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SENATE

THURSDAY, MARCH 13, 1958

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

Father of all, whose righteous laws condemn and will at last break whatsoever bars Thy children from abundant life: In these days freighted with destiny, for whose decisions the future will judge us, by Thine enabling might may Thy servants here in the ministry of public affairs maintain their integrity unsullied by personal animosities, prejudices, or selfish ambitions. May they always regard public office as a sacred trust. As our fallible hands have a part in the shaping of the world that is to be, grant us the vision, the wisdom, and the courage that will make for both justice and lasting peace. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 12, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,
The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.
(For nominations this day received, see the end of Senate proceedings.)

STAY OF REDUCTIONS IN PRICE SUPPORTS AND ACREAGE ALLOTMENTS

Mr. MANSFIELD. Mr. President, Senate Joint Resolutions 162 and 163, concerning reductions in support prices or acreage allotments on certain agricultural products, were reported, under an order of the Senate, on March 7, during an adjournment of the Senate. They are shown as having been read twice and placed on the calendar.

I wish to make this announcement. It has been called to the attention of the minority leader. It is agreeable to him.
Mr. JAVITS. Mr. President, it is agreeable to the minority leader.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, I desire to notify the Senate that the session today will last until a late hour; tomorrow the session will last until a late hour; and there will be a session on Saturday.

I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 a. m. tomorrow.

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

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Secretary of Commerce, reporting, pursuant to law, on the overobligations of appropriations in the Department of Commerce; to the Committee on Appropriations.

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the Reconstruction Finance Corporation Liquidation Fund, for the quarter ended December 31, 1957 (with an accompanying report); to the Committee on Banking and Currency.

EXTENSION OF RENEGOTIATION ACT OF 1951

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to extend the Renegotiation Act of 1951 for 2 years (with an accompanying paper); to the Committee on Finance.

REPORT ON REVIEW OF SELECTED ACTIVITIES OF GOVERNMENT OF THE VIRGIN ISLANDS

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

law, a report on review of selected activities of the Government of the Virgin Islands of the United States, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON SPOKANE VALLEY PROJECT, WASHINGTON

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Spokane Valley project, Washington, dated August, 1956 (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Ether Kwang-Tzu Yang from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957 (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF WOODROW WILSON CENTENNIAL COMMISSION

A letter from the Chairman, Woodrow Wilson Centennial Celebration Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission, dated December 28, 1957 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, National Council, Boy Scouts of America, New Brunswick, N. J., transmitting, pursuant to law, a report of that organization, for the year 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 532. A bill to revise and modernize the fish and game laws of the District of Columbia, and for other purposes (Rept. No. 1388).

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

S. 3100. A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation (Rept. No. 1389).

REPORT ENTITLED "ADMINISTERED PRICES—STEEL"—INDIVIDUAL VIEWS (S. REPT. NO. 1387)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 57, as extended, I submit a report entitled "Administered Prices—Steel," together with

the individual views of the Senator from Illinois [Mr. DIRKSEN] and the Senator from Wisconsin [Mr. WILEY]. I ask unanimous consent that the report together with the individual views and illustrations, be printed.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Tennessee.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BUSH, from the Committee on Armed Services:

Maj. Gen. Oliver S. Picher, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President, in the rank of lieutenant general; and

Maj. Gen. James Francis Collins, United States Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general.

Mr. BUSH. Mr. President, from the Committee on Armed Services, I report favorably a total of 1,112 nominations for appointment in the Regular Air Force in grades of major and below and the nomination of Col. Robert F. McDermott as permanent professor at the Air Force Academy.

All of these names have already appeared in the CONGRESSIONAL RECORD; so, to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk, for the information of any Senator.

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

The nominations ordered to lie on the desk are as follows:

Col. Robert F. McDermott, for appointment as permanent professor of the United States Air Force Academy; and

Robert O. Amdall and sundry other persons, for appointment in the Regular Air Force.

BILLS INTRODUCED

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

By Mr. JOHNSTON of South Carolina:

S. 3467. A bill to make certain exceptions to the appellate jurisdiction of the Supreme Court of the United States and of the United States courts of appeals in actions relating to the public schools; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 3468. A bill to provide for the construction and improvement of certain roads on the Navajo and Hopi Indian Reservations; and

S. 3469. A bill to amend the act of July 31, 1953, relating to the Arch Hurley Conservancy District, Tucsucari reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON (for himself and Mr. CHAVEZ):

S. 3470. A bill to provide for the construction by the United States of a sanitary sewer

system for the Zuni Indian Tribe, Zuni, N. Mex.; and

S. 3471. A bill to authorize the State of New Mexico to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMATHERS:

S. 3472. A bill to encourage private United States investment in foreign countries by restricting the incidence of double taxation on taxpayers with gross income from sources outside the United States; to the Committee on Finance.

By Mr. LANGER:

S. 3473. A bill for the relief of Philip Chiang-Chung Wei; to the Committee on the Judiciary.

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

Mr. BRICKER. Mr. President, I submit, for appropriate reference, an amendment intended to be proposed by me, 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.

The proposed amendment of section 50 of H. R. 8381 is designed to correct a hardship situation arising under sections 1341 and 1481 of the Internal Revenue Code. This matter was brought to my attention by an Ohio machine tool company. I ask unanimous consent that there be printed in the RECORD at this point a brief memorandum explaining the amendment I have offered.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the memorandum will be printed in the RECORD.

(The memorandum presented by Mr. BRICKER is as follows:)

MEMORANDUM RE PROPOSED AMENDMENT TO SECTION 1341 OF THE INTERNAL REVENUE CODE OF 1954

Early in 1953 the company took a subcontract from a first-tier subcontractor. The prime contract was with the Air Force and called for the furnishing of military aircraft. At the instance of the Air Force, the first-tier subcontractor included in the company's subcontract a provision for price redetermination in favor of the first-tier subcontractor. The subcontract was almost entirely performed in 1953.

The company included its 1953 profit from the subcontract in its 1953 tax return. In July 1954, the company and the first-tier subcontractor concluded price redetermination negotiations, the company being required to refund a substantial amount to the first-tier subcontractor. The two contractors are entirely unrelated to each other.

Refunds pursuant to price redetermination provisions made under circumstances such as those stated above are considered by the Treasury not to be subject to a tax credit under section 1481, since they are not paid to the United States (see Rev. Rul. 54-82, 1954-1 C. B. 286).

Section 1341 was enacted to relieve the taxpayer who, having received income under a claim of right, paid a tax thereon for the year in which it was received, but who is required to refund such income in a subsequent year. The report of the Committee on Ways and Means states the underlying

objection of section 1341 in the following language:

"Under present law if a taxpayer is obligated to repay amounts which he had received in a prior year and included in income because it appeared that he had an unrestricted right to such amounts, he may take a deduction in the year of restitution. In many instances of this nature, the deduction allowable in the later year does not compensate the taxpayer adequately for the tax paid in the earlier year." (P. 86, H. Rept. No. 1337, 83d Cong., 2d sess.)

Refunds under price determination provisions would seem to be excellent examples of the kind of problem aimed at by section 1341; in point of fact, that section explicitly covers refunds or repayments made by a regulated public utility where the same are required to be made by a regulatory agency. Nevertheless, refunds made pursuant to price redetermination provisions are not subject to the relief afforded by section 1341 because of the exclusion therein of income arising from the sale of inventoriable items. The result is that as between section 1481 and section 1341 there remains a significant area in which taxpayers who receive income in one year and who are required to repay it in another must suffer the consequences of distortion of income.

The exception in section 1341 for inventoriable items was apparently put in because it was felt that the abortive section 462 would take care of situations arising with respect thereto. Section 462 was repealed retroactively in 1955, but the exception in section 1341 was left untouched.

The proposed amendment to section 1341 would eliminate the exception referred to above for all years covered by the 1954 code with respect to taxpayers who find themselves in the position described in this memorandum. Specifically the amendment would apply only in cases where:

1. A refund has been made pursuant to a price redetermination in a subcontract.
2. The subcontract is for military items.
3. The parties to the subcontract are unrelated. (For example, the amendment would not apply if one party was a subsidiary of the other.)
4. No adjustment is available under section 1481 of the 1954 code solely because the refund is not ultimately paid to the United States.

PRINTING AS A SENATE DOCUMENT PAPERS RELATING TO THE LIFE AND CAREER OF THEODORE ROOSEVELT (S. DOC. NO. 82)

Mr. JAVITS. Mr. President, this year commemorates the 100th anniversary of the birth of Theodore Roosevelt. The Theodore Roosevelt Centennial Commission, established by Public Law 183, 84th Congress, has compiled a number of documents which relate to the work and the effect upon the American people and our national life of Theodore Roosevelt.

Theodore Roosevelt was born at Oyster Bay, N. Y., and we in New York have a special interest in him.

Mr. President, I ask unanimous consent to have a compilation of papers relating to the life and career of Theodore Roosevelt printed as a Senate document, with illustrations. The cost of the printing is estimated to be \$528. I have been advised by the staff of the Rules Committee that, since the publication consists of only 36 pages, a formal resolution will not be necessary. I have also consulted with the majority leader and the minority leader, and there is no objection to the request.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

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

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

By Mr. WILEY:

Article entitled "Federal Drive on Racketeers Starts in April," written by Harold L. Dutkin and published in the Washington Evening Star of March 12, 1958.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON HOUSING

Mr. SPARKMAN. Mr. President, as chairman of the Subcommittee on Housing, I desire to give notice that it is planned to commence public hearings on April 15, 1958, at 10 a. m. in room 301, Senate Office Building, on the bills listed below and on bills that may be subsequently introduced and referred to the subcommittee.

All persons who wish to appear and testify at this hearing are requested to notify Mr. Jack Carter, staff director, Subcommittee on Housing, room 15-A, Senate Office Building, telephone Capitol 4-3121, extension 6348, as soon as possible.

The bills presently pending before the subcommittee are: S. 2791, S. 2865, S. 2872, S. 2992, S. 3064, S. 3213, S. 3281, S. J. Res. 153, S. 3351, S. 3398, and S. 3399.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Pervie Lee Dodd, of Alabama, to be United States marshal for the northern district of Alabama, for a term of 4 years.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, March 20, 1958, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF OLIVER D. HAMLIN, JR., TO BE UNITED STATES CIRCUIT JUDGE, NINTH CIRCUIT, VICE WILLIAM DENMAN, RETIRED

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, March 24, 1958, at 10 a. m., in room 424 Senate Office Building, upon the nomination of Oliver D. Hamlin, Jr., of California, to be United States circuit judge,

ninth circuit, vice William Denman, retired.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to 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, which was, to strike out all after the enacting clause and insert:

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;

Port Aransas-Corpus Christi Waterway, Tex.: Report of the Chief of Engineers dated February 10, 1958, at an estimated cost of \$6,272,000;

Port Aransas-Corpus Christi Waterway, Tex., La Quinta Channel: Senate Document No. 33, 85th Congress, at an estimated cost of \$954,000;

Freeport Harbor, Tex.: House Document No. 433, 84th Congress, at an estimated cost of \$317,000;

Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts: House Document No. 135, 84th Congress, at an estimated cost of \$2,476,000;

Mississippi River at Alton, Ill., commercial harbor: House Document No. 136, 84th Congress, at an estimated cost of \$246,000;

Mississippi River at Alton, Ill., small-boat harbor: House Document No. 136, 84th Congress, at an estimated cost of \$62,000; *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Mississippi River at Clinton, Iowa, Beaver Slough: House Document No. 345, 84th Congress, at an estimated cost of \$241,000;

Mississippi River at Clinton, Iowa, report on damages: House Document No. 412, 84th Congress, at an estimated cost of \$147,000;

Mississippi River between St. Louis, Mo., and lock and dam No. 26: Senate Document No. 7, 85th Congress, at an estimated cost of \$5,802,000;

Mississippi River between the Missouri River and Minneapolis, Minn.: Modification of the existing project in the Mississippi River at St. Anthony Falls, Minneapolis, Minn.: House Document No. 33, 85th Congress;

Minnesota River, Minn.: Senate Document No. 144, 84th Congress, at an estimated cost of \$2,539,000; *Provided*, That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of \$5,000;

Vermilion Harbor, Ohio: House Document No. 231, 85th Congress, at an estimated cost of \$474,000;

Ohio River at Gallipolis, Ohio: House Document No. 423, 84th Congress, at an estimated cost of \$66,000;

Licking River, Ky.: House Document No. 434, 84th Congress, maintenance;

Saxon Harbor, Wis.: House Document No. 169, 85th Congress, at an estimated cost of \$393,500;

Two Rivers Harbor, Wis.: House Document No. 362, 84th Congress, at an estimated cost of \$66,000;

Port Washington Harbor, Wis.: House Document No. 446, 83d Congress, at an estimated Federal cost of \$1,760,000; *Provided*, That local interests shall contribute 43½ percent of the total cost of the project;

St. Joseph Harbor, Mich.: Senate Document No. 95, 84th Congress, maintenance;

Old Channel of Rouge River, Mich.: House Document No. 135, 85th Congress, at an estimated cost of \$101,500;

Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of \$14,927,000;

Toledo Harbor, Ohio: House Document No. 436, 84th Congress, at an estimated cost of \$859,000;

Irondequoit Bay, N. Y.: House Document No. 332, 84th Congress, at an estimated cost of \$1,865,000; *Provided*, That Federal participation in the provision of the general navigation facilities shall not exceed 50 percent of the cost thereof;

Santa Cruz Harbor, Santa Cruz, Calif.: Report of the Chief of Engineers dated February 27, 1958, at an estimated cost of \$1,612,000;

Yaquina Bay and Harbor, Oreg.: Senate Document No. 8, 85th Congress, at an estimated cost of \$19,800,000;

Siuslaw River, Oreg.: House Document No. 204, 85th Congress, at an estimated cost of \$1,693,100.

Port Townsend Harbor, Wash.: House Document No. 418, 84th Congress, at an estimated cost of \$387,000;

Bellingham Harbor, Wash.: Senate Document No. 46, 85th Congress, at an estimated cost of \$83,700;

Douglas and Juneau Harbors, Alaska: House Document No. 286, 84th Congress, at an estimated cost of \$1,394,000;

Dillingham Harbor, Alaska: House Document No. 390, 84th Congress, at an estimated cost of \$372,000;

Naknek River, Alaska: House Document No. 390, 84th Congress, at an estimated cost of \$19,000;

Cook Inlet, navigation improvements, Alaska: House Document No. 34, 85th Congress, at an estimated cost of \$5,199,200;

San Juan Harbor, P. R.: House Document No. 38, 85th Congress, at an estimated cost of \$6,476,000;

BEACH EROSION

State of Connecticut, area 9, East River to New Haven Harbor: House Document No. 395, 84th Congress, at an estimated cost of \$12,000;

Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River: House Document No. 174, 85th Congress, at an estimated cost of \$229,000;

Fire Island Inlet, Long Island, N. Y.: House Document No. 411, 84th Congress, at an estimated cost of \$2,724,000;

Atlantic Coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document No. 332, 85th Congress, at an estimated cost of \$6,755,000;

Delaware Coast from Kitts Hummock to Fenwick Island, Del.: House Document No. 216, 85th Congress, at an estimated cost of \$28,000;

Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Fla.: House Document No. 342, 85th Congress, at an estimated cost of \$222,500;

Berrien County, Mich.: House Document No. 336, 85th Congress, at an estimated cost of \$226,000;

Manitowoc County, Wis.: House Document No. 348, 84th Congress, at an estimated cost of \$50,000;

Fair Haven Beach State Park, New York: House Document No. 134, 84th Congress, at an estimated cost of \$114,000;

Hamlin Beach State Park, New York: House Document No. 138, 84th Congress, at an estimated cost of \$404,000;

Humboldt Bay, Calif.: House Document No. 282, 85th Congress, at an estimated cost of \$38,200;

Santa Cruz County, Calif.: House Document No. 179, 85th Congress, at an estimated cost of \$516,000;

San Diego County, Calif.: House Document No. 399, 84th Congress, at an estimated cost of \$289,000;

Waimea Beach and Hanapepe Bay, Island of Kauai, T. H.: House Document No. 432, 84th Congress, at an estimated cost of \$20,000;

SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracoastal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now underway of \$1,350,000 annually for 5 years, of which 75 percent, presently estimated at \$1,012,500, shall be borne by the United States and 25 percent, presently estimated at \$337,500, by local interests, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document No. 37, 85th Congress: *Provided*, That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 25 percent of the cost of the additional program: *Provided further*, That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

SEC. 105. That for preliminary examinations and surveys authorized in previous river and harbor and flood-control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 106. That the improvement of Apalachicola Bay, Fla., authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document No. 156, 82d Congress; and the improvement of Apalachicola Bay, Fla., channel across St. George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 557, 82d Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the

projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the act of 1954: *Provided*, That reimbursement shall be based upon the reduction, in the amount of material which will have to be removed to provide project dimensions at such time as Federal dredging of the channels is undertaken: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

SEC. 107. That the improvement of Pascagoula Harbor, Dog River Cutoff, Miss., authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said act: *Provided*, That such payment shall not exceed the sum of \$44,000: *Provided further*, That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided further*, That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the recommendations of the Chief of Engineers in House Document No. 188, 81st Congress.

SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wis., shall be disposed of in accordance with the provisions of this section: *Provided*, That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further*, That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quitclaim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance, and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed \$300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within two years after the date of enactment of this Act, said property may be disposed of pursuant to the provisions of existing law and upon such terms and conditions as may be determined to be in the public interest: *And provided further*, That, after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the upper Fox River, Wis., above its juncture with the mouth of the Wolf River.

SEC. 109. The projects for the Illinois Waterway and Grand Calumet River, Ill., and

Ind. (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in accordance with the recommendations in House Document No. 45, 85th Congress, insofar as they apply to existing highway bridges, in part I, Sag Junction to Lake Calumet, at an estimated additional cost of \$9,884,000.

SEC. 110. (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Ill., and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of an appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

(b) The Secretary of the Army further is authorized out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through-navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through-navigation; and the sale or other disposition of equipment, buildings, and other structures, which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance the United States shall have no further obligation with respect to the canal.

(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and dis-

charge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through navigation.

(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the canal and the transfer thereof to the State.

(f) There is hereby authorized to be appropriated the sum of \$2 million to carry out the provisions of this section.

SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of the Government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided*, That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of this act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

Stave Island Harbor at South Goldsboro, Maine.

Short Sands section of York Beach, York County, Maine.

Tashmoo Pond, Martha's Vineyard, Mass.

Sachem's Head Harbor at Guilford, Conn.

Poquonock River at Groton, Conn.

Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, N. Y.

Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Del.

Indian River Bay via Pepper's Creek to Dagsboro, Del.

Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (*Trapa Natans*).

Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

Currioman Bay, Va.

Tabbs Creek, Lancaster County, Va.

Wrights Creek, N. C.

Savannah River, with a view to providing 9-foot navigation to Augusta, Ga.

Little Gasparilla Pass, Charlotte County, Fla.

Frenchman Creek, Fla.

Trinity River, Tex.

Streams and harbor facilities and needs thereof at and in the vicinity of Bayport, Fla., in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

Channel from Lynn Haven Bayou, Fla., into North Bay, Fla.

Small-boat channel from the port of Panama, Fla., into Apalachee Bay, Fla.

Dredged channel, vicinity of Sunshine Skyway, Tampa Bay, Fla.

Tampa Bay, Fla., with a view to determining the feasibility of a fresh water lake at that location.

Apalachicola River Chipola Cutoff, Fla., via Wewahitchka, with a view to providing a channel 9 feet deep and 100 feet wide.

Apalachicola River, Fla., in the vicinity of Bristol and in the vicinity of Bountstown. Streams at and in the vicinity of Gulfport, Fla.

Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, S. Dak.-Nebr.

Channel from Port Inland, Mich., to deep water in Lake Michigan.

Connecting channel between Namakan Lake and Ash River, Minn.

Camp Pendleton Harbor and Oceanside, Calif., with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, Calif., in equity without regard to limitations of Federal law applicable to beach erosion control.

Anaheim Bay, Calif., with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

SEC. 113. Title I may be cited as the "River and Harbor Act of 1958."

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the act approved June 22, 1936 (Public Law No. 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public Law No. 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the

Secretary of the Army that the required co-operation will be furnished.

Sec. 202. The provisions of section 1 of the act of December 22, 1944 (Public Law 534, 78th Cong., 2d sess.), shall govern with respect to projects authorized in this act, 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.

Sec. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports herein-after designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

NEW BEDFORD, FAIRHAVEN, AND ACUSHNET, MASS.

The project for hurricane-flood protection at New Bedford, Fairhaven, and Acushnet, Mass., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 59, 85th Congress, at an estimated cost of \$15,490,000.

NARRAGANSETT BAY AREA, RHODE ISLAND AND MASSACHUSETTS

The project for hurricane-flood protection in the Narragansett Bay area, Rhode Island and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 230, 85th Congress, at an estimated cost of \$16,180,000.

CONNECTICUT RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$24 million for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Mass., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 17, 85th Congress, at an estimated cost of \$5,090,000.

The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 85th Congress, at an estimated cost of \$5,430,000.

HOUSATONIC RIVER BASIN

The project for the flood control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of \$1,960,000.

The project for the flood control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Conn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 81, 85th Congress, at an estimated cost of \$1,780,000.

HUDSON RIVER BASIN

The project for flood protection on the Mohawk River, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 172, 85th Congress, at an estimated cost of \$2,069,000.

PANTEGO AND CUCKLERS CREEK, NORTH CAROLINA

The project for flood protection on Pantego and Cucklers Creek, N. C., is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document No. 398, 84th Congress, at an estimated cost of \$413,000.

SAVANNAH RIVER BASIN

In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document No. 657, 78th Congress, at an estimated cost of \$44,300,000.

CENTRAL AND SOUTHERN FLORIDA

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$40 million for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the act of June 30, 1948, and subsequent acts of Congress, and such comprehensive plan is hereby modified to include the following items:

The project for canals, levees, water control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Fla., substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document No. 48, 85th Congress, at an estimated cost of \$3,172,000: *Provided*, That cost sharing for the works herein authorized shall be on the same basis as that prescribed for works authorized in the Flood Control Act of 1954.

MOBILE RIVER BASIN

(Tombigbee, Warrior, and Alabama-Coosa)

The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi, and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document Numbered 167, 84th Congress, at an estimated cost of \$19,199,000: *Provided*, That in lieu of the cash contribution contained in item (f) of the recommendations of the Chief of Engineers, local interests contribute in cash or equivalent work, the sum of \$1,585,000 in addition to other items of local cooperation.

The project for flood protection on the Alabama River at Montgomery, Ala., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 83, 85th Congress, at an estimated cost of \$1,300,000.

LOWER MISSISSIPPI RIVER

The project for flood control and improvement of the lower Mississippi River adopted by the act approved May 15, 1928, as amended by subsequent acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

(a) Modification of the White River Backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document No. 26, 85th Congress, at an estimated

cost, over that now authorized, of \$2,380,000 for construction and \$57,000 annually for maintenance: *Provided*, That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Arkansas, such permits, rights-of-way, and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project.

(b) Modification and extension of plan of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Arkansas, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 108, 85th Congress, at an estimated cost of \$1,212,000.

(c) In addition to the previous authorization, the sum of \$28,200,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the act of September 3, 1954.

(d) In addition to previous authorizations, the sum of \$35,674,000 for prosecution of the plan of improvement in the St. Francis River Basin approved in the act of May 17, 1950.

(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 76, 85th Congress, at an estimated cost of \$1,932,000:

(f) The project for Greenville Harbor, Miss., substantially in accordance with the recommendations of the Mississippi River Commission, dated April 12, 1957, at an estimated cost of \$2,530,000: *Provided*, That the amount to be contributed by local interests shall not be in excess of 12 percent of the cost of construction, the amount of 12 percent being presently estimated at \$358,000.

The project for flood protection and related purposes on Bayou Chevreuil, La., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 84th Congress, at an estimated cost of \$547,000: *Provided*, That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

TRINITY RIVER BASIN, TEX.

Notwithstanding clause (b) of paragraph 5 of the report of the Chief of Engineers dated May 28, 1954, with respect to the project for the Navarro Mills Reservoir on Richland Creek, Tex., authorized by section 203 of the Flood Control Act of 1954, local interests shall not be required to pay any portion of the total cost of the project attributable to increase in net returns from higher utilization of the downstream valley lands.

RED-OUACHITA RIVER BASIN

The general plan for flood control on Red River, Tex., Okla., Ark., and La., below Denison Dam, Tex. and Okla., as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of \$53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 170, 85th Congress, on Millwood Reservoir and Alternate Reservoirs, Little River, Okla. and Ark., except as follows:

(1) The Sherwood Reservoir on Mountain Fork River is authorized in addition to the six other reservoirs upstream from the Millwood Reservoir, recommended by the Chief of Engineers.

(2) In the case of such reservoirs, the basis for determining the cost allocated to hydroelectric power and water supply purposes shall be the incremental method of allocation whereby the cost allocated to power and water supply should be limited

to the cost of adding power and water as purposes in the project, and all flood-control and land-enhancement benefits shall be nonreimbursable.

GULF OF MEXICO

The project for hurricane-flood protection on Galveston Bay, Tex., at and in the vicinity of Texas City, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 347, 85th Congress, at an estimated cost of \$6,166,000.

ARKANSAS RIVER BASIN

The project for the Trinidad Dam on Purgatoire River, Colo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 325, 84th Congress, at an estimated cost of \$16,628,000.

The first section of the act entitled "An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma," approved July 6, 1954 (68 Stat. 450), is amended by inserting after "as recommended by the Chief of Engineers," the following: "or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers," and the third section of said act is amended by striking out after "all claims heretofore or hereafter" the words "asserted of whatever nature including but not limited to" and inserting in lieu thereof the following: "arising from or out of the".

WHITE RIVER BASIN

In addition to previous authorizations, there is hereby authorized the sum of \$57 million for the prosecution of the comprehensive plan for the White River Basin, approved in the act of June 28, 1938, as amended, and supplemented by subsequent acts of Congress, and such comprehensive plan is hereby modified to provide for the generation of power in conjunction with flood control at the Lone Rock Reservoir and the addition of Gilbert Reservoir for flood control, power generation, and other purposes as recommended by the District Engineer in House Document No. 499, 83d Congress.

PECOS RIVER BASIN

The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 224, 85th Congress, at an estimated Federal cost of \$2,066,000.

RIO GRANDE BASIN

The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 58, 85th Congress, at an estimated Federal cost of \$3,152,000.

UPPER MISSISSIPPI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$21 million for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Rock and Green Rivers, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 173, 85th Congress, at an estimated cost of \$6,996,000.

The project for flood protection on Eau Galle River at Spring Valley, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers

in Senate Document No. 52, 84th Congress, at an estimated cost of \$6,690,000.

The project for flood protection on the Mississippi River at Winona, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 324, 84th Congress, at an estimated cost of \$1,620,000.

The projects for flood protection on the Mississippi River at St. Paul and South St. Paul, Minn., are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 223, 85th Congress, at an estimated cost of \$5,705,500.

The project for flood protection on the Minnesota River at Mankato and North Mankato, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 437, 84th Congress, at an estimated cost of \$1,870,000.

The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 9, 85th Congress, at an estimated cost of \$44,500,000.

The project for the Kaskaskia River, Ill., is hereby authorized substantially as recommended by the Chief of Engineers in his report dated April 19, 1957, at an estimated cost of \$23 million.

The project for flood protection on the Root River at Rushford, Minn., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 431, 84th Congress, at an estimated cost of \$796,000.

GREAT LAKES BASIN

The project for flood protection on the Bad River at Mellen and Odanah, Wis., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 165, 84th Congress, at an estimated cost of \$917,000.

The project for flood protection on the Kalamazoo River at Kalamazoo, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 53, 84th Congress, at an estimated cost of \$5,358,000.

The project for flood protection on the Grand River, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 132, 84th Congress, at an estimated cost of \$9,825,000.

The project for flood protection on the Saginaw River, Michigan, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 346, 84th Congress, at an estimated cost of \$16,085,000.

The project for flood protection on Owaseco Outlet, tributary of Oswego River, at Auburn, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 133, 84th Congress, at an estimated cost of \$305,000.

MISSOURI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$200 million for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The Secretary of the Army, acting through the Corps of Engineers, is authorized and directed to undertake the construction and to provide suitable sewer facilities, conforming to applicable standards of the South Dakota Department of Health, to replace certain existing water or sewer facilities of the St. Joseph's Indian School, Chamberlain, S. Dak., by facilities to provide for treatment of sewage or connection to the city system not exceeding \$42,000 in cost: *Pro-*

vided, That the Secretary of the Army is authorized to provide the sums necessary to carry out the provisions of this section out of any sums appropriated for the construction of the Oahe and Fort Randall Dam and Reservoir projects, Missouri River.

The project for flood protection on the Sun River, at Great Falls, Mont., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 343, 85th Congress, at an estimated cost of \$1,405,000.

The project for flood protection on the Cannonball River, at Mott, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 35, 85th Congress, at an estimated cost of \$434,000.

The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 417, 84th Congress, at an estimated cost of \$8,060,000.

The project for flood protection on the Black Vermillion River at Frankfort, Kans., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 409, 84th Congress, at an estimated cost of \$850,000.

The project for flood protection in the Gering and Mitchell Valleys, Nebr., is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document No. 139, 84th Congress, at an estimated cost of \$1,214,000.

The project for flood control on Salt Creek and tributaries, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 396, 84th Congress, at an estimated cost of \$13,314,000.

The project for flood protection on Shell Creek, Nebr., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 187, 85th Congress, at an estimated cost of \$2,025,000.

RED RIVER OF THE NORTH BASIN

The project for flood protection on Ruffy Brook and Lost River, Minn., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 141, 84th Congress, at an estimated cost of \$632,000.

OHIO RIVER BASIN

The project for the Saline River and tributaries, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document No. 316, 84th Congress, at an estimated cost of \$5,970,000: *Provided*, That in lieu of the cash contribution recommended by the Chief of Engineers, local interests contribute in cash, the sum of \$233,000, in addition to other items of local cooperation.

The project for the Upper Wabash River and tributaries, Indiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 435, 84th Congress, at an estimated cost of \$45,500,000.

The project for flood protection on Brush Creek at Princeton, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 122, 84th Congress, at an estimated \$917,000.

The project for flood protection on Meadow River at East Rainelle, W. Va., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 137, 84th Congress, at an estimated cost of \$708,000.

The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 103, 84th Congress, at an estimated cost of \$4,796,000.

The project for flood protection on the West Branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 191, 85th Congress, at an estimated cost of \$12,585,000.

The project for flood protection on Charliers Creek, at and in the vicinity of Washington, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 286, 85th Congress, at an estimated cost of \$1,286,000.

The project for flood protection on Sandy Lick Creek at Brookville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 166, 85th Congress, at an estimated cost of \$1,188,000.

The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Indiana, in accordance with the recommendations of the Chief of Engineers in House Document No. 192, 85th Congress, at an estimated cost of \$4,359,000.

SACRAMENTO RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$17 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 272, 84th Congress, at an estimated cost of \$1,560,000.

EEL RIVER BASIN

The project for flood protection on the Eel River in the Sandy Prairie Region, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 80, 85th Congress, at an estimated cost of \$707,000.

WEBER RIVER BASIN, UTAH

The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 158, 84th Congress, at an estimated cost of \$520,000.

SAN JOAQUIN RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$13 million for the prosecution of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

The project for the Buchanan Reservoir on the Chowchilla River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of \$10.9 million: *Provided*, That prior to starting construction, assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

The project for the Hidden Reservoir on the Fresno River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 367, 81st Congress, at an estimated cost of \$12.5 million: *Provided*, That prior to starting construction assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

KAWEAH AND TULE RIVER BASINS

In addition to previous authorizations, the completion of the comprehensive plan approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress, is hereby authorized at an estimated cost of \$28 million.

LOS ANGELES RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$44 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

SANTA ANA RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$8 million, for the prosecution of the comprehensive plan approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

SAN DIEGUITO RIVER BASIN

The project for the San Dieguito River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 288, 85th Congress, at an estimated cost of \$1,961,000.

COLUMBIA RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$112 million for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

In carrying out the review of House Document No. 531, 81st Congress, 2d session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood-control goals not less than those contained in said House Document No. 531.

SAMMAMISH RIVER BASIN

The project for flood protection and related purposes on the Sammamish River, Wash., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. 157, 84th Congress, at an estimated cost of \$825,000.

TERRITORY OF ALASKA

The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 137, 84th Congress, at an estimated cost of \$9,727,000.

The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 34, 85th Congress, at an estimated cost of \$60,000.

SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the

Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken without 4 years from the date of enactment of this act, the authority for the monetary contribution contained herein shall expire.

SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood-control, or multiple-purpose projects.

(b) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread general, and non-exclusive benefits from such increases in low flow.

(c) In carrying out the policy set forth in this section, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers to impound water for present or anticipated future demand or need for municipal or industrial water, or water for other beneficial community use, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army.

(d) The provisions of this section shall not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1944 (58 Stat. 887).

SEC. 206. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

1. No reconveyance shall be made if within 30 days after the last date that notice of the proposed reconveyance has been published by

the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion of the reservoir made available for reconveyance, unless within 90 days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

(2) If no agreement is reached between the present record owner of land and the former owner within 90 days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1943, as amended (63 Stat. 377).

(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to reversion of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of 90 days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

(f) As used in this section the term "former owner" means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and

the term "present record owner of land" shall mean the person or persons in whose name such land shall, on the date of approval of this act, be recorded on the deed records of the respective county in which such land is located.

(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

(h) Any proceeds from reconveyances made under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

(i) This section shall terminate 3 years after the date of its enactment.

SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, N. J.

Deep Creek, St. Marys County, Md.
Mills Creek, Fla.
Streams in Seminole County, Fla., draining into the Saint Johns River.

Streams in Brevard County, Fla., draining Indian River and adjacent coastal areas including Merritt Island, and the area of Turnbull Hammock in Volusia County.

Lake Ponchartrain, La., in the interest of protecting Salt Bayou Road.

San Felipe Creek, Tex., at and in the vicinity of Del Rio, Tex.

El Paso, El Paso County, Tex.
Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Tex.

Missouri River Basin, South Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pa.

Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, N. Y.

Bird, Caney, and Verdigris Rivers, Okla. and Kans.

Watersheds of the Illinois River, at and in the vicinity of Chicago, Ill., the Chicago River, Ill., the Calumet River, Ill., and Ind., and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

All streams flowing into Lake Saint Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Mich.

Sacramento River Basin, Calif., with reference to cost allocation studies for Oroville Dam.

Pescadero Creek, Calif.
Soquel Creek, Calif.
San Gregorio Creek and tributaries, Calif.
Redwood Creek, San Mateo, Calif.

Streams at and in the vicinity of San Mateo, Calif.

Streams at and in the vicinity of South San Francisco, Calif.

Streams at and in the vicinity of Burlingame, Calif.

Kellogg and Marsh Creeks, Contra Costa County, Calif.

Eastkoot Creek, Stinson Beach area, Marin County, Calif.

Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Pinole Creek, tributary of San Pablo Bay, Contra Costa County, Calif.

Rogue River, Oreg., in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

Kihel District, Island of Maui, T. H.

SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$200 million for the prosecution of the comprehensive plan adopted by section 9 (a) of the act approved December 22, 1944 (Public Law 534, 78th Cong.), as amended and supplemented by subsequent acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood control and allied purposes, to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

SEC. 210. Title II may be cited as the "Flood Control Act of 1958."

Mr. CHAVEZ. Mr. President, I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. CHAVEZ, Mr. KERR, Mr. GORE, Mr. MARTIN of Pennsylvania, and Mr. CASE of South Dakota conferees on the part of the Senate.

THE IMPORTANCE OF PUBLIC-WORKS PROGRAMS

Mr. MANSFIELD. Mr. President, yesterday, after receipt from Montana of the newspapers for Sunday, March 9, I was pleased to learn that on Saturday, March 8, Gov. J. Hugo Aronson, of my State, reported that he had been informed that President Eisenhower would, within a few days, ask Congress to vote \$918,000 more for two Montana reclamation projects.

According to the article carried in the Montana newspapers, the Governor said "a highly reliable administration source" telephoned from Washington that an appropriation in the amount of \$538,000 would be requested for the Helena Valley irrigation project, and an appropriation in the amount of \$380,000

would be requested for the Fort Peck-Dawson County power transmission line.

The Governor also said that "the high administration source," whom he did not identify, also informed him that the Bureau of the Budget would release nearly \$65,000 between now and July 1 for 3 other Montana projects—on the Northern Cheyenne and Crow Reservations and the Fort Peck Wildlife Refuge. Fifteen thousand dollars of this amount is to be allocated for the Crow meter loops, the article stated. Meter loops were not explained by the Washington source, according to the article.

Mr. President, I desire to express the hope that the statesmanlike proposals, made last Thursday by the majority leader, the senior Senator from Texas [Mr. JOHNSON], to speed up projects which have been authorized, and for which the Congress has appropriated funds, will not become political footballs. After all, I must repeat, the Congress has authorized these projects in Montana and elsewhere, has appropriated the funds, and has carried out its responsibilities as a coequal branch of the Government of the United States.

It is my understanding that this highly reliable administration source has not been the White House, but has been the Department of the Interior, which very likely acted under White House instruction. I would be surprised if it should be disclosed that Secretary Seaton was a party to a political propaganda stunt of that kind, because I have a high regard for him, and I know my regard for him is shared by Senators on both sides of the aisle.

Mr. President, I would have thought that members of the Montana Congressional delegation who have fought and voted for these projects and these appropriations would at least have been accorded the courtesy of being notified by the administration of what it intended to do in the wake of the sound proposals advanced by the majority leader.

Mr. President, according to what information I can gather, the same procedure was followed in the States of New Mexico and Wyoming; the Republican governors were notified, but the Democratic members of the Congressional delegations from those States were not notified.

Mr. President, in this field of recession and depression—and in Montana it is a depression—we are not seeking to make political capital out of the distress conditions of our people. We do not seek charity. We are interested in jobs.

Such petty sniping, as typified by the release last Saturday, does no one any good, but only brings the unpleasant odor of politics into a question which affects the welfare of the people. It is to be hoped that such a small, petty tactic will not be repeated.

It is also to be hoped that this administration will get away from its pious platitudes and its too-little and too-late pronouncements.

Mr. President, the times call for economic statesmanship of a high order. The road has been shown by the proposals of the majority leader. Now it is up to all of us—Republicans and Democrats alike—to travel that road, not in

the interest of either party, but in the interest of the people as a whole.

May I say again, Mr. President, that though I am pleased with the governor's statement I believe the courteous and the decent procedure would have been to notify the Montana Congressional delegation as well.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article which was published in the Great Falls Tribune, of Great Falls, Mont., on March 9, 1958.

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

ARONSON TOLD \$918,000 TO BE SPENT

HELENA.—Gov. J. Hugo Aronson on Saturday reported he had been informed that President Eisenhower next week would ask Congress to vote \$918,000 more for two Montana reclamation projects.

He said "a highly reliable administration source" telephoned from Washington that these appropriations for July 1 would be asked:

1. \$538,000 for the Helena Valley irrigation project to continue lateral and drainage system construction at a somewhat accelerated rate.

2. \$380,000 for contract payments on the Fort Peck-Dawson County power transmission line at the Fort Peck project.

The Republican governor said these recommendations would probably be part of the President's request for reclamation project appropriations throughout the West. Aronson said this would be in line with thinking of governors attending the Western Governors Conference at Colorado Springs recently.

Aronson said "the high administration source" whom he did not identify also informed him that the Bureau of the Budget would release nearly \$65,000 for use between now and July 1 on 3 other Montana projects.

These are \$42,000 for the Northern Cheyenne Indian Reservation No. 8 road; \$15,000 for the Crow meter loops, and \$7,200 for the Fort Peck Wildlife Refuge. Meter loops were not explained by the Washington source.

PRESIDENTIAL INABILITY

Mr. ERVIN. Mr. President, recent events have drawn the attention of the Congress to the question of whether it is needful or desirable to amend the Constitution of the United States to clarify the somewhat indefinite provisions of article II, section 6, in respect to how the inability of the President to discharge the powers and duties of his office is to be determined in case a disabling accident or disease deprives him of the capacity to make such determination, and in respect to the ultimate, legal effect of the action of the Vice President in assuming the powers and duties of the Presidential Office in case the President suffers a temporary inability to discharge them.

No one can gainsay the desirability of clarifying these matters. It may be argued with much show of reason, however, that Congress itself is empowered by article I, section 8, clause 18, and even by article II, section 6, to clarify them by a simple legislative act; and that for this reason, resort need not be had to a constitutional amendment. Be this as it may, I am convinced that the importance of these matters in our governmental system demands that the clarification be made by amendment.

I submit that the amendment should vest in the Congress the power to pass upon and determine the question of the inability of the President to discharge his official powers and duties, in case there are reasonable grounds for believing that a disabling accident or disease has deprived the President of the capacity to make the determination himself.

This power should be vested in the Congress because its members are duly elected constitutional officers who can be held responsible by the people for any action they may take. It certainly ought not to be entrusted to Presidentially appointed cabinet members answerable to the President alone, or to a newly created commission answerable to nobody.

In advocating that the power to pass upon and determine the inability of the President be vested in the Congress, rather than in the cabinet or in a commission, I am not unaware of the argument that such a course would offend the constitutional doctrine of the separation of governmental powers. However, this argument, it seems to me, is heavily outweighed by the significant circumstance that committing this power to the Congress will harmonize in full measure with our constitutional system of checks and balances. This is made crystal clear by amendment XII, which commits to the House of Representatives the power to choose a President when none of the candidates for the office secures a majority of the electoral votes; by article I, section 2, clause 5, which confers on the House of Representatives the power to impeach the President; by article I, section 3, clause 6, which entrusts to the Senate the power to try the impeachment of the President; and by article II, section 2, clause 2, which vests in the Senate the power to ratify or reject treaties made by the President, and to confirm or reject Presidential nominations of executive or judicial officers.

