather quickly, and that is to conform to the rules of the Senate by introducing a bill authorizing that $3,000 be paid to Mr. Kuykendall. Then let a committee report be submitted showing the justification for the bill, giving the evidence which some of us need that Mr. Kuykendall did anything for the $3,000 during the period in which he had no appointment. He was not an official of the Government; he was a private citizen, at best, and whatever he did was that of a volunteer.

It will be a bad precedent if we ever establish the principle that a gratuity for a volunteer can be written into an appropriation bill.

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

Mr. MORSE. I yield.

Mr. ANDERSON. The point I wish to make is that although it has been said that Mr. Kuykendall was appearing in connection with his work, we have the testimony of the Senator from Illinois [Mr. DIRKSEN] that he could not go to his own office. If he was not able to go to his office, I do not see how it can be contended that he was acting in the performance of official duties.

Furthermore, I am a little confused. I understood the chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] to say that this is legislation on an appropriation bill. I think that is a frank statement, and the RECORD will so show. Then we have a ruling that it is not legislation on an appropriation bill.

Here is the case of a man who was not at work, but who is to be paid a sum of money. If this does not constitute legislation on an appropriation bill, what, in the name of heaven, would be legislation on an appropriation bill?

I think it is unfortunate that we have this kind of situation confronting us.

Mr. Kuykendall may be entitled to some money; I do not know. But he would not be the first person who had to wait while Congress took its time. It seems to me there have been many instances when Congress took its time.

I voted against the confirmation of Mr. Kuykendall's nomination, and would again, tomorrow, if I were afforded the opportunity, because I have no faith in what he does. I see no reason whatever, since some of us do not have faith in him, because of the situation in which he was involved with power companies, by apparently awarding a contract contrary to the welfare of the country, why we should pay him for that activity. I am glad the Senator from Oregon has brought up this matter.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I have raised the point of order that this item is legislation on an appropriation bill. What is the present status of my point of order?

The PRESIDING OFFICER. The Chair has not yet ruled on the point of order; but at the present time the Chair is ready to rule.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. If the Chair has yet to rule on the point of order which has been raised by the Senator from Oregon, upon what question were the yeas and nays ordered a few minutes ago?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Chair has not yet ruled on the point of order. However, the Senator from Arizona [Mr. HAYDEN] stated how the Chair expected to rule on the point of order; and, following the statement of the Senator from Arizona, the Senator from Oregon requested that the yeas and nays be ordered.

Mr. MORSE. Mr. President, first I request that a ruling be made on my point of order.

The PRESIDING OFFICER. The Chair is ready to rule on the point of order.

Mr. WILLIAMS. Mr. President, I rise to a further parliamentary inquiry, because I am much confused by the present situation, and I believe that perhaps other Senators are confused.

The PRESIDING OFFICER. The Senator from Delaware will state the point of order.

Mr. WILLIAMS. Do I correctly understand that the yeas and nays were ordered on the question of whether the Senate agreed or disagreed to the statement made by the Senator from Arizona [Mr. HAYDEN] as to how he thought the Chair would rule on the point of order which had been raised by the Senator from Oregon?

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. ANDERSON. In view of the misunderstanding which has occurred, would not it be better for the Senate to give unanimous consent that the order for the yeas and nays be vacated until we permit the Chair the courtesy of allowing him to rule, first. I believe that is the thing to do, Mr. President. Therefore, I ask unanimous consent that that be done.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. Mr. President, I shall not object; but I wish to point out the ridiculousness of the entire situation, in that the Senate is about to withdraw the order for the yeas and nays on something, although Senators do not know upon what question they were ever ordered. [Laughter.]

Mr. President, I believe it is about time for the Senate to resume work on the pending appropriation bill and that we should do so in a more orderly manner.

Mr. KNOWLAND. Mr. President, if I may say a word, let me state that I believe so much confusion was existing in the Chamber a few minutes ago that there was difficulty on the part of many Senators in understanding whether the Chair had ruled on the point of order and whether, in such event, an appeal from the ruling of the Chair was in order.

Mr. President, such a misunderstanding would have been avoided if there had been order in the Chamber. I call for order, so that Senators can understand what action is being taken.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New Mexico has requested unanimous consent that the order for the yeas and nays be vacated. Is there objection? The Chair hears none, and it is so ordered.

At this time let the Chair state that the Senator from Oregon [Mr. MORSE] has made the point of order that the item on page 7, in lines 16, 17, 18, and 19, of House bill 10881, is legislation attached to an appropriation bill, and therefore is subject to a point of order.

The Chair knows nothing of the circumstances, save the debate which has transpired on the floor of the United States Senate. In view of that fact, the Chair is of the opinion that the matter should be referred to the Senate itself, for decision, under rule XX.

The question is, therefore, Shall the point of order raised by the Senator from Oregon be sustained?

Mr. MORSE. Mr. President, on this question, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. LONG. Mr. President, personally I feel that the Senator from Oregon is correct in the position he takes, insofar as the rule is concerned.

However, in regard to the merits of the issue involved, I believe the Commissioner should be paid the $3,000.

Mr. President, at this time I send forward a notice of a motion to suspend the rule.

The PRESIDING OFFICER. The notice will be read.

The legislative clerk read as follows:

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. LONG submitted the following notice in writing:

"In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10881), the second supplemental appropriation bill for 1958, the following amendment, namely: On page 7, line 16 to 19, strike out $133,000 and insert: '$136,000, of which $3,000 shall be available for payment of compensation to the present incumbent of the position of Chairman of the Commission for the period June 23, 1957, to August 15, 1957, not heretofore paid: *Provided.*'"

The PRESIDING OFFICER. Under the rule, the motion will lie over for one day.

Mr. LAUSCHE. Mr. President, I am a member of the Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. MAGNUSON. I believe this matter is very unfortunate. Perhaps we can clear it up by means of the procedure I shall suggest, if the Senator from Illinois [Mr. DIRKSEN] will agree. I believe that technically, under rule XVI, to which reference has been made, the Appropriations Committee could adequately take care of the wish of the standing committee in this particular case.

However, inasmuch as the Senate Committee on Interstate and Foreign Commerce did not actually send a formal notice in writing to the Appropriations Committee—although I have no doubt that would be done—I believe, in order to avoid the confusion, it would be better if the Senator from Illinois would sponsor a motion, to which all of us could agree, to withdraw or strike out the $3,000 item.

Tomorrow, the Committee on Interstate and Foreign Commerce will meet. If the Appropriations Committee sees fit, such an item can be included in the next appropriation bill. I offer this merely as a suggestion.

Mr. DIRKSEN. Would that mean that the present proceedings would be vacated and the point of order would be withdrawn?

Mr. MAGNUSON. Yes.

Mr. JOHNSTON of South Carolina. Mr. President, I would like to ask a question: What would hinder a Senator from submitting an amendment calling for payment of the $3,000, and having that amendment go through the Appropriations Committee procedure. Then, of course, the law could be amended later.

Mr. MAGNUSON. I was making a suggestion, in order to expedite the handling of this matter. There is no doubt of the position of the members of the Committee on Interstate and Foreign Commerce. We discused the matter on many occasions. Perhaps by proceeding in the way I have suggested, we could quickly clear up the misunderstanding.

Mr. DIRKSEN. Mr. President, I concur only if the present proceedings on the point of order are vacated, so the Senate will be able to proceed to take action on the pending bill.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon agree to have the proceedings on the point of order vacated?

Mr. MORSE. Mr. President, I am not so sure I shall agree. I wish to discuss the matter a little further.

Mr. LAUSCHE. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Ohio is correct.

Mr. LAUSCHE. However, I am willing to hear from the Senator from Oregon. I yield to him.

Mr. MORSE. Mr. President, the two things about which I am most concerned are as follows:

First, the procedural point. In the past there has been much discussion among us—off the floor of the Senate—about the importance of protecting the rules of the Senate in respect to legislation on an appropriation bill. I do not believe we pay any disrespect to the Appropriations Committee when we seek to have established very clearly the point that the Senate is going to stand behind the rule—as I think it should—that the legislation should not be added to an appropriation bill unless two-thirds of the Members of the Senate vote to have that done.

I do not wish to be placed in the position of agreeing to have the proceedings on the point of order vacated, unless the particular provision of the appropriation bill to which I have referred is stricken from the bill, in which case there will not remain in the bill the provision to which the point of order would apply.

Of course, if the provision to which I have referred is withdrawn or is stricken from the bill, I shall withdraw my point of order, because in that event there would not be in the bill a provision against which I could make a point of order.

But if by any interpretation of the proceedings it can be said this language shall remain in the bill, then my point of order has to stand, because I am satisfied of one other thing: If the Senate will take overnight to think about the principle I have raised, it will have to say that it will sustain my point of view, for future reference.

The second point I am interested in is that if we follow the procedure suggested by the Senator from Washington, then we ought to have evidence presented to us, when the matter is put to a vote on the floor of the Senate, that Mr. Kuykendall performed adequate services for $3,000. That is a question of fact. There has been a dispute on the floor of the Senate as to whether he did or did not. If the situation is that out of the largesse of our hearts it is proposed that we make a gift of $3,000 to Mr. Kuykendall, then I think a proposal which may be made next month, or next year, or at any other time, should be defeated.

I have two interests in the matter. If this man in fact performed services for the Government worth $3,000, and it can be shown that he did, I would be inclined, on the basis of the argument made by the Senator from Washington, to go along with the Committee on Interstate and Foreign Commerce and the Committee on Appropriations; but if the fact is that he did not, then I would not vote that he be paid $3,000.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. As I understand the situation—and I should like to have the Chair note my statement—an amendment has been put into the appropriation bill containing language which provides $3,000 for the purpose of compensation to be paid to Mr. Kuykendall, who had been named Chairman of the Commission, who had served on the Commission, and whose appointment was held up for a period of time for confirmation. After action by the Committee on Interstate and Foreign Commerce, and on its recommendation, the Appropriations Committee put the amount in the bill.

A point of order was raised by the Senator from Oregon [Mr. MORSE], under rule XX of the Standing Rules of the Senate, which states that:

> A question of order may be raised at any stage of the proceedings, except when the Senate is dividing, and, unless submitted to the Senate, shall be decided by the Presiding Officer without debate, subject to an appeal to the Senate.

Subsection 2 of that rule reads:

> The Presiding Officer may submit any question of order for the decision of the Senate.

The Chair has submitted the issue to the Senate as to whether or not the point of order is well taken. Upon that matter the yeas and nays were requested by the Senator from Oregon, and were ordered by the Senate, so that on the question now pending before the Senate, on which issue the yeas and nays have been ordered, a vote of yea would sustain the point of order, and a vote of nay would overrule the point of order made by the Senator from Oregon. The yeas and nays have been ordered, and under the rules, the Senate will have an opportunity to pass on the matter. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

SEVERAL SENATORS. Vote! Vote!

Mr. LAUSCHE. Mr. President, I am a member of the Committee on Interstate and Foreign Commerce. I was present on occasions when delays were caused by the committee, making impossible the presentation by Mr. Kuykendall of his evidence. I subscribe to the statements made by the Senator from Washington [Mr. MAGNUSON]. I voted to confirm Mr. Kuykendall's appointment. I found nothing wrong in his conduct. However, on this question, if the decision must be made on the basis of whether the point of order is well taken—and I understand that to be the fact—the decision will not be on the question of whether Mr. Kuykendall is entitled to pay, but will be on the point of order. I shall have to vote in favor of the point of order, while I wholeheartedly subscribe to the judgment that Mr. Kuykendall should be paid.

SEVERAL SENATORS. Vote! Vote!

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Green	Monroney
Allott	Hayden	Morse
Anderson	Hickenlooper	Morton
Barrett	Hill	Mundt
Bennett	Hoblitzell	Neuberger
Bible	Holland	Pastore
Bricker	Hruska	Payne
Bush	Humphrey	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Saltonstall
Case, S. Dak.	Kefauver	Schoeppel
Church	Kennedy	Scott
Clark	Kerr	Smith, Maine
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Mansfield	Watkins
Ellender	Martin, Iowa	Wiley
Frear	Martin, Pa.	Williams
Fulbright	McClellan	
Goldwater	McNamara	

The PRESIDING OFFICER. A quorum is present.

The question is, Shall the point of order raised by the Senator from Oregon be sustained? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. FULBRIGHT. Mr. President, before the vote is taken I have to state my position, which is in accord with the position of the junior Senator from Ohio [Mr. LAUSCHE]. I voted for the confirmation of the nomination of Mr. Kuykendall. I think he is an excellent man.

I find myself in a very embarrassing position, to have to vote on the motion, which concerns only the rules of the Senate. I am forced to believe, and I do believe, this to be legislation on an appropriation bill. I shall have to vote that way. I do not mean that vote to be interpreted as a vote on the merits of the claim of Mr. Kuykendall. I do not feel that way about it. I am not one of those who opposed his nomination.

Mr. KNOWLAND. Mr. President, I do not believe that the point of order is well taken. This action does not create a new position, nor does it establish a new position in the Federal Government. This is merely an equity request for compensation for the Chairman of the Commission for a period of time when hearings were being held, between the time when his old term expired and the time when his new term began, by confirmation of the Senate, which was the final ratification.

It seems to me under those circumstances this is an entirely different situation from one where a new position might be created in the bill, or where a man was being appointed de novo and had not held the position.

This action was not initiated by the Committee on Appropriations. It began on the recommendation of the proper legislative committee, to do justice to a man for a period of time he was holding himself available to the Government in a position which he had previously held and which he now holds by confirmation of the Senate.

SEVERAL SENATORS. Vote! Vote!

Mr. CASE of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of New Jersey. Is it possible under the rules of the Senate and the present procedural situation for the Senators to have the benefit of a ruling from the Parliamentarian of the Senate, or if not a ruling, the advice of the Parliamentarian?

The PRESIDING OFFICER. The Chair is exercising the privilege, under rule XX, of referring the matter to the Senate itself for determination.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. CASE of New Jersey. Mr. President, I did not understand. Is the answer to my inquiry that it is not possible for Senators to have the advice of the Parliamentarian before the vote is taken?

The PRESIDING OFFICER. The point of order was submitted to the Chair. The Chair has consulted with the Parliamentarian about the matter without any advance notice. Neither the Parliamentarian nor the Chair has had an opportunity to search the precedents of the Senate. For that reason, the question is being submitted to the Senate itself for determination.

Mr. MAGNUSON. Mr. President, I have only one thing to add, to clear up a matter so that the RECORD of the Senate will be straight.

The minutes of the Committee on Interstate and Foreign Commerce will show that the chairman and the other members of the committee who were also members of the Committee on Appropriations—in particular the chairman—were directed by the majority of the committee to convey to the Committee on Appropriations the desire of the Senate Committee on Interstate and Foreign Commerce that this amount should be placed in the bill. That would cause it to come under rule XVI of the Senate.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. The Senator from Florida is recognized. Let the Senate be in order.

Mr. HOLLAND. Mr. President, rule XVI states an exception covering words which, though constituting legislation, can nevertheless be included in an appropriation bill, in these words "unless the same be moved by direction of a standing or select committee of the Senate."

The words used by the Senator from Washington [Mr. MAGNUSON] when he appeared before the committee were these:

> I will say for the record that I brought the matter up before the Interstate and Foreign Commerce Committee in charge of the nomination, and they were in agreement to see if we could figure out ways and means to pay him for the time that he was kept in this position. It has full concurrence of the full committee.

That statement, particularly when supplemented by the statement just made by the distinguished chairman of the Committee on Interstate and Foreign Commerce, to the effect that the minutes of his committee show that he was directed by the committee to make this recommendation to the Committee on Appropriations, seems to me to substantially comply with both the spirit and the letter of the rule. I do not think that the point of order should be sustained.

Mr. MORSE. Mr. President, I had not intended to say more. I was ready to vote, until the rebuttal testimony was put in, which is at variance with the earlier testimony this afternoon. The RECORD will speak for itself.

The Senator from Washington, the chairman of the Committee on Interstate and Foreign Commerce, said in effect earlier this afternoon in the debate that formal action was not taken by the Committee on Interstate and Foreign Commerce, but that they had an informal discussion of this matter. The Senator submitted in the debate that he did not file with the committee the motion which the rule clearly contemplates.

I think, Members of the Senate, this is a matter so important from the standpoint of precedent that the course of action I outlined earlier should be followed.

There are two ways of handling the matter. One I outlined earlier, which is to introduce a bill quickly and to go ahead and have hearings on it as a private claim. The other, which was suggested in the debate in the last 30 minutes, is to sustain the point of order, which, in the interest of the future welfare of this body, I think ought to be done, and permit the Committee on Interstate and Foreign Commerce to meet tomorrow, when the committee can file a formal action with the Committee on Appropriations. That will give some of us who now have had notice an opportunity to go before the Committee on Interstate and Foreign Commerce tomorrow and ask for answers to certain questions I have asked this afternoon. What service in fact during this period of time did Mr. Kuykendall render? I think that is a perfectly fair question, and I think we are entitled to have his answer to it. That is orderly procedure.

I think, Mr. President, that all indications ought to be resolved in favor of protecting the Senate from a practice of reporting legislation on an appropriation bill.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is, Will the Senate sustain the point of order raised by the Senator from Oregon [Mr. MORSE]? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the negative when his name was called.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Do I correctly understand that a "yea" vote is a vote to sustain the point of order made by the Senator from Oregon?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOUGLAS. I thank the Presiding Officer.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN[, the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

I further announce that on this vote the Senator from Tennessee [Mr. GORE] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting the Senator from Tennessee would vote "yea" and the Senator from New Mexico would vote "nay."

The Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Florida would vote "nay."

The Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Texas would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New York [Mr. IVES] is necessarily absent. If present and voting would vote "nay."

The Senator from New Jersey [Mr. SMITH] is detained on official business and, if present and voting would vote "nay."

Also, the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The result was announced—yeas 29, nays 50, as follows:

YEAS—29

Anderson	Humphrey	McNamara
Carroll	Johnson, Tex.	Morse
Case, S. Dak.	Johnston, S. C.	Neuberger
Church	Kefauver	Proxmire
Clark	Kerr	Russell
Douglas	Langer	Scott
Eastland	Lausche	Sparkman
Ellender	Long	Stennis
Fulbright	Mansfield	Symington
Hill	McClellan	

NAYS—50

Aiken	Goldwater	Morton
Allott	Green	Mundt
Barrett	Hayden	Pastore
Bennett	Hickenlooper	Payne
Bible	Hoblitzell	Potter
Bricker	Holland	Purtell
Bush	Hruska	Revercomb
Butler	Jackson	Saltonstall
Capehart	Javits	Schoeppel
Carlson	Jenner	Smith, Maine
Case, N. J.	Kennedy	Talmadge
Cooper	Knowland	Thurmond
Cotton	Kuchel	Thye
Curtis	Magnuson	Watkins
Dirksen	Martin, Iowa	Wiley
Dworshak	Martin, Pa.	Williams
Frear	Monroney	

NOT VOTING—17

Beall	Gore	Robertson
Bridges	Hennings	Smathers
Byrd	Ives	Smith, N. J.
Chavez	Malone	Yarborough
Ervin	Murray	Young
Flanders	O'Mahoney	

So Mr. MORSE's point of order was not sustained.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following:

That section 207 (b) (1) of the Small Business Act of 1953 is amended by inserting "(A)" immediately after "to be necessary or appropriate", and by inserting before the first colon a comma and the following: "and (B) to any small-business concern if the administration determines that the small-business concern has suffered a substantial economic injury as a result of programs administered by the Secretary of Agriculture under the provisions of the Soil Bank Act."