Entertaining these views, as I do, I expect to support the amendment proposed by one of America's greatest constitutional lawyers, the able and distinguished Senator from Wyoming, JOSEPH C. O'MAHONEY.

In closing, I wish to call the attention of the Senate to an article entitled "Presidential Inability", written by Dr. Ruth C. Silva, professor of political science at Pennsylvania State University. The article was published in the December 1957 issue of the University of Detroit Law Journal. While Dr. Silva and I may disagree as to the means for declaring Presidential inability, I have found her article a most penetrating analysis of the subject, and I wish all Members of the Congress to have the benefit of her brilliant work in this field. For these reasons, I ask unanimous consent that Dr. Silva's 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:

PRESIDENTIAL INABILITY

(By Ruth C. Silva)

(EDITOR'S NOTE.—Professor Silva received her bachelor of arts, master of arts, and

doctor of philosophy degrees from the University of Michigan. She has taught at Wheaton College (Massachusetts) as well as at Cairo University (Egypt) where she was Fulbright professor of political science. She is presently a professor of political science at Pennsylvania State University. Author of *Presidential Succession*, published by the University of Michigan Press, and articles published in the *American Political Science Review*, *Journal of Politics*, the *Review of Politics*, the *Harvard Law Record*, *Michigan Law Review*, and *Law and Contemporary Problems*. Also she is the author of articles published in Spanish and Arabic abroad as well as various studies published by Congressional committees, and has served as a consultant for these committees and various governmental agencies.)

President Eisenhower's heart attack in 1955 and his subsequent operation for ileitis have focused attention on the problem of providing for the exercise of Presidential power during a President's inability. Although the newspapers and politicians have concentrated their attention on procedures for declaring a President disabled, a more important aspect of the problem relates to the Vice President's constitutional status while the President is incapacitated. In the only serious cases of Presidential inability to date, the Vice President was not asked to exercise Presidential power largely because of the fear that he would actually become President and replace the disabled incumbent for the remainder of the term.

THE GARFIELD CASE

When Garfield was shot in 1881, three Vice Presidents had, upon the death of a President, been recognized as having succeeded to the higher office and as possessing the right to exercise Presidential power until the end of the deceased President's term. As a result of the precedents established whenever a President had died, it was easy to argue that a Vice President actually becomes President for the remainder of the term whenever he acts in that capacity. Since Garfield was not dead, had not resigned, had not been removed, but was merely disabled, the Presidential office was not vacant. This unavoidably raised questions about Vice President Chester A. Arthur's status and tenure. If he acted as President during Garfield's inability, would he actually succeed to the high office? Would Garfield also remain President? Would there be two Presidents at the same time? Could Garfield resume the exercise of Presidential power if his disability ceased?

When Garfield's illness had already lasted 2 months and was expected to continue for another 2, all 7 members of his Cabinet agreed on the desirability of having Arthur act as President during Garfield's recuperation. Three members of the Cabinet, Secretary of State James G. Blaine, Secretary of the Navy William H. Hunt, and Secretary of War Robert T. Lincoln thought Arthur could temporarily discharge the Presidential duties until Garfield recovered. On the other hand, Attorney General Wayne MacVeagh, Secretary of the Treasury William Windom, Postmaster General Thomas L. James, and Secretary of the Interior Samuel J. Kirkwood thought that Arthur's exercise of Presidential power would be equivalent to removing Garfield from office. Since a majority of the Cabinet held this latter opinion, it was decided that Arthur should not be asked to act as President without Garfield's knowledge and consent. Because the physicians thought he was too ill for such discussions, the whole matter was dropped.¹

¹ New York Times, Sept. 2, 1881, p. 1, col. 3; id., Sept. 4, 1881, p. 1, cols. 2-3; New York Herald, Sept. 2, 1881, p. 3, col. 1; New York Tribune, Sept. 2, 1881, p. 5, col. 2; Pittsburgh Post, Sept. 3, 1881, p. 1, col. 2; id., Sept. 5, 1881, p. 1, col. 3.

During the 80 days of Garfield's fatal illness, his only official act was the signing of an extradition paper. The reason for Garfield's inactivity was not the lack of urgent public business. Although Congress was not in session and there was no occasion for him to exercise his legislative powers, yet important executive matters demanded attention. There were postal frauds; officers were unable to perform their duties because the President was unable to commission them; there was a serious deterioration in the country's foreign relations. It was reported that the Central Pacific Railway actually considered suing for a writ of mandamus directing Vice President Arthur to assume the President's duties and appoint an Auditor of Railway Accounts since Garfield was unable to do so. Yet the department heads transacted only such routine business as could be handled without Presidential supervision. Important questions of public policy requiring the President's personal attention were ignored.² The important thing is that the public interest was jeopardized by having no active President.

Equally important, editorial opinion was sharply divided about the manner in which public business was being transacted—a division of opinion which only aggravated the crisis caused by Garfield's prolonged infirmity. The New York Times and New York Herald objected to having governmental affairs managed by the Cabinet, which is an extra-legal body. They particularly objected to Secretary Blaine's position as a sort of de facto President. The Herald even went so far as to label Blaine's action as "usurpation" and called for the immediate succession of Vice President Arthur.³ The New York Tribune and Boston Evening Transcript, however, defended Blaine's activities, noted that he had not committed the Government on any matter of policy, and asserted that public business was being transacted satisfactorily during the President's illness.⁴

The fear that Arthur's exercise of Presidential power might oust the disabled Garfield caused Garfield's friends to minimize the need for an active President. Similarly, they refused to recognize the full extent of his disability because of personal loyalty to him. Mental disability probably did not exist during the early part of his illness. Secretary Kirkwood claimed that Garfield was rational, his mind clear, and his judgment unimpaired. The President would be able to make a decision if absolutely necessary, Kirkwood said, but his physicians forbade him to discuss public affairs.⁵ Two weeks later, the Boston Evening Transcript reported that Garfield's mind was clear and that at no time would he have been incapable of making decisions if any important public question had been presented to him.⁶ Garfield's mind may have been clear in July and August; but the daily bulletins of his physicians clearly indicate that he was physically unable to discharge the duties of his office. Even the Boston Evening Transcript, which had maintained from the beginning that Arthur could not act as President because Garfield was not mentally disabled, admitted in September that

² George F. Howe, Chester A. Arthur, 152-153, 181 (1934); New York Herald, Sept. 1, 1881, p. 5, col. 3, and p. 6, cols. 2-3; id., Sept. 5, 1881, p. 4, cols. 1-3, and p. 6, cols. 2-3; New York Times, Aug. 11, 1881, p. 1, col. 8, and p. 4, cols. 2-3; Boston Evening Transcript, Aug. 25, 1881, p. 4, col. 3.

³ For example: New York Times, Aug. 1, 1881, p. 4, cols. 2-3; New York Herald, Sept. 5, 1881, p. 6, cols. 2-3.

⁴ For example: Boston Evening Transcript, Aug. 1, 1881, p. 4, col. 2; New York Tribune, Sept. 6, 1881, p. 4, cols. 2-3.

⁵ New York Tribune, July 15, 1881, p. 1, col. 6.

⁶ Aug. 1, 1881, p. 4, col. 2.

the President was suffering from hallucinations.⁷

Even if there had been no dispute about Garfield's right to resume the exercise of Presidential power if and when he recovered, Arthur still would have been in a particularly embarrassing position. Garfield belonged to the so-called halfbreed wing of the Republican Party. It was popularly believed that Arthur had been nominated for Vice President only to placate Roscoe Conkling, leader of the stalwart wing, and to heal the schism in the party. Charles J. Guiteau, Garfield's deranged assassin, had proclaimed his loyalty to Arthur and to stalwartism. This gave rise to the false rumor that Garfield's assassination had been deliberately planned to put Conkling's puppet in the White House. Because of this nasty situation, Arthur had little choice but to be self-effacing during Garfield's illness.⁸

After the President's death, Arthur repeatedly asked Congress to formulate legal answers to the questions which had so recently alarmed the country.⁹ The 47th, 48th, and 49th Congresses discussed the meaning of inability, its effect on the status and tenure of the Vice President, its effect on the status and tenure of the disabled President, and how a disability should be established. Instead of solving these problems, however, Congress named a statutory successor to act as President in case of vacancy or disability in both the Presidency and Vice Presidency. After the enactment of this law, the subject of Presidential disability was again ignored until Woodrow Wilson fell ill in 1919.¹⁰

THE WILSON CASE

There can be no doubt that important public business suffered as a result of Wilson's illness. The chief usher at the White House, Irwin Hoover, reports that absolutely no business was presented to the President for a month following his stroke. Thereafter, official papers requiring the President's attention were read to him but only those that Mrs. Wilson thought should be. In Hoover's opinion, there was "very little even of this sort of business."¹¹ During the special session of the 66th Congress, 28 acts became law without the President's passing on them within the requisite 10 days. Although he vetoed the Prohibition Enforcement Act on October 27, he did not pass on 15 of the 16 acts sent to the White House between October 28 and November 18.¹² He did not meet his Cabinet for 8 months after his collapse.¹³

⁷ Sept. 16, 1881, p. 1, col. 5.

⁸ Howe, op. cit., supra, note 2, 151-152; Peter R. Levin, Seven by Chance, pp. 154, 157 (1948); Donald B. Chidsey, The Gentleman From New York: A Life of Roscoe Conkling, pp. 286-356 (1935).

⁹ 10 James D. Richardson, Messages and Papers of the Presidents 4652; 11 id. 4734, 4840 (1897).

¹⁰ A few legislators, however, persisted in their demands for Congressional action to define the powers and duties of a Vice President during periods of Presidential inability and to clarify the role of various governmental bodies in declaring the existence of such inability. See, for example, the comments of Congressman Joseph H. Gaines, Succession to the Presidency, 79 Outlook 252-253 (Feb. 4, 1905); the resolution of Senator John J. Ingalls, 14 CONGRESSIONAL RECORD, 1042 (1883); also H. Rept. No. 3633, 58th Cong., 3d sess., p. 1 (1905), and H. Rept. No. 7581, 59th Cong., 1 sess., p. 1 (1907).

¹¹ Irwin Hoover, 42 Years in the White House, pp. 103-105 (1934).

¹² Lindsay Rogers, Presidential Inability, 2 Weekly Review 481, 482 (May 8, 1920); and Rogers' note, The President's Illness, 14 American Political Science Review 87-88 (February 1920).

¹³ 2 David Houston, Eight Years With Wilson's Cabinet 69-70 (1926); David Lawrence, True Story of Woodrow Wilson, p. 298 (1924).

He failed to answer the Senate Foreign Relations Committee's repeated requests that he take some action or supply the committee with some information about the Shantung settlement, a situation which prompted Senator Albert B. Fall to suggest that the Senate should recess until the President became able to resume the duties of his office. Although the Constitution says that the President shall receive the representatives of foreign states, the New York Times reported that Wilson's illness prevented him from seeing the Belgian sovereigns and the Prince of Wales when they visited the United States.¹⁴

This evidence is only a small part of that which could be presented to show that neither foreign nor domestic affairs received the President's proper attention. The Versailles Treaty was probably the most important casualty of Wilson's disability. He was forced to abandon his western tour in behalf of the treaty. A month later the Democratic leader in the Senate, Gilbert M. Hitchcock, believed he could work out a compromise with the treaty's foes in the Senate. But Wilson's physicians would not allow Hitchcock to see the President. Hitchcock complained that he would have to consult with the President before he could agree to any compromises.¹⁵ Although it was reported 5 days later that Hitchcock had seen Wilson 3 times,¹⁶ many students of the period agree that the treaty was defeated largely because of Wilson's isolation from public opinion, from his advisers, and from Congressional leaders whose advice he so badly needed in his enfeebled condition.¹⁷

The exact degree of Wilson's disability was carefully guarded. It is now known that he suffered a cerebral thrombosis and that his left side was paralyzed. There is some evidence that he was unconscious or only semiconscious during a part of his illness.¹⁸ There are, however, denials of this.¹⁹ Although Democratic spokesmen even to this day have usually minimized his disability,

the Democratic Digest recently admitted that "President Wilson was completely or partially disabled for many months following a stroke on September 26, 1919."²⁰ Franklin D. Roosevelt is reported to have said that he and James M. Cox visited Wilson in the summer of 1920 and that Wilson was unable to speak except to mumble a few broken words.²¹ Whatever Wilson's condition, the Vice President, the Cabinet, and the public were not informed about it.²²

The aura of secrecy which surrounded the White House served only to disturb public confidence. The country was flooded with rumors that Wilson was insane or that he was dead and his death was being kept a secret.²³ The New York Times published a front-page story reporting that Republican Senators were examining Wilson's signature on several Presidential communications to the Senate, believing that the signatures might be forged. According to the Times, one Senator expressed the opinion that two of the signatures were not Wilson's and that, if they were his, he had been assisted in signing his name.²⁴

Such rumors and suspicions resulted at least in part from the White House circle's having established a sort of regency with Mrs. Wilson in charge. Her own story indicates that, from September 25, 1919, to March 4, 1921, the executive branch did not function in the manner stipulated by the Constitution and laws. The channel of communication to the White House was Joseph P. Tumulty, the President's secretary, who gave official papers to Mrs. Wilson. If she thought her husband could pass judgment on a given question without excitement, she digested the relevant documents and presented the problem to him. If she was doubtful of the effect a paper might have on him, she passed it on to Dr. Cary T. Grayson. If Grayson thought the paper was not likely to upset the President, Mrs. Wilson presented her digest of it to her husband. If Grayson thought otherwise, she passed the paper on to Secretary of the Treasury David Houston or to someone else in whom she had confidence. Similarly, Mrs. Wilson and the physicians decided whom the President might and might not see and how long he might converse with those whom he was permitted to see.²⁵

Wilson's health rather than the public interest seems to have been the basis of deci-

sion. On some days the newspapers reported that Wilson's condition was so improved that Dr. Grayson allowed him to transact official business.²⁶ On other days, they reported that Wilson was permitted to sit up but no official business was placed before him.²⁷ According to Mrs. Wilson, she and Dr. Francis X. Dercum, a nerve specialist, discussed the possibility of Wilson's resignation but decided that he should continue as President lest the shock of resigning prove fatal. In recounting how she refused to allow officials and Congressional leaders to see the President, she says: "I carried out the directions of the doctors. . . . Woodrow Wilson was, first, my beloved husband . . . after that he was the President of the United States."²⁸ Prof. Irving G. Williams has suggested that this was a perfectly understandable attitude for a wife, "but to the Nation and its people Woodrow Wilson was, first of all, President, and secondly, a husband."²⁹

The record indicates that the entire problem was handled largely on the basis of personal loyalty to the disabled President. Because Wilson's friends thought the devolution of Presidential power on the Vice President might be equivalent to removing Wilson from office forever, they viewed talk of inability as disloyalty to their stricken friend. When Secretary of State Robert Lansing suggested the possibility of the Vice President's acting as President, Joseph P. Tumulty answered: "You may rest assured that while Woodrow Wilson is lying in the White House on the broad of his back I will not be a party to ousting him. He has been too kind, too loyal, and too wonderful to me to receive such treatment at my hands." Although Wilson's being "on the broad of his back" was evidence of his disability, Grayson not only told Lansing that he would never certify to the disability but Tumulty also said that, if anyone outside the White House circle attempted to so certify, "Grayson and I will stand together and repudiate it."³⁰ Tumulty did not suggest that Wilson might be able to repudiate the certification for himself. Tumulty's objection to establishing Wilson's disability appears to be that he thought it would involve "ousting" his friend. Wilson apparently shared Tumulty's view. For, when Lansing resigned, Wilson said: "Tumulty, it is never the wrong time to spike disloyalty. When Lansing sought to oust me, I was upon my back. I am on my feet now and I will not have disloyalty about me."³¹ Neither Wilson nor Tumulty seems to have thought that the Vice President might exercise Presidential power only until the President recovered.

The Wilson-Tumulty interpretation of the inability clause of the Constitution places any Vice President in a delicate position during periods of Presidential disability. Although Vice President Thomas R. Marshall was not in so embarrassing a position as Vice President Arthur had been, yet Marshall was reluctant to take any action which might appear to some as usurpation. He was reported as saying that he would not act unless requested to do so by Wilson or the Cabinet and only then if he had the express support of both Houses of Congress.³²

¹⁴ See, for example, such a report in the New York Times, October 26, 1919, p. 1, col. 2; December 5, 1919, p. 1, col. 6.

¹⁵ See, for example, such a report, id., November 13, 1919, p. 2, col. 4.

¹⁶ Wilson, op. cit. supra, note 14, 269-90.

¹⁷ Irving G. Williams, *The American Vice Presidency*: New Look 59 (1954).

¹⁸ Tumulty, op. cit. supra, note 19, 443-444.
¹⁹ Id., 445. In 1885, Wilson wrote that the Vice President's importance consists in the fact that he may cease to be Vice President. Congressional Government, 240-241 (1885). See also, Reid, op. cit. supra, note 17, 223.

²⁰ New York Times, Oct. 7, 1919, p. 1, col. 7.

¹⁴ On the Shantung affair, New York Times, Oct. 14, 1919, p. 1, col. 7. On visit of foreign royalty, id., Oct. 19, 1919, p. 1, col. 5; id., Oct. 29, 1919, p. 4, col. 3; id., Dec. 21, 1919, III, p. 2, col. 1. According to Mrs. Wilson, all three visited her husband in his bedroom at the White House while he was in bed. Edith B. Wilson, *My Memoir*, pp. 292-296 (1938).

¹⁵ New York Times, Nov. 30, 1919, p. 1, col. 4.
¹⁶ Id., Dec. 5, 1919, p. 1, cols. 6-7.

¹⁷ Charles Seymour, *The Intimate Papers of Colonel House* 506-507, 509-512 (1928); Lawrence, op. cit. supra, note 13, 299; Edith G. Reid, *Woodrow Wilson*, pp. 224-230 (1934); William Allen White, *Woodrow Wilson*, pp. 448-450 (1925); John K. Winkler, *Woodrow Wilson*, pp. 286-299 (1933).

¹⁸ Hoover, op. cit. supra, note 11, 100-104. A byline article by "pollio" reports that starting Oct. 4, 1919, Wilson was unconscious for a week and only semiconscious for over a month. New York Times, Mar. 29, 1921, p. 14, col. 7. See also id., Oct. 13, 1919, p. 1, col. 6, and p. 2, cols. 4-5; id., Oct. 14, 1919, p. 1, cols. 7-8.

¹⁹ Gilbert M. Hitchcock and Wilson's Physicians, New York Times, Oct. 13, 1919, p. 1, col. 5 and p. 2, cols. 4-5; Dr. Cary T. Grayson, id., Oct. 14, 1919, p. 1, col. 8. Joseph P. Tumulty says: "As a matter of fact, there was not a whole week during his entire illness that he was not in touch with every matter upon which he was called to act and upon which he was asked to render judgment." Woodrow Wilson As I Knew Him, p. 446 (1921). According to the testimony of Mrs. Wilson and others, apparently very little or no business was presented to Wilson so that Tumulty's statement may be technically true but misleading. Wilson, op. cit. supra, note 14, 289-297. See also note 11, supra.

²⁰ David Koonce, *Who Shall Determine if a President Is Disabled?* Democratic Digest (June 1956), p. 57.

²¹ Raymond Moley reports that Roosevelt told him this personally. Presidential Inability, National Review (Dec. 28, 1955), pp. 15-16.

²² Charles M. Thomas, *Thomas Riley Marshall: Hoosier Statesman*, pp. 206-208, 211 (1939); 2 Houston, op. cit. supra, note 13, 36-37; Attorney General A. Mitchell Palmer, New York Times, Oct. 14, 1919, p. 2, cols. 1-3; former Secretary of Commerce William C. Redfield, id., Dec. 6, 1921, p. 21, col. 6. See also James Kerney, *Government by Proxy*, 111 Cent. 481, 481-482 (February 1926).

²³ An account of these rumors can be found in a number of sensational magazine articles. For a summary of some of them, see White, op. cit. supra, note 17, 448. As one might expect, cranks exploited the situation. See, for example, the account of an anonymous telephone call falsely reporting Wilson's death to Vice President Marshall. New York Times, November 24, 1919, p. 1, cols. 4-5.
²⁴ October 14, 1919, p. 1, col. 7.

²⁵ Wilson, op. cit. supra, note 14, 288-90; Hoover, op. cit. supra, note 11, 105-07; 2 Houston, op. cit. supra, note 13, 60-66; Tumulty, op. cit. supra, note 19, 437-38; Kerney, op. cit. supra, note 22, 483-86; Lawrence, op. cit. supra, note 13, 283-309; Reid, op. cit. supra, note 17, 224-30; Winkler, op. cit. supra, note 17, 287-88.

Congress not only failed to act but it was doubted that Congress had the constitutional power to declare the President's inability. Since the Constitution devolved Presidential power on Marshall, it was suggested that he should indirectly determine the President disabled by undertaking the exercise of this power. But Marshall refused to act. Ira E. Bennett, editor of the Washington Post at the time, later said that Marshall told him that he was afraid to act as President lest he be assassinated.³² Marshall is reported to have told his wife that such action "could throw this country into civil war."³⁴ When it was suggested that a writ could be issued directing him to act as President, he replied that he would "never do such a thing in a thousand years."³⁵ He later told his secretary that he "would assume the Presidency" only upon the resolution of Congress and with the written approbation of Mrs. Wilson and Dr. Grayson. "I am not going to seize the place," Marshall said, "and then have Wilson—recovered—come around and say 'get off, you usurper!'"³⁶ Like Wilson and Tumulty, Marshall seems to have thought that he would actually become President and not merely act in that capacity until Wilson recovered.

Marshall's fear that Wilson might accuse him of usurpation was not an idle one. This is precisely what happened to Secretary of State Lansing. During the first 4 months of Wilson's illness, Lansing called 21 Cabinet meetings to transact interdepartmental business. It was generally conceded that Lansing's action had helped to keep the Government functioning and had thereby helped to forestall a Congressional move to declare the President disabled.³⁷ When Wilson heard of these meetings, however, he accused Lansing of usurping Presidential power. Although Congress and the press supported Lansing almost unanimously,³⁸ Wilson forced him to resign. The President took the stand that the Constitution allowed the Cabinet to do nothing in his absence and, consequently, that Government business was suspended during his illness.³⁹

THE EISENHOWER CASE

Wilson's view of the Cabinet's role may be contrasted with Eisenhower's view. The executive branch of the Government functioned relatively smoothly during Eisenhower's illnesses, at least partially because he had shared policymaking powers and responsibilities with the Cabinet from the beginning of his administration. Policies had been so clearly defined by the Cabinet as a group that it was able to carry on governmental business relatively easily without the President's active supervision. The Cabinet and the National Security Council met during Eisenhower's hospitalization, with Vice President Richard M. Nixon presiding as he had done on previous occasions when the President had been absent.⁴⁰

³² Ira E. Bennett, *The Vacancy in the White House*, Christian Science Monitor Magazine (Sept. 6, 1941) 6, 15.

³⁴ Thomas, *op. cit.*, supra, note 22, 211.

³⁵ See note 33, supra.

³⁶ Thomas, *op. cit.*, supra, note 22, 226-27.

³⁷ Lawrence, *op. cit.*, supra, note 13, 283-88; Rogers, *op. cit.*, supra, note 12, 482-83. See also an editorial in the New York Times, Feb. 15, 1920, II, p. 2, col. 1.

³⁸ See the statements of Congressmen and the reprint of editorial comment from a number of newspapers, *id.*, Feb. 14, 1920, p. 4, col. 5; *id.*, Feb. 15, 1919, p. 1, cols. 5-8, p. 2, cols. 1-8.

³⁹ For texts of the pertinent letters, see *id.*, Feb. 14, 1920, p. 1, cols. 6-7, p. 2, cols. 1-4.

⁴⁰ Robert J. Donovan, *Eisenhower: The Inside Story* 64-72, 362-86 (1956); Edward S. Corwin & Louis W. Koenig, *The Presidency Today* 115-17 (1956); Clinton Rossiter, *The American Presidency* 130-31 (1956).

It is uncertain, of course, that this system could have continued to work if the President's illness had been prolonged.⁴¹ Such an arrangement may function rather well during the disability of a President who has depended heavily on his Cabinet. It is doubtful, however, if the system could operate satisfactorily during the disability of a President like Lincoln, the two Roosevelts, or even Truman, who believes that the American system does not morally or constitutionally permit the President to delegate his powers or share the burdens of his office with the members of his Cabinet.⁴² In any case Lansing tried the Eisenhower system in Wilson's time and was dismissed for doing so.

The Cabinet's discharge of Presidential duties in the Garfield and Eisenhower cases and the White House circle's assumption of these responsibilities in the Wilson case were used as a substitute for the devolution of Presidential power on the Vice President, largely because of the fear that inability works forfeiture. Since this fear arises from the so-called presidential succession precedent, it is important to understand how this precedent was established and to determine whether it is in harmony with the intent of the framers of the Constitution.

THE CONSTITUTIONAL PROVISION

The controversial clause of the Constitution provides: "In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected."⁴³

⁴¹ Although 143 days elapsed between Eisenhower's heart attack and the announcement of his recovery, he was freed from the transaction of official business for only 6 days. He was stricken on September 24 and signed some official papers on September 30. Irving G. Williams, *The Rise of the Vice President* 3-4, 254-55 (1956).

⁴² 1 *Memoirs of Harry S. Truman* 545-47 (1955). See also R. H. Pear, *The American Presidency Under Eisenhower*, 28 *Pol. Q.* 5 at 9-12 (Jan.-Mar. 1957). Lucius Wilmerding suggests adoption of a constitutional amendment which would change "the regent" from the Vice President to the Secretary of State and authorize this high-ranking member of the President's own administration to carry on the Government during the disability. When Wilmerding says that such a solution would have commended itself to those members of the Federal Convention who favored a Council of State to assist the President, he seems to imply that Presidential power would be vested in the Cabinet rather than in the Secretary of State. *Presidential Inability*, 72 *Pol. Sci. Q.* 161 at 180 (1957). Such an arrangement would be a variant of the Eisenhower system but is not likely to have commended itself to the Convention, which adopted a resolution providing that "The executive power of the United States shall be vested in a single person." 2 Max Farrand, *The Records of the Federal Convention of 1787* 401 (1911 and 1937).

Since the disability question never arose during Franklin D. Roosevelt's term, his alleged inability is not discussed in the present paper. Although there is some evidence that Roosevelt was a very ill man during the last year of his life, there is no published evidence to indicate that his illness was severe enough to constitute "inability" in the constitutional sense. Corwin & Koenig, *op. cit.*, supra, note 40, 114-115; Neil Hurley, *Government by Proxy*, 94 *America* 98-99 (Oct. 22, 1955).

⁴³ Art. II, sec. 1, cl. 6.

The records of the Constitutional Convention show that this clause was not intended to transform a Vice President into a President. Of the various plans submitted to the Convention, only the Pinkney and Hamilton plans made provision for disability or vacancy in the Executive Office; and both plans used language indicating that the "successor" would merely act as President ad interim.⁴⁴ Similarly, the reports of the Committee on Detail and of the Committee of Eleven provided that he should exercise Presidential power only until another President be chosen or until the actual President's inability ceased. He was not to become President. Similarly, he was not to act as such for the remainder of the term.⁴⁵ There was no provision for succession beyond the Vice President until the Convention adopted Edmund Randolph's resolution to empower Congress to designate an officer to act as President in case of vacancy or disability in both the Presidential and Vice Presidential offices.⁴⁶

When the draft Constitution went to the Committee on Style, it contained two clauses dealing with the exercise of Presidential power during periods of inability or vacancy in the Executive Office. One provided that "the Vice President shall exercise those powers and duties until another President be chosen, or until the inability of the President be removed."⁴⁷ The other provided that, in case of vacancy or disability in both of these officers, an officer designated by law should "act as President . . . until such disability be removed, or a President shall be elected."⁴⁸ The Committee consolidated the 2 provisions into a single sentence consisting of 4 clauses: 1 providing for the devolution of Presidential power on the Vice President, 2 providing for succession beyond the Vice President, and 1 dependent clause restricting the tenure of the acting President. The Committee also substituted "the same shall devolve on the Vice President" for "the Vice President shall exercise those powers and duties."⁴⁹

It has been argued that the Presidential Office and not merely its powers and duties devolve on the Vice President, who thereby becomes President.⁵⁰ The Constitution says: "In case of . . . [the President's] inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President" The Convention's records clearly show that the antecedent of "the same" was intended to be powers and duties of the said office rather than "said office." Each of the original plans as well as the reports of the Committee on Detail and of the Committee of Eleven used words synonymous with "powers and duties." It was the Committee on Style which substituted "the same" for "powers and duties" and "devolve" for "exercise." The Committee had no authority, however, to alter substantive provisions. The Committee was authorized merely to put the provisions as approved by the Convention into clear and concise language. Consequently, the Committee's changes cannot be interpreted to mean that the Convention intended for the

⁴⁴ 3 Farrand, *op. cit.*, supra, note 42, 600, 625.

⁴⁵ 2 *id.* 185, 495, 499. See also the notes of the Committee on Detail, 2 *id.* 146, 172; 4 *id.* 47.

⁴⁶ 2 *id.* 535.

⁴⁷ 2 *id.* 575.

⁴⁸ 2 *id.* 573.

⁴⁹ 2 *id.* 598-99.

⁵⁰ See, for example, the arguments of the following: Representative Henry A. Wise and Senator Robert J. Walker, *CONGRESSIONAL GLOBE*, 27th Cong., 1st sess. 4-5 (1841); Senator Charles W. Jones, 13 *CONGRESSIONAL RECORD* 142 (1881), 14 *id.* 918 (1883); Theodore W. Dwight, *Presidential Disability*, 133 *No. Am. Rev.* 436, 443 (Nov. 1881).

Presidential Office, together with its powers and duties, to devolve on the Vice President, who would thereby become President.

It has also been argued that the dependent clause, "until the disability be removed, or a President shall be elected," refers only to an officer designated by law to act as President in certain contingencies. As a necessary consequence, it has been contended, the Vice President should take office without limitation for the remainder of the term.⁵¹ The records of the Constitutional Convention show, however, that the adverbial clause was intended to limit the Vice President's period of Presidential service as well as that of the officer designated by statute. This limitation is found in each draft of the provision relating to the succession of the President of the Senate. Even after the Committee of Eleven substituted the Vice President for the President of the Senate, the new officer was to exercise Presidential power only until another President be chosen, or until the inability of the President be removed.

Randolph's original resolution to empower Congress to designate an officer to act as President stipulated that the officer was to serve until the time of electing a President shall arrive. James Madison pointed out that this phraseology would prevent the filling of a vacancy by special election. Therefore, he moved to substitute "until such disability be removed, or a President shall be elected." Madison's motion passed over the objections of those who opposed the calling of a special election.⁵² This phraseology seems to have been adopted specifically for the purpose of allowing a special election when both the Presidency and Vice Presidency were vacant. It is significant that this language was substantially the same as that found in the dependent clause limiting the tenure of the Vice President. Therefore, if a special election was intended when there is neither a President nor a Vice President, a special election must also have been intended when there was a Vice President but no President. For the adverbial clauses were essentially the same in providing for both cases.⁵³ When the Committee on Style consolidated the two provisions, it used the adverbial clause only once and substituted "until . . . the period for choosing another president arrive." The Convention, however, changed the clause to "until . . . a President shall be elected" in conformity with the Convention's previous action on Madison's motion.⁵⁴

Although the Committee used the adverbial clause "until the disability be removed . . ." only once instead of using it to modify each of the preceding clauses separately, the Committee did change the only semicolon to a comma so that the limiting clause would be part of a continuous sentence and would refer both to the Vice President and to the officer designated by law.⁵⁵ Thus, the evolution of the so-called

succession clause seems to vitiate the thesis that the Presidential office devolves on the Vice President who thereby becomes President for the remainder of the term. Similarly, the debates in the convention as well as in the ratifying conventions lend support to the proposition that the Vice President was intended merely to exercise Presidential power until the vacancy could be filled or until the actual President's inability ceased.⁵⁶

THE PRESIDENTIAL SUCCESSION PRECEDENT: THE TYLER CASE

This interpretation of the Constitution was not generally accepted in 1841, however, when President William Henry Harrison fell ill. On April 1, there was hope for the President's recovery; but public business had already been largely suspended for almost a month and his convalescence was expected to require at least another month. Therefore, the Cabinet discussed possible means of transacting executive business while the President was recuperating. Although no record of these discussions is available, Secretary of State Daniel Webster was reported to have expressed the opinion that Vice President John Tyler could not temporarily act as President. Webster seems to have thought that, if Tyler assumed the Presidential duties, he would be the President for the remainder of the term even if Harrison survived and became capable of performing these duties during the term for which he had been elected.⁵⁷ Before any action was taken, Harrison died.

The Cabinet announced the President's death and summoned Vice President Tyler,⁵⁸ who was sworn in as the 10th President of the United States. Although Tyler thought himself qualified to act as President without taking the Presidential oath,⁵⁹ it appears that the Cabinet decided that he should take the oath.⁶⁰ As Herbert W. Horwill has indicated, Tyler's conviction that his Vice Presidential oath was sufficient seems to vitiate his contention that he had actually become President. If this previous oath to faithfully discharge the duties of the Vice Presidency was adequate, then acting as President was merely one of the contingent duties of the Vice Presidency. If, on the other hand, he had actually become President, then the Constitution required him to take the oath incumbent upon all new Presidents.⁶¹ Whatever Tyler's reasoning about the oath may have been, throughout the remainder of his life he stoutly maintained that he had been a genuine President of the United States.⁶²

Although some newspapers at the time did not view Tyler as the President, they neither objected to his taking the Presidential oath nor suggested that a special election should be called. Even those newspapers which were hostile to Tyler conceded that he should exercise Presidential power until the end of

Harrison's term.⁶³ At the climax of Tyler's controversy with the Whigs, nine impeachment charges against "John Tyler, Vice President, acting as President" were presented.⁶⁴ Yet none of his enemies suggested that special election of a President might be used to displace him before March 4, 1845.

When the 27th Congress convened, various Senators and Representatives objected to recognizing Tyler as President and contended that he was merely a Vice President exercising Presidential power. They pointed out the danger of establishing the precedent by which a Vice President would become President when the Presidential powers and duties devolve upon him. Senator William Allen asked what would happen in case of a President's temporary disability. Would the Vice President become President? Would there be two Presidents? What would be the status of the disabled President? Would he resume the exercise of his powers when he recovered? Since the present case involved complete vacancy, there was no question concerning the resumption of power. There seemed to be no question about the nature and extent of the powers devolved upon Tyler. It was assumed that he would exercise all and not merely some of the Presidential powers. No question was raised about the period of time during which he should exercise these powers. It appears to have been assumed that he would exercise them for the remainder of Harrison's term. Nobody proposed to deny him either the President's salary or the use of the Executive Mansion. Consequently, there seemed little to discuss except the question of his title. In these circumstances, Congress showed little inclination to argue a point which was apparently of so little practical importance. Thus, by the first of June, Tyler was acknowledged by Congress to be the President of the United States.⁶⁵

STATUS AND TENURE OF ONE WHO ACTS AS PRESIDENT UNDER THE INABILITY CLAUSE

The precedent established by Tyler has since been confirmed six times. Seven Vice Presidents have, upon the death of a President, been recognized as actually succeeding to the higher office for the remainder of the term. These precedents have virtually nullified the constitutional provision for the exercise of executive power while a President is disabled. They may lack logic⁶⁶ and be contrary to the intent of the Constitution's framers; yet they have been cited as authority for the proposition that a disabled President loses his claim to Presidential power once the Vice President exercises that power.⁶⁷ This has caused the President

⁶³ For a survey of the editorial stand taken on this subject by a dozen of America's major newspapers, see Silva, *op. cit.*, supra, note 56, 18-20. See also the Philadelphia Public Ledger, April 7, 1841, p. 2, col. 2; p. 4, col. 1; *id.*, April 8, 1841, p. 2, col. 3; *id.*, April 10, 1841, p. 2, col. 1.

⁶⁴ Williams, *op. cit.* supra note 41, 50. The resolution was rejected by a vote of 127 to 83.

⁶⁵ Congressional Globe, 27th Cong., 1st sess. 3-5 (1841).

⁶⁶ On the law and logic of the succession precedent, see Silva, *op. cit.* supra note 56, 31-47, 67-81, a summary of which can be found in Presidential Succession and Disability 21 Law & Contemp. Prob. 646, 653-58 (1956).

⁶⁷ Although the State courts have sanctioned the temporary devolution of gubernatorial power and have never denied a disabled governor the right to assume his powers when his inability ceased, they have reached conflicting conclusions concerning the status of the successor in case of vacancy in the governor's office. Silva, *op. cit.*, supra, note 56, 42-47, 80-81. As Armistead W. Gilliam and Jonathan W. Sloat have indicated, some State courts have cited Federal

⁵¹ See, for example, the arguments of the following: Senator Charles W. Jones, 13 CONGRESSIONAL RECORD 191-193 (1881); 14 *id.* 959, 1007 (1883); Senator John T. Morgan, 14 *id.* 691 (1882), 882, 884 (1883), 17 *id.* 224 (1885); Congressman John R. Eden, 17 *id.* 669 (1886); Judge Abram J. Dittenhoefer, New York Herald, Sept. 13, 1881, p. 5, cols. 1-2; Hannis Taylor, 57 CONGRESSIONAL RECORD 28 (1918).

⁵² 2 Farrand, *op. cit.* supra, note 42, 535.

⁵³ Art. X, sec. 2: " . . . the Vice President shall exercise those powers and duties until another President be chosen, or until the inability of the President be removed." Art. X, sec. 1: " . . . such officer shall act accordingly, until such disability be removed, or a President shall be elected."

⁵⁴ 2 *id.* 626.

⁵⁵ 2 *id.*, pp. 598-99.

⁵⁶ For a more detailed consideration of the framing and ratification of the so-called succession clause, see Ruth C. Silva, Presidential Succession, 4-13 (1951).

⁵⁷ Reported by Thomas Ewing III, grandson of Harrison's Secretary of the Treasury. For a discussion of the credibility of this report, see *id.* 15-16.

⁵⁸ 5 Richardson, *op. cit.*, supra, note 9, 1877-78.

⁵⁹ 5 *id.*, pp. 1886-87.

⁶⁰ 2 George Ticknor, Curtis, Life of Daniel Webster, 87n (1870). For evidence that the Cabinet approved Tyler's taking the oath and did not view him as a usurper, see Silva, *op. cit.*, supra, note 56, 16-18.

⁶¹ Usages of the American Constitution, 70-71 (1925).

⁶² See, for example, his letter to James Buchanan protesting a message addressed to him as ex-Vice President. 2 Lyon Tyler Letters and Times of the Tylers, 13 n (1885).

and his advisers to minimize or deny actual disabilities rather than risk a transfer of power to the Vice President. It has led them to view the problem in terms of its effect on the President rather than in terms of its impact on the public interest.

Any solution to the inability problem clarify that the Vice President would serve merely as acting President and that he would do so only until the actual President was able to resume his powers and duties. Unless the President, his friends, and the public are absolutely certain of his status when he recovers, they will oppose any attempt to declare inability, viewing such declaration as perhaps equivalent to removing him from office. Attorney General Herbert Brownell told the House Committee on the Judiciary that, as long as there is any doubt about the disabled President's right to resume his powers when he recovers, "you are not going to get any Vice President to take over; you are not going to get any Attorney General to advise the President that he should turn over the powers."⁶⁸

Eight measures, proposed statutes and constitutional amendments, pending in the 85th Congress specify that the powers and duties (rather than the office) of the President shall devolve on the Vice President, who should exercise the same only for the duration of the disability.⁶⁹ Brownell's proposal contains even more unequivocal language in providing that such powers and duties shall be discharged by the Vice President as Acting President and that he shall discharge the powers and duties of the office as Acting President.⁷⁰ Adoption of such provisions would give the President, his friends, and the public an assurance which was lacking in the Garfield and Wilson cases.

Brownell's plan would provide additional assurance by authorizing the President to resume the exercise of Presidential power whenever he declares that his own disability has terminated.⁷¹ The Attorney General said he thought that there should be no strings attached to the President's resuming the powers of the office to which the people elected him.⁷² More important, any plan which makes the President's resumption of his powers subject to the concurrence of

custom of the Vice President's "becoming President" as authority for ruling that the Governor's successor actually became Governor in case of vacancy in the governorship. Other State courts have denied that the successor became Governor but have not questioned Federal practice. They either ignored the Presidential succession precedent or cited it illogically and incorrectly. Presidential Inability, 24 Geo. Wash. L. Rev. 448, 454-56 (1956). On gubernatorial inability see: Clyde F. Snider, Gubernatorial Disability, 8 U. Chi. L. Rev. 521 (1941); Joseph E. Kallenbach, Presidential Inability, House Committee Print, 84th Cong., 2d sess. 40-44 (1956); Jack W. Peltason, id. 48-51; Margaret M. Conway, id. 66-74.

⁶⁸ Hearing before the Special Subcommittee on Study of Presidential Inability of the House Committee on the Judiciary, 85th Cong., 1st sess. 17 (1957).

⁶⁹ S. J. Res. 100. Similar phraseology is found in S. 238, H. R. 6510, H. R. 7352, H. J. Res. 38, H. J. Res. 293, H. J. Res. 295, and H. J. Res. 296. H. J. Res. 309 does not specify that the powers may revert to the President when he recovers.

⁷⁰ H. J. Res. 294. Similar phraseology is found in H. J. Res. 334.

⁷¹ Sec. 4 of H. J. Res. 294. A similar provision is contained in S. 238, H. J. Res. 293, and H. J. Res. 295. H. J. Res. 296, which provides for the declaration of disability by a commission in certain cases, also provides that no finding of the commission can override the President's declaration of his own disability or of its termination.

⁷² Hearing, op. cit., supra, note 68, 29-30.

another official or group is likely to result in opposition to the recognition of actual disabilities lest the President be prevented from resuming his powers upon recovery.⁷³ This objection applies with even greater force to proposals whereby the Vice President would actually hold the Presidential office for the remainder of the term.⁷⁴ While such an arrangement might avoid the problem of having to determine if and when the disability has passed, it would insure that no inability, however severe or prolonged, would ever be declared except over the opposition of the President's personal and political friends. If such a proposal were adopted, they not only would fear but would actually know that recognition of inability would amount to the President's removal from office.

MEANS FOR DECLARING A PRESIDENT DISABLED

If it is established that the Vice President does not become President in case of the President's inability and that the President can regain his powers upon his own motion, then the means for determining the existence of such inability becomes less of a problem. Once it is recognized that the Vice President is a substitute for rather than a successor to the disabled President, the latter could usually be expected to invite his substitute to act for him knowing that he remains President and that his powers will be restored to him when he recovers. There seems to be general agreement that a President should be able to declare his own disability. The Attorney General's plan and six other measures now pending in Congress would give legal recognition to that right.⁷⁵ As the Attorney General told the committee, recognition of the President's right to declare his own disability and to resume his powers would cover most cases.⁷⁶

The more controversial question relates to how a President's disability should be declared if the President is unable or unwilling to do so himself. It has been suggested that the existence of such an inability should be decided by the Vice President, the Supreme Court, the Congress, some sort of a special "Inability Commission," the Cabinet, or by the concurrence of several of these bodies. As a matter of fact, one of the major reasons for Congress' failure to act on the disability problem is that there are so many competing views on how this aspect of the problem should be handled.⁷⁷

⁷³ H. R. 6510, H. R. 7352, and H. J. Res. 334 would vest a commission with power to determine removal of disability. S. J. Res. 100 provides that Congress should initiate and the Supreme Court should decide the question of an inability's termination. H. J. Res. 38 requires the concurrence of the Supreme Court. All measures, 85th Cong.

⁷⁴ Harry S. Truman's proposal, New York Times, June 24, 1957, p. 14, col. 3. Also Williams, op. cit. supra note 41, 10-12, and op. cit. supra note 29, 63-64. Democratic National Chairman Paul M. Butler suggested that the Constitution should be amended to provide for the special election of a President to replace a President who became disabled during the first 30 months of his term. New York Times, April 23, 1957, p. 10, col. 4. Such a plan would, of course, make declaration of a disability during the first 30 months equivalent to removal from office. Sec. 3 (a) (3) of H. R. 6830, 85th Cong., suggests that perhaps the Vice President should exercise Presidential power for the remainder of the term and not merely until the disability is removed.

⁷⁵ S. 238, H. J. Res. 38, H. J. Res. 293, H. J. Res. 294 (Brownell plan), H. J. Res. 295, H. J. Res. 296, and H. J. Res. 334.

⁷⁶ Hearing, op. cit. supra, note 68, 24.

⁷⁷ An equally important deterrent to Congressional action seems to be the cautious idea that Eisenhower might resign and that enactment of a disability plan might some-

In 1881, when Garfield was incapacitated, the great weight of opinion supported the position that the one on whom Presidential power devolves should determine when a President is disabled. Most students of the Constitution maintained that the Vice President was obligated to exercise Presidential power during the President's illness just as he had the duty of presiding in the Senate. They contended further that no enabling action by the courts, the Congress, the Cabinet, or the disabled President was necessary. Whenever a President's inability is notorious, they reasoned, the Vice President is obligated to exercise executive power if the public interest requires the exercise of that power. When these conditions exist, the argument continued, the Cabinet should notify the Vice President just as it does when a President dies. The Constitution, however, does not require this notification. Consequently, they held that it is purely extra-legal and adds nothing to the Vice President's right to exercise Presidential power. It is merely a custom, they affirmed, which has been followed whenever a President has died and one which might well be followed when a President becomes disabled.⁷⁸

All 26 people who recently submitted opinions to the House Judiciary Committee had suggestions about where the power to declare inability should be vested.⁷⁹ Only eight, however, expressed opinions about where the power is vested as the Constitution now stands. Prof. William W. Crosskey thought that the courts had the power;⁸⁰ Prof. Mark DeW. Howe said it belonged to Congress;⁸¹ and the other six claimed that it

how help RICHARD M. NIXON to become the Acting President and thereby make him the leading contender for the Republican Presidential nomination in 1960. New York Times, March 24, 1957, IV, p. 3, col. 1; id., March 30, 1957, p. 1, col. 4, and p. 12, col. 4; id., April 4, 1957, p. 32, col. 5; id., April 7, 1957, IV, p. 1, col. 7; id., May 17, 1957, p. 15, col. 3; id., June 11, 1957, p. 18, cols. 6-7. Wilmerding states quite categorically that this natural enmity of every politician for the Vice President has been the only real impediment to the devolution of Presidential power in actual cases of inability and that all other impediments were feigned. Op. cit. supra note 42, 171, 179-80.

⁷⁸ For example: Benjamin Butler, Presidential Inability, 133 No. Am. Rev. 428, 431-33 (1881); Lyman Trumbull, Presidential Inability, 133 id. 417, 420-22 (1881); Thomas A. Hendricks, N. Y. Herald, Aug. 21, 1881, p. 7, col. 2; John Davis Long and Samuel Shellabarger, id., Sept. 5, 1881, p. 8, cols. 1-2; A. Schoonmaker, Jr., id., Sept. 17, 1881, p. 6, cols. 1-2; George M. Robeson, Boston Evening Transcript, Sept. 2, 1881, p. 1, col. 6; William W. Eaton, N. Y. Times, Sept. 2, 1881, p. 1, col. 3; Augustus H. Garland, 13 CONGRESSIONAL RECORD 189 (1881); Elbridge G. Lapham, 14 id. 917 (1883). See also Henry Davis, Inability of the President, S. Doc. 308, 65th Cong., 3d sess. 13-15 (1918); John Brooks Leavitt, N. Y. Times, Dec. 6, 1921, p. 18, col. 6; James Reston, id., Mar. 20, 1957, p. 4, col. 3.

⁷⁹ Messrs. Thomas K. Finletter and Sidney Hyman and Profs. Richard G. Huber, Roger P. Peters, C. Herman Pritchett, and John Roman said that the Vice President should both initiate and decide the question of a President's alleged inability. Senator FREDERICK G. PAYNE and Prof. Arthur N. Holcombe thought the Vice President should initiate the question, which should then be decided by another body. Presidential Inability, House committee print, 85th Cong., 1st sess., pp. 13-15, 24-27 (1957).

⁸⁰ Hearings before Special Subcommittee to Study Presidential Inability of the House Committee on the Judiciary, 84th Cong., 2d sess., pp. 99-105, 112-19 (1956).

⁸¹ Presidential Inability, House committee print, 84th Cong., 2d sess., pp. 35-36 (1956).

was vested in the Vice President.⁸² No member of the committee challenged Attorney General Brownell when he argued that the Constitution makes the Vice President the sole judge of a President's inability.⁸³ As a matter of fact, Chairman EMANUEL CELLER and Congressman WILLIAM McCULLOCH expressly agreed with Brownell's interpretation of the Constitution. President Eisenhower likewise accepted this view.⁸⁴

The Attorney General took the position that, since the Vice President has the duty of exercising Presidential power in certain contingencies, he also has authority to determine whether such a contingency actually exists. He cited the well-established rule of law that, in contingent grants of power, the one to whom the power is granted must decide when the emergency has arisen. Since the Constitution mentions only the successor, Brownell continued, it makes him the judge of the facts. "I believe," he concluded, "the Constitution now vests the power of determining inability in the Vice President."⁸⁵ Although some objections to this position were raised outside the committee,⁸⁶ the Attorney General's position seems legally sound.⁸⁷

Opposition to the Vice President's deciding, or even to his participation in deciding, cases of Presidential inability has been based largely on grounds of policy rather than legality. These objections are usually founded on the assumption that the primary problem is to guard against the Vice President's usurpation of Presidential power. It has been argued, for example, that the Vice President might be the President's worst enemy or an outright villain.⁸⁸ Recognizing the Vice President's power to declare a President disabled may present some hypothetical risks; but there are also safeguards.

The Attorney General advocates providing an additional safeguard by legally recognizing the President's right to declare the removal of his own inability and to resume the exercise of his powers without the concurrence of any other person or group—a more important guaranty than provided by such extreme remedies as impeachment and removal or the withholding of appropriations.

⁸² Thomas K. Finletter, id., pp. 27-28; Joseph E. Kallenbach, id., pp. 45-47, and hearings, op. cit. supra note 80, pp. 86-87; Sidney Hyman, id., pp. 48-49, 53-54; Roger P. Peters, id., p. 122; C. Herman Pritchett, id., p. 71; John H. Romani, id., pp. 43-44, and Presidential Inability, op. cit. supra note 81, 58.

⁸³ New York Times, Apr. 2, 1957, p. 1, col. 4.
⁸⁴ Id., Apr. 4, 1957, p. 16, col. 2, transcript of Eisenhower's press conference; hearing, op. cit. supra note 63, 20-21.

⁸⁵ Id., pp. 20-22; Statement of the Attorney General on Presidential Inability (U. S. Department of Justice, mimeographed) pp. 16-17, 29 (note) (Apr. 1, 1957).

⁸⁶ Martin Taylor, chairman of the New York State Bar's special committee on Presidential inability, hearing, op. cit. supra note 68, 35-36. The New York Times reported opposition based on political rather than legal grounds, see notes 88 and 91 infra.

⁸⁷ *Aurora v. United States* (11 U. S. (7 Cranch) 382 (1813)); *Martin v. Mott* (25 U. S. (12 Wheat.) 19, 31-32 (1827)); *Mullan v. United States* (140 U. S. 240, 245 (1891)); *Field v. Clark* (143 U. S. 649, 682-94 (1891)); *J. W. Hampton, Jr. & Co. v. United States* (276 U. S. 394, 405-10 (1928)); *Ex parte Orozco* (201 Fed. 106, 110 (W. D. Tex., 1912)). See also Disability of the President, 23 Law Notes 141-42 (1919); George M. Robeson, New York Tribune, Sept. 2, 1881, p. 5, col. 1.

⁸⁸ Arthur Krock, N. Y. Times, Mar. 30, 1957, p. 30, col. 5; id., Mar. 24, 1957, IV, p. 3, col. 1; id., Mar. 31, 1957, p. 62, col. 6; id., Apr. 7, 1957, IV, p. 3, col. 1; id., June 11, 1957, p. 18, cols. 6-7.

Yet Congress does have these ultimate weapons and could refuse to cooperate with a Vice President who usurped power on the pretext of inability. As the Attorney General pointed out, the force of popular opinion and the people's sense of constitutional propriety are more important safeguards than any mechanical or procedural device. There can be no absolute guaranty against usurpation or coup d'etat, he continued, if one assumes hypothetical cases in which the parties are rogues operating in an environment in which there is no sense of constitutional morality.⁸⁹ As a matter of fact, the more ambitious a Vice President is, the more careful he will be not to destroy his political future by declaring a President disabled without popular and Congressional support. Moreover, the Vice President must be presumed to have an honest devotion to the public interest. To assert that he may be overly ambitious and abuse his power is not to deny that power. No power can be denied merely because it might be abused, for all power is susceptible of abuse.⁹⁰

The Garfield and Wilson cases indicate that the problem is not how to guard against possible usurpation but rather how to relieve the Vice President of the embarrassing duty of taking the initiative and how to protect him against baseless accusations of usurpation. Both Vice Presidents Arthur and Marshall were deterred from exercising Presidential power by their sense of propriety and by the fear of being accused of disloyalty, political opportunism, and illegal assumption of power. Brownell and Celler agreed at the hearings that the danger is not that the Vice President may usurp power but rather that the public interest will suffer from his failure to act.⁹¹

The embarrassment which the Vice President must now endure in periods of Presidential inability⁹² would be alleviated by legal recognition that he would not become President but merely would act in that capacity until the President announced his own recovery and resumed the exercise of his powers. EMANUEL CELLER seems to think that such recognition and a Congressional declaration saying that the Vice President has the duty of deciding whether a President is disabled would remove impediments to the Vice President's taking the initiative in future cases of inability. Celler contends that public opinion would have supported the Vice President's assumption of Presidential power in both the Garfield and Wilson cases. He argues further that Arthur and Marshall would have acted as President if they had been confronted with a Congressional declaration which said that it was their duty to act.⁹³

⁸⁹ Hearings, op. cit., supra, note 68, 31.

⁹⁰ *Martin v. Mott* (25 U. S. (12 Wheat.) 19, 31-32).

⁹¹ Hearings, op. cit. supra note 68, 17.

⁹² Williams, op. cit. supra note 41, 12-13.

⁹³ An interview with Celler, U. S. News & World Report (June 15, 1956) 71. Celler's plan is embodied in a proposed statute, H. J. Res. 293, and in a proposed constitutional amendment, H. J. Res. 295, each of which contains four major provisions: (1) In case of vacancy in the Presidency, the Vice President shall become President. This would give Congressional sanction to the Presidential succession precedent. Perhaps it is academic to point out that this section would be unconstitutional if enacted by mere statute. (2) The Presidential powers and duties shall devolve on the Vice President whenever the President declares his own disability. (3) "Whenever the Vice President or the [person next in line of succession to the Presidency] is satisfied that the President, or the person then discharging the powers and duties of said office, as the case may be, is unable to discharge said powers and duties, such person shall convene both Houses of

Because of the fear either that a Vice President's sense of propriety would prevent him from declaring a President disabled or that a Vice President might usurp Presidential power, it has been suggested that the power to make the decision should be vested in another body. Of the 26 people submitting opinions to the Celler subcommittee, 19 suggested either creating an ad hoc or permanent commission to decide the question or empowering the Supreme Court, the Congress, or the Cabinet to do so.⁹⁴

It has been suggested that the Supreme Court should decide whether a President is disabled upon request from Congress,⁹⁵ in an action for mandamus⁹⁶ or in quo warranto proceedings.⁹⁷ Under the first plan, the initiative would be vested in Congress. Under the second, presumably anyone injured by the President's failure to discharge his duties could file a petition for mandamus. In the absence of legislation to the contrary, quo warranto proceedings probably could be instituted only by the Government.⁹⁸

Adoption of any one of these plans would doubtless require a constitutional amendment. The Supreme Court has already ruled that its original jurisdiction is limited to that set forth in the Constitution and cannot be enlarged by mere statute.⁹⁹ Moreover, it is doubtful that the question of

Congress and announce that the powers and duties of the office have devolved upon him." In order to be accurate, Celler should substitute "officer next on the list of officers designated by Congress to exercise Presidential power" for the bracketed words above. (4) When the President announces that his disability has terminated, he shall resume the exercise of his powers.

⁹⁴ Presidential Inability, op. cit. supra, note 79, 23, 27-32.

⁹⁵ Stephen K. Bailey, Peter Frelinghuysen, and Jack Peltason, id., 13, 27. Such a plan is embodied in H. J. Res. 38, 85th Cong., which requires a two-thirds vote of each House. For an explanation and defense of this plan, see PETER FRELINGHUYSEN, JR., Presidential Disability, 307 Annals 144, 151-155 (September 1956). J. WILLIAM FULBRIGHT has introduced a plan, S. J. Res. 100, 85th Cong., which would require only a simple majority of each House. The Fulbright plan provides that removal of the disability should be established in the same manner. The Frelinghuysen plan, however, would authorize the President to request the Supreme Court to determine whether his disability had terminated.

⁹⁶ George W. Wickersham, New York Times, November 27, 1918, p. 1, col. 5; vol. 1, David K. Watson, The Constitution of the United States, pp. 893-895 (1910); Louis C. Wyman, When a President Is Too Ill To Handle the Job, U. S. News & World Report, (Mar. 9, 1956), pp. 44-45. The precedent usually cited is *Attorney General v. Taggart* (63 N. H. 362 (1890)), in which the New Hampshire Supreme Court issued a mandamus directing the Lieutenant Governor to assume gubernatorial power during the Governor's illness.

⁹⁷ Prof. William W. Crosskey, Hearings, op. cit. supra, note 80, 99-119.

⁹⁸ *Wallace v. Anderson* (18 U. S. (5 Wheat.) 291 (1820)); *Territory v. Lockwood* (70 U. S. (3 Wall.) 236 (1866)); *Newman v. United States ex rel. Friezell* (238 U. S. 537 (1915)); *Johnson v. Manhattan Ry. Co.* (269 U. S. 479, 502 (1933)). Crosskey says that the Attorney General can now file an information in the nature of a quo warranto and suggests the enactment of legislation authorizing the Vice President or the opposition party in Congress to do so. He also advocates legislation to clarify that such a case would be a case in law arising under the Constitution. Hearings, op. cit. supra, note 80, 117-118.

⁹⁹ *Marbury v. Madison* (5 U. S. (1 Cranch) 137 (1803)).

a President's alleged inability is justiciable even if properly raised in a case involving actual parties litigant.¹⁰⁰ The courts are likely to decide that the question is political and submitted to the judgment of the Vice President alone. If they so decide, they will rule that they are bound by his decision.¹⁰¹ Furthermore, it is doubtful that the courts would look beyond the presumption of the regularity of official action.¹⁰²

These plans raise additional constitutional questions. As the Constitution now stands, no Federal court could hand down an opinion upon a request from Congress. For the judicial power of the United States extends only to cases and controversies involving actual parties litigant.¹⁰³ Similarly, no court could issue a writ of mandamus to the Vice President directing him to act as President during the incumbent's inability. The courts have ruled that they can direct the performance only of ministerial functions but not of executive acts in which the executive officer has discretion. The courts are to decide on the rights of individuals, not to inquire how executive officers perform their duties. Questions which the Constitution submits to the executive branch cannot be decided in the courts.¹⁰⁴ Since the Vice President's exercise

of Presidential power would not be purely ministerial, it could not be compelled by mandamus and, consequently, the question of a President's alleged inability could not be determined in an action for mandamus.

There have been various other suggestions for the judiciary's participation in declaring a President disabled. Senator FREDERICK G. PAYNE has suggested that, if the President fails to declare his own inability, the Vice President should notify the Chief Justice, who would then appoint a panel of at least three and no more than five civilian medical specialists. Each specialist would be required to submit to the Chief Justice an individual report on the President's health and ability to discharge his duties. If all reports agree that the President is disabled, then the Chief Justice is to notify Congress that the Presidential powers have developed upon the Vice President.¹⁰⁵ This suggestion unavoidably raises questions about the constitutionality of assigning nonjudicial duties to the Chief Justice.¹⁰⁶ Since the decision of the panel may be controversial, appointments to the panel may likewise be controversial. And it has already been established that a judge cannot be obliged to perform nonjudicial functions which may involve him in situations that may reflect on his reputation for independence and freedom from politics.¹⁰⁷

To say that the courts do not now have power to participate in declaring a President disabled is not to say that they should not be given this power by constitutional amendment. In defense of the Supreme Court's participation in making the decision, it has been said that the decision must be made by a nonpartisan and impartial body in

order to be accepted by the people. The Supreme Court, it is argued, is removed from the stresses of partisanship and is the body most likely to undertake an impartial consideration of the facts. Because this is true and because of the prestige accorded to the Court, it is contended, the people would be more prone to accept a decision made by the Court than one made by any other body.¹⁰⁸ Rather than insure public acceptance of the decision, the Court's participation is likely to be destructive of the judiciary's prestige and to vitiate respect for its nonpartisan character. As the late Justice Arthur T. Vanderbilt pointed out, Justice Joseph P. Bradley's decisive vote favoring Rutherford B. Hayes in the Electoral Commission subjected the Court to a great deal of criticism.¹⁰⁹

Attorney General Brownell suggested three additional reasons for not empowering the courts to participate in deciding cases of Presidential disability. First, a court or judge who participated in making the initial decision might subsequently be called upon to rule on the validity of that finding in a case involving actual parties litigant. Second, the procedure established should be flexible enough to meet all contingencies and to allow the Vice President to assume Presidential power promptly in time of national emergency. Brownell did not think that the courts are adapted to meet the requirements of either flexibility or promptness. Finally, he said, the initial declaration of inability should be an executive matter. Allowing the judiciary to make the initial finding, he argued, would not only violate separation of powers but would also be an encroachment upon the Presidency itself.¹¹⁰

Objections on the ground of separation of powers apply also to plans for empowering Congress to decide cases of Presidential disability. Nevertheless, five of the 28 people submitting statements to the Celler subcommittee thought Congress should initiate the question of a President's inability¹¹¹ and three thought Congress should decide the question.¹¹² Those who favor Congressional participation in declaring a President disabled often try to extend British parliamentary precedents to the American system of separation of powers. Both Thomas M. Cooley and Lucius Wilmerding, for example, cite the debates on the regency bill occasioned by the derangement of George III when it was decided that a vote of parliament must precede the exercise of the powers of regency. Wilmerding states that "the construction placed on the Constitution by the defenders of the vice-presidential prerogative has no merit at all" and cites parliament's rejection of the doctrine that the Prince of Wales had the right to assume the regency without waiting for a declaration of either House.¹¹³

British precedents frequently are also cited in defense of various plans patterned after the British Regency Act of 1937.¹¹⁴ These plans call for some sort of a commission composed of legislative, judicial, and perhaps

¹⁰⁰ Once the Vice President had exercised Presidential power, the legality of one of his acts might be challenged by a litigant on the ground that the actual President was not disabled at the time of the act. Even before the Vice President had assumed Presidential power, a litigant might attack the legality of some act of the President on the ground that the President was disabled at the time of the act.

¹⁰¹ *Foster & Elam v. Neilson* (27 U. S. (2 Pet.) 253 (1829)); *United States v. Arrondondo* (31 U. S. (6 Pet.) 691, 711 (1832)); *Luther v. Borden* (48 U. S. (7 How.) 1 (1849)); *Georgia v. Stanton* (73 U. S. (6 Wall.) 50 (1868)); *Jones v. United States* (137 U. S. 202, 212-14 (1890)); *Neeley v. Henkel* (180 U. S. 109, 124 (1901)); *Oetjen v. Central Leather Co.* (246 U. S. 297 (1918)); *United States v. Pink* (315 U. S. 203, 230 (1942)); *Colegrove v. Green* (328 U. S. 549 (1946)); *Z & F Assets Corp. v. Hull* (114 F.2d 464 (D. C. Cir. 1940)); *Werner v. United States* (119 F. Supp. 894 (S. D. Cal., 1954)). See also Brownell, op. cit. supra note 63, 25; Glendon A. Schubert, Jr., *The Presidency in the Courts*, 321-23 (1957); Thomas M. Cooley, *Presidential Inability*, 133 No. Am. Rev. 422, 426 (1881); Butler, op. cit. supra note 78, 431-33; George M. Robeson, N. Y. Tribune, Sept. 2, 1881, p. 5, col. 1; Samuel Shellenbarger, N. Y. Herald, Sept. 5, 1881, p. 8, cols. 1-2. Also *State ex rel. Cyr v. Long* (174 La. 169, 186 (1932)).

¹⁰² *Martin v. Mott* (25 U. S. (12 Wheat.) 19, 32-33 (1827)); *Philadelphia & Trenton Ry. Co. v. Stimpson* (39 U. S. (14 Pet.) 448, 458 (1840)); *Wilkes v. Dinsman* (48 U. S. (7 How.) 89, 130 (1849)); *United States v. Chemical Foundation* (272 U. S. 1, 16 (1926)); Schubert, op. cit. supra note 101, 317-18.

¹⁰³ *United States v. Ferreira* (54 U. S. (13 How.) 40 (1851)); *United States v. Evans* (213 U. S. 297 (1909)); *Muskat v. United States* (219 U. S. 346 (1911)); *Willing v. Chicago Auditorium* (277 U. S. 274, 288-89 (1928)); *Nashville C. & St. L. Ry. v. Wallace* (288 U. S. 249 (1933)); *Keller v. Potomac Electric Power Co.* (261 U. S. 428 (1923)); *Arizona v. California* (283 U. S. 423, 464 (1931)); *Alabama v. Arizona* (291 U. S. 286, 291 (1934)); *United Public Workers v. Mitchell* (330 U. S. 75, 89-91 (1947)); *Chicago & Southern Air Lines v. Waterman S. S. Corp.* (333 U. S. 103, 113-14 (1948)); *Amalgamated Association of Street, Electric, Railway and Motor Coach Employees v. Wisconsin Employment Relations Board* (340 U. S. 416 (1951)).

¹⁰⁴ *Decatur v. Paulding* (39 U. S. (14 Pet.) 497 (1840)); *Reeside v. Walker* (52 U. S. (11 How.) 272 (1850)); *United States ex rel.*

Tucker v. Seaman (58 U. S. (17 How.) 225 (1854)); *Gaines v. Thompson* (74 U. S. (7 Wall.) 347 (1869)); *Cox v. United States ex rel. McGarrahan* (76 U. S. (9 Wall.) 298 (1870)); *Carrick v. Lamar* (116 U. S. 423, 426 (1886)); *United States ex rel. Dunlap v. Black* (128 U. S. 40 (1888)); *United States ex rel. Alaska Smokeless Coal Co. v. Lane* (250 U. S. 549, 555 (1919)); *Work v. United States ex rel. Rives* (267 U. S. 175 (1925)); *Wilbur v. United States ex rel. Kadrie* (281 U. S. 206 (1930)); *United States ex rel. McLennan v. Wilbur* (283 U. S. 414, 420 (1931)); *United States ex rel. Chicago Great Western Ry. Co. v. Interstate Commerce Commission* (294 U. S. 50 (1935)); *United States ex rel. Girard Trust Co. v. Helvering* (301 U. S. 540 (1937)). See also Harry J. Cole, *To What Extent Can the President of the United States Perform the Duties of His Office While Abroad?* (4 Mass. L. Q. 180, 194 (1919)).

Crosskey points out that this objection would not apply to quo warranto proceedings because the Court would not command the performance of official functions but would merely ascertain whether the person holding the office is entitled to exercise the functions claimed. Op. cit. supra note 80, 115.

¹⁰⁵ S. 238, 85th Cong., Stephen K. Bailey suggested that the Chief Justice be empowered by a concurrent resolution to appoint an ad hoc body of seven citizens to certify the President's ability or inability which would finally be decided by the Supreme Court. *Presidential Inability*, op. cit. supra note 81, 4.

¹⁰⁶ *Hayburn's Case* (2 U. S. (2 Dall.) 409 (1792)); *In re Richardson* (247 N. Y. 401, 160 N. E. 655 (1928)); O. G. Voss, *Exercise of Non-Judicial Functions by Court and Judges* (7 J. B. A. Kan. 172-180 (1939)).

¹⁰⁷ *State ex rel. White v. Barker* (116 Iowa 96, 111-13, 89 N. W. 204, 209-10 (1902)); Thomas W. Shelton, *Spirit of the Courts* (1918); Judge Spilman, 2 Kan. L. J. 57, 58 (1885) as cited in *Sartin v. Snell*, 87 Kan. 485, 489, 125 Pac. 47, 49 (1912); Arthur T. Vanderbilt, *The Doctrine of Separation of Powers and Its Present-Day Significance* 113-20 (1953).

¹⁰⁸ FRELINGHUYSEN, op. cit., supra, note 95, 152.

¹⁰⁹ Vanderbilt, op. cit. supra, note 107, 119-20.

¹¹⁰ Hearing, op. cit., supra, note 68, 26. For a discussion of separation of powers in relation to this program, see pp. 165-168 infra.

¹¹¹ Congressman Peter Frelinghuysen and Profs. Charles Alken, Stephen K. Bailey, Mark DeW. Howe, and Jack W. Peltason, *Presidential Inability*, op. cit. supra note 79, 13.

¹¹² Alken, Howe, and Arthur N. Holcombe, *Id.* 23. Also Judge Augustus N. Hand, *Nat'l Rev.* (Dec. 14, 1955) 17.

¹¹³ Cooley, op. cit. supra note 101, 425-27; Wilmerding, op. cit. supra note 42, 176-77.

¹¹⁴ 1 Edw. VII and 1 Geo. VI, Cap. 16, sec. 2 (1).

executive officers to decide cases of Presidential inability.¹¹⁵ These British precedents are not necessarily good American law and their application here would not necessarily be a wise policy for a number of reasons. First of all, participation in declaring a President disabled by personnel drawn from the legislative or judicial branches would encroach on the integrity of the executive branch in a system based on separation of powers. The British system, on the other hand, is one of parliamentary supremacy. Moreover, the monarch inherits his position for life and is not subject to those political controls afforded by popular election. Furthermore, the monarch is a formal rather than an operating executive. Finally, a partisan President's tenure is likely to be less secure in the hands of a partisan legislature than a non-partisan monarch's is.

Not all of the proposals for a panel or commission to declare a President disabled are patterned after the British Regency Act. Some appear to be patterned after lunacy commissions used by various States for committing persons to institutions for the insane. One suggestion, for example, calls for an ad hoc panel composed of "qualified medical specialists."¹¹⁶ Proposals for vesting power to declare disability in a panel of physicians assume that only the determination of a medical fact is involved. This view is based on three mistaken assumptions: (1) that physicians will never mix politics with medicine; (2) that the Presidential powers and duties devolve upon the successor the moment a disability is established; and (3) that all disabilities are the result of poor health.

That physicians can and do mix medicine with politics was clearly illustrated in the Wilson case. Dr. Francis X. Dercum decided that Wilson should continue in office for both therapeutic and political reasons. Mrs. Wilson reports that Dercum told her that the President's recovery depended on his being released from every disturbing problem. When she said that this treatment was impossible for a President and suggested that perhaps her husband should resign and allow Vice President Marshall to succeed to the Presidency, Dercum answered:

"No. . . . For Mr. Wilson to resign would have a bad effect on the country, and a serious effect on our patient. He has . . . made his promise . . . to get the Treaty ratified. . . . If he resigns, the greatest incentive to recovery is gone; and as his mind is clear as crystal he can still do more

with even a maimed body than any one else."¹¹⁷

As Professor Williams suggests, the good doctor was treating the . . . country's health as well as Wilson's by his prognosis of the effects of a resignation on the people, on the Treaty, and on the President.¹¹⁸

It has always been rather generally agreed that mere illness, however severe or extended, does not constitute an inability in the constitutional sense unless the urgency of public affairs calls for action.¹¹⁹ In time of serious national emergency, for example, an illness of a few days may jeopardize the public interest more than an illness of several months at another time. In short, there seem to be two requirements for an inability in the constitutional sense: (1) that the President is actually unable to exercise his powers; (2) that he be unable at a time when the public interest requires the exercise of these powers. In some cases, physicians may be able to answer the first question. The second, however, is never a medical question. Physicians are not particularly competent to determine whether there is any pending public business which requires a Presidential decision. For this reason, Gilliam and Sloat have suggested that medical authorities should be merely advisory since policy as well as medical considerations are involved.¹²⁰

To assume that inability can result only from physical or mental illness is hardly realistic. In the past, it has been quite generally agreed that the term covers any case in which the public interest suffers because of the President's inability to exercise his powers and that the cause of the inability is immaterial. Such a definition of inability would include a case in which the President was captured by the enemy in time of war as well as other cases in which the President might be physically and mentally sound yet prevented from exercising Presidential power.¹²¹ As the Attorney General and Congressman FRANCIS E. WALTER pointed out at the hearings, one cannot enumerate all of the various situations which might constitute inability but the legal principles governing definition of the term have been well established.¹²² Since the existence of an inability is not simply a medical question, a commission of physicians is not necessarily the best group to make the decision.

In addition to commission plans patterned after the British Regency Act and after State lunacy laws, there are those which appear to be patterned after the bipartisan commissions of the Progressive era and its after-

math.¹²³ One plan provides for a commission consisting ex officio of the governors of the 48 States.¹²⁴ A second would create a 10-member commission composed of the Vice President, three Cabinet members, and six Congressmen.¹²⁵ A third plan also calls for a 10-member commission but the 10 would include two Supreme Court Justices as well as the Vice President, three Cabinet officers, and four Members of Congress.¹²⁶

The objections most frequently made to this type of commission are that it would be inflexible, that its deliberations would be time consuming, and that it would constitute an encroachment on the Presidency. The Attorney General took the position that it would be ill-advised to establish any complicated procedure that would prevent immediate action in case of emergency. "The great need is for continuity in the exercise of Executive power and leadership in time of crisis," he said, "and investigations and hearings and findings and votes of a commission, I am afraid, could drag on for days, or even weeks, and result in a governmental crisis, during which no one would have the clear right to exercise Presidential power." Moreover, as Brownell pointed out, such a hiatus, with newspaper accounts of conflicting testimony before the commission, would divide public opinion and create serious doubts at home and abroad.¹²⁷

The extent of the encroachment on the Presidency presented by an inability commission would depend on the nature of the commission. A permanent commission with power to require the President to submit to physical and mental examinations would be

¹²³ Of the 26 people submitting opinions to the Celler subcommittee, five thought some sort of an inability commission should both initiate and decide the question: David Fellman, James Hart, Arthur Krock, Arnold J. Llen, and Arthur E. Sutherland. Four others—Charles Fairman, Joseph E. Kallenbach, and Senators John J. Sparkman and Frederick G. Payne—thought such a commission should make the decision only after the question had been raised by another body. Payne, Hart, and Llen proposed a commission composed of private citizens while the others proposed a commission composed of governmental officials. Presidential Inability, op. cit. supra note 79, 15-17, 27-33. See also Beverly Smith, Jr., If a President Collapses . . . , Saturday Evening Post (March 23, 1957), 20+ at 111-12; Arthur Krock, New York Times, March 30, 1957, p. 30, col. 5, id., March 24, 1957, IV, p. 3, col. 1, id., April 7, 1957, IV, p. 3, col. 1. Arthur E. Sutherland, see note 140 infra. Although KENNETH KEATING originally agreed with Celler that the power should be vested in the Vice President, he now favors vesting it in a commission. New York Times, March 26, 1957, p. 25, col. 4; Hearing, op. cit. supra note 68, 29.

¹²⁴ H. R. 7552, 85th Cong., by USHER L. BURDICK.

¹²⁵ H. J. Res. 296, 85th Cong., by Sterling Cole. The three Cabinet officers would be the Secretaries of State, Treasury, and Defense. The six Congressional members would be the Speaker of the House, the President pro tempore of the Senate, and the majority and minority leaders in each House.

¹²⁶ H. R. 6510, a proposed statute, and H. J. Res. 334, a proposed constitutional amendment, 85th Cong., by KENNETH B. KEATING. The commission members are listed as the Vice President or the next person in line of succession, the Chief Justice, the Senior Associate Justice, the Speaker or majority leader in the House, the minority leader in the House, the majority and minority leaders in the Senate, the Secretary of State, the Secretary of the Treasury, and the Attorney General.

¹²⁷ Hearing, op. cit. supra note 68, 26-27.

¹¹⁵ Wilmerding proposes a commission composed of "the highest persons in the Government acting ex officio." Such commission would investigate the facts "on behalf of Congress." It would proceed by taking evidence including medical evidence and then would declare in writing whether it found the President disabled or not, Wilmerding thinks the elastic clause (art. 1, sec. 8, cl. 18) authorizes Congress to decide whether the commission's finding should be sufficient to devolve Presidential power on the Vice President or merely constitute conclusive evidence upon which Congress might subsequently act. Op. cit. supra note 42, 178.

Also appealing to the Regency Act as authority, David Fellman suggests a five-member commission consisting of the President's spouse or next-of-kin, the Chief Justice, the senior Associate Justice, and the leaders of the President's party in the House and Senate. Thus, members of the opposition party would be excluded. Presidential Inability, op. cit. supra note 81, 22-24. See also the remarks of James Hart, appealing to the Regency Act as precedent for his proposed Commission on Presidential Inability. Hearings, op. cit. supra note 80, 97.

¹¹⁶ S. 238, 85th Cong.

¹¹⁷ Wilson, op. cit. supra note 14, 289. See also New York Times, October 14, 1919, p. 2, col. 1; id., December 7, 1919, p. 8, col. 3.

¹¹⁸ Williams, op. cit. supra note 29, 59.

¹¹⁹ See, for example: Cooley, op. cit. supra note 101, 424-25; Trumbull, op. cit. supra note 78, 420; George M. Robeson, New York Tribune, September 2, 1881, p. 5, col. 1; Disability of the President, 23 L. Notes 141 (December 1919); Simeon D. Fess, Hearings before Committee on the Judiciary on H. R. 12609, 12629, 12647, and H. J. Res. 297, 66th Cong., 2d sess. 39 (1920). In *Attorney General v. Taggart*, it was proved by testimony of the Secretary of State and the State treasurer that there was executive business of the State demanding immediate attention and that the Governor's duties should not remain unperformed. 66 N. H. 362, 25 L. R. A. 610 (1890). See also Wyman, op. cit. supra note 96, 45.

¹²⁰ Op. cit. supra note 67, 463.

¹²¹ For a discussion of the meaning of "inability," see Silva, op. cit. supra note 56, 88-100.

¹²² Hearing, op. cit. supra note 68, 24.

in a position to harass him at all times. Even if the commission acted reasonably, as we must assume, there would doubtless be irresponsible demands for the commission to act. These demands alone would be an affront to the President's personal dignity and demeaning to the Presidential Office. An ad hoc commission might be less subject to this objection if initiative for activating the commission were properly hedged. Yet the officer who was supposed to activate even an ad hoc commission might find himself accused of acting or failing to act out of partisan motives. If the Chief Justice were designated as the officer to perform this duty, the Supreme Court would probably be plunged into political imbrolios whenever the President is alleged to be disabled.

The extent of this encroachment on the Presidency would also depend on the membership of the commission. Brownell pointed out that allowing officials outside the executive branch to participate in making the original decision would be a violation of separation of powers.¹²⁸ This would be particularly true if legislative or judicial officials constituted a majority of the commission.¹²⁹ If an inability commission is to be established, at least a majority of its members should come from the executive branch in order to safeguard the administration's interest.

The purpose of having members of the opposition party on the commission is presumably to prevent the commission from attempting to cover up an actual inability. In the Garfield and Wilson cases the extent of the inability and the need for Executive action were minimized because of the fear that devolution of Presidential power on the Vice President would make him President for the remainder of the term. If this fear were vitiated by legally recognizing that the Vice President would merely act as President ad interim, then the President's personal and political friends could be expected to view the facts more objectively. Moreover, the presence of hostile partisans on the commission would enable them to badger the chairman to convene the commission merely for the purpose of embarrassing the administration.

In conformity with the Democratic Party's recent tradition of a strong Executive, most Democrats have defended the integrity of the Presidency and have rejected disability plans which would encroach upon the Office even though the President is a Republican while Congress is controlled by Democrats.¹³⁰ The Democratic Digest, for example, says: "Congress might be the proper * * * body [to determine that a President is disabled], but what would that do to our historical ideas of separation of powers? It is also conceivable that this might prove too tempting to a Congress not controlled by the party of the President, especially when there is bad blood between such a Congress and President."¹³¹

¹²⁸ Id. 26.

¹²⁹ H. J. Res. 296 provides that six of the 10 members shall be Congressmen and that the existence and termination of an inability be decided by a vote of five or more members. Under H. R. 6510, two of the 10 members would come from the Supreme Court and four would be from Congress, making a total of six nonexecutive officers.

¹³⁰ JOHN J. SPARKMAN, Can We Afford to Shrink the Presidency?, Democratic Digest (May 1956) 26-35; Ralph McGill, The Presidency Grew to Fit America's Needs, id. 37-41; Leadership Is a Full Time Job, id. (February 1956) 85-89; Government By Regency, id. (March 1956) 73-80; Even Eisenhower Worries Over Plan to Trim Presidency, id. (May 1956) 54-60; Who's in Charge at the White House? id. (August 1956) 73-79.

¹³¹ Koonce, op. cit. supra note 20, 58.

While the Democratic chairman of the House Judiciary Committee favors keeping the declaration of disability within the executive branch which is now Republican controlled,¹³² Congressional Republicans are promoting plans to vest this power in a nonexecutive body.¹³³ In conformity with the post World War I Republican tradition of a weak Executive and a strong Congress, several Republican-sponsored plans offer an opportunity for Congressional encroachment on the Presidency. One would give Congress power to initiate the question of a President's alleged inability.¹³⁴ This would enable a hostile Congress to nettle the President constantly. Two others would give Congressmen a majority or plurality of votes in an inability commission.¹³⁵ And another would empower Congress to provide by law for the discharge of Presidential power during periods of Presidential disability in whatever way Congress might see fit.¹³⁶

Republican Congressman PETER FRELINGHUYSEN claims that Congress' initiating and the Supreme Court's deciding the question is in harmony with the doctrine of checks and balances, because all three branches of the Government would participate in declaring a President disabled. The executive's only possible participation in the process, however, would be the Vice President's convening the Senate if that body were not in session. FRELINGHUYSEN argues that the integrity of the Executive would, nevertheless, be protected by requiring a two-thirds vote of Congress to initiate the question.¹³⁷ A simple majority of one House would be sufficient, however, to embarrass the President politically by having the question debated in that House. Moreover, partisan maneuver might secure a two-thirds vote for a baseless disability charge. Andrew Johnson missed being removed from office by only a single vote although no "high crimes and misdemeanors" were proved. To say that the plan is in harmony with checks and balances is not to say that it does not

violate separation of powers. To empower the Congress or the Supreme Court to decide whether the President is able to exercise the powers of his office is just as great an encroachment on the Presidency as empowering the President to disqualify judges from sitting in cases or making him the judge of the election and qualification of Congressmen would be an encroachment upon the other two branches.