SEC. 2. Section 204 (b) of the Small Business Act of 1953 is amended—

(1) by striking out "$455,000,000" wherever it appears and inserting in lieu thereof "$505,000,000"; and

(2) by striking out "$125,000,000" and inserting in lieu thereof "$175,000,000."

Mr. HAYDEN. Mr. President, I make the point of order that the appropriation proposed by the amendment is not authorized by law.

Mr. SPARKMAN. Mr. President, we have on file notice of a motion to suspend the rule. If the distinguished chairman of the committee will withhold his point of order for a moment, I shall greatly appreciate it.

Mr. HAYDEN. I am glad to withhold it for a while.

Mr. SPARKMAN. Mr. President, I have no thought of detaining the Senate for long. We have had a long, hard day. However, I wish to explain the purposes of the amendment to the Senate.

This is a situation in which relief is needed, and it has not been acted upon by any committee of the Senate, and there is nothing on the Senate Calendar designed to give such relief. In many instances in my own State—and I am sure this is true in every State in which there has been a great deal of land placed in the Soil Bank—the small businesses which have been serving the farmers, namely, the ginners, the fertilizer dealers, the implement dealers, and other small businesses of that kind, have been severely affected.

Let me give an example. A few days ago a man called me from my State and said that in 1955 he ginned 3,400 bales of cotton. In 1957, the first year of the full impact of the Soil Bank, he ginned 700 bales. He said, "I cannot operate my gin on that amount."

Another called me a few days ago and said, "About 3 or 4 years ago I invested $100,000 in a gin. I am on the rocks. I am being ruined because the land has been taken out of production and put in the Soil Bank, and I simply cannot keep my head above the water."

I told him, "If you can stay afloat for one more year, I think I can assure you that we shall not have this Soil Bank operation, which pulls land out of production, and has the effect which you describe."

He said, "I cannot keep going."

All we are proposing to do by this amendment is to extend to the ginners and the small businesses which are adversely affected by this program the right to utilize the Small Business Administration's loan program, just as we extended such right to small businesses which were adversely affected by reason of drought or excessive rainfall.

We say they should have that privilege, if they are adversely affected by the operation of the Soil Bank program.

Mr. President, it is a good amendment. It is a good proposal. It is one that is badly needed, particularly by the small businesses—the ginners, the fertilizer dealers, the implement dealers, the small grocery stores, the small crossroads stores—who have been supplying the farmers in all the areas in which the Soil Bank has taken excessive acreage out of production.

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

Mr. SPARKMAN. I yield.

Mr. HILL. Is it not correct to say that the ginners and others affected adversely by the program are as much adversely affected as if the disaster had been brought about by drought?

Mr. SPARKMAN. The Senator is absolutely correct.

Mr. HILL. We seek to give them some relief for their sufferings, in the same way we would give them relief if their sufferings had come about because of drought or floods.

Mr. SPARKMAN. The Senator is correct. Under a bill passed by Congress and signed into law only 2 weeks ago, that same principle was followed.

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

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. I was going to make the point that only 2 weeks ago the President signed a bill into law which authorized the Small Business Administration to make loans to small businesses which are in great difficulty because of excessive rainfall. It was an extension of the basic act which had already provided relief in the case of floods and other natural disasters.

I merely wish to confirm, from my own knowledge of conditions in Arkansas, what the Senator has described in his own State. Extreme hardships have been visited on small businesses, which have resulted from the operation of the Soil Bank in taking large acreages out of production, and has adversely affected the people who supply the fuel for the tractors, the tractors themselves, the insecticides, the fertilizers, and all the other supplies which are utilized by a farming community. They are inevitably injured by the operation of the Soil Bank.

The principle which the Senator from Alabama is seeking to apply is one which we have recently approved in the case of the bill which he has mentioned, and it is completely consistent with the disaster-loan program which the Small Business Administration administers. I hope the Senate will accept the amendment.

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

Mr. SPARKMAN. I yield.

Mr. HILL. I point out also that the amendment would continue to assist persons who have been adversely affected, many of whom are in a desperate situation, and many of whom are on the verge of bankruptcy.

Mr. SPARKMAN. The Senator is correct.

Mr. HILL. It might be said that they are in extremis. Is that correct?

Mr. SPARKMAN. The Senator is correct.

Mr. HILL. Unless something is done, unless a hand is extended to them to save them, they are lost. Is that not true?

Mr. SPARKMAN. That is true, and that is true at the very time that the greatest amount of land is going to be taken out of production.

I can speak particularly with reference to my State, although I know the statement applies to Arkansas and to practically every agricultural State of the Union. We have had the heaviest call on the Soil Bank of any year of its operation. In Alabama it is true for this reason. We had excessive rains, which cut the cotton crop practically in two. The same thing is true of our peanut crop. Farmers in Alabama met disaster last year, and therefore they have accepted the invitation to go into the Soil Bank this year.

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

Mr. SPARKMAN. I yield.

Mr. KEFAUVER. I wish to commend the junior Senator from Alabama [Mr. SPARKMAN] and his senior colleague [Mr. HILL] for offering the amendment. Certainly in my State the conditions he has described prevail to a larger extent, because in West Tennessee, as is in the case in Arkansas, Missouri, and Mississippi, farmers, through no fault of their own, have suffered great losses.

Now that the land has been taken out of production, the flow of money in business has come almost to a standstill in some places. As I understand—and I ask the Senator if this is true—no money would be available for loans under the amendment unless the Small Business Administration itself found that the hardship had resulted from the operation of another arm of the Government, the Department of Agriculture, in the administration of the Soil Bank.

Mr. SPARKMAN. The Senator is correct.

Mr. KEFAUVER. I believe the amendment is eminently fair. I do not believe the Government ought to harm one segment of our economy without at least in some way making up for it.

Mr. SPARKMAN. I may add to the statement of the Senator from Tennessee that these are not grants, but loans which are repayable with interest.

Mr. KEFAUVER. In that connection, I was impressed by the statement of the Senator from Arkansas [Mr. FULBRIGHT], that farmers in 1948 or 1949 who obtained emergency loans paid them back to the extent of ninety-six-plus percent.

Mr. FULBRIGHT. That is exactly correct. The repayment record of those disaster loans has been very high.

Mr. SPARKMAN. I realize that the presentation of the amendment has been brief, but the essence of it has been stated.

Mr. HAYDEN. Mr. President, I know of instances in my own State of small-business men having been faced with the situation to which reference has been made. When farmers went into the Soil Bank, businessmen lost business. However, a rule is a rule, and the proposed appropriation is not authorized by law.

ALLEN J. ELLENDER, SENATOR OF LOUISIANA

Mr. KUCHEL. Mr. President, I should like to make a very brief comment on another subject, concerning the senior Senator from Louisiana. Will the Senator yield to me before he asks for a ruling on his point of order?

Mr. HAYDEN. I yield.

Mr. KUCHEL. Mr. President, I wish to salute the senior Senator from Louisiana [Mr. ELLENDER]. On January 11, of this year, a most regrettable article appeared in a highly reputable national publication, the Saturday Evening Post. It is authored by a former Governor of Wyoming, Mr. Leslie Miller, and is entitled "It All Comes Out of Your Pocket." It is an unfortunate series of half-truths and innuendoes with respect to the work which the Congress of the United States has engaged in over the years in discharging its constitutional duty of assisting the States of the Union in the field of public works and in the field of rivers and harbors, being carried on by the Army Engineers and the Bureau of Reclamation. Congress, like every other group of human beings, makes its share of errors. But in my view its prodigious labors in the legislative area have been sound and constructive. It has sifted facts surrounding public works and reclamation projects with great care. To charge its labors with allegations of "pork barrel" is simply not the fact.

ALLEN ELLENDER made a powerful and persuasive rebuttal to that unfortunate article. Here is a Republican Senator who is glad to salute him. I come from a State which is grateful for what the Government of the United States over the years has done for it and for its people in the field of reclamation and public works.

My senior colleague [Mr. KNOWLAND] and I several weeks ago fashioned a statement of principles with respect to the water problems of California and the manner in which the Federal Government might most effectively assist in helping to solve those problems. I ask unanimous consent that a portion of that statement of principles be included at this point in my remarks.

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

The record of California's progress shows that our State has benefited by federally constructed reclamation projects. The growth and prosperity of the southern portion of our State could not have been realized were it not for the foresight which 30 years ago inspired the late United States Senator Hiram Johnson and former Congressman Phil Swing to fight successfully for Congressional approval of a great multiple-purpose dam on the Colorado River, known as Hoover Dam. We also look with pride upon the local governing units, the civic leaders and the people of Los Angeles County and other areas of southern California who had the foresight to help plan for this development and who have carried the burden of repaying the Federal investment. To the north, the Central Valley project initiated under the administration of Franklin Roosevelt, brought to northern California a vast Federal water project which has permitted that great area of our State to thrive. We salute the people of San Francisco whose leaders, years ago, began undertaking a vast water project (Hetch Hetchy) to serve their needs. Federal cooperation has played an important role in this development and we participated, a few years ago, in Federal legislation to bring a new reservoir at Cherry Valley into being.

The beneficial impact of certain Federal civil-works projects was dramatically illustrated just 2 years ago last Christmas when drastic floods inundated many rural and urban areas in California. According to official estimates of the Army Corps of Engineers, Folsom Dam paid for itself in the first year of its operation by holding back water which otherwise would have done severe damage in the capital city of Sacramento. At the same time Shasta Dam saved much of upper northern California from flood damage. Friant Dam saved the San Joaquin Valley. Pine Flat Dam helped to protect the Fresno area from serious damage. From Imperial Valley to the far north of our State, great reclamation projects provide for needed water development to assist the people of the respective areas. All these facilities were constructed by the United States. In addition we point with pride to the fact that our State is dotted with irrigation and water districts where the people themselves have anticipated and met with their own water requirements.

Mr. KUCHEL. Mr. President, there is a concrete series of Congressional actions, in the field of public works, of incalculable value to California.

Mr. THYE. Mr. President, I too had noted the strong statement made by the distinguished Senator from Louisiana, [Mr. ELLENDER], and I commended him at the time. I wrote to the editors of the magazine and criticized them. I also stated most emphatically that the publication of the article in their magazine was a disservice to their readers. I again commend the distinguished Senator from Louisiana for his statement.

Mr. KUCHEL. I am glad to be associated with the senior Senator from Minnesota. As I conclude these remarks I say: "As far as I am concerned ALLEN ELLENDER, you have done a good thing in demonstrating the good which Congress has accomplished and you have done a good thing for the country in spreading the facts in the RECORD for all to see. So far as I am concerned, I intend to continue to work with you in a bipartisan fashion to bring needed, necessary, and feasible public works to the building of America and the American people."

SECOND SUPPLEMENTAL APPROPRIATIONS, 1958

The Senate resumed the consideration of the bill (H. R. 10881) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

Mr. HAYDEN. Mr. President, I insist on my point of order.

The PRESIDING OFFICER. The Senator from Arizona raises a point of order on the amendment of the Senator from Alabama [Mr. SPARKMAN]. The Chair is prepared to rule. In the judgment of the Chair, the amendment offered by the Senator from Alabama constitutes legislation on an appropriation bill. The point of order is well taken, and the Chair sustains the point of order.

Mr. KNOWLAND. Mr. President, in order to clarify the RECORD, I call the attention to the fact that the Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, and I, who also am a member of that committee, supported the recommendations which had been made for the Glen Canyon Dam. I want the RECORD to be very clear that the action of the committee in supporting the appropriation for the Glen Canyon Dam did not take into account the hydrologic basis contained in Senate Document No. 77. I ask the Senator from Arizona if his understanding is the same as mine.

Mr. HAYDEN. I have examined the statement. The report to which the Senator has made reference was not referred to the Committee on Appropriations and is in no way related to the funds for the construction of the Colorado River storage project in this or any other bill.

The report referred to deals with the operations of the projects on the Colorado River, which is a matter for negotiations between the Secretary of the Interior and the appropriate agencies of the various States involved.

Mr. KNOWLAND. I thank the Senator from Arizona for his statement.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the proposal of the States of Arizona, California, and Nevada, concerning the basic principles to govern the operation of Glen Canyon Dam.

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

PROPOSAL OF ARIZONA, CALIFORNIA, AND NEVADA—BASIC PRINCIPLES TO GOVERN OPERATION OF GLEN CANYON DAM

The States of Arizona, California, and Nevada propose that the following basic principles shall govern the preparation, adoption, and execution of any plan for the operation of the Glen Canyon Dam:

I

The United States shall recognize the right of the lower basin to the consumptive use of water as superior to the Government's right to accumulate or retain water at Glen Canyon. To that end, the United States shall release at Glen Canyon Dam each year the quantity of water, corrected for downstream tributary inflow, required to meet all consumptive use requirements of the lower basin from the main stream, in addition to the full Mexican Treaty requirements, and all reservoir evaporation losses and channel losses between Glen Canyon and the Mexican boundary.

II

The United States shall not impair the performance of its Hoover Dam power con-

tracts by the filing and operation of Glen Canyon Reservoir. To that end, water shall be released at Glen Canyon in such amounts as may be required to generate the contracted quantities of energy at Hoover Dam.

III

In any year in which the inflow to said Glen Canyon Reservoir shall exceed the aggregate of the quantities required in I above, releases therefrom during such year shall, unless the same would cause spill at Hoover Dam, be in quantity sufficient to provide a flow at Lee Ferry amounting to not less than the aggregate of the quantities required under I above plus half of such excess.

IV

Operation of the Glen Canyon Reservoir for flood control shall be appropriately co-ordinated with flood-control operation at Lake Mead in order to achieve the greatest practicable flood-control benefit for the river as a whole.

V

Releases from the Glen Canyon Reservoir shall, to the fullest practicable extent, be such as to permit the reasonably efficient utilization of the flows thus released for the production of hydroelectric power at existing and hereafter constructed plants downstream therefrom.

VI

The foregoing proposal is without prejudice to the claims of the States of Arizona, California, and Nevada, or any entities therein, regarding their respective rights in and to waters of the Colorado River and relates only to releases from the Glen Canyon Reservoir.

Mr. LAUSCHE. Mr. President, I call up my amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, line 24, it is proposed to strike out "$37,500" and insert in lieu thereof "$75,000."

Mr. LAUSCHE. Mr. President, my amendment proposes to restore the figure $75,000 to be available to the General Services Administration in appearing before public utilities commissions and especially before the Federal Communications Commission to participate in contests fixing rates which are charged for communications services of which the Federal Government is one of the primary purchasers.

In the 84th Congress there was imposed upon the General Services Administration the responsibility of representing the Government, especially before the Federal Communications Commission. The amendment, in my opinion, is important because of the huge stake which the Federal Government has in the rates which are fixed.

I invite the attention of my colleagues to pages 72 and 73 of the hearings. On page 73 it is pointed out that the bill of the Federal Government for communications services rendered by the Western Union Telegraph Co. and the Bell Telephone Co. amounts to $100 million a year. In addition, the communication utilities have installed facilities at a cost of $1 billion, based upon which, at the termination of the services, the Federal Government might become involved in the sum of $222 million.

I assume the committee felt it was proper to take the money from the General Services Administration. I examined the questioning which was directed to the representatives of the General Services Administration. That questioning indicated that we should rely upon the Federal Communications Commission to do justice. With that type of reasoning I cannot agree. $100 million a year is the bill we pay. We may have a contingent liability of $222 million. In my judgment, the amount involved is so great that the Government should have an agency acting as a protagonist and an advocate of the interests of the Federal Government and the consumer as a whole.

For 10 years I was Governor of Ohio. Time and again I witnessed the inability of the local communities properly to present their cause to the Public Utilities Commission in rate contests.

Fifty thousand dollars was given to the General Services Administration from the Emergency Fund of the President. The General Services Administration says it needs $100,000 more. The House gave the General Services Administration $75,000; the Senate Committee on Appropriations reduced that amount to $37,500.

On page 73 of the hearings, it is pointed out that there are three important cases on the docket of the Federal Communications Commission, one involving the American Telephone & Telegraph Co., the second involving the Western Union Telegraph Co., and the third involving the American Telephone & Telegraph Co. and others.

In my judgment, it will be a mistake not to have the public interest represented by an advocate. It will be a mistake to rely on the Federal Communications Commission alone to do justice. If that theory is correct, then the utilities ought to say, "We will not have an advocate; we will rely upon the justice of the Federal Communications Commission."

I have three reasons for urging the amendment. First, the provision of the law passed by the 84th Congress was sound. It specifically provided that the General Services Administration should appear before the Federal Communications Commission and represent the people of the United States in any proceeding involving rates charged for communications services rendered to the armed services.

Second, it is indispensable that the Federal Government be an active participant in rate cases pending before the Federal Communications Commission and other utility commissions whenever the Federal Government's interest is involved.

Third, the denial of the additional $37,500, in my opinion, would be penny-wise and pound foolish.

That, in substance, is the case as I see it.

Also, at this time I wish to raise a point of order against the provision contained on page 9 of the bill. I shall read the paragraph.

No moneys appropriated under this act shall be expended for any activity authorized by section 201 of the act of June 30, 1949, as amended (40 U. S. C. A. 481), or by section 303 of the act of August 3, 1956 (Public Law 968).

The following is the language against which I make the point of order:

Except for the purpose of assuring that the executive agencies are not discriminated against in terms of quality, kind, or charges for service as compared to other customers of the utility.

Mr. President, that language would write such a law into the appropriation bill.

However, I have a greater and a deeper apprehension about that language: It would completely deprive the General Services Administration of the ability in any way to represent the public interest before the Federal Communications Commission, except when there had been discrimination against the Government.

I suggest that it would be difficult to find where there had been discrimination, because the rates charged to the Federal Government undoubtedly would be identical to the rates charged to the general public.

I wish to read a letter, and then I shall yield. The letter has come from Mr. Floete, of the General Services Administration, under date of March 7, 1958; and it reads as follows:

MARCH 7, 1958.

HON. CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This letter points out the effect of an amendment adopted by the Appropriations Committee to H. R. 10881 relating to GSA's representation of the Government in rate proceedings. The amendment, if enacted, would preclude GSA's representation of the Government as a shipper or user of a public utility or communication service in rate proceedings before Federal and State regulatory bodies except for the purpose of assuring that the executive agencies are not discriminated against in terms of quality, kind, or charges for service as compared to other customers of the utility. GSA would be prohibited from representing the Government from the point of view of the overall reasonableness of the rate or rates to be charged the Government as a shipper or user.

This amendment (lines 3 through 10 on page 9), and the Committee Report No. 1344 applicable thereto, in our opinion, substantially narrows the authority granted in section 201 (a) (4) of the Federal Property and Administrative Services Act so far as representation by GSA of the Government as a shipper or user of the service in rate proceedings before Federal and State regulatory bodies is concerned.

Sincerely yours,

FRANKLIN FLOETE.

I submit that if this language remains in the bill and is enacted into law, the General Services Administration will be bereft of all power in such matters and will be unable to perform its duty.

Mr. HAYDEN. Mr. President, I concede the validity of the point of order. I have consulted with the Parliamentarian, and the language referred to is legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair understands that an amendment is pending.

Mr. HAYDEN. Mr. President, I am willing to have the Senate proceed in either way. Does the Senator from

Ohio prefer to have the point of order disposed of at this time?

Mr. LAUSCHE. Yes.

The PRESIDING OFFICER. Without objection, the Chair will now rule on the point of order.

Mr. LAUSCHE. First, Mr. President, I should like to ask what the reaction of the Senator from Arizona is to the amendment I have proposed.

Mr. HAYDEN. Mr. President, my impression is that the committee did very well by the General Services Administration by increasing from $50 a day to $100 a day the amount which could be paid for the services of an expert. But we did not think the General Services Administration would need so many experts; therefore, we provided that the total amount should be reduced from $75,000 to $37,500.

Of course I can say to the Senator from Ohio that in view of the difference of opinion between the two Houses as to whether to provide $75,000 or $37,500, this amendment will be in conference. If the conferees on the part of the House of Representatives insist that a larger amount be provided, the conference report can provide either for the $75,000 or for some other figure larger than the $37,500.

On the other hand, I believe the members of the Senate Appropriations Committee are interested in having the per diem amount increased from $50 to $100, so that proper services can be obtained. I believe the per diem allowance of $100 can very well remain in the bill.

However, we have to concede that on page 9, the language to which the Senator from Ohio has referred is legislation on an appropriation bill; and it will go out of the bill.

Mr. SALTONSTALL. Mr. President, will the Senator from Ohio yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. On the point of order, I agree with what the Senator from Arizona has said. As a member of the Appropriations Committee's subcommittee which considered this question, I agree that the point of order is well taken.

I also believe that by means of this discussion and by means of the consideration had in the committee, something will be accomplished.

The committee was trying to have the General Services Administration given this authority, because the members of the committee wished to protect the Government in the cases the Senator from Ohio has been discussing.

But in the opinion of the committee, representatives of the General Services Administration have been appearing in cases in which their appearance was not necessary, and in that way the General Services Administration has spent for these services much more money than was needed to be spent.

By means of the amendment, the committee was trying to accomplish a reduction in the number of appearances made by representatives of the General Services Administration.

I agree with the Senator from Arizona [Mr. HAYDEN] and the Senator from Ohio [Mr. LAUSCHE] that the language included at this point in the bill is subject to a point of order. Therefore, this language will go out of the bill. But certainly we should try to cover our point in the next appropriation bill, if that is necessary.

On the other hand, I hope the Senator from Ohio will not insist on his amendment, because as the Senator from Arizona has said, the question whether the amount should be $75,000 or $37,500 will be in conference. Perhaps the Senate Appropriations Committee voted to have the total amount cut too low, in view of the fact that the committee voted to increase the per diem allowance from $50 to $100.

If the Senator from Ohio will not insist on his amendment, I believe that in conference the conferees on the part of the Senate will be able to yield somewhat on the total amount, if necessary. On the other hand, we shall be able to be all the more insistent on the $100 per diem allowance.

But I believe the Senator from Ohio has accomplished his objective, namely, to have the Government protected.

If the point of order is sustained—and I am sure it will be—I hope the Senator from Ohio will not insist on his amendment, but will permit the conferees to deal with this subject. If so, we hope the conferees will agree upon a larger total amount.

Mr. LAUSCHE. Mr. President, I hold the Senator from Massachusetts in the highest esteem. However, I do not quite concur in his view regarding the significance of this matter.

As the bill now stands, $37,500 would be allocated to fight for the public's interest, before the Federal Communications Commission, in rate proceedings which will involve $100 million a year. I believe that for every dollar spent by the Federal Government in that connection, probably $50 would be saved, as the result of the fight made.

If $37,500 is appropriated, it will be insufficient; I believe the testimony showed that the representatives of the General Services Administration believe that in that event they would be unable to take the necessary action.

Mr. HUMPHREY. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. Earlier today, I indicated to the Senator from Ohio that I was strongly in support of the amendment he has offered and also in support of the point of order he has made. In fact, I would have made it myself, had not the Senator from Ohio wished to do so and been prepared to do so, as he has done so ably.

I would only add that, as the Senator from Ohio has said, the rate cases involved are tremendous in their size and importance. In fact, the information I have is that originally it was estimated by the American Telephone and Telegraph Corp. that the cost of this communications network would amount to approximately $240 million annually.

When the majority leader in the other body probed into this point, the figure was subsequently reduced to approximately $160 million. It is now very obvious that the General Services Administration experts believe that amount can be reduced by one-fourth, thus reducing it by at least $40 million.

Therefore, as the Senator from Ohio has said, it seems to me to be vital that the experts of the General Services Administration be allowed the necessary funds, in order to be able to represent properly the public's interest.

I realize that if the amount voted by the Senate differs from the amount voted by the House of Representatives, a conference will be held on the differing votes of the two Houses on this item. However, I know that the House of Representatives believed that the $75,000 was needed; and, likewise, the Senate Appropriations Committee believed that the per diem amount should be increased from $50 to $100.

I believe that what really is needed is a sufficient amount of money with which to have the job done.

Mr. SALTONSTALL. Mr. President, will the Senator yield, because he is laboring under a misapprehension.

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. $50,000 has already been provided from the President's emergency fund for the remainder of the year. The Senate Committee has allowed $37,500. There are 3 months left in the fiscal year. Next year the budget calls for $175,000. So there is a difference as between $50,000 from the President's emergency fund, plus $37,000 and $75,000, which the House provided. We can have a conference on the differences between the two Houses.

Mr. LAUSCHE. There is great strength in the argument made by the Senator from Minnesota [Mr. HUMPHREY] when he points out that the Senate Committee proposes to allow $100 per diem for individuals, instead of the House allowance of $50, but allows only $37,000 instead of the $75,000 provided by the House. The General Services Administration will run out of rope before the proceedings get under way.

Mr. HAYDEN. Mr. President, I may point out that this is an entirely new matter. The President provided $50,000 from his emergency fund to help the General Services Administration until the end of the year. The Agency said it needed it. The Senate Committee has recommended $37,500. Then we consider the annual budget, which provides for $175,000. The greatest favor we did was to raise the per diem fees from $50 to $100. The Agency ought to be able to get good talent for that. I think if the provision is left alone, we can adjust it in conference.

Mr. HUMPHREY. I think the Senator from Arizona is correct when he states the greatest favor we did the Agency was to adjust the per diem rates, so that the services of competent experts could be obtained. The Bureau of the Budget did obtain $50,000 from the President's emergency fund, but some portion of it has been expended by the experts which the Agency has hired. Those experts obtained preliminary information which indicated that excessive rates were being charged. I do not know how

much of the $50,000 was expended. There was testimony on the matter. My notes refer to pages 77 to 85 of the hearings on the second supplemental appropriation bill.

May I ask Senators who are members of the Appropriations Committee how much of the $50,000 has been expended?

Mr. LAUSCHE. I cannot give the Senator an exact answer, but a substantial part of the $50,000 has been expended, because proceedings were started last fall. The proceedings were really started on December 28, 1956, so a considerable period of time has elapsed in approaching this problem.

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

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The assistant to the Appropriations Committee informs me that the $50,000 was made available in the last part of September of last year, so presumably a considerable amount of that fund has been expended. The question is, How much is needed for the remainder of the fiscal year, to July 1?

I hoped the Senate would be willing to let us take the matter to conference. The committee restored the per diem figure to $100 from $50. The House committee provided $100, but it was reduced to $50 on the floor of the House. The Senate restored the figure to $100.

I hope the amendment will be rejected on the point of order. I hope the Senator will be willing to trust the conferees to work out the matter fairly as it applies to the remaining months of the fiscal year.

Mr. HUMPHREY. Mr. President, I now have a record of the hearings before me. As shown on page 78, Mr. Mills was testifying for the General Services Administration. He noted, in response to a question by the Senator from Illinois [Mr. DIRKSEN]:

> In connection with SAGE, we got an emergency fund allocation from the President of $50,000 to see us through the initial stages of this work and to provide for representation before the Federal and State regulatory bodies, particularly the Federal Communications Commission.
>
> That fund is very nearly exhausted at the present time and hence we are requesting that you allow us $75,000 supplemental appropriation to see us through fiscal year 1958.

The Senator from Louisiana [Mr. ELLENDER] asked:

> How much did you obtain from the President's fund?
>
> Mr. MILLS. Fifty thousand dollars.

I read further from the hearings:

> Senator ELLENDER. I was informed that for the next fiscal year you are going to request a little over $200,000 for that purpose.
>
> Mr. MILLS. $200,000—$170,000 for the operating end and $30,000 in connection with the legal and administrative end.

So the record does indicate that a substantial portion of the emergency fund allocation has been expended. If the conference committee can arrive at an agreement respecting a major part of the $75,000, it seems to me that a figure of about that amount should be included in the bill. I hope we may have some kind of understanding about it.

Mr. LAUSCHE. Was not $100,000 recommended originally?

Mr. SALTONSTALL. Mr. President, if the Senator will yield, $100,000 was originally recommended. The House approved $75,000. The Senate committee cut it down to $37,500. If the Senate will permit us to do so, we shall try to adjust the matter fairly in conference.

Mr. LAUSCHE. $100,000 was recommended. The House cut it to $75,000. The Senate committee cut it to $37,500. I really believe the Agency will be disemboweled, from the standpoint of doing any effective work.

Mr. SALSTONSTALL. The members of the committee realize the importance of seeing that the work in connection with SAGE is well done.

Mr. HUMPHREY. Mr. President, I appreciate the interest which has been demonstrated in this matter. I only hoped the figure of $75,000, which represents a little more than one-third of the total amount which will be requested for fiscal 1959, would be agreed upon; $50,000 plus $75,000 would make $125,000 for the fiscal year.

Mr. LAUSCHE. If I may interrupt, I do not think there will be another $50,000 from the President's fund.

Mr. HUMPHREY. I mean from last year. If we add the $75,000 to the $50,000 for fiscal 1958, which will end on June 30 of this year, the amount is $125,000.

Mr. SALTONSTALL. That was for 9 months.

Mr. HUMPHREY. And $200,000 is being requested now for the full year 1959. My hope is, and I think the hope is shared by the Senator from Ohio, that $200,000 will be granted ultimately, and that at least a figure approximating the amount of $75,000 for the remainder of this fiscal year will be made available.

While this matter is under discussion, I wish to make a few comments as to the committee amendment on page 9, lines 3 to 10.

Mr. President, the amendment "line 3 through 10 on page 9 of H. R. 10881" would force the General Services Administration to pull out of three very important telephone and communication rate cases pending before the FCC.

The amendment was put into the bill after White House efforts failed to get GSA Administrator Floete to pull out of the rate case.

The cases involve tolls charged the Government, mainly for the Defense Department, by A. T. & T., and subsidiaries for telephone lines and services.

GSA, which has been looking into these rates, has discovered that the rates are at least 25 percent too high. They are using authority given by Congress to intervene to seek reductions in rate requests asked by A. T. & T. before FCC.

MILLIONS ARE AT STAKE ON THIS AMENDMENT

For example, the GSA has already asked a $6 million reduction in one rate case involving $25 million in line tolls being sought by A. T. & T. and its subsidiaries in application before the FCC. This is just part of the story.

The crux of the fight and the main reason for the amendment centers around the charges which A. T. & T. plans to make for the SAGE system tolls. This is the semiautomatic system that connects the Air Defense Command, Pentagon, and so forth, with all of our early warning radar system. Originally A. T. & T. estimated the cost would be $240 million annually, but when House Majority leader JOHN MCCORMACK started his own investigation of the rates, A. T. & T. immediately shaved down the amount to an estimated $160 million.

Now GSA rate experts have discovered that A. T. & T. cost estimates are way off, and that at least 25 percent, or $40 million, a year should be cut from the $160 million figure.

GSA, using section 201 of Public Law 968—see hearings pages 77 through 85 of second supplemental appropriation bill—then proceeded to work out an agreement with Air Force, the contracting agency for SAGE, and the Bureau of the Budget to intervene before FCC to present the case that the rates were too high.

The Budget Bureau thought so highly of GSA's plans that they obtained $50,000 from the President's emergency fund to pay rate experts to work up a strong case to present to the FCC. Using these funds, GSA has proceeded to obtain some startling information, and is just now in position to begin presenting it to FCC.

Legislative experts report that the amendment is actually legislation on an appropriation bill and is subject to point of order.

Economic experts report that if GSA Administrator Floete should win his cases before FCC—and he has three very strong cases—the action could stem the tide of rising telephone rates throughout the entire United States. For example, right now A. T. & T. and its subsidiaries have requests for higher rates in 22 States.

According to Wall Street Journal, A. T. & T. and its subsidiaries profits reached an alltime high last year.

Supporters of the amendment argue that the FCC should make its own investigation and that GSA's intervention is just so much duplication. This is nonsense. FCC makes little or no investigation of whether the rates are correct. It makes its decision from the hearing record. The GSA is the Agency which makes the case for the Government. Without it, the FCC will not have the facts to pass on the rates. The FCC, now under probe in the House, has been known to approve telephone rates without even so much as a hearing. This would have been the case except for intervention in this case by General Services Administration.

If the GSA should win its case, an estimated $230 million could be saved over a period of 5 years. How much such a victory would indirectly save telephone consumers all over the United States is hard to estimate, but it would certainly be substantial.

Remember, the Government is the biggest telephone user in the country.

Mr. President, I read a letter from Mr. Floete, Administrator of GSA, as follows:

MARCH 7, 1958.

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This letter points out the effect of an amendment adopted by the appropriations committee to H. R. 10831 to GSA's representation of the Government in rate proceedings. The amendment, if enacted, would preclude GSA's representation of the Government as a shipper or user of a public utility or communication service in rate proceedings before Federal and State regulatory bodies, "except for the purpose of assuring that the executive agencies are now discriminated against in terms of quality, kind or charges for service as compared to other customers of the utility." GSA would be prohibited from representing the Government from the point of view of the overall reasonableness of the rate or rates to be charged the Government as a shipper or user.

This amendment (line 3 through 10 on p. 9) and the committee Report No. 1344 applicable thereto, in our opinion substantially narrows the authority granted in section 201 (a) (4) of the Federal Property and Administrative Services Act so far as representation by GSA of the Government as a shipper or user of the service in rate proceedings before Federal and State regulatory bodies is concerned.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

Mr. LAUSCHE. It is my understanding that we will not vote on the amendment tonight. May I say to the Senator from Massachusetts that I should like to consider the proposal he has made, and I will give an answer tomorrow, if that is proper.

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

Mr. LAUSCHE. I yield.

Mr. SPARKMAN. Mr. President, when the majority leader left the Chamber, he stated it was his purpose to complete consideration of the bill tonight.

Mr. LAUSCHE. That is fine.

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

Mr. LAUSCHE. I yield.

Mr. HUMPHREY. I wonder if the Senator from Arizona, who is always reasonable—as is, indeed, his esteemed associate in this debate, the Senator from Massachusetts [Mr. SALTONSTALL]—would be willing to settle for the Senate figure of $50,000 so that the Senators will have a little closer bargaining range in the conference.

Mr. HAYDEN. I had Yankee ancestors, and the Senator from Massachusetts is a Yankee, and we will do that.

Mr. HUMPHREY. That will be very helpful. We thank the Senator for his kind consideration.

Mr. LAUSCHE. Mr. President, I withdraw my amendment.

Mr. HAYDEN. Mr. President, I move to strike out "$37,500" on page 8, line 24, and to insert in lieu thereof "$50,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

Mr. HAYDEN. Mr. President, will the Chair rule upon the point of order, after action is taken on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

The PRESIDING OFFICER. The Chair is prepared to rule on the point of order raised by the Senator from Ohio against the committee amendment, appearing on lines 3 through 10 of page 9 of H. R. 10881. The Chair rules that the point of order is well taken, because the committee amendment does constitute legislation on an appropriation bill.

The bill is open to further amendment.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware.

Mr. WILLIAMS. Mr. President, will the Senator from Arizona explain the language on page 16, lines 8 through 14? I find there an authorization for 40 additional police privates and 23 additional letter carriers. I wonder why that provision is included.

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

Mr. HAYDEN. Yes.

Mr. SALTONSTALL. That was suggested because of the need for the extra policemen on the night prowls, to give a greater protection at night.

Mr. HAYDEN. That is correct.

Mr. WILLIAMS. I have no objection to safeguarding adequately the property in the New Senate Office Building, but I wonder if we need 40 policemen to do so.

How much mail are those 40 policemen going to get? There is a provision for 23 extra letter carriers.

Mr. SALTONSTALL. I am sorry; I thought the Senator was talking about the District of Columbia police.

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

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Mississippi?

Mr. WILLIAMS. Yes. I am speaking to the language on page 16, lines 8 through 14, which will provide 40 additional policemen and 23 additional letter carriers. I wonder what those employees are needed for.

Mr. STENNIS. Mr. President, that part of the appropriation bill is based upon the requirements and the facts set forth in a letter from the Sergeant at Arms to the chairman of the Appropriations Committee dated February 12, 1958.

I might point out, before reading from the letter, that the understanding of the Appropriations Committee is that the present plans are to move the Legislative Counsel's office to the new Senate Office Building. It is also planned to move the service department from the present Senate Office Building, before the end of the fiscal year, and perhaps during the month of April. Perhaps other staff members will also move to the new building.

This item is for work which is to be done before the end of the fiscal year. Already the telephone operators who serve are located in the new building.

Mr. WILLIAMS. How many telephone operators are there? Does the Senator have an estimate as to how many telephone operators are in the building? I recognize that they would need some protection.

Mr. STENNIS. I do not know how many are there, but the protection is needed for the property and for the operators, and requires the employment of five men, who have already been on duty for some time.

Mr. WILLIAMS. Does the Senator from Mississippi believe that 40 additional policemen are needed?

Mr. STENNIS. I will come to that. The Senator asked a question.

Mr. WILLIAMS. Yes.

Mr. STENNIS. If the Senator will permit me to develop the matter chronologically, I shall be glad to do so.

Mr. WILLIAMS. Very well.

Mr. STENNIS. The present offices require attention and will require more attention.

The Appropriations Committee was also of the opinion that as soon as the new building could be occupied, for the convenience of the Senate and the staff, the better it would be for all concerned.

The Sergeant at Arms stated in his letter:

> Your attention is invited to the fact that the new Senate Office Building will soon be occupied, at least in part. The new Capitol telephone switchboard is already being operated in the new building.

Incidentally, five doors are served by these men. It is necessary to have someone on duty on some of these doors around the clock. For the time that one shift is on duty, it takes five men.

I continue to read from the letter:

> Last spring when I submitted the annual request for appropriations for the Office of the Sergeant at Arms I stated that I would not then ask the committee to create any positions for the new building. Instead I considered it more feasible to wait until the first supplemental appropriation bill subsequent to January 1, 1958.
>
> Attached is a request and justification for 40 new police privates and 23 new mail carriers which I recommend that the committee create to become effective as early as possible. This request is based on the lowest possible number of police and mail carriers for adequate protection and security and for expeditious postal service respectively. The request also includes funds to equip the additional police.
>
> The committee included in the current legislative act sufficient funds to the Architect of the Capitol for him to employ elevator operators for the new building for the entire latter half of fiscal year 1958.
>
> It is my intention not to fill the new positions hereby requested until the services of each are necessary and justifiable.

It is impossible to tell when these men will be necessary, or how many there will have to be in June, July, or August of this calendar year. However, the estimate of the number to be required to complete the operation is given. The idea was to provide the authorization now and to trust the Architect of the Capitol and the Sergeant at Arms, who are responsible to us, to hire only those employees who are needed and whose employment can be justified.

Mr. WILLIAMS. Mr. President, at the time they were making that estimate we had all been notified, as Members of the Senate, that it was expected the new offices would be available for the Sena-

tors to move into and occupy in the early part of this year. We have since been notified that the offices will not be available until sometime toward the end of this calendar year. They will not be available, so far as the Senators are concerned, during the present fiscal year, which is the year the appropriation is to cover.

Some extra policemen may be needed, but I am not so sure that we could not transfer some of the policemen now employed for this duty. I understand police protection is provided.