In providing a means for declaring a President disabled, Attorney General Brownell is the only prominent Republican to express concern about protecting the integrity of the Presidential Office. He argues that the declaration is an executive matter and should be kept in the executive branch of the Government.¹³⁸ He has, therefore, suggested that the Vice President and the Cabinet should perform this function. Proposals for Cabinet participation in declaring a President disabled have been of two kinds: (1) those authorizing the Cabinet to invite the Vice President to act if he fails to take the initiative and (2) those empowering the Cabinet to make the decision. The first would give the Cabinet only an advisory role and would not divest the Vice President of the power either to initiate the question or to make the decision. It would, however, relieve him of the embarrassment of taking the first step and would protect him against serious accusations of usurpation.¹³⁹ The second would make the Cabinet's decision binding.¹⁴⁰ The Brownell plan is a combination of these two proposals. Either the Cabinet or the Vice President could take the initiative; but the concurrence of both would be necessary for declaring the President disabled.¹⁴¹

The first objection to the Cabinet's participation in deciding cases of Presidential disability has been that Cabinet members are presumed to be too loyal to the President ever to certify his disability.¹⁴² Study of the Garfield and Wilson cases indicates, however,

¹³² At the hearings, he said: " * * * Allowing the judicial branch or, I might say, even the legislative branch to make the initial finding would violate the doctrine of separate powers, which is so fundamental to our constitutional system, and allowing officials outside the executive branch to participate in the initial decision would be an encroachment on the Presidency itself." Op. cit. supra note 68, 26.

¹³³ See, for example, Silva, op. cit. supra note 56, 107-110; C. Herman Pritchett, hearings, op. cit. supra note 80, 71-72, 75-76; John H. Romani, id. 45.

¹³⁴ Former President Herbert Hoover, id., 1-2, and Presidential Inability, op. cit. supra note 81, 35. J. Roland Pennock suggested that either Congress or the Cabinet should initiate the question, which should then be decided either by the Cabinet or by the concurrence of Congress and the Vice President. Id., 52. Edward S. Corwin thought the question should be raised by the Vice President or by anyone designated by Congress to do so and then should be decided by the Cabinet or National Security Council. Id. 16 and note 156 infra. Arthur E. Sutherland originally favored the Cabinet's both initiating and deciding the question, id. 61-62, but said that he was persuaded by Pundit Arthur Krock to favor a commission. Hearings, op. cit. supra note 80, 78, 80-83.

¹³⁵ Brownell's explanation of his plan, hearing, op. cit. supra note 68, 22, 27, 30-31.

¹³⁶ Celler, U. S. News & World Report (June 15, 1956) 71, and 14 Congressional Quarterly Weekly Report 1457-58 (December 21, 1956); Raymond Moley, Presidential Inability, National Review (December 28, 1955) 15-16; N. Y. Times, March 31, 1957, IV, p. 10, col. 5; id., April 3, 1957, p. 17, col. 3; id., April 7, 1957, IV, p. 3, col. 1; FRELINGHUYSEN, op. cit. supra note 95, 150.

¹³³ Celler says that determination of Presidential inability by judges, Members of Congress, or a combination of these individuals involves "impinging upon the constitutional separability of powers." 14 Congressional Quarterly Weekly Report 1457 (Dec. 21, 1956). See also an interview with Celler. U. S. News & World Report (June 15, 1956) 71.

Although KENNETH KEATING introduced a resolution embodying the Brownell plan, H. J. Res. 294, 85th Cong., discussed on pp. 168-170 infra, he did so only as a matter of courtesy to the administration and reserved the right to promote his own plan for an inability commission. New York Times, Apr. 2, 1957, p. 1, col. 4.

¹³⁷ Usher L. Burdick, Kenneth Keating, and Sterling Cole, who favor vesting this power in a disability commission; PETER FRELINGHUYSEN, who would vest this power in the Supreme Court; and FREDERICK G. PAYNE, who favors vesting the power in an ad hoc panel of physicians appointed by the Chief Justice. J. WILLIAM FULBRIGHT, who introduced a resolution to give this power to the Supreme Court, is the only Congressional Democrat in this group. Former President Harry S. Truman, a Democrat, favors a plan similar to the Keating and Cole plans. New York Times, June 24, 1957, p. 14, col. 3.

¹³⁸ H. J. Res. 38, 85th Cong.

¹³⁹ H. J. Res. 296, 85th Cong., would give six out of 10 votes to Members of Congress; H. J. Res. 334, 85th Cong., would give four out of 10 votes to Members of Congress. Democrat Harry S. Truman advocates a plan giving five out of seven votes to Members of Congress. New York Times, June 24, 1957, p. 14, col. 3.

¹⁴⁰ H. J. Res. 309, 85th Cong.

¹⁴¹ FRELINGHUYSEN, op. cit. supra note 95, 153-154.

that a declaration of disability was viewed as disloyalty on both occasions because it was feared that such a declaration would mean ousting the disabled President from office for the remainder of the term. The Cabinet's reluctance to declare a President disabled would be lessened by recognition that the disabled President would remain President and could resume the exercise of his powers upon his own declaration of the inability's termination.

Citing President Wilson's removal of Secretary Lansing, Congressman FRELINGHUYSEN argues that a Cabinet member would be deterred from voting to recognize a disability by the fear that he might be removed by the Acting President, that his influence in the administration might be lessened, and that the President might dismiss him for having voted to recognize the disability.¹⁴³ Wilson viewed Lansing as disloyal because he thought Lansing had attempted to oust him. If Wilson had known that the devolution of power on Marshall would have been on a temporary basis, he likely would have viewed Lansing's action quite differently. Similarly, an Acting President's actions would be conditioned by his knowledge that the President could resume his powers.

Since the Cabinet is the President's official family and is composed of his own appointees, the Cabinet's declaration would be free from the suggestion of hostile partisanship. It is true that the Cabinet's loyalty to the President is likely to make it slow to act. This is doubtless desirable, however, for there should be no devolution of power unless the disability is obvious and the need for the exercise of Presidential power is urgent. The public is not likely to tolerate the frequent transfers of Presidential power for light and transient reasons; and such transfers could serve only to weaken the Presidency itself. Consequently, the Cabinet's probable slowness to declare a disability would seem to be an advantage rather than a disadvantage of the Brownell plan.

The second objection to the Cabinet's participation in declaring Presidential disability seems to be exactly contrary to the first. It has been argued that an ambitious Cabinet might conspire with the Vice President to disseat the President.¹⁴⁴ As both President Eisenhower and Attorney General Brownell have said, we must assume that we are dealing with honest people who are not jockeying against each other to seize power. No plan will provide sure safeguards against usurpation if we assume that our public officials are Latin caudillos and that power is transferred in the United States by coup d'etat rather than by constitutional processes.¹⁴⁵

A third objection to vesting the power of deciding Presidential disability in the Cabinet relates to the Presidential Succession Act of 1947, which places the Speaker of the House and the President pro tempore of the Senate immediately after the Vice President in the line of succession.¹⁴⁶ It has been argued that a Cabinet of one political party is not likely to make a declaration of disability which would result in transferring Presidential power to a Speaker who belonged to the other party. Eisenhower's Republican Cabinet, for example, is not likely to declare Eisenhower disabled if Nixon were dead and thereby make Democratic Speaker SAM RAYBURN the Acting President.¹⁴⁷ This may be true but seems

more of an argument against the Presidential Succession Act of 1947, which places legislative officers in the line of succession, than a flaw in the Brownell plan. The act of 1947 has been seriously criticized on grounds of both constitutionality and policy.¹⁴⁸ It would seem, therefore, that the act of 1947 should be amended to make it conform to the Constitution rather than vice versa. Moreover, the act of 1947, like the 22d amendment, the Bricker amendment, and proposals for empowering nonexecutive officers to declare a President disabled, seems to be another attempt to whittle down the Presidency and to upset our separation and balance of powers.¹⁴⁹

STATUTE OR CONSTITUTIONAL AMENDMENT?

A final question relates to whether Congress has constitutional power to solve the problem of Presidential disability without resort to a constitutional amendment. Five bills and resolutions pending in the present Congress are based on the assumption that a mere statute is adequate,¹⁵⁰ while six call for a constitutional amendment.¹⁵¹ Congressional power to legislate on the subject is debatable. The only power expressly given to Congress to provide for Presidential succession is the power to declare what officer shall act as President when there is neither a functioning President nor a functioning Vice President. This would seem to deny Congressional power to deal with inability, because enumeration in the Constitution of certain powers denies all others unless incident to an express power or necessary to its execution—inclusio, unius, exclusio alterius.¹⁵²

¹⁴⁸ Kallenbach, Hearings, op. cit., supra, note 80, 83-90; Hoover, id. 2; Wilmerding, op. cit. supra note 42, 180n; Ruth C. Silva, The Presidential Succession Act of 1947, 47 Mich. L. Rev. 451-76 (1949); Silva, op. cit. supra note 56, 152-65 on policy of succession statutes.

¹⁴⁹ Joseph E. Kallenbach, Constitutional Limitations on Reeligibility of National and State Chief Executives, 45 Am. Pol. Sci. Rev. 438-54 (1952); Arthur E. Sutherland, The Bricker Amendment, 67 Harv. L. Rev. 281-92 (Dec. 1953). These are only part of a recent pattern of Congressional encroachment on the Executive—a pattern which has included the unconstitutional use of Congressional committees, of concurrent resolutions to evade possible Presidential vetoes, et cetera. For a study of the constitutional setting and the legal and political consequences of statutory provisions for control of the Executive, see Robert W. Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees, 66 Id. 509-611 (Feb. 1953).

¹⁵⁰ 85th Cong.: S. 238, PAYNE; H. R. 6510, KEATING; H. R. 7352, BURDICK; H. J. Res. 293, CELLER; and H. J. Res. 296, COLE.

¹⁵¹ 85th Cong.: S. J. Res. 100, FULBRIGHT; H. J. Res. 38, FRELINGHUYSEN; H. J. Res. 294, KEATING; H. J. Res. 295, CELLER; H. J. Res. 309, COLE; and H. J. Res. 334, KEATING.

¹⁵² United States v. Harris (106 U. S. 629, 635-36 (1883)); 3 Joseph Story, Commentaries on the Constitution of the United States, § 1243 (1833); 3 Westl. W. Willoughby, The Constitutional Law of the United States, 1467-68 (2d ed., 1929); Butler, op. cit. supra note 78, at 431-33; J. Hampden Daugherty, Presidential Succession Problems, 42 Forum 523, 525 (Dec., 1909); Davis, op. cit. supra note 78, 13-15; Urban A. Lavery, Presidential Inability, 8 A. B. A. J. 13-17 (Jan., 1922); Augustus H. Garland, 13 CONGRESSIONAL RECORD 139 (1881); William M. Evarts and John R. Eden, 17 Id. 248-49 (1885), 669 (1886); Charles F. Reavis, Hearings, op. cit. supra note 119, 32; Herbert Brownell and EMANUEL CELLER, Hearing, op. cit., supra, note 68, 16.

Even if Congress has power to legislate on the subject of Presidential inability,¹⁵³ that power is not without limitation. As previously indicated, a constitutional amendment would be required for the adoption of any plan which enlarged the Supreme Court's original jurisdiction, imposed nonjudicial functions on Federal judges, or obligated the courts to render advisory opinions or decide nonjusticiable questions. Similarly, a constitutional amendment would be necessary for the constitutional adequacy of any plan which restricted the Acting President's exercise of Presidential power.¹⁵⁴ Furthermore, a constitutional amendment would be required for the adoption of any plan vesting power to declare a President disabled in the courts, the Congress, an inability commission, or the Cabinet.

Since the Constitution seems to make the Vice President the sole judge of the President's disability,¹⁵⁵ he probably cannot be divested of this power without a constitutional amendment. When Brownell told the Celler subcommittee that the Vice President alone has the constitutional right to declare the President disabled and that intervention of the Cabinet or of an inability commission would require a constitutional amendment, both the chairman and the ranking minority member expressly agreed with the Attorney General. Moreover, no member of the subcommittee challenged his statement.¹⁵⁶ If

¹⁵³ It has been argued that the elastic clause gives Congress power to implement the inability clause. 2 John Randolph Tucker (a strict constructionist), The Constitution of the United States 713 (1899); Cooley, op. cit. supra note 101, 425-27; George Ticknor Curtis, Presidential Inability, 25 Harper's Weekly 583, 631 (1881); Samuel Shellabarger and John Davis Long quoted in New York Herald, Sept. 5, 1881, p. 8, cols. 1-2; A. Schoonmaker, Jr., id., Sept. 17, 1881, p. 6, cols. 1-2; George M. Robeson, New York Tribune, Sept. 2, 1881, p. 5, col. 1; Schuyler Colfax, id., Sept. 8, 1881, p. 5, col. 3; Samuel B. Maxey, 13 CONGRESSIONAL RECORD 131 (1881); John T. Morgan and Samuel B. Maxey, 14 Id. 882, 916 (1883); Martin B. Madden and John J. Rogers, Hearings, op. cit. supra note 119, 4, 32. Clifton N. McArthur thought the elastic clause gave Congress power to define inability just as it gave Congress power to define "interstate commerce" and "intoxicating liquor." Id. 35.

¹⁵⁴ It has been objected that Presidential appointees would be reluctant to declare a President disabled, lest the Acting President remove them from office. Consequently, section 8 of H. J. Res. 296, 85th Cong., forbids an Acting President to remove those Cabinet members (Secretaries of State, Treasury, and Defense) who participated in the decision except with the approval of a majority of the 6 Congressional members of the 10-member Commission on Presidential Disability. Enactment of this provision would require a constitutional amendment because it would constitute an unconstitutional limitation on the Acting President's removal power. *Myers v. United States* (272 U. S. 52 (1926)). See also *Porter v. Coble* (246 Fed. 244 (8th Cir., 1917)); *Shurtleff v. United States* (189 U. S. 311 (1903)); *Parsons v. United States* (167 U. S. 324 (1897)).

¹⁵⁵ See note 87, supra.

¹⁵⁶ Hearing, op. cit. supra note 68, 11-12, 20-23, and notes 83-88 supra. Prof. Edward S. Corwin has stated that the Constitution vests the Vice President with power to declare a President disabled. Corwin says he doubts that Congress has constitutional power to establish a method for determining inability but thinks that the elastic clause does empower Congress to designate some body to inquire into the facts of an alleged inability and report thereon to the Vice President in order to relieve the Vice President of the

¹⁴³ Loc. cit.

¹⁴⁴ New York Times, Mar. 31, 1957, p. 62, col. 6; id., Apr. 7, 1957, IV, p. 3, col. 1.

¹⁴⁵ Eisenhower, New York Times, Apr. 4, 1957, p. 17, col. 1; Brownell, Hearing, op. cit. supra note 68, 31.

¹⁴⁶ 61 U. S. Stat. 380 (1947), 3 U. S. C. § 20 (1952).

¹⁴⁷ James Reston, New York Times, Apr. 3, 1957, p. 17, col. 3.

these opinions are correct, the only plan which could be adopted without resort to constitutional amendment is the Celler plan, which merely clarifies what the Constitution appears already to provide—that the President or Vice President shall decide whether a disability exists.¹⁵⁷

Since the Celler plan would be declarative of old law rather than enactive of new law, the question of Congressional power to legislate on the subject is avoided and, consequently, a statute or even a mere concurrent resolution theoretically would be constitutionally sufficient to solve the disability problem. As a practical matter, however, the Presidential succession precedent makes it desirable to declare by constitutional amendment that the Vice President would merely act as President and would do so only until the actual President's disability is removed. If this declaration were embodied in a mere statute or concurrent resolution, questions would be raised about the constitutionality of that statute or resolution. The result is likely to be that no inability would ever be recognized because of doubt concerning the disabled President's constitutional right to resume the exercise of Presidential power upon removal of the disability.¹⁵⁸

CONCLUSION

Of the various inability plans now pending in Congress, Brownell's and Celler's seem to be superior to the others because their operation would not encroach upon the Presidency. These two plans are more similar than they may appear to be at first glance. Both would give express legal sanction to the Presidential succession precedent by stating that the Vice President shall become President in case of vacancy in the Presidential Office. Both would clarify that, in case of the President's inability, the Vice President would merely act as President and would so act only for the duration of the inability. Both would recognize the President's right to declare the existence and termination of his own disability. Finally, both provide that, if the President fails to make

embarrassment of taking the initiative. Presidential Inability, Nat'l Rev. (Nov. 26, 1955) 9-10. In a subsequent statement to the Celler subcommittee, however, Corwin took a confusing position. Although he argued that Congressional power is limited to providing for cases in which there is neither a functioning President nor a functioning Vice President, yet he suggested that Congress might designate some body such as the Cabinet or the National Security Council not only to raise the question of a President's inability but also to make the decision even when there is a functioning Vice President. Presidential Inability, op. cit. supra note 81, 16-17.

¹⁵⁷ See note 93 supra.

¹⁵⁸ It has been argued that, as the Constitution now stands, the Vice President must serve for the remainder of the disabled President's term and that a constitutional amendment would be absolutely necessary if the Vice President were to exercise Presidential power only for the duration of the inability. See, for example, Charles W. Jones, 13 Congressional Record 142-143, 191-193 (1881); John T. Morgan, 14 id. 691 (1882), 882, 884 (1883), 17 id. 224 (1885); Hannis Taylor, 57 id. 28 (1918); Abram J. Dittenhoeffer, New York Herald, Sept. 13, 1881, p. 5, cols. 1-2; Theodore W. Dwight, Presidential Inability, 133 No. Am. Rev. 436, 442-46 (1881). Regardless of its lack of merit, this interpretation of the succession clause has been so repeatedly and so persistently presented by respected constitutional lawyers that questions would surely be raised concerning the constitutionality of any statute which provided for the temporary devolution of Presidential power. See Brownell's comments, hearing, op. cit. supra note 68, 17-20.

this declaration, the Vice President shall have the primary responsibility to do so.

Although Brownell's proposal would require the Cabinet's confirmation of the Vice President's decision while Celler's would not, the two plans doubtless would operate alike in practice. In order to protect himself against accusations of usurpation, the Vice President would seek the Cabinet's approval before undertaking the exercise of Presidential power even if not legally required to do so. Surely no Vice President would assume Presidential power without the Cabinet's prior consent. Moreover, there is nothing in Celler's proposal to prevent the Cabinet from inviting the Vice President to act if he should fall to take the initiative, while Celler's plan has the theoretical advantage of not requiring a constitutional amendment. Either plan should be written into the Constitution if it is ever to be operative. For no disability is likely to be recognized unless the disabled President's constitutional right to resume the exercise of his power is beyond dispute. In summary, the two plans are very much alike except that Brownell's has the advantage of at least partially allaying the unfounded fears of the many who imagine that American Vice Presidents are potential tyrants lying in wait to seize power on the pretext of inability.

DEATH OF FORMER SENATOR LAWRENCE C. PHIPPS, OF COLORADO

Mr. ALLOTT. Mr. President, Colorado was saddened last week by the death of one of our great men and a great Senator. Death came to Lawrence C. Phipps on Saturday, March 1, closing a long life of public service and benefaction. Here in this Chamber, where he so often stood and where he zealously devoted himself to the service of his State and his country, I should like to recall today the highlights of his illustrious life.

Lawrence Cowle Phipps was born in Washington County, Pa., on August 30, 1862, the son of an English minister and his Scottish wife. After graduating from high school, he began a career that reads like an American legend. At age 16 he was employed in the Carnegie steel mills as a night weighing clerk. His salary was \$1 a night. Even with this inauspicious beginning, he was not long in attracting the notice of his supervisors, and then of Andrew Carnegie himself. Carnegie challenged him to rise as fast and as far as he could. By 1901, when the Carnegie Co. became the United States Steel Corp., he was vice president, treasurer, and one of the major owners of the Carnegie Co.

He retired at that time. The Phipps family then came to Denver, drawn to our climate by the ill health of his first wife. With his business career behind, he devoted his immense talents to promoting Colorado and its prosperity. One of his early acts of public benefaction was the foundation of the Agnes Memorial Sanatorium, named in honor of his wife. This institution stood on ground that has since become Lowry Air Force base. Senator Phipps' generous offer having allowed the Government to purchase it at less than the appraised price.

He was one of the active developers of the Moffat Road, which gave Denver a direct and adequate route to the Pacific

coast. The American Red Cross was one of his principal interests. When President Wilson made him a member of the National Finance Committee and chairman of the mountain division, he saw his area's quota oversubscribed by 236 percent. In order to encourage this result, he had matched every dollar contributed with 10 cents from his own funds.

He had long been interested in Republican politics, and was a close associate of Presidents Harding and Coolidge. When he ran for office himself for the first time in 1918, his many friends in Colorado were happy to elect him to the Senate. He served 2 terms, leaving the Senate in 1931.

Senator Phipps was determined to be guided in his actions and decisions by facts, not by emotions or pressures, and he could not be swayed from his convictions. He became one of the leading representatives of the West, and did much to make the particular needs and problems of our part of the country understood in the Congress. Some of the areas in which he did impressive work were appropriations, banking and currency, irrigation and reclamation, mines and mining, education and labor, post offices and post roads. National parks, oil and oil shale, postal salaries, irrigation and reclamations, and highways, came under his special attention, and his achievements in these fields were notable. He saw that the agricultural and mineral products of the West were in need of tariff protection equal to that afforded Eastern industries, and was one of those responsible for legislation on this subject.

In international affairs, he feared American involvement in European feuds, and preferred no participation in international agreements unless full justice was the sole basis of the arrangements. He favored the four-power pact, but opposed the League of Nations, fearing it left the United States no outlet from European entanglements.

When he retired from the Senate and returned to Denver, he played a less conspicuous part, but Colorado still continued to feel his influence. He was sought by business leaders for his advice, and he continued his charitable donations. Children's Hospital was a special concern of his, and many other institutions benefited from his generosity. In these benefactions he made only one restriction—his donation was to be kept secret. The building of Phipps Auditorium in Denver, which he gave to the city, was one effort for which he became well known. In 1948 he established the Lawrence Phipps Foundation, which has carried on his pattern of charitable giving, the principal beneficiaries being institutions in Colorado.

In recent years, his health failed, and his doctors advised him to live in California. He still considered Colorado his home, and Colorado happily continued to claim him as one of her notable citizens. When Senator Phipps celebrated his 95th birthday last August, he said he would live to see his 100th year. This was not to be. Last Wednesday he was laid to rest in the State he had loved and served so well.

He left behind him his wife, Margaret Rodgers Phipps, and three sons, Lawrence C., Jr., Allan R., and Gerald H., all of Denver. Two daughters, Mrs. Dorothy Garrett and Mrs. Donald C. Bromfield, are also Denver residents, and a third, Mrs. William White, lives in Haverford, Pa.

He leaves behind him, as well, a memory that will not soon grow dim. He will continue to live in the hearts of those who were helped or healed by his assistance. In the West, where we still profit from his pioneering work, he will be recalled for his share in establishing our national parks, our highways, and the reclamation projects that are vital to our economic life. He will be remembered in these halls as a courageous statesman, a loyal representative of his State, a generous friend and colleague. There are few men of whom these things can be said, and I am proud to be here today to pay the respect due to a noble Senator and a dear friend.

EDITORIAL ATTACKS ON JENNER BILL TO LIMIT SUPREME COURT JURISDICTION

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield the floor for 5 minutes to the Senator from Indiana [Mr. JENNER], and that I may regain the floor at the end of that time.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, I should like to read to the Senate an editorial which appeared in the Baltimore Sun, attacking S. 2646, my bill to take from the Supreme Court appellate jurisdiction on questions of protecting our country against Communist subversion. The editorial reads:

[From the Baltimore Sun of March 11, 1958]

THE JENNER BILL

The Jenner bill is an effort to clip the wings of the Supreme Court by denying it the power of reviewing certain types of cases involving the civil liberties. It is inspired by Senator JENNER's violent disagreement with a series of cases decided by the Supreme Court during the past year. The bill is a bad one, and it is being opposed by the American Bar Association, the Department of Justice, the deans of most American law schools and a host of distinguished and conservative practicing lawyers. We cite several of the arguments against the bill.

There have been many editorials on this subject, and this is typical of the attacks on the bill, so I want to read to the Senate the exact editorial. The editorial continues:

1. The power of judicial review is a necessity in a Federal union operating under a constitution. The discovery of this is our country's greatest contribution to the art of government. Only the Supreme Court can perform this necessary function.

2. With no court to interpret the law for the whole country, legal chaos would follow. Justice in one part of the country would not be justice in another.

3. Legislation of this sort, limiting the Supreme Court in specified areas, would strike at the independence of the judiciary. Once curbed in this way, the Supreme Court would lie under the threat of further curbs when-

ever it handed down an unpopular decision. Justice loses out when transient popularity becomes a consideration.

4. To cripple the power of review would be to enhance the legislative and executive authority and thus throw our system of checks and balances out of balance.

What Senator JENNER is doing is to lash out at an institution, an institution which has served us well, because he objects to some things that the institution has done. He has got the thing wrong way around. Every decision of the Supreme Court is, and should be, subjected to searching criticism. That is in the nature of legal decisions. If there weren't conflict in the first place, a case would never go to court; and judges can be wrong. But to strike at the Court itself because of disagreement with a handful of its acts is like tearing the telephone off the wall when one gets a wrong number.

On getting a wrong number, the sensible course is to try again. And though one says that Supreme Court decisions are "final," they certainly are not in the long view. On the whole, this paper applauds the findings of law in most of the decisions which Senator JENNER so ardently dislikes, while conceding that the Court has been altogether too lavish in tossing out dicta, in some cases has gone further than was required by the questions under test, and in some cases may be guilty of bad law as well. For all of these objections, there are remedies. Decisions handed down in the absence of statutory guidance can be modified by appropriate statutory guidance. Refinement of the decisions themselves can be, and is being, undertaken by way of lower courts. The Supreme Court itself can, as occasions present themselves, qualify in the light of criticism, generalizations going beyond the needs of a given case. It can even—and in the past often has—change its mind.

I continue to read from the editorial:

The law does not stand still. The decisions currently arousing so much controversy are not immutable. Men who think they have grounds for objection will do better to keep their attention focused on those "wrong numbers" (maybe even looking them up again), and leave the telephone intact.

To demonstrate what the press is doing to America, I wish to answer the editorial. I am a little surprised that the Baltimore Sun would publish such an editorial. I would not be surprised at what the New York Times might print, but usually the Baltimore Sun is a rather fair newspaper. I desire to answer the Baltimore Sun, the New York Times, the Washington Post and Times Herald, and many other newspapers which have contained articles and editorials which have appeared over the country and misinformed the people as to this very important question.

These arguments are typical of the arguments being used against the bill in many quarters.

I should like to answer this and all similar attacks.

The Sun has made a few mistakes in this editorial.

The category of cases with respect to which appellate jurisdiction of the Supreme Court would be affected by my bill, S. 2646, is not civil liberties, but subversion and communism.

The bill was not inspired by my disagreement with the decisions in the cases cited, but by my concern for the preservation of our form of government. I am concerned, not because the Supreme Court has been deciding cases against

me—I have not been a party to any cases before the Supreme Court—but because the Supreme Court has been making law, which it has no right to do, and the law it has been making has had a crippling effect on efforts to preserve the internal security of my country.

The Sun confuses the power of judicial review with appellate jurisdiction. The two are not the same. And when the Sun says "only the Supreme Court can perform this necessary function," the Sun is wrong again.

There is far more judicial review by lower courts than by the Supreme Court. The right of judicial review is not a right of the courts, but the right of an individual to be able to go into a court and have an impartial review by that court of any decision or action by which he has been injured.

Any lawyer knows that there is no "right" to any appellate procedure. The right of judicial review involves only the right to go into a single court. Any grant of a right to appeal to a higher court from the decision of a lower court is a matter of legislative grace, and can exist only because it has been granted by legislation.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. JENNER. Mr. President, will the Senator from New York yield to me for 2 or 3 additional minutes?

Mr. JAVITS. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator ask for time in his own right? How much time does the Senator desire?

Mr. JENNER. Mr. President, I ask unanimous consent that I may proceed for 3 or 4 more minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? Without objection, it is so ordered.

Mr. JENNER. Mr. President, the Sun says that "with no court to interpret the law for the whole country, legal chaos would follow. Justice in one part of the country would not be justice in another." The fact is that we have no court to interpret the law for the whole country today. The primary function of the Supreme Court of the United States is to decide constitutional questions. The Supreme Court has no original jurisdiction except in cases affecting ambassadors, other public ministers and consuls, and cases in which a State is a party. And all of the Court's appellate jurisdiction is subject to such exceptions and regulations as the Congress may make.

As for justice in one part of the country being justice in another—there is wide disparity today in many fields between the decisions of the various State courts. It is a part of the genius of our form of government that each State determines for itself matters of public policy within its borders—including how its laws shall be drawn, enforced, and interpreted. What is the law in California is not uniformly what the laws is in Indiana, and the Baltimore Sun should know that.

The Sun says my bill would "strike at the independence of the judiciary." The fact is that the bill could not hurt the Court or the Justices. The bill would not affect the pay or hours or volume of work of any judge. It would not hamper the Court in the performance of any of its work. It would only change the jurisdiction of the Court in certain respects. But the Court has no vested interest in having jurisdiction over any particular subject matter. This is, by the express terms of the Constitution, a political decision for the Congress to make.

The Sun reverts to its misconception that my bill would "cripple the power of review"; and then says that "to enhance the legislative and executive authority" would "throw our system of checks and balances out of balance." But this cannot be true if the "system" is already unbalanced as a result of unjustified incursions by the Supreme Court into the legislative and executive areas—and this is precisely the situation. My bill would push the Supreme Court back into its own sphere.

What the Sun is concerned with appears to be not preservation of a balance, but preservation of an imbalance—and an imbalance which leans toward the growth of strong centralized Federal Government and the withering away of States rights.

The Sun upbraids me for attacking an institution—and the Sun italicizes "institution." The Supreme Court is no more an institution than the Congress or the Senate, or the Presidency. Does the Sun think the Congress is above criticism? Or that the Presidency is? I cannot understand the significance of the Sun's use of the term "institution", as applied to an arm of the Government of the United States. I do, however, understand the Sun's viewpoint quite well if by "institution" the Sun really means "establishment"—and I suspect this is the situation.

The Sun tells me I may criticize individual decisions of the Supreme Court but should not act against the Court no matter what it does, any more than I should act against a telephone because I get a wrong number. But it is not the individual cases I am concerned with. In fact, my bill will not affect the decision in any of those cases. All of them will remain res adjudicata. What I am trying to do is to stop the Supreme Court from grabbing for power outside its own sphere, and seeking to subjugate one or another of the two branches of government which should be, under the Constitution, coordinate with it, and to tear from the States rights reserved to them when the Constitution was adopted and protected specifically under the 10th amendment.

This is not a case of getting a wrong number; this is a case of the telephone coming down off the wall and stirring the soup, beating the baby, lighting matches in the basement, and opening the back door to burglars.

The Sun may applaud, if it wishes—and it says it wishes—the findings in the line of Supreme Court cases which I have criticized, the cases through which the Court's judicial lawmaking has im-

pinged most harmfully upon the internal security of the United States. In every one of those cases, communism and subversion were arrayed against the Government of the United States, and the Government of the United States lost. In every one of those cases, the Constitution of the United States took a beating. I am more than willing to align myself with the Government of the United States and the Constitution of the United States, against communism and subversion, even though this means I shall lack the applause of the Baltimore Sun.

Mr. JAVITS subsequently said: Mr. President, I heard with great interest the speech delivered this morning by the Senator from Indiana [Mr. JENNER] with reference to his bill seeking to curb the appellant jurisdiction of the Supreme Court. I regret very much that the Senator from Indiana is not in the Chamber at the moment.

As a lawyer and former attorney general of the State of New York, I feel that the enactment of the bill would be a great disservice to our country. I oppose it, and shall, at the proper time, more fully detail my views upon the subject. In the meantime I ask unanimous consent to have printed in the RECORD at this point a letter entitled "Upholding Supreme Court," published in the Christian Science Monitor. It was written by Harry J. Carman, cochairman, American Liberal Association.

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

UPHOLDING SUPREME COURT

TO THE CHRISTIAN SCIENCE MONITOR:

The American Liberal Association is deeply concerned with the attacks recently made on the Supreme Court of the United States. The Court is frequently called upon to adjudicate difficult legal issues which involve divisive social or economic problems. We understand the basis for the differing opinions concerning these decisions. Although no institution of our Government, including the judiciary, should be beyond the reach of criticism, the attacks upon the Supreme Court have been so reckless and disrespectful of its proper functions and necessary role as to affect the orderly acceptance of its decisions.

It has been the historic responsibility of the Supreme Court to sit in final judgment upon cases which lie within areas of popular disagreement and thereby to interpret and clarify the law of the land in support of our supreme law, the Constitution. The current attacks ignore the accepted fact that a decision of the Supreme Court is an authoritative statement of what is the law of the Constitution. If the rule of law, so basic in any society and revered in ours, is to stand, this law must be respected and obeyed.

Moreover, in a governmental structure of dual sovereignties, Federal and State, there must be a final arbiter of the constitutional area of each; without that single voice the Union could fall to pieces through the dispersal of conflicting powers. There are peaceful and proper ways of changing the law as by constitutional amendment or persuading the Court to modify its interpretation.

The American people should realize the danger in these unwarranted and abusive attacks on the Supreme Court and should rally to its support, not as an indication of agreement with any particular verdict but

with the deep conviction that the maintenance of order under law is necessary in every civilized society.

HARRY J. CARMAN,
Cochairman, American Liberal
Association.

NEW YORK, N. Y.

IMPLICATIONS OF THE RECESSION

Mr. PROXMIRE. Mr. President, the distinguished junior Senator from Montana [Mr. MANSFIELD] has written an article which appeared in last night's Washington Evening Star in the Statesmen's Series currently being conducted by columnist Thomas L. Stokes. In this article Senator MANSFIELD discusses the implications of the recession with remarkable clarity and perception.

Mr. President, I think it is very important that among the most serious implications of this recession is the extremely serious danger this constitutes to world peace. I quote two short paragraphs from Senator MANSFIELD's splendid article to underline the serious consequences of this recession if it is allowed to continue:

The United States is at the center of the complex Free-World trading relations. Any prolonged slump in this country will hit others many times harder than it hits us. It will jeopardize their free existence and propel them into a desperate rivalry for trade wherever they can find it.

If that happens, what will be the impact on the defense and political arrangements which sustain freedom in the world? With people abroad, as with people at home, spuds are likely to become more important than sputniks. In short, any prolonged slump in this country is bound to wreak havoc with the position of the United States and freedom in the world.

Mr. President, I ask unanimous consent that the text of this article by the Senator from Montana appear in the RECORD following my remarks.

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

IMPLICATIONS OF THE RECESSION—INJURY TO POLITICAL AND ECONOMIC TIES FOR PEACE FEARED AS SLUMP SPREADS

(By MIKE MANSFIELD, United States Senator from Montana)

A friend of mine said to me recently, "The people back home are more concerned with spuds than they are with sputniks." It was his way of pointing to the economic recession that has been spreading through the Nation and to the fact that it is beginning to take precedence over foreign policy questions in people's minds.

The man happened to be talking about people in Montana. He might just as well have had in mind people in Michigan, Pennsylvania, Oregon, Maine or a dozen other States. To date, the recession has hit hardest at mining, timbering and heavy industrial areas. Its effects, however, are felt throughout the Nation.

We shall not gain anything by wringing our hands in despair over this situation. Neither shall we gain anything by whistling in the dark. The important thing is for the administration to take an honest look at where the Nation's economy stands and to do something constructive about it.

That is what has not yet been done. The administration is still waiting and hoping for things to get better instead of acting to make them better. It is all very well to hope for an upturn, but in the meantime the recession

has produced anxiety and suffering in the Nation. Millions of families have felt its effects in unemployment, declining take-home pay and disappearing profits.

It has resulted in the loss to the Nation of hundreds of millions of hours of productive labor that can never be recouped. It has cost millions of tons of steel, millions of feet of timber, millions of pounds of copper, refrigerators, automobiles, and washing machines. All of these and countless other products could have been added to the Nation's supply in the past few months. With industries shut down or on short schedules, they were simply not produced. As a result, prices stay high or go higher in the face of shrinking demand.

These effects of the recession are close at hand. They are readily seen by anyone who has not been blinded by his own irresponsible optimism. What is not so apparent are the potential international implications of the recession. People at home cannot be expected to concentrate on long-range international problems when the installment collector is knocking at the door. The administration's obvious concern with foreign aid and reciprocal trade programs is not going to impress them very deeply when the same administration whistles off domestic economic problems.

Nor is that the only adverse international consequence of the recession. The free nations are now knit together in various defense and political arrangements to safeguard peace. We need these ties for our national security, and we need them for the foreign trade they make possible. In 1957, for example, our exports amounted to almost \$20 billion, not an insignificant part of the national income. Moreover, while this trade is important to this country, it is a matter of desperate necessity to some of the nations that are closest to us.

The United States is at the center of the complex Free-World trading relations. Any prolonged slump in this country will hit others many times harder than it hits us. It will jeopardize their free existence and propel them into a desperate rivalry for trade wherever they can find it.

If that happens, what will be the impact on the defense and political arrangements which sustain freedom in the world? With people abroad as with people at home, spuds are likely to become more important than sputniks. In short, any prolonged slump in this country is bound to wreak havoc with the position of the United States and freedom in the world.

CHALLENGE TO SECRETARY OF AGRICULTURE BENSON BY SENATOR PROXMIRE TO DEBATE FARM POLICY.

Mr. PROXMIRE. Mr. President, I regret to report that the Secretary of Agriculture has sent me a flat refusal in response to my challenge to him to debate the farm policy question.

It will be recalled that an editorial in the New York Times last week declared that it was doubtful that any of Mr. Benson's critics could be found who would be willing to debate the Secretary in public.

I accepted this challenge, and invited Secretary Benson to debate the farm question with me "any place, any time, before any group, and under any circumstances" he might choose.

I am very much disappointed that Secretary Benson has refused to accept the implicit suggestion of the New York Times. The country urgently needs a full, free, well-reported, two-sided de-

bate of the national farm policy with Secretary Benson himself personally involved.

Mr. Benson has spent more of the taxpayers' money on travel and printing costs to publicize his own side of the argument than any other Secretary of Agriculture in all history. He has made more speeches than any other member of President Eisenhower's Cabinet—perhaps more than any other single Cabinet officer of all time.

I am positive that if any representative group of Americans—be they farmers, workers, businessmen, or housewives—should hear such a debate they would agree that the policies of Secretary Benson were extremely damaging to our whole economy.

I am sure, of course, that Secretary Benson disagrees. It is too bad that the refusal of Secretary Benson makes it impossible for the public to decide.

Secretary Benson's letter to me, dated March 11, 1958, is as follows:

DEAR SENATOR PROXMIRE: Thank you for your offer to debate the farm situation, but as you know, I am discussing the farm situation every day, and my views are pretty well known.

Sincerely yours,

E. T. BENSON.

I now wish to discuss another subject. The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

THE PARADOX OF RISING PRICES AND INCREASING UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, in my remarks yesterday concluding the arguments in favor of the Monroney amendment, I pointed out that one of the greatest puzzles for the American people is how prices can be rising when unemployment is increasing and we are having to take extraordinary measures to get the economy back on the rails. I wish to return to that paradox today.

There were two stories in yesterday's New York Times which ought to be put together and considered closely. One was the lead story on the first page. I quote the first paragraph only:

Unemployment rose in February to 5,173,000, a postwar record and the largest since 1941, the Labor and Commerce Department reported today.

The second story was inside the paper, on the financial page.

Here is the first paragraph:

Investors added one Washington indication to another yesterday, decided that inflation was just around the corner, and reached for the stocks best calculated to serve as hedges.

Mr. President, the gentlemen who operate in the stock market are realists. They win or lose on their ability to predict what is going to happen in the economy. What they are predicting now is inflation. Considering the fact that we have had inflation steadily in the midst of recession, it does not seem farfetched to predict inflation when we regain prosperity.

It is time, I think, to sound a solemn warning. Unless we can do something to head off inflation, all our best efforts, and the wealth of the American people

which we commit when we make appropriations, can go for nothing. Inflation is a great blotter that can soak up, almost instantly, any amount of purchasing power that our recovery program creates. We can find that we are getting the same amount of employment and business activity for a larger amount of money.

That is why I supported the Monroney amendment yesterday. I did not want to vote inflation along with an emergency housing appropriation.

So I rise to point the paradox and raise the alarm. We are in the midst of a very peculiar recession, in which men are unemployed, farm prices go down, small businesses fold up—but the general price level does not go down, it goes up. Now the gentlemen who know these things scent more inflation in the air. When they lift their keen noses it is wise for all of us to look where they are pointing.

THE UNEMPLOYMENT SITUATION

Mr. BIBLE. Mr. President, during the past few weeks many thousand words have been spoken and many more thousands of words have been printed relative to the economic crisis our country is facing today. Let me make myself clear, here and now, that there is good and sufficient reason for these utterances and these writings as the economy of our country is in serious straits.

Figures revealed by the administration and printed in Tuesday's issue of the Washington Post show that 5,173,000 persons were unemployed in February, the highest number in 16 years. The statistics also show that the trend is upward, in that the figure had increased 679,000 persons over the previous month.

This great unemployment is not the result of layoffs and curtailments in certain industries or in certain geographical areas. The condition is general throughout the entire country. Nearly every productive industry of our Nation has been sorely hit.

I have only to point to my State, Nevada, where the situation has become most serious. Every day I receive letters and calls from companies seeking my aid, assistance, and advice. Every day I receive letters from individuals asking if I can help them in some way to get part-time work so they can feed their children.

Figures I have received from Nevada show that in January 1958, unemployment was up 78 percent over the year before, and 30.3 percent over the previous month. Approximately 10 percent of the wage earners in Nevada are without jobs. Many others are working on a part-time basis. Unemployment payments are the highest in the history of the State. The trend of unemployment is up—there seems to be no sign of a leveling off.

One of the greatest factors in Nevada unemployment is the almost complete collapse of the mining industry. Because our domestic mines cannot compete with cheaply produced foreign ores they have been forced to curtail their operations or shut down completely. These shut-downs not only affect the mines, but mills, equipment dealers, auto dealers,

grocerymen, and other merchants in the areas where the mines are located. The closing of a mine acts like the proverbial snowball rolling downhill. No matter how large or how small the mine, the unemployment results continue to grow and grow.

Nevada is not unique in this situation—it has happened in every State where mining plays a part in the economy.

On February 26 of this year the governors from the 11 Western States met in Colorado Springs, Colo., to discuss mutual problems.