Mr. STENNIS. Mr. President, will the Senator yield on that point?

Mr. WILLIAMS. In a moment.

If there is a need for extra policemen, I would go along with that provision, but certainly there is no need for 23 letter carriers beginning March 1 to carry the mail, when nobody is occupying those offices and nobody is going to occupy them, with the exception of a few committee staffs.

We already have post office service in the Senate Office Building. When a committee office is moved it is merely moved across the street, not more than 40 feet or so.

It will not take more time for the present mail carriers to carry mail to the new building until the building is occupied.

I do not desire to go along with the authorization of additional employees at the present time, because I do not think there is a proper justification for it. Unless I can hear a more persuasive argument than that which I have heard, with all due respect for the Senator from Mississippi, I shall be inclined to make a point of order against that provision of the bill.

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

Mr. WILLIAMS. I yield.

Mr. STENNIS. The Senator has made no suggestion about an excess of men being employed now. The Senator has not said that we have too many letter carriers or too many policemen, and therefore some of them can be used for the new building. The Senator has made no suggestion, as I understand, as to an estimate of how many may be necessary if he agrees some new personnel need to be employed.

Mr. WILLIAMS. No; I have no estimate. No one else has any estimate that I have read in the committee hearings. There has been no testimony to that effect. If I am in error, where is it in the hearings? I may be mistaken.

Mr. STENNIS. The Senator from Mississippi has read the primary part of the justification.

Mr. WILLIAMS. Where can that be found in the committee hearings?

Mr. STENNIS. I think the letter is in the hearings.

Mr. WILLIAMS. May I ask the date of that letter?

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

Mr. STENNIS. I am advised that the letter was not placed in the hearings, although I thought it was. I was not present when this testimony was taken.

Mr. WILLIAMS. What is the date of the letter?

Mr. STENNIS. February 12, 1958.

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

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. Let me read the mail carrier justification.

The new building has six floors occupied by offices; one man will be required for each floor for each of the three shifts, making a total of 18; two of the shifts will need two utility men each, and the third shift one utility man.

In the old building, with only four floors of regular offices, there are presently being used 16 mail carriers. This provides one delivery man for each floor for each of the three shifts and one utility man for each shift.

The increase from one to two utility men for the new building will be necessary on account of the extension of the geographical area to be covered by the addition of the new building.

If more than one floor in one building is served by one mail carrier 50 percent of the offices assigned to each man for delivery service will receive each mail delivery much later in time than they receive mail at present.

It is my understanding that these men are not to be put on the roll until they are actually needed.

Mr. STENNIS. That is the commitment in the letter presented by the Sergeant at Arms. We have a justification in detail, I will say to the Senator from Delaware, showing the number of outside doors. There are five outside doors, and two shifts of policemen are needed for those doors. They must remain guarded 24 hours a day. Three shifts would require 12 men.

Mr. WILLIAMS. I recognize that we must protect the property, but we already have police assigned to that duty. If the bill were to provide a reasonable number of police, with the proper justification, I would go along with it, but I do not, based upon the arguments already presented. It is sought to have more letter carriers assigned to the new building, which no one will be occupying for the remainder of the fiscal year, than are at present delivering mail in the Old Senate Office Building. Not a single Member of the Senate, even if he wished to do so, could move over into the new office building during the present fiscal year. Not a single Senate committee will move there.

If these men are not going to be put on duty, the legislation is unnecessary. If they are to be put on, they are certainly not needed. Therefore, I wish to make a point of order against the language beginning with line 8, and extending through line 14, that it constitutes legislation on an appropriation bill. I ask that it be stricken from the bill.

Mr. STENNIS. Mr. President, let me refer to page 272 of the Senate Manual:

TITLE 40—PUBLIC BUILDINGS, PROPERTY, AND WORKS

206. Capitol Police; appointment

There shall be a Capitol Police. The captains and lieutenants shall be selected jointly by the Sergeant at Arms of the Senate and the Sergeant at Arms of the House of Representatives; and one-half of the privates shall be selected by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House of Representatives.

That is an authorization—that there shall be a Capitol Police. The captain and lieutenants shall be selected jointly. It does not seem to limit the number.

Mr. WILLIAMS. I have read the same paragraph. Will the Senator continue to read? Is there anything in that paragraph which refers to mail carriers?

Mr. STENNIS. I do not see any reference to mail carriers.

Mr. WILLIAMS. Is there anything in that paragraph concerning the additional office for Assistant Superintendent of Press Photographers?

Mr. President, I renew my point of order on the basis that the language in this paragraph is legislation, and I ask that the entire paragraph be stricken.

Mr. STENNIS. There is reference to uniforms for the police, including the captain and lieutenants.

Mr. WILLIAMS. That is correct. I concede that point. However, that reference deals only with the Capitol Police, and does not refer to the other two phases.

Mr. STENNIS. The Senator is correct. It does not refer to anything except the police.

Mr. WILLIAMS. In making the point of order, I make it against the paragraph as a whole.

The PRESIDING OFFICER. The Chair asks the chairman of the Appropriations Committee if in his judgment there is any basic authority for these appointments.

Mr. HAYDEN. The basic authority has just been read, so far as concerns the police. I do not happen to have at hand the basic authority for the mail carriers, if there is such. There may be such authority, but I do not know at the moment where it is provided.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from Delaware, because it is impossible for the Chair to differentiate in making his decision. The Chair suggests that the committee offer a modified amendment complying with the basic authority, to the extent that compliance can be shown.

Mr. STENNIS. Mr. President, may we modify the language so as to cover the police? The police item is urgent. Will the Senator from Delaware permit us time to modify the language in that way?

Mr. WILLIAMS. I would go along with a portion of the request. I do not think 40 are needed. I believe the chairman might be willing to accept a modified number, in order to take care of the problem which has been pointed out, and which I am willing to have taken care of. In a future appropriation bill, after proper justification is shown, the number can be increased, if it is shown to be necessary. Having talked with the chairman, I suggest that we provide for 10 as the initial authority for the Capitol Police. I could go along with that number. I think that would take care of all that could be properly justified. If 10 additional police were assigned to the new building, would that not take care of the situation?

Mr. HAYDEN. It is necessary to afford protection for the telephone office. When the workshop, so to speak, is moved from the old building to the new Senate Office Building, we shall need still more police. Let us split the difference, and make the number 15.

Mr. STENNIS. We are already using five from the old force.

Mr. WILLIAMS. I will go along with that suggestion.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the clerks be permitted to adjust the figures.

The PRESIDING OFFICER. Without objection, the amendment, as modified, is agreed to.

Mr. WILLIAMS. Mr. President, it is my understanding that the amendment will now provide for 15 additional Capitol police.

Mr. HAYDEN. Yes.

Mr. SALTONSTALL subsequently said: Mr. President, after consultation with the Senator from Delaware and with the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], it is agreeable to provide for 20 policemen instead of 15 policemen. I therefore suggest that the amendment provide for 20 policemen.

Mr. HAYDEN. I ask unanimous consent that the amendment be modified accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THYE. I am happy that such an agreement has been reached, because there is no question that the new building must be properly policed. Each time a room is opened there must be adequate protection; otherwise there is the danger of vandalism.

The modified amendment, as agreed to, is as follows:

Office of Sergeant at Arms and Doorkeeepr: For an additional amount for Office of Sergeant at Arms and Doorkeeper, $21,480, to include, from April 1, 1958, 20 additional privates, police force at $2,160 basic per annum each.

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

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. HUMPHREY. Mr. President, before the Senate votes on the bill, I wish to commend the Committee on Appropriations for the excellent work it has accomplished in providing acreage-reserve funds which are sorely needed; and also for the explicit language of the bill which relates to the Brussels Fair.

I note that the Senate committee did not detract from or limit the funds that had been appropriated last year for the Moscow Agricultural Fair.

I also note that the Senate did not agree with the allocation of the set amount of money for the United States Public Health Service, even though I hope our exhibit at Brussels will make proper recognition of the importance of the developments in the field of medical care, hospitalization, research, and the extensive activities of the public-health program.

I note also that the amount of $2,054,000, which is provided in the bill, is the amount which the State Department has requested and has said is necessary to place before the people who visit the Brussels Fair a reasonably good exhibit by the United States.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article which appeared in yesterday's edition of the Washington Star entitled "Russia Is About to Outclass Us in Belgium's Big Show."

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

THE BRUSSELS BATTLEFIELD—RUSSIA IS ABOUT TO OUTCLASS US IN BELGIUM'S BIG SHOW

(By Robert J. Lewis)

A major engagement in the cold war soon will be fought out on 500 fantastic acres outside Brussels, Belgium.

There the big $300 million Universal and International Exposition—"Expo '58," the Belgians call it—will swing open its gates just 39 days from now. Forty-eight nations have built over 200 halls and pavilions to make this first World's Fair in 19 years a spectacular showcase of national ways of life and civilization's progress.

Inevitably, the character of United States participation will be compared with that of the Russians during the 6 months of the fair by an expected 35 million presumably impressionable visitors. How will the competing leaders of the Eastern and Western Worlds stack up in the arts, in science, in technology?

As things stand today, the experts say we'll probably be greatly outshone by the Russians. In spite of a brilliant beginning and many truly exceptional accomplishments, the United States effort is being dimmed severely by an inadequate budget.

Available funds are so limited that Howard S. Cullman, United States Commissioner General, has said we will be able to keep the United States pavilion open only 8 hours a day, closing it at 6 p. m. In contrast, the Russians—across the street—will operate their facilities 13 hours a day, closing at 11 p. m.

SHORT SEASON

Likewise, with appropriations now at hand, our program of events can last only 15 of the 26 weeks of the fair, even if a 4-week movie presentation of South Pacific is included.

These are only a few of the restrictions reportedly imposed on our program by shortness of funds. The list is disappointingly long and serious—almost, if not entirely, the apparent result of conflicting opinions in Congress over how much we should spend.

The embarrassing disadvantage the United States will suffer at Brussels has become all the more plain as details of the well-heeled Soviet program have been disclosed. In a report 6 weeks ago, the United States Information Agency's Office of Research and Intelligence said:

"Judged from the specific preparation for the Brussels Fair, as well as from past performance, the Soviet effort this year will be the largest ever undertaken by a Communist state at a competitive international exposition. * * *

"The Brussels Fair emphasizes the general fields of scientific, economic and cultural progress. The Soviet exhibits appear designed to convince visitors that the U. S. S. R. is now the fountainhead of human progress in those fields and, furthermore, that the Soviet contributions are the direct result of its socio-political-economic system."

For the United States, too, the Brussels Fair will mark our most extensive participation in an international exposition. But we will operate on probably less than a quarter of the Soviet budget.

Best estimates are that the Soviet Union will spend about $50 million for its participation, plus another $10 million for advertising and promotion. Belgian printing firms, alone, have reported the Russians have awarded more than $1 million in contracts for giveaways to be handed out at their exhibitions.

The Soviet pavilion, covering 6 acres, will have a movie house and concert hall to seat 1,500 persons. The cost of this building is estimated by the Belgians at $5 million, not including its contents or the items of decoration.

Asked by newsmen on his arrival at Brussels how much the Soviet Union would spend, Soviet Commissioner Gen. Dimitri A. Ryzhkov answered briefly: "What it will cost."

Apparently the U. S. S. R. intends to shower Brussels with delegations of scientists, industrial ambassadors and "cultural" representatives.

The Leningrad Hermitage Museum will send a collection of old masters that will be displayed in Brussels as a group for the first time outside the Soviet Union. The Bolshoi Theater Ballet will give a 3-week program in a Brussels theater. Children in the theater's ballet school will present a 2-week program later.

WIDE CULTURAL VARIETY

Also on the Soviet program are appearances by the Moiseyev Ensemble, accompanied by a Soviet orchestra; three Chekov plays to be presented by the Stanislavsky Art Theater; song and dance ensembles from the Ukraine; and appearances by the Soviet Republic Ensemble, a troupe of singers and dancers from 15 Soviet republics.

The Symphony Orchestra of the Soviet Union will hold concerts during the 6-month-long show, and such international artists as pianist Emil Gilels and violinist David Oistrakh will appear. The Moscow circus, said to be roughly comparable to Ringling Bros., Barnum & Bailey's in its heyday, will spend 2 months in Brussels and a month in Liege and Antwerp.

To top off their program, the energetic Soviet representatives have set up a daily jet-airliner schedule between Moscow and Brussels for the duration of the fair.

The United States has aimed to keep its participation modest, yet representative.

Our biggest, and most magnificent accomplishment, by all accounts, is the design and construction of what many persons believe is the fair's outstandingly beautiful pavilion. It is the work of one of this country's most imaginative architects, Edward D. Stone, of New York. Although it is said to be the largest circular free-span building in the world it is nevertheless much smaller than the Soviet pavilion.

The American pavilion cost $5,365,000, plus an additional $2,157,000 for exhibits, or a total of $7,522,000 for building and contents. It was authorized back in 1956 at a time when it was expected that Congress would provide $15 million for United States participation in the fair.

Instead, Commissioner General Cullman was given an operating budget of $11.8 million, which means that he has left, after the cost of the pavilion and exhibits are subtracted, a balance of $4,278,000 for all other expenses.

United States officials want to match the Soviet with a 13-hour-a-day schedule. They want to fatten up the performing arts and scientific programs. They want to see that visitors to the pavilion receive printed infor-

mation on America. Essential, too, they feel, is employment of young Americans as usher-guides so that the millions of fair visitors can have appropriate contacts with American youth. Under the present budget, it will be necessary to employ Belgians for guide service.

THE AMERICAN PROGRAM

On paper, the management seems to have an excellent program worked out. Examples: Color television (the Russians have black and white); Walt Disney's Circarama (movies using 11 projectors to bring the audience inside the action); a Broadway play and an American musical comedy; concerts by such artists as violinist Yehudi Menuhin; the noted Negro singers Leontyne Price and Harry Belafonte, Metropolitan Opera star Eleanor Steber and others; the world premiere of a new opera by Gian-Carlo Menotti.

The Philadelphia Orchestra, the Juillard Orchestra and the American Ballet Theater have been scheduled for brief appearances. It is hoped that other orchestras, including Washington's National Symphony Orchestra, will be able to scrape up money themselves to finance appearances.

Up to now, repeated efforts to obtain the amount originally indicated by the House Foreign Affairs Committee as the probable cost have been unsuccessful. Last August, the Senate approved an additional $2,889,000, but the House cut this to $535,000.

Early this year, the administration again went to bat with a recommendation for $2,054,000. Two weeks ago the House turned down this request though, in some confusion, it did make available $1 million for an additional exhibit to be administered by the Health, Education, and Welfare Department. It is understood, however, that HEW feels that this appropriation came too late for a health exhibit to be prepared.

Ten days ago, Mr. Cullman told the Senate Appropriations Committee considering the administration's request:

The need for this supplemental appropriation is critical.

It is obvious that the United States cannot afford to come in with too little too late. This supplemental request, if granted, will mean that we do not come in with too little, and speedy action on this request will mean that we do not come in too late.

His appeal fell on sympathetic ears. The committee recommended the full $2,054,000. The Senate is expected to vote on the matter tomorrow.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (H. R. 10881) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, and Mr. KNOWLAND conferees on the part of the Senate.

STIMULATION OF RESIDENTIAL CONSTRUCTION

Mr. SPARKMAN. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1370, S. 3418.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3418) to stimulate residential construction.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES

Mr. HUMPHREY. Mr. President, I have received a letter and an editorial from the business manager of the Winona Daily News, of Winona, Minn. The editorial is worthy of the attention and careful study by the Congress, as it pursues and seeks a program to check the economic decline. I ask unanimous consent that the letter and editorial be printed in the RECORD.

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

THE WINONA DAILY NEWS,
Winona, Minn., March 8, 1958.

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

DEAR SENATOR HUMPHREY: Congress has the power to reverse the present business downtrend and to turn it into a substantial upswing by reducing individual and corporate income taxes. We feel that Congress should not wait for a greater slump to make substantial changes in the tax structure.

We have a proposal, as outlined in the enclosed editorial which we think would do more to stimulate business activity and reduce unemployment than any other single remedy. It is a plan to give all corporations a token tax reduction and substantial tax relief to small corporations. We hope you will give this plan your consideration.

Sincerely,

WILLIAM F. WHITE.

[From the Winona (Minn.) Daily News]

CORPORATE TAX CUT WOULD HELP ECONOMY

(By William F. White)

If the current business decline continues, both Republicans and Democrats in Congress are considering the possibility of a cut in Federal income taxes to put a shot in the arm of the United States economy.

Most of the tax-reduction proposals we have heard about are aimed at cutting the amount individuals will have to pay in income tax, the idea being to put more spendable dollars in the hands of the consumer. Greater consumption of goods and services would aid the retailer immediately, and the benefits of the retail upswing gradually would be passed on to manufacturers of consumer products.

We think there is much merit to this proposal, but it is only a one-pronged attack on a problem that needs a double approach.

If Congress really wants to help business, which is its stated purpose for any income-tax reduction, it also should make some changes in the corporate-tax law.

High income taxes not only have a stifling effect on consumer purchasing power—they also have a serious deterrent effect on business expansion—the very thing that provides more and more jobs for our rapidly growing population.

The choking effect that the high corporate income tax has on business expansion hits small corporations much harder than large ones, even in generally good times. Small corporations find it difficult to obtain money for expansion purposes—big ones can get what they ask for in the money market. Since it is difficult for small corporations to borrow money for capital, they must finance expanded business activities out of profits, and the Federal Government does not leave them enough to do the job.

According to present corporate tax law, the Government takes 30 percent of the net earnings of any corporation earning less than $25,000. This rate is rapidly increased for incomes above $25,000 so that the corporation with earnings of only $100,000 is paying nearly half of its profits in Federal income taxes. The rate then gradually rises so that the largest corporations pay just a hair under 52 percent.

While the rate probably is not far out of line for the largest corporations, it starts out too high and increases too rapidly for the small, under $100,000 corporations.

One of the best things Congress could do to reduce unemployment would be to grant substantial tax relief to small corporations to provide them with more investment capital at a stage in their development when it is needed most.

We propose that in addition to an income tax cut for individuals, that the corporate tax law be changed as follows:

Set the tax rate for the first $25,000 of any corporation's earnings at 12 percent. For each subsequent $25,000 of earnings add another 10 percent up to $125,000, after which all earnings would be taxed at 52 percent. The effect of this would be as shown below:

For the corporation with net earnings of—	The present tax is—	Under this proposal the tax would be—	Tax savings under new plan
$25,000	$7,500	$2,500	$4,500
$50,000	20,500	8,500	12,500
$75,000	33,500	16,500	17,000
$100,000	46,500	27,000	19,500
$125,000	59,500	40,000	19,500
$1,000,000	514,500	495,000	19,500

Under this plan, corporations with net incomes under $100,000 would be granted a substantially higher percentage of tax relief than those with larger incomes. We think that the maximum tax rate on all corporations should eventually be reduced, but this is probably not the time to give the largest corporations substantial relief.

This proposal would provide only token relief for the largest corporations, and those with net incomes of a billion dollars or more would measure their tax reduction under this plan by the thousandths of a percent. In fact, $19,500 would be the largest tax saving granted to any corporation.

While $19,500 may be a drop in the bucket to the big corporations, it can mean everything to the expanding small corporation.

Our Congressmen are well aware that any form of tax reduction will have an initial effect of reducing the Federal Government's income, and if any tax cut is granted, they will be prepared to take that consequence.

Any tax reduction program, however, that actually results in greatly stimulated business activity, will in the long run bring more dollars into the treasury than the amount obtained under the present tax law. Many more people would be employed and pay income taxes on their wages. More corporations and businesses would show more profits, and the Federal Government's total take inevitably would rise as the economy gained in health, even though the individual personal and corporate taxpayer would pay at lower rates.

There can be no doubt that some sort of recession is with us. There is no question that Congress has the power to reverse the tide by reducing both personal and corporate income taxes. In the long haul, the Treasury will benefit if taxes are reduced.

Why wait for things to get worse? The time for action is now.

THE RECESSION

Mr. HUMPHREY. Mr. President, last week in my speech describing in detail how the administration led us into the present recession, I called attention to the statement of Dr. Arthur Burns, former economic adviser to the President, that—

> Efforts to check a recession have to be coordinated, so that the steps taken by different agencies of our farflung Government may reinforce one another.

Unfortunately, it would appear that the administration has chosen to ignore Dr. Burns' advice for there has been no coordinated effort on the part of the administration to meet this serious recession. An example of this sad state of affairs is the Treasury's current effort to lengthen the public debt which is in direct contradiction to the administration's avowed desire to ease credit and lower interest rates.

The Journal of Commerce of March 10 in an editorial urges the administration to come forward with some unified fiscal program to replace the present confusion.

Speaking of steps the administration can take immediately to halt the recession the Journal of Commerce states:

> The Treasury, for example, could start right now where it counts, in the field of fiscal policy. Specifically, it could end its current efforts to lengthen maturities on the public debt.
>
> With the power they wield over swings in the economy through control of the availability and cost of money, monetary and fiscal authorities should make doubly sure at this juncture that their activities do not clash headon with the overall needs of credit policy.
>
> Yet the Treasury's current efforts to lengthen the debt by issuing intermediate and long-term issues while calling in short-term securities is doing just that.

I ask unanimous consent, Mr. President, that this article from the Journal of Commerce be inserted at this point in the RECORD.

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

START WHERE IT COUNTS

The President was right on Saturday in expressing his concern over the spate of pump-priming schemes sprouting like weeds on the Democratic side of Congress, just as he was right Wednesday in declaring that whatever the Federal Government can do to stem the business slide is minor by comparison with what consumers can do simply by spending more money.

But to be right in terms of generalities is not necessarily to be astute in dealing with specific issues. At his Wednesday press conference, for example, Mr. Eisenhower appeared to leave the impression that his administration doubts the efficacy of the weapons in its antirecession arsenal and is reluctant to use them.

This impression was doubtless created inadvertently. In his weekend letters to Senator KNOWLAND and House Majority Leader MARTIN, he offset it in some degree. But whether his opposition to the current public works drive will prevail hinges largely on one thing—the speed and determination with which the administration gets down to business in providing sound alternatives.

Following so close on the heels of another cut in the Federal Reserve rediscount rate, the President's listing of antirecession steps now being taken, made cheering weekend reading.

These steps are outlined elsewhere in this issue. We shall have more to say concerning certain of them at a future date. Suffice it to say for the present that the fact the administration has decided on them is probably more important than the volume of funds they will add to the economy this year.

A cautioning note must be added, however. Some of the steps proposed by Mr. Eisenhower (we regret to see tax cuts were not among them) require the approval of Congress in which the Democrats are busily maneuvering to seize and keep the initiative. If it is going to maintain this initiative itself, the administration must act decisively in spheres where it is now free to act without any sanction from Congress. The Treasury, for example, could start right now where it counts, in the field of fiscal policy. Specifically, it could end its current efforts to lengthen maturities on the public debt.

With the power they wield over swings in the economy through control of the availability and cost of money, monetary and fiscal authorities should make doubly sure at this juncture that their activities do not clash head-on with the overall needs of credit policy.

Yet the Treasury's current efforts to lengthen the debt by issuing intermediate and long-term issues while calling in short-term securities is doing just that.

Does not the current state of the economy require that every dollar available for long-term investment go into corporate and municipal securities to bolster capital spending in these fields? We would think so. Then why is the Treasury insistent on competing for these funds? The answer is far from clear, but the facts are pretty plain.

The Treasury's long-term financing of the past few months is a major reason why interest rates on new municipal and corporate securities have been climbing recently, and nobody has been able to fight a recession yet with high interest rates. The intimation that the Treasury will require more long-term financing every few months has also prompted some investors to hold back funds in the hope of even higher interest rates later. And that is just what, through easier credit conditions, the administration is elsewhere trying to avoid.

Of course, it is usually in the best interests of the Treasury to convert the national debt to longer maturity issues to the end that it is not constantly pressed by refunding problems. Consequently, it is also good for the Nation as a whole. This was certainly the case when Mr. Eisenhower and his colleagues promised to extend the debt before the present administration took office in 1952.

Ironically, however, little was done to achieve this goal in the earlier years of the administration. It was only recently that long-term issues were floated at all. And then they were launched on a sea of high interest rates as the Treasury sought to absorb some of the investment funds available during the last phases of the 1955–57 boom, thus reducing private capital spending by that amount.

Conditions now are quite different. We grant it is still inconvenient to refinance the public debt at frequent intervals. But inconvenience is not the only germane factor.

Interest rates on short-term issues now are again considerably below those on long-term issues. The Treasury could benefit from this. But far more important is the consideration that a return to short-term financing would gear the Treasury's fiscal policy a little more realistically to the need to create an atmosphere favorable to capital investment and business spending generally.

We don't say this would be a cure-all. We do say that by moving decisively in a sphere such as this, the administration can do a good deal to restore confidence both in its will and in its ability to deal with the recession.

HARD MONEY—HIGH INTEREST

Mr. HUMPHREY. Mr. President, I was recently struck by an article appearing in an advertisement in the Times-Picayune of New Orleans, La., on March 3, 1958.

This article was entitled "I Don't Want To Say 'I Told You So,' " and it was written by Mr. John Schwegmann, Jr., of New Orleans.

This article reflects the thinking of very thoughtful people all over the country, independently arriving at the same conclusions. It particularly emphasizes the role which the high interest, tight money policies of the Government in recent years have played in bringing on the current recession.

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

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

I DON'T WANT TO SAY "I TOLD YOU SO"

The following article appeared in our Schwegmann Bros. advertisements in the New Orleans newspapers the week of April 22, 1956. It predicted fairly accurately the economic situation in which we presently find ourselves.

"DOES THE GOVERNMENT THINK 'WE HAVE IT TOO GOOD'

"Since last April, the Federal Reserve System has increased its bank lending rate five times. Last week it ordered into effect on its member banks the highest discount rate since 1933. This makes it more expensive for commercial banks to obtain money to satisfy their clients' demand for credit. Banks have to pay higher interest, therefore they must charge higher interest. Loans are harder to obtain, more collateral is asked, and general progress is impeded.

"In order to have full employment, at good wages, it is necessary that sound business enterprises be able to secure credit at all times, and at low interest rates. This country operates on credit—which must be available and reasonably easy to secure. Under the increasingly high discount rates of the past year, the money market has tightened up considerably, which effectively ties the hands of all business planning expansion programs. It is especially hard on the small independent businessman, because he must depend on his bank, while the large corporations can float a bond issue, or sell stocks. It is also hard on would-be homeowners, who have to pay higher interest on home loans. Every kind of a loan will be a little more difficult to get, and will cost more in interest—even installment loans on washing machines, televisions, or automobiles.

"You may say, how could the Federal Reserve discount rate affect me? If you wish to own your own home, or if you buy anything on the installment plan, it affects you. To illustrate how much even a slight increase of one-half of 1 percent can affect the home buyer, when you buy a home costing $10,000 and pay for it over a 30-year period, 4 percent interest will amount to $7,210. When the interest rate is advanced by one-half of 1 percent, this increases the interest charges by $1,050. If you pay 6-percent interest, you might pay a total of $21,580 by the time you are through paying principal and interest on a $10,000 home.

"Under the present tax structure, it is almost impossible for anyone to save money for the future, because there is so little left after taxes. Because so little can be accumulated from profits, no matter how successful a business is, money to expand and go forward must be borrowed. Sometimes the long-term plans for expansion take months to perfect, and by the time the loan is approved the hard-money policy is in effect, and the cost of borrowing is too high. When the cost of borrowing is too high, expansion is delayed or given up altogether, production falters, sales dry up, and people are thrown out of work.

Is it logical for the Government to tighten up money, discourage borrowing, and thus slow down construction at a time when we are still 15 to 20 years behind in home, hospital, school, and road construction? We have not solved our housing problems, our slum problems, our school problems, or our road problems. Unless we are satisfied with the standard of living in this country, we must continually go forward in manufacturing, in sales, and in consumption. Unnecessary high-interest charges hamstring business, prevent expansion, and stagnate the economy of our country. In my opinion, it is far better for the Government to keep interest rates low so that people may borrow, build, and progress, than to raise the rates and put millions out of work and let them live on unemployment insurance.

"Tight money limits the number of businesses and makes it harder for new enterprises to develop which limits competition and causes inflation.

"When our country is able to loan billions of dollars of our tax money to foreign countries without any collateral, or give the money or goods to them outright, what is wrong with showing a little faith in the American people, and the American businessman?

"My opinions are bipartisan—I hold no brief for either political party or their share in the events of the past 40 years. I try to consider the good of the country as a whole, and not one segment of the population as opposed to another.

"JOHN SCHWEGMANN, Jr.

"How many G. I.'s in the past 2 years had to pay points or bonuses to get their home mortgage loan?"

THE ATOMIC ENERGY COMMISSION'S STATEMENT ON THE DEEP UNDERGROUND NUCLEAR TEST

Mr. HUMPHREY. Mr. President, I have just learned that the Atomic Energy Commission has issued an important correction to a statement released on Thursday, March 6, entitled "Background Information on the Deep Underground Shot—Rainier—at the Nevada Test Site." This paper gives valuable data on the important underground nuclear test explosion of last September 1957. On page 6 of the release there is a brief statement on the seismic effects of the explosion. The last two sentences of the section on seismic effects state: "The earth waves were recorded at seismological stations at Los Angeles, about 250 miles, air line, from the shot mesa. This was the maximum distance at which the shock was recorded."

The last sentence is totally and completely wrong and the second to the last leaves the impression that Los Angeles was the only seismological station that picked up the explosion on its instruments.

The Atomic Energy Commission has now issued the following correction:

Delete last two sentences of second paragraph on page 6, lines 14–16. Substitute the following sentence: "Seismological stations of the United States Coast and Geodetic Survey as far away as College (near Fairbanks) Alaska, about 2,320 miles from the shot mesa recorded the earth waves."

The Disarmament Subcommittee as well as other interested observers brought this error to the attention of the Atomic Energy Commission. Important data on the detection of tests must be accurate. Mr. Stassen, when he appeared before the Disarmament Subcommittee, stated that the "very small nuclear shot that was put out underground in last year's test—Rainier—was recorded in every seismic instrument within a thousand miles." To have the AEC come out publicly less than a week after Mr. Stassen spoke and say that the test was recorded no farther than 250 is indeed confusing to the public to say the least. It gives the impression that scientific facts are being used by someone to prove a political point, a dangerous concept to perpetuate in our efforts to work out effective arms control agreements.

The Coast and Geodetic Survey has a record of the stations located more than 250 miles from the site of the explosion that recorded the Rainier shot. Nine of these stations had a recording in a manner sufficiently clear so that an accurate determination could be made in location in space and time. The recording on 10 other stations was discernible but rather poor or marginal. The data on eight other stations have not come in or have not been analyzed. The only station at which the recording is considered definitely negative is St. Louis, some 1,400 miles away from the site where the explosion took place.

Unfortunately the Atomic Energy Commission's press release on the background of the Rainier shot was not carefully prepared. But in view of the importance of this subject I believe all of us who have a responsibility in the matter of test detection must take the time and care to be as accurate as we can possibly be.

The matter of developing adequate inspection systems is one of the key questions in our search for a beginning step in halting the arms race. If the United States entered into an agreement with the Soviet Union and other countries to suspend tests of nuclear weapons it must only do so if an effective and reliable inspection can be installed in the Soviet Union as well as in all other countries and areas in which such tests might take place. Therefore, it is essential that the facts on test detection be made available. It is also imperative that the executive branch expend considerable effort to devise inspection systems that will work.

The Senate Disarmament Subcommittee is now in the process of holding hearings to obtain information on this and other aspects of the control of nuclear weapons and missiles. It is our hope to receive testimony from many qualified persons on this matter.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

CHECKING THE RECESSION

Mr. HUMPHREY. Mr. President, it was only 2 months ago that the President in his budget message told us that the Federal Government would operate in the black this coming fiscal year with a surplus of $500 million. This estimate was based on the President's rosy assumption that "soon the expansion of our economy will be resumed."

But it is becoming quite apparent that the President's optimistic forecasts are not working out and as the recession grows the country is not going to operate in the black, but rather in the red to the tune of several billion dollars.

I ask unanimous consent, Mr. President, that a column by Sylvia Porter dated March 10 calling attention to the budget deficit resulting from the recession be inserted at this point in the RECORD.

I also ask unanimous consent that a story of March 10 from the Washington Star noting that steel production last week fell to the low mark of the present recession—52.5 percent of capacity—be inserted at this point in the RECORD.

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

BUDGET DISTORTIONS EMERGE

(By Sylvia Porter)

Not all the public relations experts in all the world will be able to save President Eisenhower's face when he must go before the American public to revise the figures in his new 1958–59 budget.

For the budget the President presented 6 weeks ago is now scarcely worth the paper it's written on.

The 1958–59 budget won't be a half billion in the black, as the President predicted. There's not a chance of it. The 1958–59 budget easily may be six to eight billion dollars in the red. Easily.

If the recession doesn't end soon and turn into a strong upturn, red ink may splatter the budget even more.

I am not distorting the picture. The distortions were in the President's original figures. I am not exaggerating the possible size of the deficit in the 1958–59 year. The gross understatements appeared in the budget sent to Congress in January.

STATISTICS OFFERED

Let's be specific. Document this with some cold statistics:

In January the President estimated that the Government would collect $74.4 billion in receipts in the year beginning this July. The assumptions were that personal income would run at $352 billion in 1958, up $9 billion over 1957, and corporate profits would run at $42 billion, upchanged from 1957.

But personal income is running at only about $342 billion now. If the President's estimate is to be reached, wages and salaries must go into a great upswing almost immediately and keep climbing through the rest of the year. As for corporate profits, they're far below the $42 billion rate today and an authoritative Congressional estimate actually is that corporate profits may not top $36 billion in 1958.

Is it likely that the President's forecast for receipts in the new year will be realized? It is not.

Rather, a conservative projection is that the tax take from us and corporations may run $4 billion under the budget prediction.

In January the President estimated that the Government would spend $73.9 billion in the new fiscal year. The assumptions were that Congress would accept the administration's defense budget, would cut spending on some nondefense items and wouldn't add to other programs.

DEFENSE COSTS RISING

But the administration itself is already adding $1 billion to $2 billion to its defense budget. Congress is pushing ahead with housing, welfare, other programs that almost certainly will add billions more to the budget. Budget cuts will be the rare exception.

Is it likely that the President's forecast for spending in the new year will be realized? It is not.

Rather, a conservative projection is that the spending total will run at least $2 billion to $3 billion—at least—over the budget prediction.

There you have it. A budget deficit of $6 billion plus.

And if business doesn't turn up on schedule, a tax cut by midyear is the outlook. If the tax cut is to have a stimulating impact, it must run into the billions.

And then you really would have it. A deficit of $8 billion to $10 billion, or even more.

And there will be no way the President will be able to hide this when the date for the first review of the new budget arrives.

STEEL OUTPUT DROPS BACK AFTER GAIN

CLEVELAND, March 10—Steel production last week fell off a point to return to the low mark of the current recession at 52.5 percent of capacity, and steelmakers still are looking for their first clear indication of an upturn, Steel magazine said yesterday.

"So far as March is concerned, improvement doesn't seem to be in the cards," the weekly journal of metalworking reported. "Steel men believe April will be the start of the upturn."

Chevrolet, one of the strongest producers until now, has canceled about half of its April steel orders, and other car makers are pushing March orders into April, Steel said.

While cold weather has hindered an early start of spring construction, there is demand for large quantities of galvanized sheets for duct work in air conditioning of office buildings, the magazine said. Production of tin plate continues at near-capacity level, it added.

Jones & Laughlin Steel Corp. suspended operations in Detroit, but Youngstown reactivated two open hearth furnaces March 1, Steel said. This week Wheeling Steel Corp. will reactivate two open hearths, and last week Wheeling Steel brought three blast furnaces and its bessemer department back into production.

DISCLOSURE OF FINANCIAL AFFAIRS OF LABOR ORGANIZATIONS

Mr. KENNEDY. Mr. President, as chairman of the permanent Subcommittee on Labor Legislation of the standing Senate Committee on Labor and Public Welfare, I wish to make two announcements at this time:

First. Our subcommittee, with the agreement of the chairman, the distinguished Senator from Alabama [Mr. HILL], will commence hearings on or about March 24 on legislation in the general areas covered by the McClellan hearings during its first year of activity. These four areas include: First, regulation and control of pension and welfare plans; second, regulation and control of union funds; third, democratic procedures in trade unions; fourth, the elimination of the corrupting influence of middlemen in collective bargaining arrangements. Other bills including the one I am introducing today or proposals directly related to these areas of concern, will also be considered by the committee, including pertinent recommendations made by the administration. It is expected that the Secretary of Labor will appear to testify as well as other governmental experts. We expect also to hear testimony from trade unionists and others who have a vital interest in and knowledge of this field.

These hearings will continue the legislative work which has already begun. Having already completed work on a pension and welfare disclosure bill which should be before the Senate soon, we are moving on what appear to be high priority legislative tasks.

Second. I introduce, for appropriate reference, a bill to safeguard union finances and to curb certain improper and undemocratic practices—including the abuse of trusteeships. This bill grows directly out of the hearings of the Senate Select Committee on Improper Activities in the Labor or Management Field—the McClellan committee—of which I am also a member, and out of consultations which I have had with others interested in these matters.

LABOR ADVISORY COMMITTEE

Last fall, because of the complex issues involved in legislating in this field, I asked several distinguished scholars and well-known labor relations experts to advise me on the design of possible legislative measures. Prof. Archibald Cox of the Harvard Law School served as chairman of the committee of experts which included Prof. Sumner Slichter, Harvard University; Prof. Charles Myers, MIT; Prof. Richard Lester, Princeton University; Prof. Clyde Summers, Yale Law School; Prof. Philip Taft, Brown University; Prof. Lloyd Reynolds, Yale University; and Prof. Harry Wellington, Yale Law School. I wish publicly to acknowledge and thank the members of this committee for the invaluable service which they have rendered.

The bill is based in large measure upon their recommendations. In my opinion, it represents a substantial and important step forward toward the objective that all trade unions be run for the benefit of their members.

RESULTS OF THE M'CLELLAN COMMITTEE HEARINGS CONTAINED IN THIS BILL

This bill corresponds to the priority needs as clearly demonstrated by the hearings of the McClellan committee. The results and this bill may be summarized as follows:

First. The select committee uncovered examples of large union sums expended for doubtful or improper purposes by union or nonunion officials without knowledge or consent of those members whose dues were thus being used. This bill is designed to prevent that situation, through requirements for full disclosure.

Second. The select committee uncovered examples of union officials engaged in private transactions for personal gain which compromised the rights or the position of the members who elected them, without the latter's knowledge or consent. This bill is designed to prevent that situation, through requirements for full disclosure and additional criminal penalties.