These governors face every day the problems we talk about here. They have an up-to-the-minute knowledge of the conditions as they exist. One of the problems discussed at the meeting was the mining situation, and as a result of that discussion a resolution was adopted setting forth their collective views.

Mr. President, I ask unanimous consent to have the resolution on metals and mineral mining adopted by the western governors appear in the RECORD at this point in my remarks.

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

METAL AND MINERAL—RESOLUTION ADOPTED BY WESTERN GOVERNORS' BUSINESS SESSION

Whereas in the last 20 years the United States has changed from almost complete self-sufficiency in nonferrous metals to almost 50 percent dependence on foreign supplies; and

Whereas in the same 20 years tariffs have been reduced both by actual reduction of rates and by internal inflation of the currency by from 60 to 80 percent so that they are now almost universally below 10 percent ad valorem; and

Whereas during that period mining costs have risen to 3 to 4½ times the 1938 level while prices have risen only to 2 to 2½ times 1938 prices; and

Whereas the world mining industry has supplied all the metals and minerals for two wars and the United States Government stockpiles; and

Whereas those stockpiles are now filled and the productive capacity which supplied metals and minerals for those stockpiles is no longer needed; and

Whereas while much of this capacity was built in foreign countries with United States Government encouragement most of the portion which will have to close because of high costs lies within the United States; and

Whereas foreign metals and minerals now enjoy about one-half of the United States market and unless adequate steps are taken they will take over much of the remaining one-half now supplied by domestic producers; and

Whereas it is self-evident that domestic mining cannot long survive unless it is assured its fair share of the domestic market on a reasonably long-term basis; and

Whereas the internal economic health of most of the Western States is heavily dependent on the dollars brought into those States by the export of metals and minerals and those few Western States not so directly dependent on the mineral industry are directly affected by the economic health of the adjoining States who are more dependent on the industries; and

Whereas much of the tax income on which the Western State governments operate is derived directly or indirectly from the mineral industry; and

Whereas it is day by day becoming more apparent that in the event of another na-

tional emergency no appreciable amounts of any metal or mineral will be available from overseas sources and if the Eastern States are to have metals for the manufacture of munitions and essential civilian requirements they must come from the West and from Canada and Mexico; and

Whereas, should such an emergency result in the use of atomic weapons, the amounts of metals and minerals required for minimum reconstruction would be far beyond any currently available supply: Now therefore, be it

Resolved, That the maintenance of a healthy metal and mineral mining industry in the Western States is of the utmost economic importance to those States both for themselves and as major markets for eastern manufacturers, as well as being of the utmost importance to the national security, and such a healthy industry may best be maintained by—

1. Joint action by the administration and the Interior and Insular Affairs Committees of both Houses and the Congress is adopting and implementing a national minerals policy without delay; and by

2. The Ways and Means Committee of the House of Representatives and the Senate Finance Committee taking all steps which may be needed to assure to the domestic mining industry at least one-half of the domestic market or the present proportion of the domestic market (whichever is higher) either by adequate tariffs, excise taxes, or quotas or allocation of import receipts or such combination as may be most suitable whenever an individual metal or mining industry has shown it can reach such levels.

More specifically it is recommended:

As to lead, zinc, tungsten, and mercury, the Tariff Commission take early and favorable action.

As to copper, lead, and zinc, the Congress approve pending industry legislation, and that the Tariff Commission approve applications for tariff relief now pending before that Commission.

As to cobalt, tungsten, mercury, fluorspar, columbium (and possibly manganese), the House Ways and Means Committee approve legislation providing sufficient import control to maintain present domestic levels of production.

As to antimony, chrome, asbestos (and possibly manganese), the House Ways and Means Committee to approve legislation allocating import receipts to maintain a minimum nucleus of production in these metals.

As to thorium, the Atomic Energy Commission either to provide a purchase program or release it from Government control and cease the purchase of foreign monazite at the expense of closing domestic mines.

As to uranium, the Atomic Energy Commission refrain from purchasing high-cost foreign production while limiting production domestically. We urge and request that action be taken to locate adequate purchasing depots and milling facilities sufficiently close to ore reserves and stockpiles in order to decrease the costs of transportation to producers and to the Government.

As to gold and silver, grant to United States citizens the same right to own gold as granted to foreign governments and an increase in the depletion rate from 15 to 23 percent.

Mr. BIBLE. Mr. President, it would be well for all of us to pay particular heed to the resolution of the governors. Their firsthand knowledge of the situation in the various States is invaluable in helping us chart the course to recovery.

Mining, while only one segment of our Nation's economy, is a basic segment.

This industry, which provides the raw materials for the Nation's manufacturing, in peace and in war, must remain strong and be ever ready to produce.

Positive governmental action to aid the mining industry is needed to furnish the basis for long-range planning, for it is in mining and the other basic industries that an end to the current recession must be accomplished.

DISCRIMINATION IN EMPLOYMENT BECAUSE OF AGE

Mr. JAVITS. Mr. President, on Tuesday evening the great national organization, the Fraternal Order of Eagles, held a reception at the Hotel Statler in Washington for national officers and others who had worked in a great campaign, in which there had been gathered an estimated 800,000 signatures from members of the organization throughout the United States, in support of the effort of myself, the Senator from Oregon [Mr. NEUBERGER], my distinguished colleague [Mr. IVES], and other Members of Congress, to prevent the denial of opportunity of jobs to those over 40.

The outpouring of signatures was fantastic, and I ask unanimous consent that there may be printed in the RECORD a summary of the signatures, by States, totaling 671,246.

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

Jobs after 40—totals by States

	Total
Alaska	625
Canada	226
Hawaii	279
Alabama	1,987
Arizona	5,200
Arkansas	1,867
California	41,817
Colorado	10,532
Connecticut	6,110
Delaware	650
District of Columbia	171
Florida	1,201
Georgia	579
Idaho	5,096
Illinois	56,459
Indiana	33,231
Iowa	14,399
Kansas	9,173
Kentucky	1,950
Louisiana	473
Maine	4,406
Maryland	8,859
Massachusetts	14,387
Michigan	47,407
Minnesota	11,669
Missouri	8,737
Montana	6,717
Nebraska	9,140
Nevada	8,366
New Hampshire	2,502
New Mexico	45
New Jersey	8,402
New York	17,359
North Dakota	6,535
Ohio	93,772
Oklahoma	109
Oregon	21,585
Pennsylvania	61,471
Rhode Island	2,391
South Dakota	1,391
Tennessee	4,256
Texas	14,566
Utah	5,061
Vermont	2,357
Virginia	3,178
Washington	54,313

Jobs after 40—totals by States—Continued

	Total
West Virginia.....	8,575
Wisconsin.....	37,875
Wyoming.....	11,094
Total.....	668,560
Petitions, Mar. 7.....	2,686
Grand total.....	671,246

Mr. JAVITS. The part in this effort which I am playing, and which I have the great honor to share with my colleague from Oregon and other Senators, is to work hard for a bill which deals with the effort to prohibit discrimination in employment on the ground of age. It is S. 1073, sponsored by my senior colleague from New York [Mr. Ives], the Senator from Maine [Mr. Payne], the Senator from Kentucky [Mr. Morton], and myself.

At present only five States have statutes on their books against age discrimination in employment. They are Massachusetts, Pennsylvania, Colorado, Louisiana, and Rhode Island.

We realize that in the present recession those over 45 are likely to be the first to be laid off from employment, and we also know of the indispensable need for skill and experience, and that there is a tremendous need for the services of these older persons in our country. We also know that this skilled labor force has time and time again been called upon in the course of national need. Therefore I am grateful to the Eagles for their campaign.

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

Mr. JAVITS. I yield.

Mr. NEUBERGER. It is a pleasure to be associated with the distinguished Senator from New York in the effort to prevent discrimination, merely because of age, against men and women seeking jobs. The Senator from New York has suggested that very comprehensive legislation should be enacted in this field. Following his lead, I have proposed the enactment of legislation which in principle is essentially similar to that suggested by the Senator from New York, but that, as a beginning, will apply only in the field of Government contracts and Government procurement of supplies. I believe that would be a very encouraging start.

For example, the Federal budget now totals approximately \$73 billion every fiscal year. I am informed that the Defense Department alone has entered into contracts which provide for expenditures totaling the huge sum of \$19,100,000,000 during the current fiscal year. These funds will be sufficient to provide for the employment of hundreds of thousands, if not millions, of workers. If we could start in this very large and vital area to provide by law that no person shall be denied a job in the supplying of a governmental need or in the filling of a Government contract merely because of his or her age, we would achieve a great step toward social justice.

I wish to join the Senator from New York in commending the Fraternal Order of Eagles for taking the lead in pioneering this particular proposed legis-

lation. If I am not mistaken, the Fraternal Order of Eagles was the first large organization in our country to suggest that the original Social Security Act be adopted. That great program protects all men and women in their later years against poverty and against the shame and degradation of the poorhouse. The Eagles are acting in consonance with the leadership they showed in the field of social security when they take the leadership in working with Senators like the Senator from New York and a great many other able Members of the Senate in seeking to prevent discrimination because of age in the procurement of work.

To demonstrate the need for this type of legislation, I should like to read two paragraphs from a monumental study entitled "Economic Needs of Older People," by John J. Corson, former Director of the Bureau of Old Age and Survivors Insurance, and Prof. John W. McConnell, Cornell's dean of graduate studies. This is what these eminent men said in their authoritative report published by the 20th Century Fund in 1956:

Unemployment is at a minimum at ages 35-44, and rises gradually between 45 and 64. Unemployment figures for men aged 65 or over understate the extent of unemployment and reflect the tendency of older unemployed men to withdraw from the labor force.

Once unemployed, older workers remain out of work longer than younger workers. The 1940 census, for example, showed a higher percentage of unemployed wage and salaried workers aged 65 or over who had been out of work for more than 2 years than of unemployed workers under age 45. The similarity between experience in 1940, when unemployment was substantial, and in 1950, when it was unusually low, reinforces the correlation between age and length of unemployment.

Mr. President, for these and many other reasons I am pleased and proud to join with my colleague, the distinguished junior Senator from New York, in this very vital and urgent cause of jobs after the age of 40.

Mr. JAVITS. I thank the distinguished Senator from Oregon.

Mr. President, I ask unanimous consent that a statement by the Fraternal Order of Eagles on this subject may be printed at this point in the RECORD.

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

AVALANCHE OF PETITIONS FROM FRATERNAL ORDER OF EAGLES ASKS END OF EMPLOYMENT DISCRIMINATION AGAINST PERSONS OVER 40

WASHINGTON, D. C.—A strong case for legislation to ban discrimination because of age in hiring of persons by Government contractors was made today when petitions signed by 671,328 persons and circulated by members of the Fraternal Order of Eagles were presented to Senators and Representatives interested in the organization's "jobs over 40" campaign now before Congress.

Petitions from each of the 48 States, Alaska, Hawaii, and the District of Columbia were presented to legislators at ceremonies in the Hotel Statler by Judge Robert W. Hansen, of Milwaukee, Wis., chairman of the national program of the Fraternal Order of Eagles. The national organization, which was instrumental in the drive for original passage of the Social Security Act in the

1930's and other welfare measures, has undertaken a campaign to eliminate age discrimination in employment as "an unwarranted practice which is depriving thousands of physically sound, skilled, and experienced workers of the means of a livelihood," Hansen said.

"This is a tragic waste of manpower in the American economy," he added.

Judge Hansen said need for abolishing job restrictions against persons over 40 is reflected in a report of the United States Employment Service showing that more than half of all employment openings specify upper-age limitations. The Eagles' "jobs after 40" campaign, Hansen said, was started as "a resolute affirmation of the right of every person, regardless of his or her age, to equal opportunity in employment."

The petitions signed by 671,328 persons are "evidence of public interest in the problem of age discrimination by employers, and the desire for immediate corrective legislation," Hansen added. Petitions included signatures of 93,772 persons from Ohio; 61,471 from Pennsylvania; 56,459 from Illinois; 54,313 from Washington; 47,707 from Michigan; 41,817 from California; 37,875 from Wisconsin; 33,231 from Indiana; 21,585 from Oregon; 17,359 from New York.

Efforts of the Eagles to obtain enactment of legislation to wipe out age barriers center around bills introduced in the Senate by Senators RICHARD L. NEUBERGER, Democrat, of Oregon, and JACOB JAVITS, Republican, of New York, and a group of cosponsors; and a number of companion bills introduced in the House of Representatives by Representatives AL ULLMAN, Democrat, of Oregon; CHARLES O. PORTER, Democrat, of Oregon; HENRY S. REUSS, Democrat, of Wisconsin; JOHN B. BENNETT, Republican, of Michigan; BARRATT O'HARA, Democrat, of Illinois; ARCH A. MOORE, JR., Republican, of West Virginia; CLEMENT J. ZABLOCKI, Democrat, of Wisconsin; MELVIN PRICE, Democrat, of Illinois; WILLIAM G. BRAY, Republican, of Indiana; HAROLD R. COLLIER, Republican, of Illinois.

S. 3188, a bill introduced by Senator NEUBERGER, of Oregon, and nine cosponsors, would amend regulations governing terms of contracts with agencies of the Federal Government so as to forbid contractors from imposing any requirement of maximum age when hiring workers. The objectives of the Neuberger bill have been endorsed by the Eagles. NEUBERGER was joined in sponsoring the bill by Senators WAYNE MORSE, Democrat, of Oregon; HUBERT HUMPHREY, Democrat, of Minnesota; MIKE MANSFIELD, Democrat, of Montana; ESTES KEFAUVER, Democrat, of Tennessee; PAUL DOUGLAS, Democrat, of Illinois; WARREN G. MAGNUSON, Democrat, of Washington; JOHN CARROLL, Democrat, of Colorado; WILLIAM PROXMIRE, Democrat, of Wisconsin, and RALPH W. YARBOROUGH, Democrat, of Texas.

Senator JAVITS also has introduced a bill (S. 3433) prohibiting age discrimination by Federal contractors and another bill of broader coverage (S. 1073), cosponsored by Senators IRVING M. IVES, Republican, of New York; FREDERICK G. PAYNE, Republican, of Maine, and THRUSTON B. MORTON, Republican, of Kentucky, establishing a national act against age discrimination in employment banning age limits in other categories of business, trade, and commerce.

Mr. JAVITS. Mr. President, I call attention to the fact that petitions signed by about 500,000 adult Americans are available in the Senate Chamber.

Mr. NEUBERGER. Mr. President, I might add that the petitions from the Eagles show a very impressive total, too.

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

Mr. JAVITS. I shall be glad to yield if my time has not expired.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

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

Mr. JAVITS. I yield.

Mr. BIBLE. I have listened with great interest to the speech just made by the Senator from New York, concurred in by the Senator from Oregon, concerning the very worthy project of "jobs after 40," a project sponsored primarily by the Fraternal Order of Eagles. Certainly efforts along this line are steps in the right direction. I am proud that my State of Nevada ranks second to the State of Montana among the States which were the first to enact old-age assistance laws, sponsored originally by the Fraternal Order of Eagles. Nevada lost the honor of being the first only by minutes. That was many years ago, prior to the conception of social security.

The Fraternal Order of Eagles is to be commended for its work in the old-age assistance and social security fields. This step in the direction of providing jobs after 40 is worthwhile. I am proud to be a lifelong member of the Order of Eagles. I think it is one order which actually gets things done. I join with my colleagues from New York and Oregon in their commendation of the Eagles.

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

Mr. JAVITS. I yield.

Mr. NEUBERGER. I, too, share with the able Senator from Nevada membership in the Fraternal Order of Eagles. I wish I could say that my State of Oregon was among the five in the list enumerated by the Senator from New York which had adopted legislation to prevent discrimination because of a person's age. As a member of the Oregon State Senate, I sponsored such a bill, but, alas, it failed to become law.

However, I have rejoiced that my State, together with Nevada and other States, has enacted enlightened legislation in the field of old-age assistance so as to help take care of men and women in the later years of their lives.

Mr. CLARK. Mr. President, I associate myself with the remarks just made by the distinguished junior Senator from New York, the distinguished junior Senator from Oregon, and the distinguished junior Senator from Nevada concerning the fine work which the Eagles are doing to bring about the enactment of legislation designed to protect the employment rights of the elderly.

I was happy to hear my friend from New York list Pennsylvania as one of the States which have taken at least some type of appropriate action. It may be only a coincidence, but, on the other hand, there may be a cause and effect relationship, that the present president of the national Eagles group is Maurice Splain, who was the chairman of the Democratic State Committee of Penn-

sylvania at the time, I believe, when the legislation of that State was enacted.

Mr. President—

The PRESIDING OFFICER. The Senator from Pennsylvania.

PROPOSED EXTENSION OF EAST FRONT OF THE CAPITOL

Mr. CLARK. Mr. President, an interesting debate took place in the Chamber a few days ago concerning the east front of the Capitol. We who felt that a serious mistake was being made in permitting the existing authorization to extend the east front 32 feet 6 inches to continue in effect were defeated in an effort to suspend the rule in order to attempt to provide legislation to stop that activity. However, we have not given up.

This morning the New York Times has published an excellent editorial entitled "Thirty-two Feet Six Inches." I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

[From the New York Times of March 13, 1958]

THIRTY-TWO FEET SIX INCHES

To gain 32½ feet of space at a cost of more than \$10 million the Commission for Extension of the United States Capitol under whiplash of Speaker SAM RAYBURN is going doggedly ahead with its plan to vandalize the oldest part of this beautiful and historic building.

The Commission is doing this despite the fact that some of the most prominent architectural spokesmen in the country—including the American Institute of Architects—are vehemently against the plan. A Senate committee has tried to halt the plan, the House has held no hearings on the plan, and practically nobody except Mr. RAYBURN and his so-called Architect of the Capitol (who is no architect) can be found in favor of the plan.

But because Congress without thinking and virtually without debate did appropriate the necessary funds in 1955 and 1956, the Commission has the power to proceed—unless legislation is passed to stop it. Even if the Senate should approve its Public Works Committee's bill to reconsider the proposed rebuilding of the east front—and an abortive effort to achieve this end by means of a rider was blocked a couple of days ago—there would still remain the insurmountable obstacle of getting such a measure through the House over Mr. RAYBURN's veto. Such is the influence of the Speaker on matters like this that House bills to block the project can't even obtain consideration in committee.

The responsibility is thus thrown squarely on the Commission. In addition to Mr. Rayburn and Capitol Architect J. George Stewart the Commission consists of House Minority Leader Joseph W. Martin, Jr., who is known to have opposed the plan, Vice President Nixon and Senator Knowland. It seems to us that it's up to the last two gentlemen to join with Mr. Martin and out-vote Messrs. Rayburn and Stewart in order to prevent a senseless desecration of the Nation's most historic monument. And if they're going to do it, they'd better do it soon.

Mr. CLARK. Mr. President, the editorial points out that S. 2883, which is now on the calendar, with an amendment sponsored by me and a number of other Senators, should promptly be called up for action. I hope the majority leader

and the minority leader will agree to take that position, so that the question may be debated and the Senate may vote its own views about extending the east front of the Capitol.

But the editorial also makes this suggestion, which I call to the attention of the minority leader through his substitute, the distinguished junior Senator from New York [Mr. JAVITS], whom I see sitting in the minority leader's chair, and also to the attention of the Vice President, whom we were all so happy and pleased to see in the chair yesterday afternoon, even though the action which he took while he was there did not happen to meet with my personal approval.

The editorial suggests that the Vice President and the minority leader of the Senate should convene another meeting of the Capitol Commission and add their votes, in opposition to this quite unwise proposal, to the already existing vote of Representative MARTIN, and thus take, by administrative action, a step which would make unnecessary the long, hard legislative process which will confront us if we desire to go along with all the architects and historians who feel that a great mistake is about to be made.

Mr. President—

The PRESIDING OFFICER. The Senator from Pennsylvania.

FOREIGN AID

Mr. CLARK. Mr. President, we have heard so much ridicule, so many smears, and so many slogans as a substitute for thought in opposition to the mutual security program that I think it is time a few of us who sponsor and favor that program as being vital to the interests of American national security and defense, and a wonderful expression of the compassionate feeling of a great and rich Nation toward its poorer less fortunate companions overseas, should come to the defense of that program.

I ask unanimous consent that two splendid editorials, one entitled "Foreign Aid Facts," published in the Philadelphia Evening Bulletin, and the other entitled "Grass, Bathtubs, and Foreign Aid," published in the Philadelphia Inquirer, may be printed at this point in the RECORD.

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

[From the Philadelphia Evening Bulletin]

FOREIGN AID FACTS

Ridicule, smears, and slogans are the chief weapons used by opponents of foreign aid. They cost little and are effective. Striped pants for Greek undertakers and bathhouses for Egyptian camel drivers are catchy stories that make a hit with those who persist in believing the foreign-aid program is a useless giveaway.

James H. Smith, Jr., the program's director, debunked with facts some of these tales of waste.

In an enterprise that spends billions every year some mistakes are bound to be made. Economic aid to undeveloped nations is comparatively new to our Government. Miscalculations and waste creep into domestic programs of the Government and are certain when this country is working in a foreign field.

But however funny and wasteful mistakes may be, they do not add up to an argument

for rejection of the entire program. They do call for a tightening of the administration of foreign assistance when they are based on facts and not fancies. Military and economic aid to our allies and friendly nations is too important to our national safety to be wrecked by distortion of details.

[From the Philadelphia Inquirer]

GRASS, BATHTUBS, AND FOREIGN AID

Critics of the foreign aid program who have resorted to charging that American dollars were being spent for such ridiculous projects as camel drivers' bathtubs no doubt have intended their attacks to build up resentment against the whole concept of American assistance abroad.

But, as a result of the blunt defense of James H. Smith, Jr., Director of the International Cooperation Administration, before a House committee this week, the critics' tactics may, in the end, contribute to better understanding of economic aid to other countries.

"Bathtubs for Egyptian camel drivers" was, of course, a slight overstatement of what was going on. Smith, however, freely conceded that American funds had been spent for a public health program to stamp out hookworm, and camel drivers could use the facilities, like anybody else.

Smith also answered other criticisms. Iceboxes for Eskimos, the ICA had no aid program for Eskimos, hence no iceboxes. Lawns for the people of Lebanon? Not exactly, but ICA did aid in a project to plant grass to prevent erosion, one of the major problems in a desert land where good soil is rare and vitally important. Flying Arabs to Mecca. Yes, when Arab transportation broke down in 1952, the State Department and Air Force supplied planes to take Arabs to their holy city—and were paid regular commercial rates.

The point about these projects, on the surface so easy to ridicule, is that they make sense from the standpoint of the people receiving aid. A health project excluding camel drivers would be senseless in Egypt. An aid program which failed to take into account the erosion problem in Lebanon would not win friends among the Lebanese.

Smith's defense didn't do away with the need for constant supervision of foreign aid products. Waste can't be tolerated.

But, if foreign aid is to raise living standards and win friends for the United States in other countries, it must deal with the problems of those countries. Even a bath for a camel driver could pay off for the United States.

Mr. CLARK. Mr. President, we all agree that whatever waste there may be in the foreign aid program should be hunted out and eliminated. We all agree that those who make mistakes should be held accountable and that the mistakes should be rectified. But let us not burn down the house of American national security in the hope of killing a few mice.

HARM TO PRESTIGE OF THE UNITED STATES BY TRANSGRESSIONS OF GOVERNMENT EMPLOYEES

Mr. WILLIAMS. Mr. President, today I wish to call attention to the transgressions of certain Government employees whose guilt cannot be measured in terms of dollars and cents, but, rather, in the harm they have done to the prestige of the United States in the country in which they were serving. In the Philippines a group of Federal employees, when charged with having been engaged in

an active black-market currency operation, took the fifth amendment, rather than answer the charges; one of these fifth amendment employees is still being carried on the Federal payroll.

It is recognized that allegations against an individual do not constitute guilt; however, when employees of the United States Government take the fifth amendment, rather than answer charges of improper action in connection with official duties, as far as I am concerned they assume guilt, and should summarily be fired.

Several months ago my attention was called to this alleged major black-market currency operation in the Philippines. I promptly placed an inquiry with the departments involved, and have received the following information:

This black-market operation in currency was investigated by the Intelligence Unit of the Veterans' Administration between July and September, 1953, with their report being filed on October 13, 1953.

The report showed that approximately 30 Government employees were involved. Some were involved only to a minor extent; however, one had converted over \$100,000 in a calendar year, and the 1-year operations of another exceeded a quarter of a million dollars.

When confronted with these charges concerning their questionable transactions, several of the Federal employees took the fifth amendment, rather than answer to the agency conducting the investigation.

In some instances, those who had taken the fifth amendment later withdrew their claims to rights under this amendment, and gave testimony in answer to the charges.

I find that one employee, Mr. Lloyd D. Margerum, who insisted upon his rights under the fifth amendment, and who refused to answer the charges against him, is still on the Federal payroll.

At the time of the charges, Mr. Margerum was serving as assistant supply officer in Manila, at a salary of \$5,435 per annum. Although insisting upon his rights under the fifth amendment, he was not fired, but merely was demoted from a grade GS-9 to GS-7 and was transferred from the Philippines to the veterans hospital in Wilmington, Del. Later he was transferred to Puerto Rico where, as of January 21, 1958, he held the position in the Veterans' Administration as chief of the supply division, at a salary of \$5,710 per annum.

Another employee involved was Dr. Benjamin Wandruff, formerly chief, professional section. The records of the Bank of America, Taft, Calif.; the National City Bank of New York, New York City; and the Ann Arbor Bank, of Ann Arbor, Mich., disclose that during the period July 1952 to July 1953 deposits of approximately \$250,000 were made by Dr. Wandruff and/or his wife. During the period of July 29, 1952, to June 1953, he purchased United States postal money orders totaling \$112,600.

When confronted with the charges of being engaged in black-market-currency operations, Dr. Wandruff invoked his rights under the fifth amendment, and refused to answer any questions con-

cerning his financial transactions. He was removed from Government service.

Another Federal employee in the Philippines, who is charged with having remitted more than \$100,000 to the United States during a 1-year period, is Mr. Walter T. Ridlehuber, former adjudicator, GS-9, at a salary of \$5,685 per annum.

The records of Bossier Bank & Trust Co., Bossier City, La.; the Bank of America, harbor branch, San Francisco, Calif.; and the National City Bank of New York, New York City; show that during the period July 1952 to July 1953 Mr. Walter T. Ridlehuber and/or Mrs. Ridlehuber deposited approximately \$130,000 in their accounts maintained in the above banks.

According to official records Mr. Ridlehuber purchased United States postal money orders totaling \$65,111.85 during the period July 3, 1952, to July 21, 1953.

Both Dr. Wandruff and Mr. Ridlehuber, when interviewed by the Veterans' Administration, invoked their rights under the fifth amendment, and refused to answer any questions concerning the above or other financial transactions. Both men were removed from Government service; but, to my knowledge, no other action was taken against them.

There is also evidence indicating that employees of some of the agencies other than the Veterans' Administration were involved to a somewhat similar extent, and that the same practice—that of Government employees engaging in the manipulation of the native currency—has spread to other countries in the far eastern area.

Accordingly, I have referred the problem to the Comptroller General of the United States, with the request that his office conduct an independent examination and render a report as to present conditions.

I wish to thank Mr. Sumner G. Whittier, the new Administrator of the Veterans' Administration, for his cooperation in obtaining the necessary information to make this report, and to compliment him on the aggressive manner in which he is currently moving forward to handle the situation.

I shall not delay the Senate by a discussion of each of the individual cases involved; however, as evidence of the extent and seriousness of these irregularities in the Philippine area, I ask unanimous consent to have incorporated in the RECORD, as a part of my remarks, a portion of the report by the intelligence agent on this case.

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

OFFICE OF APPRAISAL AND SECURITY, INVESTIGATION SERVICE, October 13, 1953.

Subject: Alleged irregularities, VA regional office, Manila, P. I.

(Investigation by: Thomas C. Doherty, Donald A. MacCallum. Period of investigation: July 7, 1953, through September 4, 1953.)

BRIEF

1. This investigation was authorized after it had been brought to the attention of VA central office by the then manager, R. B. Lovett, Manila regional office, that the intelligence division, Central Bank of the Philippines, and the office of special investigation, Far East Air Force, were conducting

investigations into the activities of certain VA employees alleged to be involved in black-market activities.

2. Investigation disclosed:

(a) That for a profit, the following employees engaged extensively in foreign exchange transactions in violation of VA policy, Philippine exchange control laws and regulations, United States Army and United States Air Force currency and postal regulations, which resulted in revocation of their APO and other privileges extended by the 13th Air Force and in bringing discredit and embarrassment upon the VA and the United States Government: Dr. Benjamin Wandruff, chief, professional section; Douglas M. Morrill, former chief attorney; William E. Diner, chief, administrative division; Ralph S. Frame, assistant finance officer; Lloyd D. Margerum, assistant supply officer; Harold V. Seiferd, authorization officer; Norman D. Enke, adjudicator, and Walter T. Riddlehuber, adjudicator. The foregoing employees refused to answer pertinent questions relating to their financial activities by invoking their privilege under the fifth amendment or on the basis that they were of a personal nature and of no concern to the VA.

(b) That for a profit, John K. Winn, supervising attorney; Thomas McEwen, field examiner, and John Shrader, chief, accounting section, finance division, engaged in foreign exchange transactions in violation of Philippine exchange control laws, regulations, etc., but to a lesser degree than the above mentioned employees. These employees also refused to answer pertinent questions relating to their financial activities by invoking their privileges under the fifth amendment.

(c) That 11 other employees of the MRO had engaged in foreign exchange transactions in violation of Philippine exchange control laws, regulations, etc. Five of these employees admitted that they had done so for a profit. The others admitted the transactions but claimed that they had engaged in such activities not for profit but as a matter of convenience in cashing dollar instruments, etc.

(d) That for a profit, William Y. Hester, attorney adviser, VARO, Little Rock, Ark., while assigned to the MRO, did engage in foreign exchange transactions in violation of Philippine exchange control laws, regulations, etc.

(e) That Dr. Benjamin Wandruff, a full-time employee of DM&S, violated VA regulations by engaging in the private practice of medicine.

(f) That William E. Diner violated VA regulations by engaging in speculative activities.

(g) Dr. William Crutchett, chief medical officer; Earle Sawyer, former chief, VR&E division; Ralph S. Frame, assistant finance officer; Leandro Gaspar, training specialist, VR&E; Moises B. Diano, facilities specialist, VR&E; Jose Adoptante, chief, voucher audit section; M. D. Silang Cruz, chief, general ledger unit; S. P. Nuguid, business accountant; A. R. Velez, business accountant, and Romeo Aluning, business accountant, finance division, violated VA regulations by accepting gifts, gratuities and/or favors from approved institutions with whom the VA was doing business.

(h) That the following full-time employees of the MRO are engaged in part-time employment with approved educational institutions or hospitals with whom the VA is doing business: A. G. Evangelista, chief laboratory technician; Glicerio Opinion, Jr., docket attorney; Ignacio Katapang, docket attorney, and Pascual Trinidad, business accountant.

3. Action taken:

The following employees resigned or were removed as a result of the investigation:

Dr. Benjamin Wandruff, chief, professional section.

Mr. William E. Diner, chief, administrative division (after receipt of charges).

Mr. Edward J. Zitek, field examiner.

Mr. Earle M. Sawyer, chief, VR&E division.

Amatory R. Velez, business accountant, finance division.

Miguel D. Silang Cruz, chief, general ledger unit, finance division.

Moises B. Diano, facilities specialist, VR&E division.

Mr. Douglas M. Morrill, chief attorney.

Mr. Henry N. Conway, Jr., contact officer.

Mr. Conrad S. Wilke, assistant chief, administrative division.

Romeo D. Aluning, finance division business accountant.

Sebastian P. Nuguid, business accountant, finance division.

Jose M. Adoptante, chief, voucher audit section.

Mr. Ralph S. Frame, assistant finance officer.

Norman D. Enke, adjudicator.

Mr. Harold V. Seiferd, authorization officer.

Mr. Walter T. Riddlehuber, adjudicator.

Mr. Lloyd D. Margerum, assistant supply officer, was demoted from grade GS-9 to GS-7 and transferred to VAH, Wilmington, Del.

Letters of reprimand were issued to the following employees:

John K. Winn, attorney adviser.

John W. Shrader, chief, accounting section.

Daniel D. Wolfe, rating specialist.

William Y. Hester (now supervisory attorney, VARO, Little Rock, Ark.).

Thomas M. McEwen, field examiner.

Thomas M. Lee, assistant chief attorney.

James F. Dobbins, supervisory attorney.

UNEMPLOYMENT IN PENNSYLVANIA

Mr. CLARK. Mr. President, I ask unanimous consent that at this time I may proceed to address the Senate for not to exceed 10 minutes, on the subject of unemployment in the Commonwealth of Pennsylvania.

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

Mr. CLARK. Mr. President, the unemployment statistics with which all of us are familiar, and which a moment ago were called to the attention of the Senate by the distinguished Senator from Nevada [Mr. BIBLE], raise a serious problem regarding the steps which should immediately be taken to help terminate the present recession.

The fact that 5,173,000 persons are unemployed makes it clear that the present recession has spread deeper than either the 1949 or the 1953 declines.

A constituent in my office yesterday said that when one is still working, the development of widespread unemployment is a recession; but when one loses his own job, the development of widespread unemployment is a depression.

On February 13, there were 464,000 unemployed persons in the Commonwealth of Pennsylvania. They constitute 10 percent of the Pennsylvania labor force.

However, in the Pennsylvania areas of chronic and persistent unemployment, the situation was far worse. For example, in the Uniontown-Connellsville area, 23½ percent of the labor force was unemployed on January 15. In Schuylkill County, in the heart of the hard-coal mining region, 18 percent of the labor force was unemployed as of January 15. Today, these figures are even larger.

Even in the great metropolitan areas of Philadelphia and Pittsburgh, unemployment has been increasing at an alarming rate. On January 15, there were 136,900 unemployed persons in the Philadelphia labor market area, and 90,900 in the Pittsburgh labor market area.

Mr. President, last year I heard repeatedly on this floor the plea that public works and public activities should be curtailed and deferred because of the menace of inflation. But I submit that this year the situation is reversed. This is a year when deferred public works necessary to overcome the obsolescence in the public sector of our economy should be taken off the shelf and made the subject of active construction work as early as possible this spring.

I imagine every Member of the Senate appreciates the shocking lack of school buildings throughout the Nation. Yesterday, I had the privilege of testifying before the distinguished chairman and his colleagues of the Senate Committee on Labor and Public Welfare. At some length I spelled out the critical needs in Pennsylvania. Yet, Mr. President, in the present economic situation, our State and local communities are quite unable to finance the needed school buildings.

Mr. President, we realize the need for urban redevelopment and slum clearance. We realize the need to expedite the construction of highways, by means of aid through Federal funds. Nothing will put more people to work quicker than the construction and improvement of highways.

I take pride in the fact that the Governor of the Commonwealth of Pennsylvania, George M. Leader, has mobilized the departments of the State government to push ahead every available public-works project in the Commonwealth, at both the local and the State level. He has sought the cooperation of the senior Senator from Pennsylvania [Mr. MARTIN] and myself and all the other members of the Pennsylvania Congressional delegation in respect to pushing ahead an accelerated public-works program and enacting the needed legislation therefore at the Federal level. In one or two instances we have been able to find private employers whose situations were such that with a little help from either the State government or the Federal Government, they could put more people back to work.

Mr. President, I hope that when the resolution presently pending before the Armed Services Committee, and sponsored by the distinguished majority leader, is considered on the floor, it will be amended so as to include the expediting of defense procurement to the extent that procurement is still necessary, because, in my judgment, the expediting of necessary defense procurement is a splendid way to put people back to work.

I hope, too, we shall not fall into what, to me at least, seems to be the error of enacting at this time a large tax reduction measure, because no matter how appealing that may be politically, and from the viewpoint of compassion, we cannot afford to have in the Federal budget this year an enormous deficit.

I am not one of those who think we must have a balanced Federal budget in

times of recession like the present, but some Members of this body last year fought, at every opportunity, to prevent the building of necessary housing, to prevent the extension of urban redevelopment and slum clearance, to prevent school construction, and to stretch out our highway program on the ground that such programs would contribute to inflation. I should dislike to see the same Senators, who I know are sincere in their beliefs, say, "We cannot afford this year those needed additions to our economy, because now we have passed a tax reduction bill, and if the public works program cost is added to that, there will be a deficit of \$10 billion, \$11 billion, or \$12 billion, and we cannot stand that, either logically or from a psychological standpoint."

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

Mr. CLARK. I am happy to yield, but I shall probably have to ask for more time.

Mr. JAVITS. I shall be glad to ask for time, because the Senator is touching on something that is very important. A tax cut seems to be an issue before the country.

I agree with the fundamental principle expressed by the Senator. I have been advocating the same thing. The theory of those who would cut taxes, in the very superficial, attractive way of reducing income taxes by increasing exemptions, is that it worked in 1953-54. However, every particular recession or depression is what we lawyers call *sui generis*. It has its own reasons and its own cure. We have analyzed the present recession as one caused by inventory liquidations and a contraction in expenditures for capital facilities by business and industry. A tax reduction would not result in more people buying commodities of various kinds. What a person needs is an assurance that he will have his job tomorrow. I also point out that the only one who will get a tax reduction is the man who has a job, not the man who is unemployed.

So I am very glad to make comment on the statement of the Senator from the great State of Pennsylvania. I, too, come from a great industrial State. We would be fooling our people, and leading them up a garden path, if we led them to the belief that a tax reduction of \$50 or \$70 would cure the basic trouble. Such a tax reduction would cost the Treasury \$5 billion, and once it were done, it would be done, regardless of its effect.

Mr. CLARK. I thank the Senator. I find myself in complete agreement with his remarks.

Mr. President, throughout the Commonwealth of Pennsylvania, Governor Leader has been holding a series of meetings for the purpose of expediting already approved public projects at the local, State, and Federal levels, and seeing what can be done to induce private industry to put more people back to work. I have attended such meetings in Erie, Scranton, and Philadelphia. My executive assistant went to one in Pittsburgh. We shall be represented at meetings still to be held in Johnstown, Altoona, and Harrisburg. Those meetings have been enthusiastically attended

by individuals from both political parties, and have been conducted on a non-partisan basis.

The Governor of Pennsylvania, at a meeting with a senatorial and House of Representatives delegation, advocated legislation, which I shall now call to the attention of my colleagues.

He pointed out the need for hospitals presently recommended under the Hill-Burton Act. Two years ago, when over \$100 million was provided for that purpose, Pennsylvania received \$5 million of that amount. In this year's budget, the amount recommended is about half what it was 2 years ago—and this at a time when increased construction would put the people back to work. If the amount recommended in the budget is appropriated, the Commonwealth of Pennsylvania will receive only \$2,500,000 of the fund.

There are presently available in Pennsylvania Hill-Burton projects for which \$72 million in local funds have been committed. In order to get that work under way, \$20 million in Federal money is needed. Perhaps we cannot get the whole \$20 million, but I do hope we shall get from this body and the House of Representatives sympathetic consideration of the desirability for vastly increased funds for Hill-Burton construction.

We also need classrooms badly. I hope the Committee on Labor and Public Welfare will report and have considered on the floor proposed legislation which will provide Federal funds with which to deal with the classroom shortage. On the shelf at the moment in Pennsylvania are projects for 400 schools, at a cost from State funds of \$350 million, which cannot be started because of lack of appropriations by the State legislature, however needed the schools may be.

Since World War II, Pennsylvania has put \$1 billion into the construction of needed schools. We need, and hope we shall get, Federal help in that regard before the adjournment of the present Congress.

My colleagues know of our need for slum clearance and urban redevelopment. Merely because we passed a housing bill—and it was a good bill, which I was glad to support—I hope we shall not forget the need for slum clearance and urban renewal, and the building of public housing that is necessary because of the movement of people from urban renewal areas, or because of their dislocation caused by the highway program. We need help to finance such projects at the local level, and to make sure that the program is put on a permanent basis, and so that we do not follow the futile course of trying to throw a greater part of the cost back on the localities and States.

I hope the Senate will give favorable consideration to the bill proposed by the distinguished Senator from Tennessee [Mr. GORE] to expedite the Federal highway construction program, instead of stretching it, as was the intention of the administration.

There are innumerable projects, not only in the Commonwealth of Pennsylvania, but throughout the rest of the Na-

tion, which should be taken off the shelf, got under way, and expedited.

While I do not begrudge it for one minute, I wish to point out that Pennsylvania furnishes in taxes for flood control and the work under the Army Engineers \$33 for every dollar it receives back. I hope we can improve that ratio a little.

Another important goal is the protection of purchasing power. There is now before the Finance Committee an excellent bill, sponsored by the junior Senator from Massachusetts [Mr. KENNEDY], and cosponsored by a number of other Senators including myself, which would extend the period for unemployment compensation to 39 weeks and would provide that 50 percent of the wage should be paid in unemployment compensation up to a higher maximum benefit. I urge my colleagues on the Finance Committee to schedule early hearings on that bill.

The President has indicated his sympathy with somewhat similar measures. I hope we can act quickly on that bill, and before the Easter recess, because in the Commonwealth of Pennsylvania benefits are running out, and running out rapidly. Despite the great increase in unemployment, which is still continuing in the Commonwealth of Pennsylvania, we have fewer persons on unemployment compensation today than we had 3 months ago. Why? Because thousands of families have exhausted their 30 weeks of benefits and have been forced to go on public relief.

Mr. President, we need also to enact into law an area redevelopment bill, to take care of the chronic unemployment that abounds in my State and a number of other States. I hope the Committee on Banking and Currency, of which I am a member, will be able to resolve the differences as to the form of such a bill at an early date.

The distinguished Senator from Maine [Mr. PAYNE], who is a fine member of the committee, recently introduced a bill which might well provide the basis for a compromise to bring an area redevelopment measure to the Senate for consideration.

I urge again to my colleagues, Mr. President, the necessity for supporting such a bill.

Finally, there is much proposed small business legislation which I hope the present session of the 85th Congress will enact.

First, we should give tax relief, and, secondly, we should see to it that the small-business men have ready access to the capital and long-term credit markets, through specially set up banks, either in the Federal Reserve System, or otherwise, to enable them to finance needed improvements.

Mr. President, because of the critical unemployment situation in my Commonwealth, I undertook, in cooperation with a number of my Pennsylvania colleagues in the other body, to write a letter to the President, under date of February 17, urging him to get the show on the road so far as a public-works program is concerned. That letter was joined by 13 of my colleagues in the other body.

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

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

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
February 17, 1958.

The President,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: In the Commonwealth of Pennsylvania, an estimated 435,000 workers were unemployed as of January 15, representing 9.4 percent of the total labor force of the Commonwealth. From all reports, the number has grown even greater since January 15.

Already, we are informed, about 45,000 workers have exhausted their unemployment compensation rights since Labor Day. For the most part, these workers and their families are now on the public-assistance rolls.

As you are aware, unemployment has long been a serious problem in the hard- and soft-coal regions of Pennsylvania. However, at the present time, not only these areas but the major metropolitan regions of Philadelphia, Pittsburgh, and Erie are classed as "labor surplus areas." The hardship and distress in almost every section of our State are severe and growing.

While we realize that economists differ as to when a business upturn may occur, we have received few indications from our State that an upturn will occur promptly or decisively without forceful action directed toward that purpose.

One quick and effective means to create jobs is to speed up public procurement and public works of all kinds that are needed and scheduled to be carried out in any case. The Governor of our Commonwealth has now launched a vigorous program to do what can be done to expedite State public works in order to create jobs and revive our economy. However, what can be done by State authorities is, necessarily, limited.

It is our earnest request that, as Chief Executive, you order a similar speedup in the execution and scheduling of defense contracts and other Federal procurement, and in the execution of authorized Federal public works that affect our Commonwealth.

If Congressional action is necessary in order to make this speedup program effective, we stand ready to cooperate in enacting necessary legislation. We also stand ready to confer with your representatives on this urgent matter at any time.

Sincerely,

JOSEPH S. CLARK, United States Senator;
WILLIAM A. BARRETT, Member of Congress;
KATHRYN E. GRANAHAN, Member of Congress;
JAMES A. BYRNE, Member of Congress;
WILLIAM J. GREEN, JR., Member of Congress;
DANIEL J. FLOOD, Member of Congress;
GEORGE M. RHODES, Member of Congress;
FRANCIS E. WALTER, Member of Congress;
JOHN H. DENT, Member of Congress;
FRANK M. CLARK, Member of Congress;
THOMAS E. MORGAN, Member of Congress;
JAMES G. FULTON, Member of Congress;
HERMAN P. EBERHARTER, Member of Congress;
ELMER J. HOLLAND, Member of Congress.

Mr. CLARK. On February 21, Mr. President, I received what I can only categorize as a most unsatisfactory answer from the assistant to the President, the Honorable Sherman Adams.

Mr. President, I ask unanimous consent that the letter of Mr. Adams may be printed in the RECORD at this point.

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

THE WHITE HOUSE,
THE ASSISTANT TO THE PRESIDENT,
Washington, February 21, 1958.
The Honorable JOSEPH S. CLARK,
United States Senate, Washington, D. C.

DEAR SENATOR CLARK: The President has asked me to acknowledge with his thanks your letter of February 11 on your own behalf and that of 13 Pennsylvania Congressmen concerning the economic situation.

In his statement of February 12, the President set forth his views as to the significance of current economic developments and the outlook as he sees it. He also set forth in an accompanying Fact Paper the status of certain programs and proposals bearing on the economic situation. Several of these are in the field of public improvements to which you make general reference, such as a stepped-up rate of expenditures on the national-highway-building program, and increased activity in the urban renewal program. The Fact Paper also took note of the very sharp increase scheduled in the first half of this calendar year in the rate at which defense-procurement contracts will be placed with private industry, as well as to the large post-office modernization program which the Postmaster General has presented to the Congress at the President's direction.

You can be sure that, in the spirit of his February 12 statement, the President will take every sound step to brake the economic decline and foster an early and healthy recovery. In that connection he will bear in mind the suggestions you have made.

The President would appreciate the courtesy of your conveying this reply to your 13 colleagues.

Kind regards.

Sincerely,

SHERMAN ADAMS.

Mr. CLARK. Mr. President, I was glad to see that thereafter, at least, some mild sense of urgency was evidenced by the White House. This is not a partisan matter, Mr. President; yet I cannot fail to have a feeling that what we in this body and those in the other body have been trying to do is to push water uphill, to force the executive arm of the Government to do things it should have done long ago, to awaken in the White House a sense of urgency. It recalls to mind that if a sense of urgency had existed many months ago about another matter—the state of our national security—it would have been a great deterrent to the humiliation we have suffered in the field of national defense, the inadequacies of which have been revealed. If the White House had been more keen and more alert, action on national defense would itself have prevented the current recession from sinking to its present depths.

Mr. President, I yield the floor.

DETECTION OF ATOMIC EXPLOSIONS

Mr. KEFAUVER. Mr. President, 6 months ago, the Atomic Energy Commission conducted a test in which a small atomic weapon was exploded deep in an abandoned mine in Nevada. The purpose of the test was to give our disarmament negotiators information as to whether such explosions could be detected.

The detection of such explosions is essential to the policing of any agreement to ban the testing of nuclear weapons.

The importance of the Nevada underground test was that, if the explosion could be detected at a distance sufficiently far from the site of the explosion, international detection stations would be feasible. If the explosion could be detected only at short distances, it is obvious that, unless hundreds or thousands of detection stations were established in such a vast country as the Soviet Union, it would be possible to continue tests in secret despite agreements not to make such tests.

It seems obvious, also, that where the United States and the Soviet Union as well as Great Britain might well agree to the establishment of a limited number of detection stations on their soil, none of them would be likely to permit hundreds or thousands of such stations to be established. Therein lay the critical importance of the Nevada underground test.

Early this month the Atomic Energy Commission released to the press a statement which declared that the explosion was registered no further than 250 airline miles away, in Los Angeles, in fact.

Yet before this release, there had been testimony before the Joint Committee on Atomic Energy and before the Subcommittee on Disarmament of the Senate Foreign Relations Committee in which it was declared that the explosion had been reported on seismograph equipment at Berkeley, Calif., which is 400 miles from the test site, and at College, Alaska, which is more than 2,300 miles from the site of the explosion.

An investigation by the Senator from Minnesota [Mr. HUMPHREY], the chairman of the subcommittee, resulted in a withdrawal of the discrepancy of the claim that the test had been detected only within a radius of 250 miles.

I am now informed that the Atomic Energy Commission has unofficial information that the test was not only detected in Alaska, a distance 10 times greater than the AEC report admitted, but that it was registered on seismographic equipment in Japan.

The Acting Chairman of the AEC, Commissioner Libby, who is the scientist member of the Commission, has now, according to a statement issued to the press by the AEC last night, written a letter to the Senator from Minnesota [Mr. HUMPHREY] in which he declares that there was no "political intent" in the misinformation given out by the AEC and that the misinformation was released through inadvertence.

In this connection I wish to say that I have been reliably informed that Commissioner Libby himself saw the original AEC release in question before it was given to the press. Since it was issued, we must assume that Commissioner Libby himself approved it.

What has aroused suspicion about this matter in the minds of many people, including Senators, is that the Chairman of the Atomic Energy Commission, Adm. Lewis Strauss, and his principal scientific collaborator, Dr. Edward Teller, are vigorously opposed to any ban on testing atomic and hydrogen weapons. In part their opposition, at least publicly, has been based on their opinion that tests could be undetected.

The question arises as to whether it was a coincidence that the misinformation given out by the AEC in this case strongly bolstered the opinions of Admiral Strauss and Dr. Teller.

If we are in fact dealing with a mistake made through inadvertence, it is a very peculiar kind of inadvertence indeed.

NEED FOR HELPING TEACHERS TO UPGRADE THEIR EDUCATION

Mr. WILEY. Mr. President, one of the important tax amendments which this session should act upon is a proposal which I, for one, have been pleased to cosponsor for the purpose of enabling the Nation's teachers to upgrade their preparation by allowing for the tax deductibility of expenses for that professional purpose.

The case for this amendment has been so well made, I believe, by my associates, by the National Education Association, by PTA's, and other interested groups, that it hardly needs extensive reiteration.

In order, however, to maintain this subject before the attention of my colleagues, in view of the literally hundreds of tax amendments still pending, I send to the desk the text of a letter which I have received this morning from Mr. Herbert H. Helble, speaking for the legislative committee of the National Education Association in my State.

I may say that Mr. Helble is principal of Appleton High School in my State.

I ask unanimous consent that this letter be printed at this point in the body of the RECORD.

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

APPLETON HIGH SCHOOL,
Appleton, Wis., March 11, 1958.

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Teachers of Wisconsin are delighted that you have introduced bill S. 1640.

I recently appeared before the House Ways and Means Committee in support of the King-Jenkins bill. Your bill also seeks tax deduction legislation for teachers who continue to upgrade their preparation and you have the appreciation of Wisconsin teachers. Both the Northeastern Wisconsin Education Association with a membership of 6,500 teachers and the Wisconsin Education Association totaling over 26,000 teachers, authorized me to file statements in behalf of such legislation with the House Ways and Means Committee.

We have a number of young married men teachers here in Appleton, and elsewhere, who simply cannot afford to give up summer jobs and pay out several hundred dollars for educational expenses at summer school which boards of education like ours in Appleton, periodically require, if teachers are not to forfeit raises on the salary schedule.

Other businesses and professions are permitted by Treasury to make deductions in their income tax payments for such necessary expenses in producing their incomes, but teachers are denied this right. All we ask is that teachers be granted similar treatment, most especially now as we need, as never before, to upgrade the in-service training of thousands of teachers, if they and the schools are to remain abreast of the

rapidly and constantly changing world of knowledge.

Please rest assured, Senator, we appreciate your efforts as evidenced by your bill S. 1640.

Sincerely yours,

HERBERT H. HELBLE,
Legislative Committee of the National
Education Association of Wisconsin.

THE NEEDS OF WISCONSIN HOSPITALS FOR ADDITIONAL BEDS THROUGH THE HILL-BURTON ACT

Mr. WILEY. Mr. President, I was pleased to hear today from Secretary of Health, Education, and Welfare Marion B. Folsom in response to a message which I had sent to him as regards the needs for an adequate level of Federal appropriations under what is universally known as the Hill-Burton Act.

This famous statute, which bears the proud names of our good friend, the distinguished senior Senator from Alabama [Mr. HILL] and our former colleague from Ohio, now Associate Justice of the Nation's highest tribunal, has been of immeasurable assistance to our country in helping expand hospital facilities.

Last month I received from the State health officer of Wisconsin, Dr. Carl N. Neupert, a fine summary of the needs of the people of my State for some 2,300 new, or additional, hospital beds during the coming fiscal year, at a total cost of some \$52.4 million.

Dr. Neupert indicated the need for not only adequate funds, but for flexibility for the use of funds in order to meet changing needs.

Responding to my inquiry on behalf of Wisconsin's Board of Health, Secretary Folsom replied in a letter received this morning:

The needs of the Hill-Burton program are under serious consideration at the present time.

He further indicated that the Wisconsin analysis is most helpful in this connection.

As an indication of the problems faced by one State and for its interest to my colleagues on the Appropriations Committee, I send to the desk the text of Dr. Neupert's letter, and ask unanimous consent that it be printed at this point in the body of the RECORD.

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

THE STATE OF WISCONSIN,
BOARD OF HEALTH,
Madison, Wis., February 17, 1958.

HON. ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: At its regular February meeting the State board of health directed that the following pertinent information on needs for hospitals and related facilities in our State be extended to you for your consideration relative to pending Congressional action on Federal hospital construction funds under the Hill-Burton Act.

A staff study indicates that for the fiscal year 1958-59 17 communities in Wisconsin are in need of 2,319 new or additional hospital beds at a total construction cost of \$52,400,000 of which the Federal share (40 percent), if available, would be \$20,960,000.

For the fiscal year 1959-60, 21 communities would need 821 beds at a total cost of \$19,410,000 with the Federal share \$7,764,000.

However, out of experience over the past several years it can be predicted that approximately two-thirds of this needed construction can and possibly will be carried through in communities more favorably situated economically without Federal aid. This leaves approximately one-third largely, if not entirely, dependent on Federal fund assistance if needed facilities are to be constructed.

Thus for the 2 years this would call for annual Federal appropriations for Wisconsin of \$4,787,000. The allotment to Wisconsin for the current fiscal year for this purpose is \$1,155,853.

It may be helpful to report the following summary of the priority schedule for allocation of Federal grants-in-aid in Wisconsin for the current fiscal year. The 9 communities with 0.0 percent to 60 percent of their general hospital needs met ("A" priorities), would be eligible for construction of 239 beds. For the 13 communities with 60.1 percent to 79.9 percent of their needs met ("B" priorities), the need is for 679 beds. These are for the most part smaller communities.

For the other 4 categories of facilities (part G) for chronic disease hospitals, nursing homes, diagnostic and treatment centers, and rehabilitation centers the needs for 1958-59 for 17 communities total 435 beds, \$11,900,000 total cost with the Federal share \$4,760,000.

For the year 1959-60, 22 communities are in need of 715 beds, \$11,650,000 for total construction and \$4,600,000 for the Federal share.

Of these categories the most urgent need as the board sees it is for additional nursing home beds (835 for the 2-year period) calling for \$3,460,000 in Federal funds. It is estimated that 50 percent of these needed nursing home beds would not be forthcoming unless 40 percent of their cost were available from Federal funds. For the current fiscal year \$71,000 have been allocated for the nursing home construction from the Federal fund allotment to Wisconsin.

The board is convinced that these are realistic estimates and recommends them for your consideration.

It further takes the position that it could do a better job of meeting more urgent needs within the overall framework if the Hill-Burton Act were amended to permit a transfer of funds within all categories of part G and from part G to part C and vice versa, providing there are no pending applications for funds in either part C or G, respectively. The board does not anticipate any radical utilization of such a transfer mechanism but could be more effective in meeting deserving special needs if there were this flexibility.

Should you wish to have access to a summary of total beds, project costs, and Federal aid for the 10 years the program has been in operation in Wisconsin, may I refer you to page 246 of the large, pink covered copy of the Wisconsin State plan for hospitals and medical facilities for 1957-58 recently sent to your office to enable you to reply to inquiries from your constituents.

Respectfully submitted,

CARL N. NEUPERT, M. D.
State Health Officer and Executive
Secretary.

FREEDOMS FOUNDATION AWARD TO DR. FREDERICK BROWN HARRIS, CHAPLAIN OF THE SENATE

Mr. PURTELL. Mr. President, will the Senator from Illinois yield 5 minutes to me?

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the junior Senator from Connecticut.

Mr. PURTELL. Mr. President, recently a member of our Senate family received an honor which may have escaped the notice of some Members of this Chamber. The honor to which I refer was an award made on February 22 by Freedoms Foundation at Valley Forge, Pa.

In quoting from Freedoms Foundation 1957 awards report I should like to point out that the Foundation accumulates each year outstanding expressions, projects, and programs from throughout the Nation which build an understanding of the American way of life; selects by nonpartisan independent awards jury the effective, useful, and inspiring works of individuals, organizations, and schools; spotlights the affirmative useful works of award recipients; and distributes and publishes these expressions and programs, providing more and heavier ammunition in the struggle of free men for their personal liberty and dignity against every totalitarian compulsive tyrannical force.

The member of our Senate family who was honored by Freedoms Foundation could, in a sense, be called a nonvoting member of our group who, while elected by no constituency, serves all constituencies. This recipient of one of the Freedoms Foundation awards is respected and admired as an outstanding spiritual leader. I highly prize his friendship and I am sure all my colleagues join me in this sentiment.

I, of course, am speaking about our own Senate Chaplain, the Reverend Frederick Brown Harris, who contributes so much in spiritual inspiration to us through his daily prayer with which we open our sessions in this Chamber. I am sure that the thousands of readers of the CONGRESSIONAL RECORD throughout the country receive the same inspiration, as do we, when they read his opening prayer. But there are countless others who are also spiritually inspired as they read them reprinted in various publications and newspapers in all parts of our country.

I feel that I cannot more aptly express tribute to our Chaplain and my friend than has Freedoms Foundation in mak-

ing its special freedom leadership award to him. Mr. President, I take great pleasure in repeating these fine and true words of praise. I quote:

To the Reverend FREDERICK BROWN HARRIS, Chaplain of the United States Senate:

With esteem and affection to an American whose prayers, sermons, and editorial works have lifted the hearts of multitudes—

With regard and honor to him whose thoughts, far vision, and steadfast faith move all who he touches to patriotism and love of country—

With matchless service to the cause of free men, he makes known the strength of prayer and iron will in language beautiful in his prayers in the Senate of the United States. Truly one who desires freedom for all under God, and asks nothing for himself.

Mr. President, I am sure that you and all my distinguished colleagues join me in applauding this much deserved honor which has been bestowed upon our beloved Chaplain. In so recognizing the Chaplain of this body Freedoms Foundation has as well honored the Senate of the United States of America.

Mr. JOHNSTON of South Carolina. Mr. President, I desire to associate myself wholeheartedly with the appropriate remarks made by the distinguished Senator from Connecticut in connection with the recent award made by Freedoms Foundation on February 22 to our beloved and distinguished Chaplain, Dr. Frederick Brown Harris.

The special freedom leadership award could hardly have been given to a more deserving one than our own Chaplain. The spiritual comfort and uplift all of us get from hearing and participating in his supplications are a constant source of inspiration beyond our power to measure to us who labor in the public interest.

When I entered this body I had been advised of the spiritual stature and accomplishments of our distinguished Chaplain. Day after day, his prayers add to that stature and increase our love and affection for him. By day and by night he is at our side in time of trouble as well as in times of happiness and success. He is ever the same strength and buckler for those who love and admire Christian leadership.

Both personally and officially he has traveled on foot and out of his way to assist us. I am greatly indebted to him for the endowments he has cast upon me in my association with him. May he live long to continue to serve his God and benefit us all, for we grow in heart and strength as we live with him each day. He sits at the feet of our Christ and imparts to us the knowledge of duty and the love of God—the source of our strength and life and the hopes of our refuge for the future.

May he be with us for a very, very long time.

ACCELERATION OF CIVIL CONSTRUCTION PROGRAMS

Mr. CASE of South Dakota. Mr. President, during the debate yesterday I asked and obtained leave to have printed in the RECORD a table which listed civil public works and the military construction, and a summary of the unexpended and unobligated balances. Through an error the complete table was not included, and I ask unanimous consent at this time that it be printed at this point in the RECORD.

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

Civil public works and military construction—Summary of unexpended and unobligated balances as of Dec. 31, 1957

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Legislative.....	\$143,738,427	\$131,048,157
Independent offices.....	1,857,688,383	918,264,892
Agriculture.....	67,422,385	47,304,522
Commerce.....	449,946,000	267,473,000
Defense:		
Military.....	3,188,690,000	2,071,360,000
Civil.....	376,359,698	260,698,428
Health, Education, and Welfare.....	613,705,939	262,996,441
Interior.....	305,674,935	198,755,956
Justice.....	1,930,252	1,066,212
Post office.....	32,073,569	6,871,619
State.....	77,700,000	23,200,000
Treasury.....	2,976,576	2,238,027
District of Columbia.....	46,418,100	46,418,100
Total.....	7,164,324,264	4,237,695,354

Civil public works and military construction summary of unexpended and unobligated balances as of Dec. 31, 1957

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957		Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Legislative branch:			Independent agencies and funds appropriated to the President—Continued		
Architect of the Capitol:			Atomic Energy Commission.....	\$588,632,000	\$341,730,000
Extension of the Capitol.....	\$42,043,415	\$40,423,168	U. S. Information Agency, radio facilities (overseas).....	5,380,289	4,903,809
Additional Senate Office Building.....	8,799,485	3,724,291	Total, independent offices.....	1,857,688,383	918,264,892
Additional House Office Building.....	89,632,723	84,071,695	Agriculture:		
Capitol Power Plant.....	3,262,804	2,829,003	Soil Conservation Service: Flood prevention, watershed protection, etc.....	42,760,000	31,612,000
Total legislative branch.....	143,738,427	131,048,157	Forest Service: Forest roads and trails.....	24,662,385	15,692,522
Independent agencies and funds appropriated to the President:			Total, Agriculture.....	67,422,385	47,304,522
American Battle Monuments (overseas).....	8,456,997	6,611,068	Commerce:		
Federal Civil Defense Administration:			Civil Aeronautics Administration:		
Administration building.....	10,025,645	5,824,465	Establishment of air navigation facilities.....	192,833,000	85,124,000
Emergency centers.....	3,649,456	5,522,678	Washington airports.....	14,014,000	13,186,000
General Services Administration:			Grants-in-aid for airports.....	157,138,000	106,678,900
D. C. Hospital.....	10,025,645	5,824,465	Bureau of Public Roads:		
Renovation, improvement sites, planning, construction.....	110,714,666	68,220,676	Forest highways.....	63,550,000	45,352,000
Housing and Home Finance Agency:			Access roads.....	2,788,000	976,000
Public facility loans.....	95,296,969	78,536,100	Public lands highways.....	4,750,000	1,840,000
College housing loans.....	645,725,220	122,460,000	Woodrow Wilson Bridge.....	14,873,000	14,320,000
Advance planning loans.....	15,008,866	6,690,379	Total, Department of Commerce.....	449,946,000	267,473,000
National Advisory Committee for Aeronautics.....	55,821,000	38,141,000			
National Science Foundation.....	4,359,167	93,939			
St. Lawrence Seaway.....	57,175,000	34,090,000			
Tennessee Valley Authority.....	28,394,551	23,000,000			
Smithsonian Institution.....	35,788,533	34,545,443			
Veterans' Administration hospital.....	183,244,379	144,070,870			

Civil public works and military construction summary of unexpended and unobligated balances as of Dec. 31, 1957—Continued

	Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957		Unexpended balance Dec. 31, 1957	Unobligated balance Dec. 31, 1957
Defense:			Health, Education, and Welfare—Continued		
Military functions:			St. Elizabeths Hospital.....	\$3,230,081	\$925,396
Military construction:			Total, Health, Education, and Welfare.....	613,705,939	262,996,441
Army.....	\$610,916,000	\$435,122,000	Interior:		
Navy.....	633,576,000	388,865,000	Bureau of Land Management.....	6,866,474	6,134,600
Air Force.....	1,805,103,000	1,144,134,000	Bureau of Indian Affairs, construction.....	36,113,000	31,006,907
Army Reserve forces.....	103,699,000	79,811,000	National Park Service, construction.....	82,565,688	67,227,325
Naval Reserve forces.....	30,319,000	20,842,000	Bureau of Mines:		
Military functions:			Construction.....	1,644,520	1,238,041
Access roads.....	3,966,000	1,759,000	Drainage, anthracite mines.....	8,386,519	7,067,133
Construction, Alaska Communications Sys- tem.....	1,111,000	827,000	U. S. Fish and Wildlife Service.....	9,122,778	7,614,944
Total, military functions.....	3,188,690,000	2,071,360,000	Office of Territories:		
Army civil functions:			Alaska public works.....	10,011,101	6,407,006
Panama Canal.....	738,000	668,000	Virgin Islands public works.....	368,222	368,222
Panama Canal Bridge.....	2,535,000	2,050,000	Southwestern Power Administration.....	1,808,480	1,560,964
Canal Zone Government.....	4,350,000	4,050,000	Bonneville Power Administration.....	25,477,221	12,997,569
Corps of Engineers:			Bureau of Reclamation.....	106,869,875	48,920,920
Construction, general.....	335,300,202	229,234,882	Upper Colorado River storage.....	15,090,753	6,920,525
Flood control, Mississippi River and tribu- taries.....	32,844,704	24,288,272	Geological Survey.....	1,350,304	1,291,800
Cemeterial expenses, Quartermaster Corps.....	591,792	407,274	Total, Interior.....	305,674,935	198,755,956
Total, civil functions.....	376,359,698	260,698,428	Justice: Federal prison system.....	1,930,252	1,066,212
Total, military and civil.....	3,565,049,698	2,332,058,428	Post Office: Improvements and alterations.....	32,073,569	6,871,619
Health, Education, and Welfare:			State:		
Construction, Gallaudet College.....	3,309,275	1,116,389	International Boundary and Water Commission.....	3,800,000	3,400,000
Construction, Howard University.....	6,052,676	4,195,612	State Department Building.....	44,100,000	7,600,000
Assistance for school construction, Office of Edu- cation.....	122,287,328	42,916,669	Acquisition of building abroad (overseas).....	29,800,000	12,200,000
Public Health Service.....	478,826,579	213,842,375	Total, State.....	77,700,000	23,200,000
			Treasury: Coast Guard.....	2,976,576	2,238,027
			District of Columbia (out of Federal funds).....	46,418,100	46,418,100

Summary of appropriations and authorizations, expenditures and unexpended balances, as of Dec. 31, 1957

Title	Unexpended balance, June 30, 1957	Appropriations and authoriza- tions, 1958	Total available for expendi- tures, 1958	Expenditures, July 1, 1957, to Dec. 31, 1957 (net)	Rescissions, cancellations, and other adjustments	Unexpended balance, Dec. 31, 1957	Unexpended balance as of Dec. 31, 1957, for civil public works and military construction	Civil public works and military construction, unobligated portion of unexpended balance as of Dec. 31, 1957
Legislative branch.....	\$181,777,031	\$96,621,160	\$278,398,191	\$49,817,652	-----	\$228,580,539	\$143,738,427	\$131,048,157
The judiciary.....	2,733,977	42,545,760	45,279,727	21,564,421	-----	23,715,305	-----	-----
Independent agencies and funds appro- priated to the President.....	25,545,381,213	13,585,015,108	39,130,396,321	6,449,086,253	\$1,473,596,918	31,207,713,148	1,857,688,383	918,264,892
Agriculture Department.....	3,070,480,349	4,552,955,004	7,623,435,353	2,818,712,273	700,000	4,804,023,081	67,422,385	47,304,522
Commerce Department.....	633,169,261	721,880,875	1,355,050,136	331,906,711	98,609	1,023,044,816	449,946,000	267,473,000
Defense Department:								
Military functions.....	34,660,267,544	35,304,985,238	69,965,252,782	19,200,196,144	-236,296	50,765,292,934	3,188,690,000	2,071,360,000
Civil functions.....	351,328,446	665,051,213	1,016,379,659	393,798,175	35	622,581,520	376,359,698	260,698,428
Health, Education, and Welfare Depart- ment.....	769,346,881	2,188,561,329	2,957,908,210	1,331,690,167	75,000	1,626,143,043	613,705,939	262,996,441
Interior Department.....	353,882,457	614,934,832	968,817,289	348,821,558	-964,463	620,960,194	305,674,935	198,755,956
Justice Department.....	17,900,149	226,705,000	244,605,000	109,986,285	-----	134,618,864	1,930,252	1,066,212
Labor Department.....	8,164,795	379,494,600	387,659,395	214,812,916	-----	172,846,478	-----	-----
Post Office Department.....	212,735,482	353,000,000	565,735,482	211,865,480	-----	353,870,001	32,073,569	6,871,619
State Department.....	92,525,567	199,521,920	292,047,487	115,609,251	-----	176,438,236	77,700,000	23,200,000
Treasury Department.....	2,912,022,530	8,555,433,412	11,467,455,942	4,260,621,718	3,703,502	7,203,130,721	2,976,576	2,238,027
District of Columbia Federal loans.....	37,687,000	32,135,550	69,822,550	23,404,450	-----	46,418,100	46,418,100	46,418,100
Miscellaneous adjustment.....	-----	-----	-----	178,193,524	-----	-178,193,524	-----	-----
Total.....	68,849,402,686	67,518,840,995	136,368,243,681	36,060,086,982	1,476,973,236	98,831,183,462	7,164,324,264	4,237,695,354

NOTE.—Amounts will not necessarily add to totals due to rounding. Does not include trust funds or deposit funds.

RESOLUTION ADOPTED BY THE
SEMINOLE TRIBE OF FLORIDA, AT
DANIA, FLA.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Seminole Indian Tribe of Florida, at Dania, Fla.

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

RESOLUTION C-24-58

Whereas the tribal council has received, read, and given due consideration to a copy of Senate bill S. 809, a bill introduced into the United States Senate by Senator WILLIAM LANGER and others; and

Whereas Senate bill S. 809 has the purpose of encouraging industry of all types to locate

on or near Indian reservations, and is designed to provide employment for Indian people; and

Whereas the tribal council, representing the people of the Seminole Tribe of Florida, feels this bill will be of great assistance in bettering the living conditions of all American Indians: Now, therefore, be it

Resolved, That the tribal council of the Seminole Tribe of Florida heartily endorses Senate bill S. 809, and urges all legislators in the United States Congress to support it.

Done this 3d day of February 1958, at a regular meeting of the tribal council, duly convened at Dania, Fla., a quorum being present, by a vote of 6 for, none against, with no abstentions.

LN OSCEOLA,
Secretary, Tribal Council.

Approved:

BETTY MAE JUMPER,
Vice Chairman, Tribal Council.

Mr. LANGER. Mr. President, I might add that the Seminole Indians are 1 of 2 Indian tribes which have never signed a peace treaty with the United States Government. They are still at war with the Government. Those Indians have refused to accept any food of any kind from the United States Government, even for the school-lunch program. They have refused any school aid, and they have refused any kind of old-age assistance or social security. As a matter of fact, during World War I only two of their boys entered the armed services of the United States.

The resolution relates to one of the few cases in which the Indians have indicated they were willing to have the United States Government do anything

for them. I call the resolution to the attention of the distinguished junior Senator from Oregon [Mr. NEUBERGER]. I hope the committee will report the bill, S. 809, favorably.

THE NATIONAL GUARD

Mr. HUMPHREY. Mr. President, I am becoming increasingly alarmed by the attempts of this administration to whitewash our Nation's Reserve forces.

This has been going on rather quietly for some time under the guise that any future war would be fought by button pressers, who, by merely flicking a switch, could unleash total and massive destruction upon the enemy. This was to be our answer to any foe who might threaten our security; and during the period when our forces were the only ones capable of delivering such a blow, there may have been some justification for this holding. Mr. President, as we all know, that day is long since past. We recognize that the Soviet Union now possesses the atomic and hydrogen might to wipe every one of our population and industrial centers from the face of the earth. Likewise, the Soviet Union recognizes the fact, at least I hope they do, that we can pulverize their cities in the same manner. The utter and complete folly of such a war is all too apparent, and while the Soviet seems to realize this and are remaining strong in conventional forces, we seem to be willing to pay for only the massive retaliation type of defense. Mr. President, today the Soviet Union has 175 divisions—many of them being fully equipped with the latest in rockets, atomic cannon, and other modern weapons which enable them to fight a less than total war. I can say, Mr. President, that our military observers were shocked by what they saw in the parade of the Russian Army on the occasion of the 40th anniversary of the Bolshevik revolution in Moscow. These people are ready to fight a limited type of war in almost any part of the globe. They have the men, and they have the equipment; and once they are convinced that no country is foolish enough to loose a full scale, atomic conflict, I doubt that they would hesitate in using them. On the other hand, Mr. President, let us take a look at our own ground forces. The active Army has been cut back to 15 divisions and a good portion of those exist only on paper. The National Guard at present has 27 understrength divisions equipped with World War II weapons. The Army Reserve has 10 divisions, and their weapons too are obsolete.

Now the Department of Defense has come forward with a proposal to further reduce the appropriations to the National Guard. If present plans are carried out, we shall soon see another division dropped from the rolls of the Active Army. Mr. President, I think it is time this administration reexamined its policy toward Reserve forces. If they are going to insist on unilateral disarmament by constantly reducing our active duty ground forces, then I think it is doubly imperative that we maintain a strong Reserve force that can be called when it is needed. Mr. President, in every war

this country has fought, and I pray to God that we fight no more, we have turned to the citizen soldier to carry the brunt of the burden. In the light of past experience, we are doing a great disservice to the citizen soldier and to our country if we fail to provide the wherewithal so that he may be reasonably well trained and equipped to defend this Nation. I address myself now to the plight in which the National Guard finds itself. If the proposed cut in funds is carried out, the Guard will be forced to drop 40,000 men. Mr. President, not only will this action further reduce our Reserve strength, but it will also deprive us of future combat potential by curtailing the opportunity of giving sound military training to our Nation's young men. Surely such action is not in line with recent administration statements that "cuts can be made in the active services because we can depend on a large and well-trained Reserve force."

Rather than to cut funds for the National Guard, Mr. President, I think we should be increasing them. These units are training with 105-millimeter howitzers, designed before the Second World War. The only time many of them get a look at the kind of equipment that they will have to master, if we are to stay even close to the Russian counterpart, is in the newsreel. I say we are fooling only ourselves if we do not face the fact that to reequip these divisions with at least some of the weapons of modern warfare is going to cost some money. So even though we appropriate the same amount for the coming year that we did last year, we are losing ground. The rising cost of goods and services cuts deeper each year. While the cost of reequipping all of our Guard and Reserve divisions to a point where they are 100 percent combat ready to use the latest weapons may be prohibitive, I think it is mandatory that at least they be partially so equipped. At the very minimum each unit should receive training and instruction on particular weapons that they would reasonably be expected to use in a combat situation. Such training would greatly shorten the all-important time factor between the units' home station and the battlefield. It may be, Mr. President, that in view of the high cost of these weapons, we should establish regional training centers where several divisions could receive orientation and instruction during their active duty summer camp. I know that several divisions come each year to Fort Ripley in Minnesota for training and each division could utilize the same equipment. While this procedure is not the final answer, when coupled with intensive classroom work during the rest of the year, I think it would be of great value.

Mr. President, under the fine leadership of two distinguished generals, Maj. Gen. Edgar Erickson, Chief of the National Guard Bureau, and Maj. Gen. Donald McGowan, Chief of the Army Division, the Guard has reached a high state of training and mobilization readiness considered unattainable for a Reserve component only a few years ago. I know that our own Viking Division in Minnesota, now under the able direction

of Maj. Gen. Richard Cook is well along in its reorganization plans to form a Pentomic structure. The effectiveness of this and other divisions should not be jeopardized by a cut in funds.

Mr. President, I am happy to note that the House Armed Services Committee has unanimously called on the Department of Defense to abandon plans for a 10-percent cut in National Guard and Reserve forces. They have done so after thorough hearings, and I trust their advice will be heeded.

At this point I ask that a fine article by Col. Leon H. Hagen, appearing in the March issue of the National Guardsman be inserted in the RECORD. Colonel Hagen is an outstanding officer in the Minnesota National Guard, and I believe his article deserves our close attention.

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

A FIGHT FOR SURVIVAL

(By Col. Leon H. Hagen)

The year 1958 is likely to go down in the annals as a year of decision in the concept of our Nation's defense. It is likely to be a year in which it is decided whether we will stake the future of our Republic on the intercontinental missile and the nuclear bomb, or whether we will continue to rely on the combined efforts of the three services. It is likely, also, to be a year when it is decided whether the Army National Guard is to retain its status as part of our first line of defense or is to be relegated to an insignificant role as a sort of "home defense" force.

Again this year the Army guard is in the familiar position of having to fight for its continued existence. Unfortunately, we are faced with a fight on two fronts. First there is the fight to retain the guard's status as the first line reserve force of the Army and to maintain its strength and effectiveness. This will be an internal fight within the Army for, in addition to those who long have sought to displace the National Guard, there are a number who believe that the next war will not allow the time necessary to mobilize, train and deploy the National Guard or any other reserve force. It will be further influenced by the fact that the entire Army is facing a reduction in strength.

The National Guard and Reserve Officers Associations have taken the logical position that when, for reasons of economy, it is necessary to reduce the strength of the Active Forces, the Reserve Forces should be strengthened correspondingly to make up the deficit. It should come as no surprise that such a theory meets with a cool reception in the Pentagon where it is felt that if Army funds are cut, said cut should be shared proportionately by all the components.

Let us sincerely hope that the National Guard and the Department of the Army can work out a solution to this internal problem that both can live with, and that this solution can be found without the necessity of a public battle. This is a year in which the Army and the National Guard need each other's support. In fact, it is a year in which the Army (and that includes us) is going to need all its strength to fight for its continued existence as a full partner in the defense team. The Army guard or the Department of the Army—either one—will have a hollow victory if it wins a family scrap only to see the Army lose its fight for survival.

If this fight were being made only for the benefit of the Army and the members of its several components, we would deserve to lose, but it is much more important than

that. This is a struggle on the outcome of which the very survival of our Nation can depend, for we honestly believe that a strong, well-trained, and well-equipped Army, backed up by a strong, well-equipped, well-trained National Guard, is vital to our Nation's future security.

The Army is going to need all of its human resources to convince the American people of the validity of its stand. The launching of sputnik has fixed the attention of the people and their elected representatives on scientific research and guided missiles. Certainly we must do what is necessary to regain our leadership in those fields, but not at the expense of the Army. Many self-appointed experts in positions of influence are saying that the Army is obsolete, that it should be reduced to an auxiliary force, that the next war is going to be fought by technicians and pushbuttons and the day of massive land armies is ended. This is an attractive proposition. The soldiers of the Army, who always have borne the brunt of close combat, would be very happy if it only were true. Unfortunately, it is not true, and it is up to us to let the people know it.

We in the Army are going to be laboring under a number of handicaps in trying to get our story over to the public. Some of these handicaps are:

1. We are not glamorous enough. The picture of soldiers slogging through the dirt to close with enemy soldiers and destroy them on the ground does not stimulate the imagination as do flight through space and the destruction of entire cities with a single blow.

2. We are on the defensive. A lot of articulate people with high foreheads have already consigned us to the ash-heap. If we try to fight back they will seek to quiet us by ridicule, accusing us of "having a military mind" and of "still fighting the last war."

3. We will be accused of empire-building. There will be those—even some in our sister Services—who will accuse us of being willing to gamble away our national security in order to protect our vested interest in the status quo.

We must recognize these handicaps and avoid the pitfalls they present as we tell our story. We must make the American people believe, as we do, that the continued survival of our Nation depends on our ability to fight on the ground as well as in the air and in the sea, and that to fight on the ground we must have a strong active Army backed up by a strong National Guard.

WHAT ARE WE GOING TO TELL?

1. Nuclear weapons are not enough. If we should concentrate on scientific research and the production of missiles and nuclear weapons at the expense of our ground forces, we soon would reach the point where our only means of waging war would be with mass-destruction weapons. If that should come to pass, it would open the way for minor disorders everywhere in the world and the piecemeal devouring of small nations by the Communists. We would be paralyzed, for no responsible Government would dare to launch a nuclear war except to preserve the very life of the nation. Furthermore, world pressures to outlaw such weapons would build up to the point where we would have little choice except to scrap them. The Soviet Union, with its massive land armies, would be loudest in the clamor to outlaw these weapons.

2. We need flexibility. The United States, because of our worldwide commitments, must be in a position to apply force in varying degrees, depending on the situation. To quote Maj. Gen. Herbert Powell, commander of the Infantry Center, as reported in the Army-Navy-Air Force Register: "Our present Infantry divisions can

apply measured force ranging from the threat of a rifle bullet to the delivery of multikiloton atomic weapons. * * * Wanton destruction is not the Infantry's only resource." The Army is the only service that can apply the amount of force required by the situation to force a decision on the ground without excessive destruction and slaughter.

3. The final decision is on the ground. The objective of the Armed Forces will be in the future, as it always has been in the past, to seize and hold the land area. No enemy ever is defeated until an opposing soldier stands on the ground he once held. This is the Army's mission, for which it is trained and equipped. If the Army loses this capability, the Nation will lose its ability to gain a military decision except by utter destruction of the enemy homeland, during the process of which our own homeland will suffer like destruction.

4. It takes one to lick one. Russia and her satellites have tremendous land armies, numbering their Infantry and armored divisions in the hundreds. If they move those armies across Europe toward the Atlantic, who will stop them? The nations of Europe will take little comfort if our only assurance is that we will stop those armies with nuclear weapons.

5. The Army is a modern fighting force. Army organization and equipment are keeping abreast of the needs of modern warfare insofar as available funds will permit. Reorganization of the Army under the Pentomic structure is virtually completed. Under the Pentomic organization the Army is prepared to fight either with or without nuclear weapons. It can fight a "brush fire" scrap or a general war. Mobility of the Army's divisions has been improved and the firepower vastly increased. The divisional organization includes Honest John rockets and 8-inch howitzers, both capable of delivering atomic warheads. Supporting organizations have missiles of larger calibers capable of delivering warheads to a range of hundreds of miles. Although it has the organization to do the job, the Army has been reduced in size to the point where there is serious question that it could carry out the missions for which it now is responsible. Any further reduction is dangerous to contemplate.

6. How big is a little atomic bomb? Some naive individuals are advancing the quaint theory that limitations can be placed on the use of nuclear weapons so that wars will be fought with little atomic bombs. Where is the dividing line between a big bomb and a little one? There is a reasonable chance that the use of nuclear weapons might be outlawed completely and that such a rule would be observed by all belligerents. But to believe that some formula can be devised that would effectively limit the size and type of nuclear weapons that would be used is wishful thinking of the most dangerous kind.

7. Condition of the National Guard. The National Guard is in the highest state of mobilization readiness in its history. This readiness is being constantly improved by active-duty training for recruits, the enlistment of prior-service men, service-school attendance, officer-candidate schools, and by increased training hours. Plans for reorganization under the Pentomic concept are well along and can be implemented whenever the word is given. The present state of readiness has been attained by many years of effort and by large expenditures of taxpayers' money. It is not logical, in the present state of international tension, to write off this investment, to abandon armories, and to inactivate guard units in communities that have been and are willing to support such units. The Nation needs every National Guard unit maintained at the highest possible level of strength and training.

WHO'S GOING TO TELL THE STORY?

We cannot leave the job of telling the Army's and the guard's story up to the leaders in the Pentagon, the Army commanders, the adjutants general, and the presidents of our associations. This is a responsibility that every man jack in the Army must assume, be he a regular, a guardsman, or a reservist. We will get nowhere unless we convince the people of our sincerity and that what we say is true.