Third. The select committee uncovered examples of union officials obtaining large loans from the union treasury as a means of covering illicit transactions. This bill prohibits any such loan in excess of $2,500 in the future.

Fourth. The select committee uncovered examples of false, inaccurate, or unjustifiable data being included in union financial reports, without penalty, independent audit or public knowledge. This bill is designed to prevent that situation, through new criminal penalties, audits, and the publication of such reports.

Fifth. The select committee uncovered examples of union trusteeships unjustifiably established and unduly prolonged as a means of preventing local democratic control, punishing dissenting members, diverting local funds and adding to the power of certain national officers. This bill would make virtually impossible the recently exposed practice of the Operating Engineers Union keeping key local unions in trusteeship—one for over 29 years. By establishing standards for the imposition of trusteeships, providing for public review and limiting their duration, this bill would eliminate the abuse of this otherwise useful and legitimate tool of union administration.

COMPARABLE REQUIREMENTS IN THE BUSINESS AREA

These provisions are neither unprecedented nor an effort to single the labor unions out for discriminatory legislation.

Trust companies, investment houses and other corporations with fiduciary obligations are presently prohibited from loaning funds entrusted to their officers. Such officers are barred from using such funds for personal gain or otherwise engaging in conflict-of-interest transactions. All registrant corporations under the SEC Acts are required to disclose detailed financial information of the type required here. Their officers are not permitted to make personal profits by exploiting their official position. Other requirements of a similar nature apply to banks and bank officers under Federal Deposit Insurance regulations.

UNDERLYING PRINCIPLES

This bill is based upon the following principles:

First. A strong, honest, and responsible trade union movement is an essential part of American economic life; and its orderly progress and overwhelmingly honest leadership should not be undermined by either unnecessarily restrictive legislation or the uncurbed malpractices of a few wrongdoers.

Second. Control of internal union affairs and finances should rest basically with neither the Government nor a few leaders, but with rank-and-file union members fully informed of their rights and the use of their funds and free to exercise such rights.

Third. Union officers have fiduciary obligations, holding union dues, power, and statutory privileges in trust for the members who make them available—and union organizations granted certain protections and privileges by law are necessarily affected with a public interest, and consequently subject to basic legislative standards.

I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a summary analysis of this bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the summary analysis will be printed in the RECORD.

The bill (S. 3454) to provide for the reporting and disclosure of the financial affairs of labor organizations and to regulate union trusteeship and prevent the abuse thereof, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The summary analysis presented by Mr. KENNEDY is as follows:

SUMMARY ANALYSIS OF BILL TO REQUIRE DISCLOSURE OF FINANCIAL AFFAIRS OF LABOR ORGANIZATIONS AND TO REGULATE TRUSTEESHIPS

Section 100: A statement of findings and policy outlines the general justification for legislation in this field and the objectives of the bill.

Section 101: Requires every labor organization in an industry affecting commerce to file annually with the Secretary of Labor, a copy of its constitution and by-laws and a report signed by its president and secretary showing (1) the name of the labor organization and address of principal office (2) the names and titles of its officers (3) initiation fees required of new members (4) regular dues or fees (5) a detailed statement showing the procedures used in qualifying or restricting membership, electing officers and stewards, calling of regular and special meetings, levying of assessments, imposition of fines, authorization for bargaining demands, ratification of contract terms, authorization for strikes, authorization for disbursement of union funds, authority of union financial transactions, participation in insurance or other benefit plans and expulsion of members and grounds therefore.

Also required is a detailed financial report. This financial statement must contain such information as assets and liabilities, receipts of any kind, salaries of officers or employees receiving more than $10,000, direct or indirect loans to officers or members in excess of $500, loans to employers with whom the union bargains and any other disbursements.

Section 102: Requires every employer or officer of a labor organization to file an annual report with the Secretary of Labor listing loans which he received or repaid to such organization in excess of $500; stocks, bonds or other interest which he or his spouse holds in a business represented by his union; any transactions in which he or his spouse engaged during the previous year involving any interest in a business whose employees his organization represents; any interest which he or his spouse has in a business (other than a public corporation) which does business with the union, or in which the union's employees are working, and finally, any financial transaction between him or his spouse and any employer whose employees his organization represents.

Section 103: Provides that the documents and reports filed under this act shall be available for public inspection and provides that every labor organization shall make copies of reports readily accessible to its members in a manner prescribed by the Secretary of Labor.

Section 104: Provides that unions shall keep and preserve records for a reasonable length of time and in sufficient detail to prepare and verify the reports required by section 101.

Section 105 forbids a labor organization to make loans directly or indirectly to any officer or employee totaling more than $2,000 or to make any direct or indirect loan to any business firm (other than a corporation whose securities are publicly traded) in which an officer or employee of the union has a financial interest.

Section 106 grants the Secretary of Labor authority to issue rules and regulations prescribing the form, content, and publication of reports and such other reasonable rules as he may find necessary to prevent the circumvention of the reporting requirements of the act. The bill also empowers the Secretary to make investigations to determine whether the provisions of the act and the rules and regulations issued under it are adequate to secure an honest accounting of the financial transactions of labor organizations and gives the Secretary or his representatives authority to inspect the financial records of such labor organizations. The bill also authorizes the Secretary to exempt labor organizations having a membership of fewer than 150 from the requirements of section 101 if he finds that such reporting would be unduly burdensome.

Section 107 provides a penalty of not more than $5,000 fine or 5 years in prison or both for any person who violates or fails to comply with the provisions of the act. It also provides a similar penalty for a person who wilfully makes a false statement or misrepresents or fails to disclose a material fact. The bill specifies that officers required to sign the reports under section 101 shall be personally responsible for failure to do so.

Section 108 makes it a crime punishable by $10,000 or 5 years in prison for any one who embezzles, steals, or otherwise converts to his own use or the use of another the property of a labor organization of which he is an officer or employee.

Section 109 repeals subsections 9 (f) and (g) of the National Labor Relations Act.

TITLE II

Section 201 establishes grounds for the imposition of a trusteeship by a labor organization on a subordinate body. The reasons for which a trusteeship may be imposed are to correct corruption, assure the performance of collective bargaining agreements, or otherwise carry out the legitimate objects of the labor organization.

Section 202 makes it illegal for a labor organization to transfer funds from a subordinate body in trusteeship or to count the votes of delegates from such a subordinate body in any convention or election of officers of the labor organization unless the delegates from the subordinate body have been chosen by secret ballot in which all members of the subordinate body were eligible to participate. Violation of these provisions is subject to a $10,000 fine or 5 years in prison, or both.

Section 203: Unless the procedures outlined in section 204 are used, the National Labor Relations Board is empowered to enforce the provisions of title II when a change is filed by members of the labor organization alleging violation of sections 201 or 202. If after further proceedings the Board is satisfied that a trusteeship has been established in conformity with the procedural requirements of the organization's constitution and by-laws and authorized or ratified by its executive board, then the trusteeship shall be presumed valid for a period of 1 year from the date of establishment and shall not be subject to attack during that period except upon proof that the trusteeship was not established in good faith or for a purpose allowable under section 201. After the expiration of the 1-year period a trusteeship shall be presumed invalid unless the labor organization concerned shall show by clear and convincing proof that its continuation is necessary for a purpose allowable under section 201. If the Board finds that a labor organization has violated sections 201 or 202, it shall issue an order requiring the organization to cease and desist from such violation. An order issued by the Board under this title shall be subject to enforcement and review in a manner provided by section 10 (e) and (j) of the National Labor Relations Act.

Section 204: Provides that a labor organization may apply to the Secretary of Labor for the issuance of a certificate authorizing the administration of the requirements of this title by an impartial appeal board established under its constitution or by-laws. The Secretary may issue such a certificate if he is satisfied that such an appeal board can review and make a final decision upon any appointment or continuance of trustees; that the appeal board is composed exclusively of members drawn by a panel established by the Secretary under section 205; and that the minimum protection afforded the individual members and subordinate bodies will be substantially as great as the protection available under section 203. A certificate issued under this section shall be valid for a 2-year period and the decision to grant or deny the issuance of the certificate shall not be subject to review by any court or agency.

Section 205: The Secretary is authorized to establish a panel of persons experienced in labor relations to serve as members of an independent appeal board.

Section 206: Provides that the National Labor Relations Board shall have no authority to administer the provisions of title II in the case of a labor organization for which a current certificate issued by the Secretary under section 204 is in effect.

Section 301: Contains definitions of terms used in the act.

Section 302: Provides that the rights and remedies provided by title II of the act shall be in addition to other remedies at law or in equity provided that a final order of the National Labor Relations Board or the final judgment of any State or Federal court adjudicating the propriety of a trusteeship shall be res judicata.

Section 303: Savings clause.

THE FEDERAL-AID HIGHWAY SYSTEMS

Mr. COOPER. Mr. President, I introduce a bill which would authorize a limited appropriations for the construction of projects on the primary, secondary, and urban Federal-aid highway systems for the fiscal year 1960, to be immediately apportioned to the States upon the enactment of the bill.

The purpose of the bill is to speed up and increase highway construction throughout the United States on what is known as the ABC system of highways; that is, on the Federal-aid primary system, the Federal-aid secondary system, and extensions of the primary and secondary systems within urban areas.

The bill is a simple one. It would authorize an appropriation of $500 million for fiscal year 1960 for expenditures on the ABC system. It provides that the $500 million shall be apportioned to the States immediately upon the enactment of this bill.

As Senators know, the enactment of the bill—providing for immediate apportionment of the money authorized—

would enable the States to begin at once to obligate for road construction the funds apportioned to them, provided they can match the funds on a 50–50 basis.

I have received a letter from the Bureau of Public Roads, stating that all but 3 of the States have reported that they are now able to match 1960 funds, and that 3 will require action by their legislatures.

Let us assume that this bill is passed and approved, by April 1, and the $500 million is immediately apportioned to the States. Let us assume that a State received $10 million as its share of the apportionment on a matching basis. It could immediately obligate $20 million of contracts—45 percent to the Federal-aid primary system, 35 percent to the secondary system, and 25 percent for their extensions in urban areas. If the entire $500 million is matched by the States, the bill would enable the early placing of new road contracts totaling $1 billion.

Now, I would like to make these points clear:

First. My bill would not require new appropriations from the general funds of the Treasury. The $500 million would be payable to the States from the trust fund which derives its funds from certain taxes established in the Highway Act of 1956. The Senate will remember that the ABC system has first priority on the trust fund.

Second. It would not add to the Federal budget of 1958 or 1959 because it would be payable from the special trust fund.

Third. For the same reason, it would not result in any increase in the debt limit.

Fourth. It does not change the provisions of the Highway Act of 1956 in any way, except that it enables the immediate authorization and apportionment of $500 million as a part of a larger authorization for 1960 that this Congress will make in a few weeks.

Making the authorization now, and providing that it can be promptly apportioned between the States, will enable the States to make contracts for road construction which they would otherwise be making a few months later, when the authorization for fiscal year 1960 is made by the Congress.

The words "in making the limited authorization contained in this act it is the intention of the Congress to expedite action on the Federal-aid highway program for 1960 pending a determination of the total sums which should be authorized for such program for the fiscal years ending in 1960 and 1961" make it clear that the bill would not limit any authorization that the Congress may ultimately make for fiscal year 1960 and 1961. It is an advance upon such authorization, certain to be made by Congress in a very few weeks.

There is much talk in Congress about the necessity for a speedup and acceleration of public works.

I am in accord with the necessity of accelerating public works. Two bills which have been introduced call for additional expenditures of public funds.

I submit that the bill which I have introduced, without calling for additional appropriations, but enacting the context of the Highway Act of 1956, would make available immediately $1 billion of road-construction money from funds which are available from the Federal Government in the trust fund created by the Highway Act of 1956, and from funds which are available in the States. This could be done without calling for new appropriations and without causing a budget deficit. The bill could be passed quickly. I certainly do not think it would be vetoed. It would reach into every section of every State, and the States could direct the use of the funds in the areas where they were most needed.

A number of Senators have joined with me in the introduction of the bill. I hope it will be considered by the Committee on Public Works tomorrow when the committee meets to consider an accelerated highway program for the Nation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3455) to provide a limited authorization for appropriations for the construction of projects on the primary, secondary, and urban Federal-aid highway systems for the fiscal year 1960 which may be immediately apportioned and would expedite the road construction program, introduced by Mr. COOPER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

SMALL FARMS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me under date of January 21, 1958, by Mrs. Calvin T. Moore, of Culver, Oreg., and my reply to her letter.

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

CULVER, OREG., *January 21, 1958.*

Senator WAYNE MORSE,
Washington, D. C.

DEAR MR. MORSE: I read your article today on the small farmer. Perhaps you would like to hear from a small farmer.

Twelve years ago when we came here this was a rockpile. We cleared the rocks, and put in a crop; wheat, what the Government allots, alsike clover and a few acres of alfalfa—a big garden for 2 people.

We have never had a Government loan, borrowed money, or had a job to support the farm. Everything on a cash basis. My husband is 76 years old and I am 72 years old, and we are still farming.

Seems that some of the very important men of our Nation were raised on small farms. A farm is a wonderful place to raise boys and girls. Why not put some of the larger farms into smaller farms? That would let more people farm and reduce the unemployment situation some.

Yours truly,

Mrs. CALVIN T. MOORE.

MARCH 11, 1958.

Mrs. CALVIN T. MOORE,
Culver, Oreg.

DEAR MRS. MOORE: I was deeply touched by the sincerity which marked your letter of January 21. It occurred to me in reading it that your life and that of your husband stand as a strong testimonial to the Jeffersonian belief that the strength of our country lies in the small freeholder.

As one who was born and raised in a rural community myself, I certainly share the love that you have for agriculture as more than an economic enterprise, important though that aspect is. It is a school, hard but kindly, in the civic virtues; and it nurtures the important psychological qualities of self-reliance and diligence; above all, it provides an appreciation of the interlocked destinies of man, his land, his water, and his food.

To see the homestead replaced by a factory in the field, as sometimes seems to me to be the trend of the administration policy, is to foresee for the fuutre, the loss of values that transcend the immediate and pecuniary. It is for this reason, among others, that I have consistently supported those policies in agriculture which seek to strengthen and preserve the family farm.

I believe, for example, that an acreage limitation on reclamation land is wise law. So, too, are laws which provide low interest rates on agricultural loans for seed and crop production, for farm housing, and for farmstead and homestead water systems. It is by such means that we in the Congress, in accordance with the sound wishes of the American people, strive to transform ethical principles into law and action programs.

With kindest regards.

Sincerely,

WAYNE MORSE.

OPPOSITION TO HIKING INTEREST RATES ON HOUSING

Mr. MORSE. Mr. President, even though the hour is late, I am pleased to open the debate on the pending bill. The speech is one which I had expected to deliver at a much earlier hour in the day. The manuscript is at the press gallery. The subject of the speech has been discussed with newspapermen in the State of Oregon. Therefore, I feel obligated to make the speech tonight. It will not be a long speech. I am particularly glad to make it tonight, so that it may be a matter of record for reference by my colleagues tomorrow, as the housing bill debate gets under way. The speech is entitled "In Opposition to Hiking Interest Rates on Housing."

Mr. President, the record will show that on February 4, 1953, I warned the present administration of the consequences to the Nation's economy if the policies of hard money and high interest rates were followed. Since that time, I, along with numerous other of my colleagues in the Senate, have stood fast in the position that continued high interest rates would destine this Nation to economic chaos.

The Eisenhower administration, however, took the dangerous path of tight money and high interest rates. I ask, Where did it lead us?

Our economy has declined to the point where we can no longer consider the present slack a recession or a temporary adjustment. We must now face the cold hard facts that we are in what could be the first stages of a depression if prompt, resolute, and adequate action is not taken.

The index of industrial production has plunged 112 points from August 1957, through January 1, 1958—from 245 to 133. The rate of gross national product dropped $17.4 billion during the last quarter of 1957. It is my understanding

this figure will sink to lowed depths when the tabulations for the first quarter of 1958 are reported. Unemployment—something we have experienced in Oregon for some time now under the present administration—has reached an all time 16-year high with over 5 million unemployed throughout the Nation.

Have we not had enough of the higher and higher interest rates leveled at us by the President and his so-called monetary experts?

In the past, each time the administration has been called to task or warned of the consequences of its money policies we were told that there were any number of means ready to be employed which would halt a further decline and that we should trust Ike. It is now plain that none of these methods, even coupled with a Presidential grin, was successful.

Mr. President, it is not my intent to enter into any long dissertation today on the economic condition of our country. I shall for the moment, however, refer to the emergency housing bill, S. 3418, which was reported by the Committee on Banking and Currency on Thursday of last week.

I should like it clearly understood that I am wholly in agreement with the aims of the bill. However, I am unalterably opposed to the provisions in the bill which would increase the interest rate on Government-supported mortgages.

The high interest rates and tight money policies which were adopted by the present administration have had a disproportionately severe effect on the building of badly needed homes in this country. Housing starts during 1957 were down 10 percent compared with 1956 and down 25 percent compared with 1955. These declines can be directly attributed to the squeeze which high interest rates have caused in the money market.

During the last 2 years, the Commissioner of the Federal Housing Administration has, on 2 occasions, increased the interest rate of FHA-insured loans. The first of these increases occurred on December 4, 1956. The Commissioner's action raised the rate from 4½ percent to 5 precent. This action was taken for the announced purpose of securing more private capital for FHA-insured mortgages during a tight mortgage money market.

This increase in the FHA interest rate had, in fact, very little stimulating effect upon the total number of housing starts in 1957. The increase did, however, have some very significant and far-reaching effects: First, it increased the total interest on an average cost house—$11,000 mortgage, 25-year term—by $1,000; second, it disqualified many potential home buyers; third, it encouraged higher and higher downpayments; fourth, it brought about shorter loans; fifth, it did little to abate costly discounts; and, sixth, it assisted in reintroducing second and third trusts or mortgages.

All of these things, in turn, narrowed the housing market. By narrowing this market the housing industry, which is one of the largest industries in our economy, was severely crippled. Thereby literally thousands of jobs were lost. Workers who lost jobs were not only those who physically build homes, but also those employed in related industries contributing to the production of housing.

The second increase by the Commissioner in the FHA interest rate from 5 to 5¼ percent in August 1957 likewise did very little to produce the vigorous housing program it was announced such an increase would accomplish.

The total effect of these 2 actions by the administration has been an additional cost of $140 million to all those homeowners using the medium of an FHA-insured mortgage to purchase their homes.

As I said of the tight money policy in February 1953—"Quite clearly the many million dollars of extra expense redound directly to the benefit of banks, insurance companies and other private investors in Government obligations, while the little people foot the bill."

There are slightly over 9 million World War II veterans who have not yet exercised their entitlement to obtain a home through the medium of VA home mortgage financing. If only 2 million of these veterans exercise their right, the committee bill would extract an additional $600 million in interest costs alone from these veterans. This added cost to these veterans, of course, inures to the benefit of the mortgage lender. That $600 million is the difference in the interest charges for a $13,500 mortgage, as between 4¾ percent and 4½ percent, based on an average mortgage life of 12½ years.

Mr. President, the major issue before the Senate in connection with Senate bill 3418, the emergency housing bill, is very simple and clear cut. It is not a new one. It has been fought out during the entire course of American history, and it will be fought out again when this bill is debated. That issue is, Is the Senate of the United States going to vote in favor of a high-interest-rate policy which will benefit the money lenders, or is the Senate going to vote against a high-interest-rate policy and in favor of the great mass of the American people—those who want to buy houses and need to buy them, those who build houses, those who produce building supplies and equipment, and the tens of thousands of others whose livelihood is dependent upon them.