We should tell it to our families, to our friends, and to our fellow workers. We should tell it to our representatives in government at all levels. We should tell it in casual conversation and in prepared speeches. We should tell it in personal letters, letters to the editor, and in prepared articles in the press. We should tell it on the street corner, the living room, and the meeting hall. We should tell it by radio and television. We should tell it wherever and whenever we can get one or more persons to stand still long enough to listen.

This is a fight for survival—not only of the National Guard or the Army as such—but of our very Nation. In the Army organization, Regular, National Guard, and Reserve, we have the manpower to bring our message to all the people. It is our duty as citizens to do it. Let it not be said that we didn't even try.

THE RECESSION

Mr. HUMPHREY. Mr. President, the impact of the American recession is beginning to be felt in the apprehensions of governments around the world. Miss Sylvia Porter, in a column which appeared in the Minneapolis Tribune on March 10, 1956, says:

You've heard the timeworn adage that when the United States sneezes the world catches pneumonia. * * * Today the dominant issue in the capitals of the free nations of the West is the United States business recession.

In her article, Miss Porter describes the seriousness with which the British Government now views the current state of the American economy. I ask unanimous consent that the text of her article, entitled "American Recession a Worry to Britain," be printed in the Record.

In a world that is increasingly economically interdependent, Mrs. President, the recession these days can spread rapidly and disastrously. It can have a tremendous impact on the economic viability of our allies, on even so strong and complicated an economy as Great Britain. We can only imagine how much more immediate and serious the impact of an American recession could be on a single product or one-crop economy in South America, Africa, or Asia. When we debate and take action here in the Congress of the United States to deal with our American recession, let us remember that this is not just an American problem, but one that is deeply involved in the fortunes and future of free men everywhere.

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

AMERICAN RECESSION A WORRY TO BRITAIN

NEW YORK.—Sir Paul Gore-Booth, Britain's deputy undersecretary at the foreign office in charge of economic affairs, has just got back to London after a flying trip to Washington and New York.

Why did one of Britain's top government officials and one of its leading specialists in economics suddenly make this quick trip to the political capital and financial capital of the United States?

Because the British Government wanted a firsthand report from Sir Paul on just how serious our recession is.

Sir Paul said he had come to renew old acquaintances and make new ones at our State Department, and he suggested it was just a coincidence that his visit coincided with our recession and the start of a bitter Congressional battle over our trade and foreign economic policy. That explanation was too lame to be believed.

He views the business drop with sufficient seriousness to fear that Britain will catch the United States slump if it deepens much from here or lasts much longer. He is alarmed over the possibility that we raise our tariff walls to protect our hard-pressed industries and unemployed from foreign competition and that we'll thereby slash into Britain's trade.

The diplomatic diplomat wouldn't put this concern into blunt words, but his preoccupation with the fate of our Reciprocal Trade Act and our trade policies during this recession phase was unmistakable.

Today the key issues in the capitals of the Western World are not satellite launchings or summit meetings and the like.

Today the dominant issue in the capitals of the free nations of the West is the United States business recession.

The great question among our allies now is not whether we are lagging in the scientific race with the Soviet Union. It is the depth and duration of the 1957-58 economic decline in our country.

The nagging fear is that we'll adopt and pursue wrong, self-defeating trade and tariff policies, and by so doing we'll accelerate recessions around the Western World into depressions.

You've heard the timeworn adage that when the United States sneezes the world catches pneumonia. So far in this recession, though, our sneeze is our own. As far as Britain is concerned, for instance, the popularity of the small foreign car has been of phenomenal help; in January, Britain shipped us a record 14,000 cars, and we are now Britain's best customer.

Britain's economic health depends on her sales to countries in the sterling area which produce basic commodities. The violent plunge in prices of basic commodities throughout the world is cutting into the ability of these countries to buy from Britain, and if we reduce our buying of the commodities, too, their ability to buy from Britain will be further impaired. Then the recession chain will be forged.

Britain's economic health also rests directly on a relatively free United States trade policy. If we go back to protective tariffs, we'll spread depression germs all over the West.

In 1953-54, Britain and Europe didn't feel our troubles because our recession was short and slight and their booms were young. Now their booms also are tired and our slump is a much sharper danger to them.

PRIVATE HOME CONSTRUCTION AND INDUSTRIAL PRODUCTION IN THE RECESSION

Mr. HUMPHREY. Mr. President, the lack of sound basis for the President's forecast that March would mark the beginning of the end of the recession becomes more obvious each day. The economic indicators point to exactly the opposite conclusion—the recession will become even more serious this month.

The Wall Street Journal of March 13 tells us the grim news. It states: "New

declines are showing up in three key economic indicators: Business spending on plants and equipment; private housing starts, and industrial production."

The Wall Street Journal reports that Government figures, soon to be released, show a drop in capital investment of \$1.5 billion for the fourth quarter of 1957 from previous Federal estimates. Also, the \$35.5 billion annual rate predicted for the first quarter of this year is expected to be cut by \$2 billion.

The Wall Street Journal also reports that the Federal Reserve Board will soon announce that industrial production in February fell for the sixth straight month to the lowest level since 1954. This means, Mr. President, a drop in industrial production in the past 6 months of roughly 10 percent.

The article also notes the recent Labor Department figures that private housing starts in February fell to the lowest level since 1949.

I ask unanimous consent that this article from the March 13 Wall Street Journal on the business decline be inserted at this point in the RECORD.

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

INDUSTRIAL PRODUCTION, PRIVATE HOUSING STARTS DROPPED LAST MONTH—SPENDING ON PLANTS IS TRAILING FORECAST—REPORT ON CAPITAL INVESTMENT IS EXPECTED TO PREDICT FURTHER DECLINE IN RATE

WASHINGTON.—New declines are showing up in three key economic indicators: Business spending on plants and equipment; private housing starts, and industrial production.

The Government's latest figures on late 1957 and early 1958 spending by companies on plants and equipment, due shortly, are understood to be substantially below previous Federal estimates.

The Labor Department announced the annual rate of private home starts dived in February to its lowest pace since early 1949.

And the Federal Reserve Board is expected to announce soon that industrial production in February fell for the sixth straight month.

The coming joint report on the Commerce Department and the Securities and Exchange Commission survey of capital investment is expected to show a drop of \$1.5 billion or more from the \$37.5 billion annual rate forecast for the fourth quarter of 1957. And the \$35.5 billion annual rate predicted for the first quarter of 1958 is expected to be cut by about \$2 billion.

The report, it is expected, also will foresee a further tapering off of business plant and equipment spending to an annual rate of about \$30 billion by the fourth quarter of 1958—well below even the revised fourth quarter 1957 rate.

The drop in plant and equipment spending estimates for the fourth quarter of 1957 would lower the total for all of 1957 slightly from the \$37 billion figured earlier. It would however still make 1957 a record year.

The Labor Department announced that the seasonally-adjusted annual rate of private home starts in February dropped to 890,000. The January rate was 1,030,000.

February usually marks the beginning of a seasonal upturn in housing construction, the Labor Department said, but added that builders reported that operations were delayed by "an abnormal amount of rain and snow and unusually low temperatures that prevailed during part of the month."

Early reports, the Department declared, indicate that the February decrease occurred

in all four broad regions of the Nation, but was less pronounced in the West.

Private home starts, which had showed an increase in January, dropped about 7 percent to 60,000 in February. They were 64,200 the month before and 63,100 in February a year ago.

Total non-farm housing starts—both public and private—totaled 65,000 in the year-earlier month. About two-thirds of the 5,000 public starts in the month were begun in projects under the armed services program, the Department said.

The agency added that during the first two months of 1958, construction was started on 134,000 dwelling units, of which 124,200 were privately owned. The private total in the first two months of 1957 was 123,400.

The industrial production index, to be released probably late this week or early next, will show a drop of one to three points in February from the 133 percent of the 1947-49 average in January. This would be the sixth straight monthly decline and would carry the index to its level of late 1954. In November of that year, the index stood at 128, and climbed to 130 the following month. In January of 1955, the index was 132.

The record high for the index came in December of 1956, when it stood at 147.

TAX RELIEF FOR LOW- AND MIDDLE-INCOME FAMILIES

Mr. HUMPHREY. Mr. President, in the current issue of Work, an excellent monthly publication put out by the Catholic Council on Working Life, there appears two fine and timely articles which deserve attention.

The first article tells of the growing need for tax relief for the low- and middle-income families of our country. I ask unanimous consent that this article entitled "Families Need Cut in Income Taxes" be inserted at this point in the RECORD.

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

AS RECESSION CONTINUES FAMILIES NEED CUT IN INCOME TAXES

You can take a long-range look at today's recession. By 1975 the average income of American families, after payment of all taxes, will be at least \$7,100 a year—a full third higher than today. This optimistic forecast was made last month by the Committee for Economic Development.

But you live by the short range, not the long one. Whatever the future may hold, the average worker and his family today are caught in a money squeeze between inflation and a recession. By all traditional economic theory, it shouldn't happen, but it has—a recession and an inflation at the same time.

PAYCHECKS SHRINK

The recession is decreasing the workers' income. Because of layoffs (near 5 million now) and short-work weeks (hitting at least 2 million persons), United States income from salaries and wages has gone down for 5 straight months.

Meantime, inflation keeps sending up the prices a family pays for food, clothing, shelter, and other needs. For 21 straight months the Nation's consumer prices have climbed steadily, each month to a new high.

For the first time since pre-Korea days, Washington is talking about a tax cut not just for the usual reason (taxes are too high), but to get the economy out of its present doldrums.

WHO GETS TAX CUT?

Although much of the discussion so far has dealt with the issue of when to put a

tax reduction into effect, the more important question is this: To whom should a tax cut apply?

The National Association of Manufacturers and some other business groups say that the biggest part of any tax cut should go to corporations and upper-income groups. In support of its case, the NAM argues that the country needs to pour more money into new plants and equipment—and lowering taxes at the bottom of the income ladder won't do this.

But the pressing need today is not for new plants and more machinery. The steel industry is now operating at only 65 percent of its capacity. One business publication pointed out last month: "The auto industry could stop shipping cars to its dealers for nearly 3 months and still be able to meet public demand."

NO LACK OF PLANTS

In one business after another, the evidence is clear that we have no shortage of industrial facilities. Thanks to the recession-inflation combination, however, many people are short on the cash to buy the things that industry produces.

A tax cut should be concentrated among people on the bottom half of the Nation's income ladder. Added money in their hands goes quickly for food, clothing, furniture, and other needs. This would give the whole economy a shot in the arm.

TWO WAYS TO CUT

In Congress two proposals have been made on cutting income taxes in a way that will be of most benefit to low- and middle-income families:

1. Increase the tax exemption of \$600 to \$700. This would put \$2.6 billion extra in spending money into the consumers' pockets.
2. Decrease the tax rate on the first \$2,000 on taxable income in a manner to put \$6 billion more into circulation.

Twenty years ago a family of four received exemptions totaling \$3,300, compared to \$2,400 today.

Also, even with the larger exemptions, the tax rate on the first \$2,000 of taxable income was 8 percent in 1939. Today it is 20 percent. If the tax rate on the first \$1,000 were reduced to 10 percent, as proposed by some Congressmen, the average family would get a \$200 cut on its tax bill.

KEEP TREASURY FULL

A tax cut, fairly applied, should be adopted by Congress—but at the same time both Congress and the administration must make sure that the Treasury's revenues are not reduced. Tax losses can be offset by revenue received from:

Enforcing the present tax laws more vigilantly. There is a fantastic amount of tax cheating, and not just the petty kind. For example, according to a report by a Congressional committee in 1955, \$3.5 billion in interest was not reported on 1952 tax returns.

Eliminating the inequities in tax laws. The oil and natural gas industries, for example, get special tax concessions which deprive the United States of at least \$1 billion a year in revenue.

There are so many loopholes that if Congress plugged up all of them taxes could be slashed 25 percent or more, according to Jack Steele, chief of the Washington bureau of Scripps-Howard newspapers.

PLEA FOR SMALL MAN

The need to reform tax policies was well put recently by a columnist with a conservative philosophy, George E. Sokolsky:

"All in all, the small man is in real trouble about this income-tax business. Only the very rich can take advantage of tax havens and profit havens. The small people of this country are becoming tired of tax methods which are rigid and uncompromising for the small citizen, but flexible and easy-going for those who have discovered the tax havens and profit havens."

SURPLUS FARMS

Mr. HUMPHREY. Mr. President, the second article from *Work* argues most effectively, and concisely the case for family farms. It is written by Father James L. Vizzard, vice president of the National Catholic Rural Life Conference. I ask unanimous consent that this article entitled "Get Rid of Surplus Farms?—Maybe, if You Tackle the Big Ones First," be inserted at this point in the RECORD.

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

GET RID OF SURPLUS FARMS?—MAYBE, IF YOU TACKLE THE BIG ONES FIRST
(By James L. Vizzard, S. J.)

When the food surplus problem is being discussed these days, whether in Washington or elsewhere, a very curious argument often shows up. It usually goes something like this:

"There are two surpluses that are plaguing us—too much production and too many farmers. The answer to both of these problems is simple and obvious. Just get rid of the surplus farmers. Automatically you'll cut down on production and get rid of the surplus. And there'll be a bonus, too; with fewer people to divide up the farm income, there'll be more for each."

Very neat. But it doesn't take much analysis to spot the fallacy of the argument—and the insincerity with which it is often proposed. For the writers and speechmakers never suggest that we try to get rid of the really big producers—the top few percent of corporation farms that account for a large share of total production.

AID TO CORPORATIONS

Not only are no efforts made, or even suggested, to move them off the land and take the vast quantity of their production off the market, but they actually are encouraged and helped by our present kind of farm program and its administration.

It is rather the small, "inefficient" farmer that these spokesmen want to see squeezed out of agriculture by the hundreds of thousands, and they usually are not too squeamish about how it is done. Where the "refugees" go or what they do, what they gain or lose by abandoning the land, these high-minded speechmakers do not say and they do not seem to care.

FARM FALLOUT

One fallacious side of the argument can be spiked easily. The last census of agriculture, in 1954, listed 1,200,000 commercial farms which had yearly sales of less than \$2,500. Suppose that all of these small scale farms were closed out, and the families occupying them went to the city (where, unskilled and lost, they almost certainly would end up in the slums).

How much production would that remove from the markets?

Seven percent.

What would happen to the land they left?

Experience proves that most of it would be acquired by the nearby larger farm operator who produces more efficiently and abundantly.

Net result?

Even greater surpluses.

PROBLEMS OF SURVIVAL

Mr. HUMPHREY. Mr. President, on Sunday afternoon, March 9, Dr. Harrison Brown, professor of geochronology at the California Institute of Technology, delivered the Gideon Seymour Memorial lecture at the University of Minnesota. His address has been made available to

the Senate through the CONGRESSIONAL RECORD for March 12, 1958, pages 4123 to 4127.

Dr. Brown's lecture, *Problems of Survival*, was a highly important statement of the most pressing problems which confront us today. Observing the tremendous potential for destruction which now rests in the hands of both of the major powers in the world, Dr. Brown made it clear that our greatest need was to devise methods which will insure the survival of the human race.

His words were the more impressive because he did not content himself with airy generalizations, but addressed himself to some of the arguments which he regards as obstacles to the achievement of some method of arms control. It is good that the problems of achieving long-range peace are now being sharply debated. Too often our leaders of thought content themselves with generalizations about world peace and fail to come to grips with some of the basic differences that exist even among men of intelligence and good will here in our own country.

We will never reach a national consensus—we will never achieve firm national decisions—until we thrash out some of the basic problems in open debate.

Mr. President, I noted with particular interest that Dr. Brown made reference to his participation in a committee of the National Planning Association which is looking into the problem of national security through arms control arrangements.

The National Planning Association has, over the years, made many significant contributions to economic policy, and I am delighted that it has assembled some of the Nation's outstanding leaders and scientists to give close attention to the problem of arms control. I eagerly look forward to the publication of this committee's first report to which Dr. Brown makes reference.

Dr. Brown is a member of the National Academy of Sciences. During the war, he made an outstanding contribution to the development of nuclear weapons as assistant director of chemistry at the plutonium project at Oak Ridge.

Among the extensive comments from various sources on Dr. Brown's address, I have been interested to note the comments of the University of Minnesota scientists, including Dr. Alfred O. C. Nier, Dr. Maurice Visscher, chairman of the department of physiology, and Dr. Athelstan Spilhaus, dean of the University of Minnesota Institute of Technology.

I ask unanimous consent that an article containing the reaction of these distinguished scientists which appeared in the Minneapolis Star for March 10, 1958, be printed at this point in the RECORD.

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

UNIVERSITY SCIENTISTS' REACTION TO BROWN TALK

University of Minnesota scientists commented today on Dr. Harrison Brown's suggestion Sunday of a 1- to 3-year ban on detectable nuclear tests and a network of monitoring stations to detect possible nuclear

detonations in the air, on land, or under the sea.

Dr. Alfred O. C. Nier, physics department chairman at the University of Minnesota, whose scientific contributions played a major role in the development of the atomic bomb, said he is "inclined to agree with Brown that the present state of affairs is really a negative one that isn't really going to lead us any place."

"And someone will have to come up with something new that offers some hope for the future."

Brown's suggestion about land, sea, and air monitoring of nuclear tests "certainly deserves very careful consideration," Dr. Nier commented today.

"At least, this would cut down the fallout problem," which, added Nier, "is certainly more serious than some people have tried to make us believe—and probably is not as serious as the people who oppose bomb tests most strenuously have suggested."

"The truth lies somewhere between these extremes. We don't know—and because of this, we should be extremely cautious about creating more fallout."

Dr. Maurice Visscher, chairman, department of physiology, University of Minnesota, said Brown "pointed out properly that the issues are only in part scientific issues."

Visscher, who is chairman of the subcommittee on biological effects of the governor's committee on nuclear fallout, agreed with Brown that much of the confusion about radiation tissues arises "when the public thinks erroneously that all scientific questions are answerable."

"They are not answerable," Visscher said. "We can only give educated guesses."

"Much of the data about environmental radiation due to fallout has not been available for public use," he continued. "I disagree implicitly with the philosophy which says the public cannot be trusted to make a sensible interpretation of raw facts."

"In order to make the democratic process work the public must have information," Visscher said.

"One of the finest things Dr. Brown's speech did," commented Dr. Athelstan Spilhaus, dean of the University of Minnesota Institute of Technology, "was to show that scientists are reading as best they can the good past work of sociologists, and interpreting it in terms of their knowledge and their best guess as to where scientific and technological progress is taking us."

"Scientists are becoming increasingly aware of the social implications of this explosive scientific and technological change. . . ."

"In general, I agree with Harrison Brown. I think one of the most important parts of the speech is the emphasis he placed on using whatever best inspection system we could devise, and getting agreement to use that system regardless of the fact that it may not be perfect."

"Even though—as he said—you have young bright guys who will be finding ways to beat the surveillance system, you'll also have young bright guys improving the surveillance system. The important thing is to get, in principle, the beginnings of an agreed-upon surveillance."

"We know, in the very words of Harrison Brown, that we have taxes on alcohol. We know bootlegging goes on."

"Because our surveillance system on alcohol production isn't perfect, we don't give up and throw the whole thing out the window—which is essentially Teller's point: if you can't do it perfectly, don't do it at all. And I don't believe that."

Mr. HUMPHREY. Mr. President, the same issue of the Minneapolis Star contained an editorial entitled "A Plan for Survival." I ask unanimous consent that the text of this editorial also be printed at this point in the Record.

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

A PLAN FOR SURVIVAL

Those who oppose any agreement between the Soviet Union and the United States to halt testing of nuclear weapons even for a limited period of time base their objections on the belief that the Soviet Union would continue testing on a bootleg basis in spite of any such agreement.

In his Gideon Seymour Memorial lecture Sunday, Prof. Harrison Brown made an interesting proposal to overcome this major objection. He would establish a worldwide detection system, but he would ban only those tests that could be detected. He would legalize secret nuclear tests, and, as he put it, make the bootlegging of tests an honorable profession.

"This would mean that no appreciable radioactivity could be poured into the atmosphere to contaminate the air, no appreciable air pressure waves could be initiated, no large ground shocks could be generated," he said. If any of these things happened, the detection system would find out about it.

Yet at the same time, the scientists and technologists would not be put out to pasture for the duration of any agreement, but, instead, would be kept happy and busy exploring all possible roads which might enable them to circumvent these formidable restrictions. Thus his proposal meets another objection: That halting the tests for a limited period would only delay the work of American scientists in this field.

Dr. Brown may have minimized the difficulty of getting an agreement with the Soviet Union on a detection system and on a moratorium on bomb testing under any circumstances. Yet his proposal to legalize secret nuclear tests is a new suggestion in this often-plowed field of thought, and it ought to be explored. It deserves more than the quick brush-off it got from Dr. Edward Teller, father of the H-bomb.

It is true that the plan raises questions about what might be done about violations, but answers might be proposed in the kind of an international conference of scientists that Dr. Brown proposes. As Dr. Brown said, "we have got to start somewhere and we have got to start soon on facing up to these problems of survival because we are rapidly approaching the time when it will be too late."

MONETARY AND CREDIT POLICIES

Mr. HUMPHREY. Mr. President, recently it was my privilege to address the Independent Bankers Association of America, at Dallas, Tex., on the occasion of its 24th annual convention.

This organization of independent bankers represents the economic life line of thousands of rural communities, villages, and smaller cities. The independent banker is possibly closer to what is going on in the American economic system than any other observer. He represents free enterprise; he represents community and civic responsibility. He is the symbol of the American monetary and credit system.

The program of the 24th Annual Convention of the Independent Bankers Association reveals the deep concern which these important business leaders have over recent developments in the American economy. I note in particular the address by Prof. John Kenneth Galbraith, entitled "Does Monetary Policy Really Work?" along with the address of Mr. Watrous H. Irons, presi-

dent of the Federal Reserve Bank of Dallas, on the subject of Business Developments and Credit Policy.

It was my privilege to speak to this splendid organization on the subject of Our American Economy and Its Effect on Foreign Policy. I was presented to the banquet audience by Mr. R. L. Mullins, president of the Wolfe City National Bank of Wolfe City, Tex. In his introduction Mr. Mullins appropriately noted that the 84th Congress had passed the Bank Holding Company Act of 1956. The Independent Bankers Association had sought for better than 14 years to have this important banking legislation passed by Congress. It is in fact a Magna Carta for independent banks. It has as its purpose the preservation of the independent banking system and the prohibition of the growth and development of the bank holding company apparatus.

The president-elect of the IBA is Mr. R. E. Gormley of the Georgia Savings Bank & Trust Co. of Atlanta, Ga. I ask unanimous consent to have printed in the Record the association officers and executive council.

I also ask unanimous consent to have printed at this point in the Record excerpts of my address.

Also, I ask unanimous consent to have printed a recent article by Sylvia Porter entitled "United States Economy Needs Fruits of Foreign Aid." Miss Porter's article fortifies the points that I sought to develop in my address to the independent bankers.

Finally, I wish to pay a special tribute to a fellow Minnesotan, Mr. Ben DuBois, secretary of the IBA, from Sauk Centre, Minn., and to his assistant, Mr. Howard Bell. Mr. DuBois is a dedicated servant of and crusader for independent banking. He typifies that spirit of rugged individualism with a social consciousness that has made America's smaller communities areas of opportunity and friendliness.

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

ASSOCIATION OFFICERS

R. L. Mullins, president, the Wolfe City National Bank, Wolfe City, Tex.; R. E. Gormley, first vice president, Georgia Savings Bank & Trust Co., Atlanta, Ga.; O. K. Johnson, second vice president, Whitefish Bay State Bank, Whitefish Bay, Wis.; A. W. Hoese, treasurer, Security State Bank, Glencoe, Minn.; Ben DuBois, secretary, Sauk Centre, Minn.; Howard Bell, assistant secretary, Sauk Centre, Minn.

EXECUTIVE COUNCIL

R. L. Adams, Bank of York, York, Ala.; E. E. Bailey, Princeton Bank & Trust Co., Princeton, W. Va.; Marshall Barnes, Beaver Dam Deposit Bank, Beaver Dam, Ky.; D. Emmert Brumbaugh, the First National Bank, Claysburg, Pa.; W. J. Bryan, Third National Bank, Nashville, Tenn.; Eugene W. Carlton, Durham Industrial Bank, Durham, N. C.; D. Fay Case, Security State Bank, Cannon Falls, Minn.; R. J. Castille, Guaranty Bank & Trust Co., Lafayette, La.

AMERICAN ECONOMY AND ITS EFFECT ON FOREIGN POLICY—REMARKS BEFORE ANNUAL CONVENTION OF INDEPENDENT BANKERS ASSOCIATION, DALLAS, TEX., MARCH 8, 1958

Nothing in the economic field is more important right now than a full public understanding of the vital interrelationship of a

dynamic national economy, an expanded mutual-security program, and liberalized foreign-trade effort. Tonight I should like to discuss these three key factors. Let me turn to trade policy first.

The trade policy of the United States is clearly in serious trouble in the Congress. In my opinion, it is absolutely essential that the reciprocal trade extension be passed without crippling amendments. If we present to the world a mutilated trade program we will have taken a step to discourage Free World unity at the very time when the Soviet Union is in the midst of a trade offensive, however phony it may be.

Obviously, the closer our economic relations with our allies, the more stable our political and military ties will be; contrariwise, the weaker our economic relations, the less effective our political and military unity against Soviet imperialism.

There are also compelling reasons for a liberal trade policy, since American ingenuity in most fields easily competes in world markets.

However, there are certain selected and very limited industries which might be temporarily adversely affected by changes in our trade policy. It is my opinion that the Federal Government should assist industries, workers, and communities so effected to readjust to more competitive lines. In past Congresses I have introduced a comprehensive trade-adjustment program. In my opinion, this would be a far better solution than the various amendments which are presently being offered.

Therefore, I announce here and now that I shall propose the trade-adjustment program as an amendment to the reciprocal-trade bill when it comes before the Senate for consideration. Together they will provide a strong, imaginative trade package which the Congress should endorse and the administration should support in the interest of a strong Free World and of a rising living standard for us all.

The trade-adjustment program would establish a governmentwide adjustment-assistance board which would be empowered to assist communities, workers, and industries adversely affected by trade policy to readjust to more competitive lines. The program would provide that if the President in the overall national interest disregards the escape clause or peril point findings of the Tariff Commission, he could at the same time authorize the Board to extend the following benefits to United States communities and industries which are hurt by foreign competition:

1. The Government would finance technical assistance to companies and communities needing it, to encourage diversification. Engineers, market researchers and other technicians would be financed for expert surveys out of Federal funds. Easier tax provisions for building new plants would be allowed, and import firms would be encouraged to enter such communities to stimulate new markets.

2. Under present law, jobless payments last for varying periods up to 26 weeks. The trade-adjustment program provides that these payments would be extended for an additional 26 weeks over authorized State limits.

3. Workers would be provided counseling, placement and special training allowances, coupled with special moving allowances for workers seeking employment in other areas and fields.

The situation is all the more urgent because of the recession now engulfing us at home. One way to keep American workers at work is to maintain our export markets abroad. Obviously since the United States exports far more than it imports, there are more workers employed in our export trade than could possibly be adversely affected by import competition.

One of the grandiose fallacies of the high-tariff-protectionist argument has always been that higher tariffs protected American jobs. For every possible job they ostensibly protect, two or three are lost through retaliatory tariff restrictions abroad against our exports. It is shocking indeed to realize that our good neighbor and best customer, Canada, has recently moved to boycott American goods because we have set up so many barriers to Canadian exports.

Not only will an expanded reciprocal trade program help America recover from the recession, but it is required by the international political facts of life. Trade is now a primary weapon in the arsenal of the Communist economic offensive. Trade missions from the Soviet Union, Communist China, and the satellite countries have been busy, especially in the uncommitted countries of Asia and the Middle East. The number of trade agreements negotiated between the Communist bloc and other countries has more than doubled since 1953.

In the face of commonsense economics at home and the Communist offensive abroad, let us not respond with an inconsistent, ostrichlike trade policy of high tariffs and threats of higher ones. To help those American industries which have a legitimate grievance against low-cost foreign competition, the Trade Adjustment Act which I have sponsored in Congress would be an effective temporary cushion during the adjustment period. That act would not be a permanent subsidy, but justifiable temporary assistance to help industries over the hump of accommodation to a new period of economic life.

NATIONAL ECONOMY

Meanwhile we move on other fronts to halt the recession we are now suffering. Partly for want of sound programs and partly because of rampant influences of selfish interests, an estimated 5 million Americans, many with dependents, are totally unemployed. Uncounted additional millions are working only a few hours per week. Farmers suffer depressed conditions. Bankruptcies are at the highest rate in our history, business failures at a rate equal to the early 1930's. Steel production is at only fifty-some-odd percent of capacity.

You know as well as I, that tight money has worked a severe hardship on small business and has given large corporations even a bigger advantage over their small competitors.

Another factor in the present recession and increased unemployment is contained in the budget. Percival F. Brundage, Director of the Bureau of the Budget, sent orders to agency heads last summer to hold spending in line with fiscal 1957. This order, which came to light despite the efforts of the administration to keep it quiet, meant a cut in spending of over \$2 billion from what the President in January had recommended. Although the President told the American people that his budget of \$71.8 billion for 1958 provided funds for all necessary Government activities on a reasonable scale, his Budget Director directed agency heads to start cutting.

A recession here can amount to a major Communist victory. It could be more important than winning the missile race. We cannot afford to permit this recession to continue to risk the very real threat of a depression. It is time we take off our blinders and see what is happening. The Soviet Union's sputniks, if nothing else, should have made us realize that we are facing a foreign power with tremendous scientific knowledge, productive capacity, and know-how. We can no longer afford to remain complacent. In the past year alone it is reported that the Soviet economy expanded by 10 percent and if the present trend continues the Soviet Union will match use in the entire economic field within a generation.

It is time for America to realize that there are worse things in life than an unbalanced budget—and one of them is the loss of our fight against Soviet totalitarianism. Freedom must take priority over balanced budgets and reduced expenditures.

MUTUAL SECURITY

Turning, in conclusion, to mutual security, we have to recast our whole foreign-aid program so that it goes to the people who need it most and goes to increase liberty. Then we can negotiate realistically with the Soviets and the Chinese for peaceful settlements of outstanding disputes, because they will then no longer be able to gain from the lack of settlements.

Here are 10 proposals to improve our foreign-aid program:

1. Place it on a continuous—perhaps 10-year effort—toward positive goals, rather than a spastic year-to-year effort.

2. Place the program under the direction of men aware they are dealing with a social revolution, men who know what reform is and how to get it, men infused with enthusiasm for practical, working democracy.

3. Work in the closest cooperation with our NATO allies, endeavoring to enlist their support and agreement on joint efforts in the mutual-security field.

4. Divorce military aid from our economic and technical-assistance programs, so that the latter are not overshadowed or adversely conditioned by the former.

5. Tie our aid program more closely to the work of the United Nations technical agencies, and increase our participation in multilateral projects.

6. Expand our foreign-aid program as our own national income expands, with concentration on long-term, low-rate loans.

7. Emphasize aid to free nations which are deliberately, successfully planning to increase the democratic life of their people.

8. Include measures to finance a certain amount of consumer credit, so that hungry people do not have to wait a lifetime before their lot is improved.

9. Extend the use of our food and fiber reserves under Public Law 480 for enlightened foreign-policy objectives.

10. Make a special effort immediately to double the administration's program for assistance to India by providing the extra \$250 million which India needs to insure the success of its second 5-year plan. The loss of India could well mean the surrender of Asia to communism.

UNITED STATES ECONOMY NEEDS FRUITS OF FOREIGN AID

New York.—How can I convince you—one of our Nation's 5 million jobless, or an American business being badly hurt by competition from foreign imports—that billions of dollars of tax money must be spent for foreign aid this year and it is imperative that Congress continue a trade policy encouraging imports of goods?

Will you willingly accept the argument that more than 4,500,000 American workers earn their living in activities directly created by foreign trade, and that there is scarcely an individual in our land who is not dependent in some degree upon our world-trade activities?

Will you believe the statement that nearly 80 cents out of every dollar we vote for economic assistance to underdeveloped nations is spent directly in the United States, and that this spending alone provided 600,000 jobs on farms and in factories last year?

Will you take seriously Khrushchev's declaration, last November, of "war upon you in the peaceful field of trade" and realize that unless we boldly counter Russia's aggressive economic offensive in Asia and Africa, Russia will, as she boasts, "win over the United States"?

Will you understand that to a significant extent, our country today is a "have-not" land, increasingly dependent upon the underdeveloped areas of the world for essential raw materials to keep our industries running and that we just cannot afford to have those areas closed to us?

Do you know that we import 100 percent of the coffee, tea, industrial diamonds; more than 50 percent of the asbestos, nickel, chromite, tin, manganese, tungsten, wool apparel, cobalt, bauxite used in our country?

Will you appreciate how much it is in our self-interest to assist in the economic growth of the underdeveloped regions of the globe because these regions represent a tremendous potential market for American goods, and these new customers easily can be our greatest antidepression insurance in the years to come, easily can help lift us to dizzying peaks of prosperity?

Last week I was among more than 1,000 citizens who went to Washington from all over the Nation to attend the President's extraordinary conference on foreign aspects of national security.

Never before has there been a bipartisan demonstration of this caliber.

I'm still a bit awestricken by the fact that on one day on the same platform, I heard speeches agreeing on the imperative necessity of continuing foreign aid and a liberal trade policy from Mr. Eisenhower, Truman and Stevenson, from Nixon, Dulles and Acheson, from Bishop Sheen, Rabbi Feldman and Archbishop Stritch.

Yet, even as I listened to the tens of thousands of words spoken from the platform and in the hotel corridors, the thoughts kept nagging me:

Most of these people are here because they already ardently believe in foreign economic aid and a liberal trade policy. Maybe this unprecedented bipartisanship and this exhilaratingly intellectual atmosphere will make some converts among key Congressmen, but this conference is hardly grassroots. And even though these delegates now go home and start fighting for support of the President's foreign-aid and trade programs at the local level, I've not heard many practical hints here on how to overcome the hostility to the programs during this cycle of recession.

You, the businessman being directly hurt by foreign imports, are the man who must accept the arguments at the start of this column. You, the worker out of a job today, must appreciate how much your future is involved in our foreign aid and trade.

You, the family in a flood-threatened area, must realize why we spend money on flood control in far-distant lands.

For unless and until you are convinced, conferences won't do the job and our foreign economic aid and trade programs will remain shaky and insecure.

And Russia will continue to make terrifying progress in her relentless war to win the world through trade.

MR. BIBLE. Mr. President, has morning business been concluded?

THE PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

STAY OF REDUCTIONS IN PRICE SUPPORTS AND ACREAGE ALLOTMENTS

MR. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 162.

THE PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

THE CHIEF CLERK. Calendar No. 1377, Senate Joint Resolution 162, to stay any

reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws.

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

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

MR. ELLENDER obtained the floor.

MR. BIBLE. Mr. President, will the Senator from Louisiana yield to me so that I may suggest the absence of a quorum?

MR. ELLENDER. Mr. President, I will yield to the Senator for that purpose provided I do not lose my right to the floor and provided that the time is not taken out of the allotment provided in the unanimous-consent agreement.

MR. BIBLE. Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of suggesting the absence of a quorum and that the time taken for the call of the roll not be charged to the time embraced within the previous unanimous-consent agreement.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? Without objection, it is so ordered.

MR. BIBLE. 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	Gore	Morse
Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bible	Hill	Pastore
Bricker	Hobbs	Payne
Bridges	Holland	Potter
Bush	Hruska	Proxmire
Butler	Humphrey	Furtell
Byrd	Ives	Revercomb
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppl
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	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

MR. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] is absent on official business.

MR. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family.

THE PRESIDING OFFICER (Mr. COOPER in the chair). A quorum is present.

MR. ELLENDER. Mr. President, I yield myself 10 minutes.

We have before us for consideration a very simple joint resolution. It seeks to maintain the status quo with respect to support prices and acreage allotments until Congress can enact such further

legislation as may be required by present distressed conditions in American agriculture.

The resolution would do two things. First, it would prevent support prices on any agricultural commodity from being reduced below the 1957 level, and, second, it would prevent the total allotted acreage for any commodity from being reduced below the total acreage allotted for such commodity in 1957.

It would also continue those provisions of law dealing with the distribution of cotton and rice acreage allotments until Congress has an opportunity to provide appropriate substitute legislation.

Immediate action upon the joint resolution is particularly urgent because the price supports on dairy products are scheduled to drop at the end of this month from \$3.25 per hundredweight for manufactured milk to \$3.03 per hundredweight, and from 58.6 cents per pound for butterfat to 56.2 cents per pound.

In view of the fact that the resolution, as I have just indicated, is proposed purely and simply as stopgap legislation, I earnestly hope that the Senate will not adopt any amendments to it or try to write a new farm bill on the Senate floor.

When the joint resolution was considered in committee a few days ago, as chairman of the Committee on Agriculture and Forestry, I made it plain to the committee—and the committee agreed with me—that we should start immediately on the preparation and presentation to Congress of a long-term farm bill. However, in order to tide our farmers over a critical period which confronts them now, and to give us time to do the thorough job long-range farm legislation will require, the resolution before the Senate now is an urgent necessity.

It is my hope that within the next 4 or 5 weeks, the Senate Committee on Agriculture and Forestry will be able to present and the Senate will promptly pass a bill which will be acceptable and helpful, generally speaking, to the farmers of our Nation, and will tend to improve their present position.

The passage of the joint resolution will not provide much in the way of additional income to the farmer beyond that which he received last year. He may even receive less, depending upon price conditions and whether he has a good year for the production of crops. Last year, it may be recalled, production was very good; as a matter of fact, it is my recollection that last year was one of the best in several years. The only crop which suffered considerably, as I pointed out a few days ago, was cotton. Never before in the history of cotton production had a crop of cotton been produced which, because of a lack of favorable weather conditions, farmers were unable to gather.

There are many compelling reasons why Congress should act immediately upon the joint resolution which is now before the Senate. One reason is that the committee intends to consider an omnibus bill, and has already arranged to commence the study of a long-range

program, just as soon as humanly possible. An even more important reason is the present generally depressed state of the national economy.

Yesterday the Senate passed a housing bill providing \$1.8 billion for new housing. Senators said that this stimulant to construction would provide up to 500,000 jobs in the immediate future. The Senate and its committees also are considering many other bills which have to do with stimulating the national economy.

There is little doubt that the national economy is sagging at this time. The Secretary of Labor recently reported that 5.2 million people are now unemployed. Other economists have stated that this figure may well increase unless something were done, and done soon.

There is ample evidence of considerable cutbacks in industrial production. I understand that steel mills are operating at about 55 percent of capacity. The production of automobiles has been reduced, and the production of many other articles also has declined.

In the light of the general economic situation, it seems to me that this is a most inopportune time to ignore the very real depressed state of our agricultural economy.

Realized net farm income, at \$11.5 billion, is at the lowest point since 1942, while production expenses are at an all-time high of \$22.5 billion.

Mr. President, I consider farming to be one of the most important segments of our whole economy. It is necessary to provide a farm income in an amount sufficient to keep farmers in business. I do not know of any segment of the population which could add more to the prosperity of the country than our farmers, if a more prosperous farm income is provided.

As has often been said, most depressions have started with falling farm income. That is the beginning of depressions. Since it is obvious to me that a depression has now started, this is not the time to lower further the income of those who produce our very lifeblood—food and fiber.

There has been a great decrease in the number of farms and the number of people on the farms in the past few years, as well as in the income of this important segment of our economy. In 1952 there were 5.4 million farms in the United States. By 1957 the number had fallen to 4.9 million.

Farm population in 1952 was 24.3 million. Today it is down to 20.4 million.

In 1952, the farm population as a percentage of the total population was 15.5 percent. In 1957 it was only 12 percent. Thus a substantial reduction in our farm economy has taken place each year since 1952.

The income from farming as a percentage of national income has never been so low in the entire history of the Nation. The figures date back to 1910, as I pointed out 2 or 3 days ago. In 1910, farmers received 14.1 percent of the national income. In 1957 that per-

centage was reduced to 4.2; I repeat: That is the lowest percentage in our history.

With the Nation now facing the awful reality of a growing depression, this is not the time to lower prices farmers receive particularly when farm income is already at an all-time low, expressed as a percent of national income.

I have many other tables which indicate the plight of the farmers and the extent to which his income varies from that of persons engaged in other businesses throughout the Nation. Let us consider, for instance, labor income. In 1952, labor income was \$190.3 billion; in 1957, it was \$246.6 billion, an increase of \$56.3 billion.

The PRESIDING OFFICER (Mr. COOPER in the chair). The time the Senator from Louisiana has yielded to himself has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 additional minutes.

Mr. ELLENDER. Mr. President, let us consider business and professional groups. In 1952, they received \$25.7 billion of the total national income. In 1957, they received \$28.7 billion, an increase of \$3 billion.

In 1952 rental income was \$9.9 billion. In 1957, it was \$10.4 billion, up \$0.5 billion.

In 1952, income from dividends amounted to \$9 billion; in 1957, it was \$12.3 billion—up \$3.3 billion.

Now, let us look at farm income—let us see where the depression has been felt for many years.

In 1952, farm income amounted to \$14.3 billion; in 1957, \$11.5 billion—down \$2.8 billion.

Mr. President, these figures indicate that the most important segment of our economic society—that composed of those who produce the food and fiber without which all of us would wither on the vine—is the only one in whose income has consistently been reduced since 1952, as well as preceding years.

I ask unanimous consent, Mr. President, to have printed at this point in the RECORD the two tables to which I have just referred.