Mr. President, in closing my speech, I wish to make two brief comments in regard to reactions to this bill.

One relates to what I understand was the situation within the Senate Committee on Banking and Currency. Some members of the committee voted to go along with this increase in the interest rates, in order to get some measure to the floor of the Senate, although they prefer the lower rate. Mr. President, I do not think much of such a legislative practice. I happen to believe that the issue should have been fought out more fully in the committee.

But I hope that at least the members of the committee who voted to report the bill to the Senate, and who in fact had serious reservations about, or really in their hearts were opposed to, this interest-rate increase, will join with other Senators in voting to eliminate from the bill this proposed increase in the interest rate.

In view of the serious economic slump the country is experiencing, in view of the need for a stimulus of home construction, and in view of the importance of increasing private home ownership in the Nation and the desirability of encouraging veterans to use the advantages which have been made available to them in the case of home loans, I believe that to increase the interest rates at this time would be inexcusable and unjustified.

Certainly there must be some limit to the appetite of the moneylenders. Certainly there must be, on their part, some sense of moral obligation as to what they owe to the society which makes it possible for them to do so remarkably well—as they are doing at the present time, in making the profits they are making.

I realize that one of the sad stories of the depression in the 1930's was that throughout that period of time the moneylenders kept on trying to make as much money as the traffic would bear. We see that situation occurring again today, as is evidenced by this proposal to increase the interest rates on the homes which are so sorely needed.

The second point I wish to make, in closing, is in reference to an attitude being taken by some of the reactionary press in my State, which, for example, yesterday and today published articles and editorials charging that the senior Senator from Oregon was taking a negative position against the housing bill, at a time when Oregon is so sorely in need of a reopening of the lumber mills which now are closed.

I wish to say to the reactionary press of Oregon that when I fight the proposed increase in the interest rates, I am fighting for the cause of the lumbermen of the State of Oregon, even though the newspaper editors of Oregon who have been following that line are, by and large, too shortsighted or too much hitched to the selfish interests of the moneylenders to understand that situation.

When I make the fight for low interest rates, I am fighting to have the lumber mills of Oregon opened and kept running, because the operation of those mills happens to be dependent in no small measure upon the sale of lumber for the construction of private homes in the United States.

I wish to say to the private, reactionary newspaper editors in my State that they are not going to fool the American people on this issue any more than they fooled the American people on the issues on which the senior Senator from Oregon took a stand in the 1956 campaign. The lumber-mill owners of Oregon know that when I am fighting for lower interest rates, I am fighting to keep the lumber mills open, because we are fighting for the construction of the needed homes.

But those who are entitled to benefits under the Veterans' Administration and those who are in the low-income and middle-income brackets in the Nation will not contract for the construction of homes under such interest rates as the

Senate Banking and Currency Committee has placed in the bill it has reported to the Senate.

Mr. President, I am supporting the Monroney amendment, which would reduce the interest rate to the extent to which it should be reduced for the benefit of potential homeowners and for the benefit of the lumber interests of the State of Oregon.

I would have the reactionary editors of the Portland Oregonian note the position I take on this issue. Let me say to them that I am willing to carry this fight to the crossroads of Oregon and let the people of Oregon decide whether the position of the senior Senator from Oregon is a negative one or whether it is an affirmative and positive one.

I have taken this position against high interest rates since March 1953. I never have had the support of the Portland Oregonian; and let me say that I do not want it, because if I had it on any issue, I would be suspicious that I was dead wrong in my attitude toward that issue, because that reactionary, yellow sheet is always to be found on the side of the selfish, vested interests, and in support of permitting the moneylenders to gouge more from the people of the United States, by having less money lent to them, but by having more money made from the lending process. That is their record.

So, Mr. President, here tonight on this floor, I renew the fight I have always made in the Senate of the United States for the best economic interests of the lumber industry of my State. Again tonight I renew the fight to try to get those lumber mills open, and thus put back into the woods or into the lumber mills the thousands of unemployed men in Oregon.

Mr. President, very little good will be done—and that for only a very short time—by increasing the interest rates on housing. I realize that because the existing situation is so bad, some immediate relief would be obtained in that way. But finally there would dawn upon the investors a realization of the gouging to which they were being subjected, and then there would be another "freeze" in the purchasing attitude on the part of the prospective purchasers.

So, Mr. President, I say to the Senate that if it really wishes to give immediate help in connection with the existing depression, the Senate should take action to do something for the construction industry. In my judgment, the first step which needs to be taken is to give some stimulus to the construction industry, not only because it is of vital importance to my State, but because it is also of vital importance to every State of the Union. That is true because, until hammers and saws and shovels again are used in the home construction industry, the present downward slump will continue.

That is why I have repeatedly suggested, both in the Senate and in my appearances before Congressional committees, and as I testified this morning before the Senate Committee on Labor, Education and Public Welfare, that there is an urgent need for the construction of schools, not only because the children of America need more schools, but also because the entire economy of the Nation needs the stimulus which would flow from the construction of new schools.

Mr. President, I shall close my remarks by enumerating a few of the construction projects which are sorely needed in order to remedy and alleviate the present economic slump:

For example, we need a great homebuilding program. This housing bill will help, if the interest rates are reduced, instead of being increased.

Second, we need a roadbuilding program. As I have said before, we need to speed up the roadbuilding program, not stretch it out or delay it, not even for the 13 years provided in the bill Congress passed last year. Instead, we need a roadbuilding program along the lines recommended by the senior Senator from Texas [Mr. JOHNSON], our distinguished majority leader, in order to accelerate that public-works program. I happen to be one of those who believe that it should be accelerated. It should be at least a 7-year or a 9-year program, instead of the 13-year program now provided in the bill, or instead of the 24-year program which the President of the United States not so many weeks ago recommended, although he already had on his desk clear evidence of the increasing slump the enocomy of the Nation was facing.

We need, next, a great public-works program in the field of our natural resources. We need to proceed rapidly with our river-basin-development projects.

It is true of many States, but I speak from specific knowledge with regard to my own State. The John Day Dam was authorized by the Congress, construction money was already appropriated, and some work was started. The Army Engineers informed the Oregon Congressional delegation that between $6 million and $10 million could be effectively used next year. The junior Senator from Oregon was told that $6 million could be used. Representative ULLMAN, from eastern Oregon, was told $10 million could be used. Whatever the figure, it is somewhere between $6 million and $10 million. What does the President of the United States recommend? Two million dollars.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I am privileged to listen to one of the great speeches made by one of the great men with whom I serve in the Senate. For many years the Senator from Oregon has been pointing out the errors of the present administration, and indicating the evils which follow the high-money policy advocated by the former Secretary of the Treasury, Mr. George Humphrey. I remember very vividly that the Senator dissociated himself from approval of the nomination of the former Secretary of Defense, Mr. Wilson.

When we left there at the end of the last session, I wrote the Director of the Budget and the President of the United States, and raised the question of the executive exercise of an item veto, so that when Congress had authorized funds for construction of conservation programs, such as the John Day dam, to which the Senator from Oregon has referred, and when Congress had appropriated funds for the building of that dam, the President could veto it. The President, by the exercise of his own judgment and discretion, could have vetoed it, but instead he chose to approve it. After he had approved it, he permitted a budget official, who had responsibility to no one, who was an appointee of the Executive, to impound the funds and vitiate the will of the Congress and of the Executive. Last fall, in a letter to the Budget Bureau, I asked by what authority the funds were impounded.

I received a long letter explaining that the administration had some authority, under a rider in some appropriation bill.

I will say to the Senator from Oregon when I came back here in January I raised the same question with the Defense Department, with those in charge of public works, and with the Army Engineers. This time the high-money policy, the Federal Reserve policy, and the policy of impounding and holding back and cutting back had produced so much apparent trouble that some funds were released gradually.

We have a new Secretary of the Treasury. I am proud that he comes from my State. Twenty-five years ago I had responsibilities, in another serious period in our national life. I was head of the National Youth Administration in Texas, and I had to find work for young people in college and high school. I had to appoint a board. One of those whom I appointed was the now Secretary of the Treasury, Mr. Robert B. Anderson. I take pride in the fact that I discovered him 25 years before President Eisenhower did. As soon as Mr. Anderson came to Washington, he looked carefully at past policies. I think his advice to the Federal Reserve Board, to the Congress, and to the administration has been good, because I think anyone who looks at the price of Treasury bills today will see that his influence has been in the right direction in the past few months.

As a result of high interest rates, and the impounding of funds Congress had authorized and appropriated, there was forced upon the people of the country a restrictive monetary policy which has resulted in great damage. Unless we cut high interest rates, loosen up the money markets, refuse to pay high premiums to money lenders, and pass some legislation needed by the whole Nation, we shall find ourselves in a situation perhaps not so bad as in 1932, but better only because of some of the cushions we have provided for the economy.

Mr. President, no Senator has done more for the average citizen than has the Senator from Oregon. He has fought the moneylenders. He has fought high interest rates. He has fought for the people in his State who produce and who earn their living by the sweat of their brows.

I am glad I happen to be present in the Chamber, at 9:20 tonight, to hear

him give evidence that there still is somebody in this country who believes in the people, who is willing to stand up and fight for them, and who has demonstrated his willingness to do so on the various yea and nay votes we have had.

I assure him that when the housing bill is finally ready for a vote in this Chamber, the observations he has made tonight will have had their effect. I believe the Monroney amendment will be adopted. I believe in time the wisdom of the counsel the very conscientious, and able, and dedicated senior Senator from Oregon has given in this Chamber will be evidenced in the legislation which will be enacted.

I do not always agree with the senior Senator from Oregon, as he well knows, but in the hour of greatest difference with him I have never questioned his convictions or his intelligence or his dedication to all the people of the country. In terms we apply in the area from which I come, the Senator from Oregon, who comes from a great State in the Northwest, speaks with a very powerful voice, and we are glad he and his able and eloquent colleague [Mr. NEUBERGER] have been sent to Washington to fight for a better America.

Mr. MORSE. I want to say to my majority leader his comments moved me very deeply. He has demonstrated what I said of another Senator this morning, the senior Senator from Alabama [Mr. HILL], at a meeting of the Committee on Labor and Public Welfare—that a man can possess no more precious treasure than the treasure of a biased friend.

I am afraid the Senator from Texas has demonstrated in the very fine and much appreciated remarks he has made about the senior Senator from Oregon tonight that he is one of my jewels so far as human possessions are concerned, in that he is a biased friend. I appreciate it very much.

I do not want the Senator to think that what I now say is motivated simply because I feel moved to comment favorably about the Senator from Texas. I am moved, I may assure the Senator, because of the debt of gratitude the people of Oregon owe to the Senator from Texas.

I digress from my remarks long enough to say I think I am in a position, as the senior Senator from Oregon, to express publicly once again to the majority leader the deep appreciation of the people of Oregon for the complete fairness and impartiality he has shown to the State of Oregon in connection with public works appropriations and the authorization bills considered by the Senate during the period of our joint tenure in the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I do not want to accept that compliment, because I have not been impartial so far as Oregon is concerned. Whenever Oregon had a cause and I was informed of it, I enlisted in the ranks with the senior and junior Senators from Oregon and their colleagues in the House of Representatives, to do what I could to see that effective action was taken.

We have not always been able to do everything we wanted to do, but I will say that we have been able to achieve substantial and meaningful results.

The Senator lives in a great section of this country. It has been opened to development and has offered a great future to many of our people. I am not one who feels that the appropriations we spend in that great area represent a loss in any sense. I think our rivers must be harnessed. I think our natural resources must be conserved.

I do not consider such appropriations a loss because they benefit the whole Nation. I demonstrated my faith in the Northwest to the Senator when I accompanied him to the House the year before last in connection with certain matters, and I will demonstrate it again when the people of the Northwest are concerned.

Mr. MORSE. I can understand the modesty of the Senator from Texas, but the RECORD will contain the compliment, nevertheless, because it is a deserved compliment. Whenever a Senator follows the facts, in my book he is impartial. The Senator from Texas has only asked me one controlling question as I have talked to him about projects in the Northwest, "WAYNE, what are the facts about it?" I have presented the facts. On the basis of the merits of our case, we have won the support of the majority leader time and time again for the great river-basin developments in the Pacific Northwest, because we share a common philosophy with the majority leader, the senior Senator from Texas; namely, that we have a great moral obligation as Senators to carry out our trusteeship of the Nation's natural resources, and to see to it that we hand them down to the next generation in a better condition than that in which we found them.

Upon that premise I am willing to testify here tonight that I know the basis of the actions of the Senator from Texas with regard to development projects, no matter where they are located, be it in the Pacific Northwest or in the Northeast or in any other section of the United States. That is why I was about to say—the Senator interrupted before I completed the statement—and why I want the RECORD to show that the people of Oregon, in my judgment, are more indebted to the Senator from Texas for the great strides we have made in recent years in gaining authorization, approval, and appropriations for great river-basin development programs in the Pacific Northwest than to any other person. I want the RECORD to show that. I have personally thanked the Senator many times, and I now want publicly to thank him on behalf of the people of my State.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I am not entitled to any credit for what the senior Senator from Oregon has done or what his colleague, the able junior Senator from Oregon has done. Only yesterday I read that the distinguished junior Senator from Oregon [Mr. NEUBERGER], stated that he had found it necessary to differ with the Senator from Texas the day before the Hells Canyon bill was brought before the Senate and that he was surprised to see the Senator from Texas so active in support of Hells Canyon. I was very pleased with the compliment the junior Senator from Oregon paid me, and I want to attest to my friendship and great admiration for the junior Senator from Oregon. But if he had served with us during the days of the Korean war, if he had been here at the time the tin monopoly moved in on us, if he had seen the many fights we have put up together and put up against each other time and time again, he would have understood the Senator from Texas. The Senator from Texas and the senior Senator from Oregon can differ on policies but not on personalities.

While the senior Senator from Oregon at times has differed rather strongly with the Senator from Texas, there is no one who ever had greater admiration for a person who was disagreeing with him than the Senator from Texas has for the Senator from Oregon.

I hope my children will remember that during the course of their father's service in this body, he served with one great constitutional lawyer who had the courage and the conviction to speak his piece at any time, in any place, under any circumstances, without fear of consequences, and that he did so on occasion to protect his enemy as much as he did so to protect his friend. The Senator from Texas is pleased to bear witness that in the deliberations of this body in this great Chamber he has seen the Senator from Oregon stand up and with a clarion voice say, "Stop, look, and listen: this is my enemy, but he is entitled to equal and exact justice under the law." I know of no greater compliment that could be paid to any man than that he would speak for one of an opposite faith and see that his rights were protected. Mr. President, so long as we have men in this Chamber who will stand up to protect the rights of those with whom they differ, I have no fear for the Republic.

Mr. MORSE. Let me say to my friend from Texas that humbleness is no adequate description of the feeling which now pervades me following these overgenerous comments.

I want the Senator from Texas to know that the junior Senator from Oregon [Mr. NEUBERGER] has the same high regard for the Senator from Texas that I have, and that if he were present tonight he would join me, I am certain, in thanking the Senator from Texas for the great help he has been to us not only in the Hells Canyon Dam fight in the Senate, but in connection with the other projects I was about to enumerate.

Before I continue the enumeration, I wish to comment on the reference the Senator from Texas made to the tin controversy, when the two of us served together on the Johnson Preparedness Subcommittee of the Senate Armed Services Committee for a period of years. How well I remember that controversy, and how well I recall the attempt that was being made by selfish interests to rob the Treasury of the United States—and that is what it amounted to in fact.

It was the leadership of the Senator from Texas which on that occasion—and let the RECORD show the figure—saved the taxpayers of the country a minimum of $1 billion. In my judgment the saving was even greater.

But we had lost that fight until the Senator from Texas gritted his teeth and clenched his fists and said, "We are going to fight it out until we win." And we did win. Again the Senator from Texas asked, "What are the facts?" We got the facts. He said, "Let us place them on the public record." We put them on the public record and then we walked to the floor of the Senate and let the CONGRESSIONAL RECORD speak for itself.

When the Senator from Texas was through spreading the facts on the RECORD there was no doubt that any Senator who was willing to follow the facts had to follow us in that fight. As a result a great saving for the taxpayers was made, and it was only one of the many savings the Senator from Texas was able to win for the American people, as chairman of the Senate Preparedness Subcommittee, from which he brought forth, as will be recalled, a whole series of unanimous reports, with Republicans and Democrats voting together, because the Senator from Texas gave them unanswerable facts on issue after issue.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I do not wish to prolong this discussion, but I should like to say that one of my major regrets is that the unanimous reports which may come from the Preparedness Subcommittee in the days ahead will not bear the name of the senior Senator from Oregon. The Senator from Texas disclaims any responsibility for that fact. The country would be greatly benefited if the senior Senator from Oregon were a member of that committee. He demonstrated that he could frequently disagree without being disagreeable.

During the time he served on that committee it submitted 52 reports. The senior Republican on that subcommittee was the distinguished chairman of the Republican policy committee, the Senator from New Hampshire [Mr. BRIDGES]. The Senator from Massachusetts [Mr. SALTONSTALL], chairman of the Republican conference, was another Republican member of the committee.

I know the Senator from Oregon does not like to be reminded of the fact, but at that time the senior Senator from Oregon was a representative of the Republican Party on that subcommittee. He always voted for his country first, and I pay tribute to his decisions.

Mr. MORSE. I interrupt my colleague long enough to say that I am delighted to be reminded of the fact that I was once a Republican, because it focuses attention on my present good judgment. [Laughter.]

Mr. JOHNSON of Texas. I am very proud of the dedicated service the Senator rendered during that period. I want him and his people and the country to know that, often as we disagree, and much as I attempt to find areas of agreement with my colleagues, there is no Member of the Senate I would welcome back to that subcommittee more than I would the Senator from Oregon, because he is one of the great lawyers I have known. No more dedicated public servant has crossed my path.

Mr. MORSE. Again I say to the Senator from Texas that I appreciate his remarks. It certainly would be a great pleasure to me if, at some time, circumstances developed which would permit me once again to serve under his leadership on the Preparedness Subcommittee. I think there is a great job to do there, and a great job is being done there. I should like to be a partner in that great work.

Mr. President, I am about through. I wish to complete the enumeration of projects which I think should be accelerated. I had just finished saying that the Army Engineers report that between $6 million and $10 million could be used next year on John Day Dam. The administration recommends $2 million.

At the appropriate time in the Senate I shall recommend an increase in that appropriation, as has already been done on the House side. Increasing the appropriation for John Day Dam would afford employment to a great many unemployed in the State of Oregon at the present time. It would speed up completion of a great project the power of which is sorely needed in the economy of our country. Also, of course, it would give impetus and strength to the flood-control program, which is likewise sorely needed.

But that is not the only project which I would recommend that the President take a second look at as we come to grips with the need for accelerating the public-works program.

There is the Green Peter Dam, in the Willamette area, with respect to which a most inadequate sum of money is being recommended by the President of the United States in his budget.

I speak here tonight as the senior Senator from a State which is at the bottom of the unemployment ladder in the country tonight. I am advised that it has the highest percentage of unemployment in the Nation.

What kind of a Senator from Oregon would I be if I did not do everything I could to impress that fact upon the President of the United States, and plead with him, as I am doing on the floor of the Senate tonight, to accelerate the Green Peter project? We have the men to do the work. We have the materials to put into the project. Speeding up the construction of that project would return to the Treasury of the United States, in the next few years, much more than the cost of the accelerated program for which we are asking.

We are not asking for a handout. We are not asking for a giveaway. We are asking for an investment in a capital asset.

If we had a capital budget we would not be talking in the Senate about deficit spending. The question of deficit spending needs to be analyzed more carefully than it is being analyzed. I have pleaded in the Senate ever since 1947, when the Committee for Economic Development first recommended it, for a capital budget, in which could be set forth, on one side of the ledger, the capital investments owned by the taxpayers, and on the other side of the ledger, the administrative costs of operating the Government, instead of having them both together in the budget, as at the present time—a practice no good business follows.

Mr. President, when I am making a plea for a capital investment in the Green Peter Dam, I am not doing any injustice to the taxpayers. Rather, I am seeking to increase their wealth, because I am urging the completion of a capital investment quickly, so that the investment can start returning increased taxes to the Treasury of the United States from the new businesses its completion will develop and put into operation in our State.

Then there is the Holly Dam. I am mentioning these projects in my State because I know about them. I have talked to other Senators, and they can give a list of capital investments in their States which would help break the log jam of depression which is now blockading our economy.

The Holly Dam should get a green light. The President should accelerate it. The President should recommend the maximum amount the Army Engineers say they can spend in the next year. That is all I am asking for. I am simply saying to the President, "In view of the need for an accelerated public-works program, why don't you accept and follow the figures of the Army Engineers for the standpoint of authorizing and recommending and urging appropriations to the maximum dollar which the Army Engineers say they can efficiently and effectively spend in the next year?" In that way, construction will be stimulated.

Then there is Cougar Dam. Why delay Cougar Dam? Oh, I know, the administration tried to make a partnership dam out of it but we defeated them here in the Congress. I believe they are still licking their wounds. That battle is behind us and the President ought to recognize that fact. Congress exercised its policy-making prerogative. Congress said that Cougar Dam would be a Federal dam, not a partnership dam.

I am asking for the maximum dollar that can be spent at Cougar Dam, and spent efficiently and effectively, within the next year by the Army Engineers. Let us get on with the project. We need the power. We need the flood control. We need the stimulation to the business of our State. As I say, we are the worst-hit State in the Nation.

I will make the same fight for other States. I have heard the Senator from Michigan [Mr. MCNAMARA] talk about the situation in Michigan. The Senator from Michigan knows that I am his colleague and partner in any fight he may make for any proposal he submits which will give to Michigan the stimulation it needs in connection with sound projects that go to meet the unemployment situation and relieve the business depression in his State.

I am talking about projects with which I am familiar. Therefore I mention Cougar. Then there is also Hills Creek. We need Hills Creek. The employment problem in Oregon needs a speedup of the Hills Creek project.

On these matters I have already sent my testimony to the House. When the matters are raised in the Senate, I shall appear before the Committee on Appropriations, to urge an increase in the appropriations for these public-works projects, because such appropriations will put men immediately to work.

Who are my witnesses? The Army Engineers. I say to them, "If we get the appropriations, what will happen?" They say, "We will proceed immediately to spend the money in accordance with our blueprints."

Mr. President, we are not talking about piles of concrete; we are talking about men and women. We are talking about human values. We are talking about the need to come to the assistance and relief of fellow Americans who are suffering because of the disjointures which have developed in the Nation's economy.

Is it a moral obligation? I happen to think it is. I happen to think it illustrates once again a cardinal tenet of mine, that as Senators we have the moral obligation to try to translate into legislation moral principles. The relief of unemployment is a moral issue as well as an economic one. We cannot justify a standing by and letting fellow men suffer when there is something Government can do to alleviate their suffering, particularly when we can do it in a way, in the instances I am citing, which will increase the wealth and strengthen the economy of America.

Mr. President, we must think not about the expenditure of the moment, but we must think of the long-term economic results. The long-term economic results will be economic benefits to our country.

I am not proposing a waste of money. I am not proposing a leaf-raking program. I am proposing a construction program which will put saws and hammers and planes and shovels to work, and will put to work the hands of presently unemployed people. I am thinking about the economic effect of such increased employment on the cash registers on every main street of every town in America in which men and women are put to work.

Mr. President, I could enumerate the other public-works projects in Oregon which are pending and for which the administration has recommended inadequate funds. There are revetment works on the banks of our rivers. There is the Willamette project and the Umpqua project. There are river projects which are being held back. There are great coastal projects, concerning which I have already testified and will testify again.

Here is an opportunity for the President of the United States to do something by way of helping quickly, by saying, "I agree to accelerate these projects." In the long time this will not involve a waste of money but a great saving of money, in the sense that it will create new wealth for the American people. I say that even though it may mean for the time being what is termed deficit spending. I will accept deficit spending to put Americans back to work.

So much for the river basin development projects. However, let the RECORD show that I say to the people of Oregon I hereby incorporate by reference every one of the projects in the State of Oregon for which I have been pleading and fighting in the Senate for money in this fiscal year.

Now I wish to say a word about schools. A school program will put hammers and saws to work, and very quickly. What a great humanitarian cause that is. We need schools. We need many schools. There is a tremendous shortage of classrooms. As I testified before the Committee on Labor and Public Welfare this morning, there are many thousands of boys and girls in grade schools and high schools who are going to school for only a part of each day. Why? It is because of two great shortages: Schools and teachers.

Mr. President, if we really want to keep a strong democracy, we had better see to it that our educational facilities are adequate. I say that because democracy is dependent in no small measure upon the educational level of our people.

We are guilty of a great waste so far as American brainpower is concerned, as we meet the competition of the Russians.

It is not pleasant to say it, but the fact is that Russia is forging ahead with its educational program. All one needs to do is listen to one of our most recent witnesses, the great Senator from Louisiana [Mr. ELLENDER], as he has briefed us on what he has observed on three trips to Russia, where he has spent considerable time, and his report on the emphasis which the Russians are putting on grade schools and high schools.

We cannot afford to fall behind Russia in brainpower. So here is a chance to serve a dual purpose, not only to help meet the educational needs of the boys and girls of America by supplying them with more classrooms, but also to give to the construction industry the stimulus which is so sorely needed for the speedup of the school construction program.

I could go down the list and mention one needed project after another which would give stimulus to the economy, which would put men and women to work quickly. Once that movement was started, it would snowball. Once reemployment began, it would grow, grow, and grow.

But it cannot be done by speeches. It cannot be done by grins. It cannot be done by pratings about having confidence. It cannot be done by partisan applause. It cannot be done simply by saying, "All we need to do is to trust Ike."

Mr. President, it must be done by concrete actions; in this instance in the form of the specific legislative steps in which the Executive cooperates by giving to the construction industry the stimulus it so sorely needs. That is not the sole answer, but it is a very important part of the answer.

I close by saying to the President and to his leaders, as a member of the Committee on Foreign Relations, that I do not think any Member of Congress can justify ignoring the domestic needs of the American people in this critical time. I say this as one who wants to support an adequate foreign-aid program. I say it as one who wants to increase loans for specific projects which will improve the economic productive power of the people of many foreign countries who must be won over to the side of freedom, or kept on the side of freedom.

I shall not cease to support foreign aid. I shall make some recommendations, as a member of the committee, as to the ways in which I think the program can be improved. But I do not run away under pressure. I shall not run away from what I know to be a sound foreign policy for my country. But I try to be a political realist. One cannot read my mail—and I do not think there is a great difference between my mail and that of my colleagues in the Senate—without observing its growing tempo and serious criticism of those of us who have already announced that we are willing to stand up in the Senate and be counted in support of a fair and reasonable administration foreign-aid program.

I happen to think that in the legislative process the President has some obligations of fair play, too. I think the President owes some obligations to Congress and those of us in Congress who recognize that we should not proceed to emasculate the foreign-aid program. Therefore, I think the President's interest is ours, and our interest is his, in the long run.

I do not think I am unfair or unreasonable, nor do I think I am unduly partisan, when I say to the President of the United States, "You had better take note of the fact that if you do not proceed to give immediate assistance to an accelerated public-works program, so as to get construction going, I think the result will be a growing opposition in Congress to foreign aid."

I do not believe we should play one issue against another, but I shall not stand on the floor of the Senate and be so naive as to say I do not think there will be a direct legislative relationship between what is done to help our people domestically and what finally will be done in order to help foreign peoples, so far as the foreign-aid program is concerned.

I say that as a member of the Committee on Foreign Relations which last year made a series of specific proposals for amendments to the foreign aid bill along the lines of the recommendations of a group of experts to whom we paid a good many thousands of dollars, in order that they could study the operations of our foreign aid program. I have mentioned them before on the floor of the Senate. They were expert survey and investigation groups from the University of Chicago, the Massachusetts Institute of Technology, Columbia University, Princeton University, the Brookings Institution, and some private research agencies, as well. I think we

could produce some well documented recommendations for certain modifications in the foreign aid program.

My difference over foreign aid has not been whether we should have foreign aid, but as to the form it should take and the question of ratio between grants and loans. I happen to be a strong supporter of increasing loans and decreasing grants; and also a strong supporter of reducing military aid to underdeveloped countries and strengthening military aid to the Western Powers, who, in the last analysis, I think, will have to meet the contest with Russia, should such a test ever come.

But that is another question. I mention it now only because I think it is simply fair to point out to the administration that I think it will become more difficult to pass the kind of foreign aid bill which ought to be passed if we are to fulfill our international obligations, if we continue to fail to meet the emergency needs of the American people in this time of growing depression.

So I say to the President, "I hope you will give very careful consideration to the recommendations of the Army Engineers concerning what they can do for example, with respect to the public works projects I have mentioned, so as to accelerate them. I hope you will give consideration to the need for a school construction program. I hope you will give consideration to the speeding up of the road building program. I hope you will recognize that in no small measure what happens to the construction industry in the next few months will determine, in no small measure, what will happen to the growing depression in this country, if you really want to stop it."

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

PLANNED EXPANSION OF EAST FRONT OF CAPITOL

Mr. MORSE. Mr. President, there has been in the past days and weeks an increasing public discussion of the planned expansion of the east front of the Capitol. I feel sure that by now, most if not all of the Senate has had a chance to hear from the members of the architectural profession in their home States.

Mr. President, although I do not lay claim to expertize in this field, I am one Senator who is always ready to listen to the voice of an expert, and further I am one Senator who is willing to give weight to the evidence produced by a professional in a field in which I have little or no competence.

It is for this reason, Mr. President, that I wish to bring to the attention of the Senate some correspondence which I have received from men in my State who command the respect of their colleagues. One is a professor of architecture at the University of Oregon, one is a practicing architect in the city of Portland, Oregon, and one is the president of a nonprofit corporation dedicated to the preservation of the historic sites of my State who lives in Medford, Oreg.

Regardless of other considerations than the esthetic, and in the consideration of the extension of the east front of the Capitol there are not a few, I would hold that on the esthetic and historic grounds alone the requests contained in this correspondence should be given most careful consideration.

I therefore ask unanimous consent that the three letters to which I have alluded be printed at this point in the RECORD.

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

SCHOOL OF ARCHITECTURE
AND ALLIED ARTS,
UNIVERSITY OF OREGON,
Eugene, Oreg., February 7, 1958.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I am taking this opportunity to write to you to urge that you use your influence to help preserve the historic east facade of the United States Capitol, the integrity of which is at present threatened by plans to extend the front.

As a teacher of the history of architecture I should deeply regret to see this important example of our early Federal architecture lost to future generations. I understand that bills have been introduced in Congress to block the destruction of the east front. Senate bill S. 2883, introduced by Senators SMITH, CASE, HUMPHREY, and CLARK, will provide for the preservation of this important example of architecture. May I urge your support of this bill.

Sincerely yours,

MARION D. ROSS,
Professor of Architecture.

PORTLAND, OREG., *February 8, 1958.*

The Honorable WAYNE MORSE,
United States Senate Building,
Washington, D. C.

SIR: I should like to urge you to support this bill which will prevent the destruction of the historic east facade of the Capitol Building.

There are many alternatives for providing additional space without destroying this original facade which has been part of our heritage since its conception by William Thornton with the approval of our first President.

Your support of this bill will be an immense service to the country, and greatly appreciated by all who cherish the relatively few great historic monuments possessed by our Nation.

Respectfully yours,

GENE G. WESTBERG.

SISKIYOU PIONEER SITES FOUNDATION,
Medford, Oreg., February 17, 1958.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR MR. MORSE: We understand that plans have been made to alter the east facade of our National Capitol.

It is the opinion of this group that the National Capitol is a heritage of the people and as such any plans made should be to preserve it for posterity, as a symbol of our Republic.

We oppose the proposal to change this building. Let progress leave its mark on other less important structures.

Sincerely,

ALBERT W. GANDT, *President.*

LOWERING OF DISCOUNT RATE

Mr. KNOWLAND. Mr. President, to date the Federal Reserve Bank of San Francisco has not followed the lead of the Board of Governors of the Federal Reserve System in lowering the discount rate. The San Francisco District, I believe, is the only district in the United States which has not done so.

In view of the present economic situation, I hope the Board of the San Francisco District, when they next meet, will give serious and favorable consideration to taking action in conformity with that taken by the other Federal Reserve districts, so that the Pacific coast will benefit from the resulting decrease in interest rates.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

COMMITTEE SERVICE

On motion of Mr. JOHNSON of Texas, and by unanimous consent, it was,

Ordered, That the Senator from Idaho [Mr. CHURCH] be assigned to service on the Committee on Public Works to fill an existing vacancy.

AUTHORIZATION FOR COMMITTEE ON PUBLIC WORKS TO FILE REPORTS DURING RECESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works be permitted to file reports during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. CHAVEZ, from the committee on Public Works, with amendments:

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made (Rept. No. 1376).

By Mr. MORSE, from the Committee on the District of Columbia, without amendment:

S. 1843. A bill to amend the Act entitled "An Act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes", approved April 29, 1942 (Rept. No. 1377).

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 3059. A bill to amend the Act entitled "An Act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes", approved March 1, 1899, as amended (Rept. No. 1378).

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 3453. A bill to authorize assistance under the Small Business Act of 1953 to small-business concerns adversely affected by programs under the Soil Bank Act; to the Committee on Banking and Currency.

By Mr. KENNEDY:

S. 3454. A bill to provide for the reporting and disclosure of the financial affairs of labor organizations and to regulate union trusteeship and prevent the abuse thereof; to the Committee on Labor and Public Welfare.

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

By Mr. COOPER (for himself, Mr. AIKEN, Mr. SMITH of New Jersey, Mr. CASE of New Jersey, Mr. IVES, Mr. JAVITS, Mr. PURTELL, Mr. MORTON, Mr. REVERCOMB, Mr. HOBLITZELL, Mr. BARRETT, and Mr. PAYNE):

S. 3455. A bill to provide a limited authorization for appropriations for the construction of projects on the primary, secondary, and urban Federal-aid highway systems for the fiscal year 1960 which may be immediately apportioned and would expedite the road construction program; to the Committee on Public Works.

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

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TAXING INCOME OF LIFE INSURANCE COMPANIES—AMENDMENTS

Mr. ANDERSON submitted four amendments, intended to be proposed by him, to the bill (H. R. 10021) to amend the Internal Revenue Code of 1954, to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, which were ordered to lie on the table, and to be printed.

ADJOURNMENT UNTIL 10:30 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, pursuant to the order previously entered, I now move that the Senate adjourn.

The motion was agreed to; and (at 10 o'clock p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, March 12, 1958, at 10:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 11, 1958:

IN THE COAST GUARD

Vice Adm. Alfred C. Richmond to be Commandant of the United States Coast Guard, with the rank of vice admiral, for a term of 4 years, effective June 1, 1958. Reappointment.

Rear Adm. James A. Hirshfield to be Assistant Commandant of the United States Coast Guard, with the rank of rear admiral, for a term of 4 years, effective June 1, 1958. Reappointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 11, 1958:

DEPARTMENT OF JUSTICE

Malcolm Anderson, of Pennsylvania, to be an Assistant Attorney General.

UNITED STATES MARSHALS

Archie M. Meyer, of Arizona, to be United States marshal for the district of Arizona for the term of 4 years.

Donald A. Fraser, of Connecticut, to be United States marshal for the district of Connecticut for a term of 4 years.

Harry Jennings, of Michigan, to be United States marshal for the western district of Michigan for a term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 11, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Thessalonians 5: 21: *Prove all things; hold fast that which is good.*

Almighty God, we invoke the blessings of Thy grace and power for Thou alone art our help for each new day and our hope for every unknown tomorrow.

We beseech Thee to emancipate us from all feelings of fear and foreboding and fill our minds and hearts with that peace which the world cannot give or take away.

May our character and conduct, private and public, always find their inspiration in the great Word and spiritual principles, rather than in expediency.

Show us how we may incarnate and emulate the spirit of our blessed Lord, that spirit of compassion and consideration of love and kindness which always sought the welfare of humanity.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERSONAL ANNOUNCEMENT

Mr. HOLLAND. Mr. Speaker, on rollcall No. 18 I was unavoidably detained at one of the departments and was unable to be present. I should like it to be noted that if I had been present I would have voted "nay."

On rollcall No. 19 I am recorded as not voting. If I had been present I would have voted "yea."

RIVER AND HARBOR, BEACH EROSION, AND FLOOD CONTROL PROJECTS

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 497, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had been agreed by unanimous consent that the committee amendment in the nature of a substitute now in the bill would be considered as read and open to amendment at any point.

Are there any amendments to the committee amendment?

Mr. BLATNIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: Strike out all after the enacting clause and insert in lieu thereof:

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Navigation

Salem Harbor, Mass.: House Document No. 31, 85th Congress, at an estimated cost of $1,100,000;

Boston Harbor, Mass.: House Document No. 349, 84th Congress, at an estimated cost of $720,000;

East Boat Basin, Cape Cod Canal, Mass.: House Document No. 168, 85th Congress, at an estimated cost of $360,000;

Bridgeport Harbor, Conn.: House Document No. 136, 85th Congress, at an estimated cost of $2,300,000;

New York Harbor, N. Y.: Senate Document No. 45, 84th Congress, at an estimated cost of $1,678,000;

Baltimore Harbor and Channels, Md.: House Document No. 86, 85th Congress, at an estimated cost of $28,161,000;

Herring Creek, Md.: House Document No. 159 84th Congress, at an estimated cost of $110,000;

Betterton Harbor, Md.: House Document No. 333, 84th Congress, at an estimated cost of $78,000;

Delaware River Anchorages: House Document No. 185, 85th Congress, at an estimated cost of $24,447,000;

Hull Creek, Va.: House Document No. 287, 85th Congress, at an estimated cost of $269,800;

Morehead City Harbor, N. C.: Senate Document No. 54, 84th Congress, at an estimated cost of $1,197,000;

Intracoastal Waterway, Jacksonville to Miami, Fla.: House Document No. 222, 85th Congress, maintenance;

Port Everglades Harbor, Fla.: House Document No. 346, 85th Congress, at an estimated cost of $6,683,000;

Escambia River, Fla.: House Document No. 75, 85th Congress, at an estimated cost of $61,000;

Gulfport Harbor, Miss.: Senate Document No. 123, 84th Congress, maintenance;

Barataria Bay, La.: House Document No. 82, 85th Congress, at an estimated cost of $1,647,000;

Chefuncte River and Bogue Falia, La.: Senate Document No. 54, 85th Congress, at an estimated cost of $48,000;

Pass Cavallo to Port Lavaca, Tex.: House Document No. 131, 84th Congress, at an estimated cost of $413,000;

Galveston Harbor and Houston Ship Channel, Tex.: House Document No. 350, 85th Congress, at an estimated cost of $17,196,000;

Matagorda Ship Channel, Port Lavaca, Tex.: House Document No. 388, 84th Congress, at an estimated cost of $9,944,000;