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

Sources of personal income from President's 1958 Economic Report, p. 129

[Billions of dollars]

Year	Labor income ¹	Business and professional	Rental income of persons	Dividends	Personal interest income	Farm income
1952.....	190.3	25.7	9.9	9.0	12.3	14.3
1953.....	203.4	25.9	10.2	9.3	13.7	13.9
1954.....	201.7	25.9	10.6	9.9	15.0	12.2
1955.....	217.3	27.3	10.2	11.0	16.1	11.6
1956.....	234.8	28.0	10.3	11.9	17.6	12.1
1957.....	246.6	28.7	10.4	12.3	18.8	11.5

¹ Wage and salary disbursements and other labor income excluding employer contributions for social insurance.

² Preliminary.

Data relating to number of farms and farm population, 1952-57

Year	Number of farms	Farm population	Farm population as a percent of total population	Income from farming as a percent of national income
	Millions	Millions	Percent	Percent
1952.....	5.4	24.3	15.5	6.4
1953.....	5.3	22.7	14.3	5.4
1954.....	5.2	21.9	13.5	5.2
1955.....	5.1	22.2	13.5	4.6
1956.....	5.0	22.3	13.3	4.3
1957.....	4.9	20.4	12.0	4.2

Mr. ELLENDER. Mr. President, I hold in my hand another detailed table. It shows the realized net income of the farmer, as compared with his total net income. There has been a gradual decrease from 1943 to the present time. This table includes some of the figures included in the tables I have previously submitted for printing in the RECORD, so I shall not discuss this one in detail. But it includes figures for a few more years, and indicates that the realized net income of farmers has steadily declined since 1951. Senators will note the decline began in 1948 but it was greatly increased after 1951.

By the way, Mr. President, the figures for realized net income are used by the Department of Agriculture as a means of measuring the income of the farm segment of the economy, as compared with the income of all other segments.

I ask unanimous consent to have the table printed at this point in the RECORD.

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

Data relating to farm income

Year	Realized net income ¹	Non-money income (value of home consumption and rental value of dwelling)	Total net income ²	Average Government payments per farm ³
	Billion	Billion	Billion	
1942.....	\$8.8	\$2.6	\$9.9	\$105
1943.....	11.9	3.1	11.8	106
1944.....	12.2	3.1	11.8	129
1945.....	12.9	3.4	12.4	124
1946.....	15.0	3.8	14.9	130
1947.....	17.2	4.0	15.5	53
1948.....	15.9	4.1	17.7	44
1949.....	13.7	3.5	12.9	32
1950.....	12.9	3.4	13.7	50
1951.....	14.8	3.8	16.1	51
1952.....	14.3	3.9	15.1	51
1953.....	13.9	3.7	13.3	40
1954.....	12.2	3.5	12.7	49
1955.....	11.6	3.4	11.9	45
1956.....	12.1	3.4	11.6	112
1957.....	11.5	3.4	12.1	209

¹ Includes nonmoney income and Government payments in addition to the difference between cash receipts and farm expenses.

² Is realized net income adjusted for net changes in farm inventory.

³ Includes soil bank payments as well as all other Government payments.

Source: Farm Income Situation, AMS, USDA.

Mr. ELLENDER. Mr. President, I desire to refer to the index of prices received by farmers, prices paid by farmers, and the parity ratio. These figures are set forth in a very important table which I now hold in my hand. This table also indicates that the prices received by farmers have been gradually but constantly decreasing and that the

parity ratio has been gradually falling, as compared with the situation existing in the 1914 period, whereas prices which have been paid by farmers have been gradually increasing—thereby reducing the parity ratio from year to year.

In that connection, let me refer to a few of the changes: For instance, in 1952, prices received by farmers were 288 percent of those in 1914.

The PRESIDING OFFICER. The time of the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, by way of contrast, we should note that in 1952, prices paid by farmers were 287 percent, and the parity ratio was 100.

But since 1952, the prices paid by the farm segment of the economy have gradually been increasing, whereas the prices received by farmers have gradually been decreasing.

As I have just indicated, in 1952 the index for prices received by farmers was 288 percent, as compared with the situation in 1914. In 1957, it had declined to 242 percent.

Mr. President, in 1952, the index for prices paid by farmers for the things they need was 287; but in 1957, it was 295.

So, as of last year, the parity ratio had declined to 82 percent. The year before, in 1956, it was also 82 percent. In 1955, it was 84; in 1954, it was 89; in 1953, it was 92; and in 1952, it was 100.

So, Mr. President, of all the tables I have submitted for printing in the RECORD, the one to which I now refer shows the darkest picture for the farmers, in contrast to the picture for other segments of the economy.

The PRESIDING OFFICER. The time the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 additional minutes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the table to which I have just referred be printed at this point in the RECORD.

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

Index of prices received, prices paid and parity ratio

Year	Index		Parity ratio
	Prices received	Prices paid	
1952	288	287	100
1953	258	279	92
1954	249	281	89
1955	236	281	84
1956	235	285	82
1957	242	295	82

Source: CSS, USDA.

Mr. ELLENDER. Mr. President, as I understand, I have yielded myself a total of 15 minutes.

The PRESIDING OFFICER. No; the Senator from Louisiana has yielded himself a total of 20 minutes.

Mr. ELLENDER. Very well.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I thank the Senator from Louisiana for yielding.

I am sure he is aware that this morning the Secretary of Agriculture held a press conference at which he made it very clear and very definite that he is opposed to both these resolutions; and I wish to emphasize the word "both."

The Secretary of Agriculture also made it clear that he has no intention whatsoever, under any circumstances, of modifying or altering the cotton and dairy-product price supports. I mention those two things because the press had published indications that the Secretary of Agriculture might raise the supports a little.

I am sure the Senator from Louisiana knows that this morning the Secretary of Agriculture said that Senate Joint Resolution 162, which deals with all commodities, and Senate Joint Resolution 163 are considered by him to be worse than the farm bill passed by the Congress in 1956, and subsequently vetoed by the President.

I only add that all we are attempting to do today is hold the line on the very prices established under the Eisenhower-Benson farm program of 1957. Even as of today, all we are attempting to do is keep in effect the farm program the President asked the Congress to put on the statute books, as Congress did, after the President had vetoed the farm program the Congress had developed.

However, for some years our friends of the fourth estate and elsewhere have had trouble remembering that the farm program which Mr. Benson now so roundly condemns, is his own program—the one worked out by him, and sent to the Congress by the President, and the one which—following the President's veto of the original program developed by the Congress—the Congress adopted as a means of having some legislation in this field placed on the statute books.

Let me ask the chairman of the committee whether my statement is an accurate one.

Mr. ELLENDER. It is, and I thank the Senator from Minnesota for it. As a matter of fact, he has anticipated what I was planning to discuss, for I desire to make the very point he has made.

As a matter of fact, the present law will not be changed at all by this joint resolution; we shall simply be freezing the acreage allotments of last year at a level not less than that in effect last year, in the case of all the basic commodities. The support prices of all the basic commodities would also be frozen at a level not less than that in effect last year.

The PRESIDING OFFICER (Mr. MORRISON in the chair). The time the Senator from Louisiana has yielded to himself has again expired.

Mr. ELLENDER. Mr. President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for an additional 5 minutes.

Mr. ELLENDER. Mr. President, let me point out to my good friend, the Senator from Minnesota, that in the case of cotton, last year the support price for upland cotton was 28.8 cents a pound; but this year Mr. Benson fixed the support price at a little more than 30 cents a pound. Of course the cotton farmers will get the benefit of the increase, for the simple reason that the Secretary cannot fix the support price below what it was last year, but nothing prevents him from increasing it.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. I repeat what I have previously stated, it is an attempt further to depress the farmer's income at a time when it is already at the lowest point in our history.

Mr. President, I ask unanimous consent to have printed in the RECORD a table which will show exactly the prices which were paid last year for various supported commodities, and the prices which, in many instances, have been fixed for 1958.

I also ask unanimous consent that a table showing the effect of their resolution on acreage be printed in the RECORD.

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

Commodity Credit Corporation price support levels and prices for 1957 and 1958 crops

Commodity	Unit	Required by S. J. Res. 162—1957 crops		Announced by Secretary—1958 crops	
		Support level	Support price	Support level	Support price
Basic commodities:					
Corn ¹	Bushel.....	77.0	\$1.40	(?)	(?)
Cotton, extra long staple.....	Pound.....	75.0	.5970	(?)	(?)
Cotton, upland.....	do.....	78.0	.2881	81	\$30.3075
Peanuts.....	do.....	81.4	.1135	(?)	(?)
Rice, rough.....	Hundredweight.....	82.0	4.72	75	\$4.33
Wheat.....	Bushel.....	79.0	2.00	75	\$1.78
Mandatory nonbasic commodities:					
Honey.....	Pound.....	70.0	.097	70	.096
Dairy products:					
Manufacturing milk.....	Hundredweight.....	82.0	3.25	75	3.03
Butterfat.....	Pound.....	79.0	.586	75	.562
Tung nuts.....	Ton.....	65.0	52.13	(?)	(?)
Tung oil.....	Pound.....	.....	.205	(?)	(?)
Mohair.....	do.....	87.0	.70	82	.70
Wool.....	do.....	101.0	.62	95	.62

¹ Commercial support for corn produced in compliance with acreage allotments.

² Not announced.

³ Minimum.

Commodity Credit Corporation price support levels and prices for 1957 and 1958 crops—Con.

Commodity	Unit	Required by S. J. Res. 162—1957 crops		Announced by Secretary—1958 crops	
		Support level	Support price	Support level	Support price
Other nonbasic commodities:					
Barley.....	Bushel.....	70.0	\$.95	70	\$.93
Beans, dry edible.....	Hundredweight.....	68.0	6.31	68	6.18
Cottonseed.....	Ton.....	65.0	46.00	65	45.00
Flaxseed.....	Bushel.....	65.0	2.92	65	2.78
Gum naval stores.....	Barrel ¹	90.0	28.29	90	29.04
Oats.....	Bushel.....	70.0	.61	70	.61
Rye.....	do.....	70.0	1.18	70	1.10
Sorghums, grain.....	Hundredweight.....	70.0	1.86	70	1.83
Soybeans.....	Bushel.....	70.0	2.09	70	2.09

¹ Unprocessed basis.² 435 pounds processed basis.

Acreage required by S. J. Res. 162

Wheat.....	55,000,000
Corn.....	37,288,889
Cotton (upland).....	17,585,463
Cotton (extra long staple).....	89,357
Peanuts.....	1,611,441
Rice.....	1,652,596

Mr. ELLENDER. Mr. President, if anything, the prices for 1958 have increased over those of 1957. From that standpoint, I do not see why Mr. Benson should object. But, Mr. President, as has been pointed out on many occasions, the allotted acreage of many farmers has been cut back to a point that it is uneconomical to farm many crops.

What the pending measure does is simply place a floor under 1958 acreage allotments. It provides that such allotments cannot be reduced below 1957 levels; however, they can be increased. This floor would remain in effect until Congress enacts a long-term farm program, and I might say that the Senate Agriculture Committee will begin that task within the very near future.

I wish to give assurance to the Senate, as chairman of the Committee on Agriculture and Forestry, that I shall do all in my power to report a bill from the committee as soon as possible.

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

Mr. ELLENDER. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the Senator a question regarding tobacco. Tobacco is excluded from the joint resolution. Many tobacco growers in my State and other States may believe that because tobacco is excluded from the resolution the interests of tobacco growers have not been considered by the Committee on Agriculture. That is not the case.

Mr. ELLENDER. No, that is not the case.

Mr. COOPER. Differing from all other farm crops, tobacco has a support price of 90 percent of parity, fixed by law, and it cannot be lowered by the Secretary of Agriculture. Is that correct?

Mr. ELLENDER. The Senator is correct. Tobacco farmers have an allotted acreage program which they themselves have fixed.

Mr. COOPER. I think the Senator from Louisiana will agree with me that because there is a fixed support price on tobacco, which cannot be lowered by the Secretary of Agriculture, and an acreage allotment program voted by the

farmers, the situation with regard to tobacco is good, and there is no occasion to include tobacco in the resolution. The fact that it is not included is evidence that the tobacco program is working well.

Mr. ELLENDER. As a matter of fact, the support price is fixed by law.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Mississippi.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. ELLENDER. I yield 3 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 3 minutes.

Mr. STENNIS. I thank the Senator from Louisiana for yielding to me, and I appreciate his understanding of the nationwide problem. I think he and his committee have done a splendid job in bringing before the Senate the joint resolution. It is timely and necessary.

I wish to invite attention to the portion of the joint resolution affecting a product with which I am familiar, in order to be sure I understand what is included with regard to that product. Will the Senator from Louisiana state whether I am correct in my understanding that the joint resolution now includes the provisions of the 1956 law, which were temporary, and freezes the cotton acreage for 1959, and years thereafter, at the 1957 level?

Mr. ELLENDER. The Senator is correct.

Mr. STENNIS. It is very necessary that such a provision become law during

calendar year 1958. Otherwise, there would be severe, and even shocking, injury to many cotton producers, the people who live and toil on the land.

Mr. ELLENDER. I am in agreement with the statement of the Senator from Mississippi.

Mr. STENNIS. I appreciate what the Senator from Louisiana and other Senators have done.

There is also included in the joint resolution an additional provision providing that the very small producer shall not have his allotment reduced below 4 acres, or the highest planted acreage of one of the last 3 years. Is that correct?

Mr. ELLENDER. The Stennis amendment has been included in the joint resolution.

Mr. STENNIS. I am very glad the Senator had the amendment placed in the joint resolution. That provision will be made permanent legislation, will it?

Mr. ELLENDER. Yes, until Congress enacts other legislation.

Mr. STENNIS. Until it is changed by law, of course.

Mr. ELLENDER. That is correct.

Mr. STENNIS. I am also interested in another provision, which was a companion amendment to the two provisions I have mentioned. It has to do with the 1-percent clause, which is not so necessary now as it was, but which is taken care of in the joint resolution. Is that correct?

Mr. ELLENDER. The Senator is correct.

Mr. STENNIS. S. 267, which covered those three points, was before the committee. I introduced that bill in January 1957. I know the Senator from Louisiana gave special attention to its provisions, and I wish to thank him and the other members of the committee. The provisions relating to cotton acreage are an important part of the joint resolution. Something is done about cotton acreage for 1958 although certainly that is not so important as the provisions in the joint resolution relating to 1959 and future years.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. STENNIS. I thank the Senator.

Mr. President, I ask unanimous consent to have printed at this point in the Record a table explaining the 1958 benefits from the three acreage allotment amendments included in the 1956 Agricultural Adjustment Act.

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

1958 benefits from 3 acreage-allotment amendments included in 1956 Agricultural Adjustment Act

State	Total 1958 allotment for cotton	Effect of Stennis amendments, acreage saved or gained			Number of farms affected by 3d amendment
		1st amendment ¹	2d amendment ²	3d amendment ³	
Alabama.....	1,035,463	164,741	-----	13,146	44,150
Arizona.....	367,572	59,199	-----	206	408
Arkansas.....	1,411,984	226,602	-----	5,786	13,724

¹ Holds 1958 allotment for United States same as 1956 national allotment.

² Provides for about 63,224 additional acres for 1958 to be distributed among the States to prevent losses resulting from shifts in history between States. In effect, this amendment prevents any State from losing more than 1 percent of its allotment from the previous year.

³ Adds 100,000 acres to the national allotment to be used exclusively to give each cotton farm the smaller of 4 acres or the highest planted in the 3 previous years.

1958 benefits from 3 acreage-allotment amendments included in 1956 Agricultural Adjustment Act—Continued

State	Total 1958 allotment for cotton	Effect of Stennis amendments, acreage saved or gained			Number of farms affected by 3d amendment
		1st amendment ¹	2d amendment ²	3d amendment ³	
California.....	812,487	130,853	-----	468	1,215
Florida.....	38,662	6,028	-----	1,257	4,339
Georgia.....	905,387	144,303	-----	9,904	25,851
Louisiana.....	609,922	97,542	-----	4,619	14,597
Mississippi.....	1,660,110	265,437	-----	12,914	41,200
Missouri.....	377,819	60,705	-----	1,104	3,286
New Mexico.....	184,247	29,658	-----	202	609
North Carolina.....	494,083	77,312	-----	14,316	51,036
Oklahoma.....	827,162	128,706	23,300	5,162	-----
South Carolina.....	739,957	117,870	-----	8,503	29,715
Tennessee.....	582,523	92,781	-----	6,761	24,551
Texas.....	7,474,661	1,195,909	39,844	13,497	27,430
Virginia.....	18,161	2,802	-----	777	4,991

¹ 1957 estimate.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for it not be taken out of the time allotted to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Morse
Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hennings	Neuberger
Beall	Hickenlooper	O'Mahoney
Bible	Hill	Pastore
Bricker	Hoblitzeil	Payne
Bridges	Holland	Potter
Bush	Hruska	Proxmire
Butler	Humphrey	Purcell
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	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

The joint resolution is open to amendment.

Mr. DIRKSEN. Mr. President, I yield myself 15 minutes.

On January 16 of this year the President made certain recommendations to Congress in the field of agriculture. After surveying the whole situation, and deciding what he thought and finding what the Secretary of Agriculture thought was necessary in the interest of our farm economy, he made certain recommendations. They include a revision of acreage controls, a revision of the price-support formula, a freer decision on the part of farmers, an extension of markets through surplus disposal, an acceleration of research for the purpose of finding new uses for farm products, and an extension of the so-called rural development program.

With respect to a part of the President's recommendations, relating particularly to those items which are set forth in the law, a bill was introduced by the Senator from Iowa [Mr. HICKENLOOPER], cosponsored by other Members of the Senate, which is designed in part to carry out the recommendations of the President and the Secretary of Agriculture. The bill, S. 3049, is presently pending in the Committee on Agriculture.

Among other things, the bill provides for an increase in national marketing quotas and acreage allotments, the discontinuance of acreage allotments on corn, the level of price support for basic agricultural commodities, the level of price support for dairy products, the establishment of a Commodity Credit Corporation Advisory Board, and the extension of the Agricultural Trade Development and Assistance Act. That bill in large part embodies the recommendations of the Secretary of Agriculture and the President of the United States.

We are now confronted with Senate Joint Resolution 162, which proposes a support freeze at the 1957 level, measured in dollars-and-cents terms. It also provides for a freeze of acreage, with the exception of tobacco.

I wish to examine the specific effect of the joint resolution. There are 12 or 15 reasons why it should be defeated.

In the first place, it is an indefinite freeze. One need only to look at the language of the joint resolution to show that that is so. It provides:

In order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time.

When will Congress consider changes in price supports and acreage allotments? I do not know. The distinguished chairman of the Committee on Agriculture and Forestry may say the committee will consider it next week. That does not mean that the Senate will consider it. It does not mean that the Senate will act on it. It does not mean that the House Committee on Agriculture and Forestry will act on it. It does not mean that the House of Representatives will act on it. This is an indefinite contingent. Until that question is resolved, the joint resolution provides an indefinite and permanent price freeze. If the Committee on Agriculture and

Forestry and if the Senate and the House do not act on the bill, to which I have referred, and obtained the signature of the President of the United States to it, the freeze will continue. If I am wrong in my interpretation of the language, then I should like to have someone correct me.

When we speak about an indefinite freeze based upon an amorphous contingency, we are speaking about changing the basic agricultural policy of the Nation. That is the first reason why I am opposed to the resolution.

Second, it proposes a major policy change. The law is quite clear with respect to the purpose of price supports, the criteria therefor, and where they shall be established within a given bracket. The ultimate objective is to provide an adequate supply of a commodity.

The Secretary of Agriculture consults his advisory boards, his statisticians, his economists, his stabilization experts, and his marketing advisers, and then determines where the level should be set for the purpose of producing an adequate supply. If we freeze the level, if we take away the administrative authority, we have made a basic change in agricultural policy.

When the Senate had under discussion the other day, on a motion to suspend the rule, the proposal offered by the distinguished Senator from Minnesota [Mr. THYE], the distinguished Senator from Vermont [Mr. AIKEN] stood in his place and asked, "Why, under given conditions, did not the Secretary of Agriculture modify price supports a year ago? Why did he not cut them then?"

There was a perfectly logical reason why, but in the welter of debate late in the day there was no time to offer a rebuttal. I will state why the Secretary did not reduce price supports then. There were 600 counties which were designated for drought relief. Emergency feed was made available to stockmen. There were 700 other counties where grazing land was to be placed in the Soil Bank. The conditions were so entirely different that when the Secretary and his staff evaluated the whole situation there was great warrant for the action he took then in not lowering the price supports. What is now proposed, however, is a basic change in policy.

The third reason I assign in opposition to the joint resolution is that it will simply defer a long fervent hope which we had entertained that perhaps the supply and the demand could be brought into better balance. I am still devoted to the old, classic idea that when there is a balance between supply and demand, or approximately so, in a free-enterprise system, then the price mechanism begins to work. But obviously it cannot work if legal rigidities are imposed by legislative fiat to tie the hands of the very person who, under the law, is mandated to administer the law.

How long and how fervently have we hoped that at long last, instead of having the farmers produce for warehouse account, they would be producing for

the market, for the consumer, for export, and for whatever carryover was needed.

Now it is proposed to go back to the price support level, in dollars and cents terms, to do what obtained last year; and it will be insurance that, once more, the hope which we so long nourished will go aglimmering. The result will be that the farmers will be producing once more for storage account, with all the administrative costs and storage costs that go with it.

It seems to me that if the Senate will simply contemplate the frightening figure of \$1 million a day for the storage of commodities which will have to be taken over, that in itself ought to be rather persuasive.

So what I see in the freeze is an assurance that we will be going back to the old surplus diet.

The fourth reason why I am opposed to the resolution is that it will tie the Secretary's hands. For practical purposes, we shall be reverting to the old, mandatory philosophy. What a tragedy that will be. We have seen what happened in the 8-year period when prices were supported under mandatory, high, rigid levels. That was when the mischief and the devilry were done. That was when the real accumulations began. Now we shall have it all over again, because the resolution imposes mandatory supports, at 1957 levels, on nine commodities.

Let us make no mistake about it. By this interesting joint resolution, we shall be reviving the very thing we had consigned, I hoped, to oblivion, when we finally got away from the mandatory level.

Now it is proposed to tie the Secretary's hands. In the basic law we say to him, "Within a given bracket, you fix the price support level where you and your experts believe that enough will be produced for domestic consumption, for carryover, for the export trade, and for whatever else may be needed."

In accordance with the export background, a level was fixed by the Secretary of Agriculture. But now it is proposed to go back and, by a change of policy, tie Mr. Benson's hands.

I know that many Senators do not like him. I have heard all the imprecations which have been hurled against him. But I am always delighted to think of him as one of the most reputable characters who has ever come to the Nation's Capital. If he were a weak and vacillating person; if he did not have an intense conviction, which is as well anchored as the Rock of Gibraltar; he would have faltered under attack long ago. He has a conviction; and I am delighted that the President shares the conviction with him. I am even more delighted that at the press conference last week, when a House delegation was seeking to pressure the resignation of Mr. Benson, the President said that whom he had in the Cabinet was not the business of Congress, and that he did not expect or intend to call for Mr. Benson's resignation.

The Nation will never get a more courageous man; and now that we have him, it is proposed that we tie his hands.

We are asked to say, "In the law, we directed you what to do. In the law we gave you authority, according to your own lights, to do your best in the interest of American agriculture. But now, Mr. Secretary, we are not going to let you have the flexibility allowed by the law. We propose to tie your hands and to freeze the price support level." That is another reason why I am against the resolution.

The fifth reason is that the resolution will assure the creation of more surpluses. It cannot be otherwise. We cannot consider the productivity of the American farm plant without recognizing that in every field, whether it be dairy products or others, there will be more and more surpluses.

At this point I shall comment on the statements which have been made in the Senate from time to time about the exodus from the farms. Yes; there has been an exodus from the farms, and there is, I think, a very good reason for it. In 1920, which was 138 years ago, a farmer in the United States produced enough to meet the subsistence needs of a little more than 4 persons. But in 1956, a single farmer produced enough to meet the subsistence needs, not of 4 persons, but of 21 persons. If anyone wants to know why people leave the farms, let him look at the productivity figure. Then to that must be added the cost of machinery, and other factors. From those figures we get the answer.

Actually the exodus from the farms began in almost every State of the Union in 1935. I have here a table which shows the curves. They go down, almost without any modification, starting in 1935. That was the year when the curve of farm population started downward, and it has been going down ever since.

I suppose that in 1910 the farm population was about 35 percent of the total population. Thirty years ago it was probably 25 percent of the total. The percentage continued at that level until 1935, when it began to slide down.

There are many reasons for the change. There is the lure of jobs in the cities by means of the fine highways which we build. A person now has the means to commute between where he lives, if he lives on 5 or 10 acres, and a job which is 60 or 70 miles away. He can get to his work and back quickly.

So when we consider all the factors, we learn why there has been such a great exodus from the farms. But when we consider the productivity figures, and realize what a single farmer can produce today, we find that there is a very considerable difference between the productivity in the days of the horse-drawn plow and the slow-moving animals as compared with productivity of the mechanized farms of the modern day.

Mr. WATKINS. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. HOB-LITZEL in the chair). Does the Senator from Illinois yield to the Senator from Utah?

Mr. DIRKSEN. I yield briefly.

Mr. WATKINS. It is true, is it not, that the rigid price-support program was

in effect at the time when a part of the transition from the farms to the cities was taking place?

Mr. DIRKSEN. Yes.

Mr. WATKINS. Is it not also true that during the early years of Secretary Benson's term of office, he was operating under programs which had been established by prior Congresses, and his own program was not then in effect at all?

Mr. DIRKSEN. That is correct.

Mr. President, if the joint resolution will aggravate the surplus problem, some agricultural commodities will be priced entirely out of the market, all over again.

The PRESIDING OFFICER. The 15 minutes the Senator from Illinois has yielded to himself have expired.

Mr. DIRKSEN. Mr. President, I yield myself an additional 10 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 additional minutes.

Mr. DIRKSEN. Mr. President, what is the trouble with butter? It has been priced out of the market. Half the butter market has been lost. Until the price of butter becomes such that butter is competitive with other products, a durable answer to that phase of the farm problem will not be found.

The pending joint resolution will only aggravate the problem; it can do nothing else. Call it a stopgap measure or an emergency measure if you will, Mr. President; but it is still a measure based on a contingency. But if the joint resolution is passed by both Houses and is signed by the President, it will be in effect until it is repealed by a subsequent act of Congress or until the Congress enacts legislation which will take its place.

Let us not forget, however, that action by two Congressional committees and both branches of Congress and signature by the President would be required in order to place a new law on the statute books.

In 1934, when the Reciprocal Trade Agreements Act first went on the statute books, I was a Member of the House of Representatives. I voted against that measure. I remember that at that time we were told, "This is only for 3 years." Later, we were told, "At this time it will be for only 2 years." Later, we were told, "At this time it will be for only 1 year." But, Mr. President, I have been voting on the reciprocal trade bill or on extensions of that bill for the past 24 years—all on the basis of "only for 1 year" or "only for 2 years" or "only for 3 years more." In every case, the proponents advanced the argument that the extension would be for only a limited period of time.

Mr. President, let us not be fooled. If this joint resolution is enacted into law, it will not be changed until another law repeals it. This joint resolution, if enacted, will continue to be on the statute books until and unless a new policy is established.

But what assurance have we that either this year or the next year or the following year there will be established a different policy which will cause the acreage freeze or support freeze provided

by the pending measure to be removed from the statute books?

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield briefly.

Mr. LAUSCHE. Let me refer to the joint resolution:

That in order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time—

And so forth.

On what bill is the Committee on Agriculture and Forestry working at this time? Is it working on a bill which is supposed to provide for an evolution of the program which ultimately will solve this problem, with which Congress has been endeavoring to cope—although thus far the efforts of Congress have been unsuccessful—by legislative enactment for the last 25 years?

Mr. DIRKSEN. I cannot tell. All I can say is that the President and the Secretary of Agriculture have requested greater flexibility and a lowering of the support levels.

I believe one can reasonably infer, from the discussion which have occurred on the floor of the Senate, that there is hostility toward such a solution as is proposed. So where is there any assurance that at an early date a modification will be made of the policy proposed by the pending joint resolution?

By the pending measure, it is proposed that acreage allotments be increased and price-support levels be increased. However, the joint resolution would not amend any existing law, because it provides, in part:

That in order to prevent reductions in support prices or acreage allotments—

Those two.

The joint resolution, if enacted into law, would not modify the 1934 act or the 1949 act. Nevertheless, by means of the enactment of the pending measure, the criteria and the standards would go out the window. That is why it may truly be stated that the pending measure would make a basic change in policy.

The Congress has already established criteria to be used by the Secretary of Agriculture. By that means he has been told how to go about the business of setting, for any particular commodity, a price support which will provide an adequate supply of the commodity.

But no criterion would be established by means of the pending joint resolution. Instead, the existing criteria would be scrapped by this means, and an entirely different set of instructions would be given to the Secretary of Agriculture.

Mr. President, the language of the joint resolution speaks for itself; it does not require any argument by me.

By means of the joint resolution, Congress would worsen an agricultural situation which already is bad. I so contend, and the Secretary of Agriculture admits it. For 35 years we have been trying to find a solution, but we have not found one yet.

Today the Senate is confronted with a joint resolution which is referred to

as an emergency measure or stopgap measure or a crisis measure. However, when we read very carefully the language of the joint resolution, we find that, once enacted, it would remain in effect indefinitely, until the taking of different action by a committee of the House of Representatives, a committee of the Senate, the House of Representatives itself, the Senate itself, and then signature by the President of the United States. In short, the pending measure would, if enacted, remain in effect until repealed by means of a separate measure.

Mr. President, I have pointed out that the joint resolution would be mandatory in the case of nine agricultural commodities. I shudder at the very thought of having the Congress return to that mischief. How long it took the Congress to get rid of the mandatory supports. But the pending joint resolution would provide mandatory supports for quite a number of agricultural commodities; and if the joint resolution were enacted into law, who knows but that the doctrine of mandatory supports might be instituted all over again? How bad it proved to be, Mr. President.

Another reason why I am opposed to the joint resolution is that it would aggravate the problem in the case of the basic commodities. Under this proposal, the price support for wheat would, according to the figures which have been presented, rise from 75 percent to 84 percent, even though in the Government stocks there is a whole year's supply of wheat.

Mr. President, some Members of the Congress may believe it would be proper for Congress to proceed to say to the wheat farmers, "We will raise the supports on wheat, even though the Government has an entire year's supply on hand and will continue to pay the storage charges on that wheat."

Mr. President, to raise the supports on wheat would simply aggravate the problem. Then what would happen? Oh what a headache would come the next year and the year after that.

Mr. President, I would prefer to deal with the problem now, rather than suffer such an aggravated headache at a later date.

A further reason why the joint resolution should not be passed is that it would be discriminatory. Let us consider the wheat farmers who have signed up under the Soil Bank. The price support was announced as being \$1.78. Under the Soil Bank I suppose the farmers would receive the equivalent of \$1.20. But under the pending proposal, the Government would say to the farmers who previously signed up under the Soil Bank, "We are going to freeze the support at the 1957 levels, and it will be just too bad for you poor devils who signed up before now with the Secretary of Agriculture, because by means of this joint resolution the support will be pegged at \$2 a bushel."

Mr. President, would that be fair?

Mr. President, even though Illinois is not essentially a wheat-producing State, I will not agree to attempt to make my peace with the farmers at home by saying to one of them, "Bill, I am sorry; but

you signed up for the Soil Bank before we got this joint resolution on the statute books. So you are in one category," and then by saying to another, "But, John, you are in another category." I will not do that, Mr. President. I shall do my utmost to have fair treatment accorded to all of them, right down the line.

Oh, Mr. President, what a disservice the Congress would render to agriculture in the United States if this joint resolution were ever passed by the House of Representatives and the Senate and were to be signed by the President.

Mr. President, I am reminded of another reason why I am opposed to the joint resolution. I do not speak for the President of the United States; I would be the last person under God's canopy ever to attempt to arrogate to myself any knowledge of what the President would do. But if the pending joint resolution were passed by both Houses of Congress and were signed by the President, and thus were enacted into law, the Secretary of Agriculture would have to go to the White House—he would simply have to do so, if he were to maintain his self-respect—and would have to say to the President, "I ask you to veto this joint resolution." The Secretary of Agriculture could not do otherwise. If I were the Secretary of Agriculture, and if I were confronted with a measure of this sort, I would simply have to say to the President, "Mr. President, this joint resolution would provide a basic change in policy, and it would tie my hands, and it would frustrate the very recommendations which you, yourself, sent to the Congress in January. So I respectfully ask you not to sign this measure."

Mr. President, in my judgment, the Secretary of Agriculture would have to do that, in view of the existing facts.

That is another reason why I do not want to go through any empty gestures by passing a measure which, if it became law, would result in a disservice to agriculture, but which, probably, would be vetoed.

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

Mr. DIRKSEN. Yes.

Mr. YOUNG. The President, himself, when he vetoed the farm bill, raised price supports for wheat from 76 percent of parity to about 83 percent of parity, the equivalent of \$2 a bushel. At that time we had more of a surplus of wheat than we have now. How can the Senator justify lower prices when farm operating costs are up and surpluses are down?

Mr. DIRKSEN. What were the conditions then existing? The other evening, the Senator from Vermont [Mr. AIKEN] said price supports could have been raised a year ago. I did not have time to answer then, but I answer now—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator may proceed for 3 additional minutes.

Mr. AIKEN. Mr. President, I think the Senator misquoted me slightly. I said the other night the Senator from

Illinois has stated that under the law the Secretary had to reduce support prices on dairy products. I pointed out to him that, if he had to do it this year, he was operating under exactly the same law which was in effect when he raised dairy price supports 2 years ago, when there was in the hands of the Department of Agriculture 6 times the amount of dairy products there is this year. Somebody should have gone to jail 2 years ago, if the law required him to reduce supports for dairy products then.

Mr. DIRKSEN. The answer to the question is, What were the conditions? As I recall, the Senator said if the Secretary of Agriculture could do it now, why could he not have done it a year ago?

Mr. AIKEN. Will the Senator let me answer his question?

Mr. DIRKSEN. Yes.

Mr. AIKEN. At that time the Commodity Credit Corporation owned dairy products which were the equivalent of 10,500,000,000 pounds of milk. This year the Commodity Credit Corporation owns the equivalent of 1,750,000,000 pounds of milk. In other words, this year there is 85 percent less in surpluses in the hands of the Commodity Credit Corporation than 2 years ago.

Mr. DIRKSEN. That is not the whole story.

Mr. AIKEN. That is a pretty good story.

Mr. DIRKSEN. It is only a part of the story.

Mr. AIKEN. I shall be glad to complete the story.

Mr. DIRKSEN. Let me answer the Senator.

Mr. AIKEN. I did not ask any questions.

Mr. DIRKSEN. What was the cost of feed then? How many counties were being given drought relief? How many counties put grazing acres into the Soil Bank?

Mr. AIKEN. The cost of feed then was approximately the same as the cost of feed is today.

Mr. DIRKSEN. I get an entirely different answer from the Department.

Mr. AIKEN. I am speaking of my region.

Mr. DIRKSEN. I was taking a national average figure. One must consider disaster and drought relief counties putting grazing acres into the Soil Bank, cost of feed, and many other factors. The Department looked at the whole picture and said, "Let it stand." In February it declared the support levels. If the experts in the Department of Agriculture do not know what the score is going to be in the months ahead, I, frankly, give up. I make so bold as to say I do not believe there is a Member of the Senate of the United States who has sufficient basic knowledge to pass on the question, because it is a matter which has to be rationalized by getting all the facts from all over the country.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 additional minutes.

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

Mr. DIRKSEN. I yield.

Mr. THYE. Is the Senator aware of the fact that the dairy cow population has decreased by 266,000 in 2 years? Increased production cannot be obtained unless the number of cows is increased.

Mr. DIRKSEN. What is the increase in production per animal on the basis of balanced and scientific feeding?

Mr. THYE. Increased production can be accomplished by year-by-year breeding, but animal production is not improved except by breeding. If there is a certain population today, the potential milk production is just so much. A little more milk can be squeezed out of the present number of cows by an excessive amount of feeding. That is what has been done, because the price of corn is only 54 percent of parity.

Mr. DIRKSEN. All I know is that from 1902 to 1957 the increase in dairy products was nearly 10 billion pounds. That is a figure from the Department. The Senator will have to speak for himself.

I point out, as another reason for rejecting the joint resolution, that its enactment would amount to a contradiction. The Department this morning announced that a little more than 12 million acres should go into the Soil Bank in order to cut production, reduce supplies, and stabilize prices. To say that the Senate, notwithstanding that, will by its own fiat freeze acreage, does not make sense. If it makes sense then I give up.

I shall make one other point, and then I shall have taken too much time. I suggest that John Q. Taxpayer has an interest in this question, too. Senators should not forget it. When one looks at the 1959 budget, he will see what I mean.

Let me mention some figures. Our losses in fiscal 1956, in dealing with surpluses, were \$1,900 million. In fiscal 1957 they amounted to three and a quarter billion dollars. When too much is produced, we have to get rid of our surpluses.

The 1959 estimate for foreign famine relief is \$106 million in donations.

Donations for needy persons will amount to \$429 million.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 additional minutes.

Mr. DIRKSEN. If we have money in our pockets, we are in a much better position to bargain with persons who have basic commodity surpluses than if we have surpluses ourselves, but it is estimated \$70 million will be used for bartering in acquiring materials transferred to the supplemental stockpile.

Nine hundred and seventy-five million dollars will be used for disposing of foreign currencies. Senators should see the foreign currencies presently in the Treasury. Under the International Trade Agreement, of which we are members, \$113 million worth will be used. Other losses amount to \$864 million.

If enactment of the joint resolution will assure more surpluses, as I think it will, I do not see how we can escape the problem. We shall only save up a headache and continue the business of putting losses on the Federal Treasury.

In the case of cotton, I point out that in 3 years we took a loss of \$742 million.

Is there any end to it? Are we going to stand up to the challenge and say, "This is not the way"? Let us work with the problem, let us fight with it, until we find a durable solution. An indefinite freeze is proposed. If the Senate approves it, I believe it will render a disservice to agriculture, a greater disservice, I believe, than by any single measure which has come to my attention in a long time.

So I utter the hope and prayer that the joint resolution will be rejected when it comes to a final vote.

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

Mr. DIRKSEN. I yield.

Mr. ELLENDER. The Senator stated that the losses on cotton amounted to \$700 million.

Mr. DIRKSEN. Seven hundred and forty-two million dollars.

Mr. ELLENDER. I have figures from the Department of Agriculture showing that the loss was only \$453 million. The Senator has forgotten to deduct the profits made on cotton up to June 1957, of \$273 million.

Mr. DIRKSEN. I received the figures on my own request. I do not believe there are later figures.

Mr. ELLENDER. The Senator received inflated figures. Those are the figures which the Secretary of Agriculture used before our committee, and they caused a ruckus in the committee, because we showed the Secretary the losses were under \$1 billion, when he said they were \$3¼ billion.

Mr. DIRKSEN. Mr. President, I was serving in Congress when the CCC Act was written. I know we capitalized the program for \$100 million. We mandated it, so that at the end of a year's operations it was necessary for those in charge of the program to go to the Treasury Department and say, "We lost so much. To repair our capital structure, we need this appropriation."

That was in hard dollars. Whether the dollars were inflated or not, we paid the bill. I can read a budget. I know what is in the budget so far as losses are concerned. We can call the money any kind of dollars we please, but the taxpayer has to pay. That is why I say the taxpayer has an abiding interest in what will happen in the Senate Chamber this afternoon.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DIRKSEN. Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Mr. PROXMIRE. Mr. President, first I should like to say that I am very proud and honored to have an opportunity to support the joint resolution which has been presented by the distinguished Senator from Louisiana. I think the Sen-

ator made a magnificent statement in support of the joint resolution.

I should like to point out that the joint resolution under consideration is a bipartisan committee resolution. An overwhelming majority of the members of both political parties on the Committee on Agriculture and Forestry supported the joint resolution and voted in favor of it in the committee. I believe that is an important point, because the Committee on Agriculture and Forestry is the principal agency of this body for determining what kind of a long-term farm program we are to have. The committee, which reported the joint resolution, has told us that it is the committee's intent to present a long-term farm bill, and to present it soon. I think that is the clear implication of the action.

I have faith in the committee. I am sure the committee will report a long-term agricultural bill, because I believe every Member of this body agrees that the farmers of the Nation do not want to be put on a permanent subsidy. The farmers want a farm program which will work. They want a balanced farm program, one which will obviate the necessity of subsidies.

My experience in Wisconsin teaches me that farmers are conservative. Farmers do not like big government. Farmers do not like to have the Government dictate decisions. The farmers of Wisconsin overwhelmingly want a self-help program; but they need time to work out their problem. They have confidence that if they are given a little more time, and if the ridiculousness of the farm situation as it is at present is recognized by Senators and Representatives, generally, as well as by the country at large, there can be adopted a program which will work.

I should like to make several points as quickly as possible.

No. 1, we have under consideration a conservative joint resolution, because it will simply conserve the income farmers now have. It will prevent farmers' incomes from being reduced. As a result, it will protect this very important segment of our economy at a time when our country is in a serious economic slump, and when we are suffering from a recession.

I point out that farmers are among the leading purchasers of steel. Farmers, of course, must have some kind of transportation, either automobiles or trucks, in order to operate their farms. Therefore, farmers are important purchasers of automobiles, trucks, and tractors. This is an extremely important item with regard to the whole economy—not simply to farmers alone, but to the whole economy.

I should like to point out that if Secretary of Agriculture Benson's order becomes effective, which, of course, approval of the joint resolution under consideration would prevent, the effect of the order on the dairy farmers and on the farmers generally will be that the farmers will not only suffer immediately, but they will have no long-term solution of their problems.

Since 1952 Secretary of Agriculture Benson has been in control of our farm policy. Since 1952 prices for milk have

dropped from \$4.20 per hundredweight, for manufacturing milk, to about \$3.25. If the Secretary of Agriculture was correct in his belief that the way to solve the problem was to reduce price supports and reduce farm prices, then we should have had some kind of solution before now.

What has happened as prices have been cut? What should have happened, of course, according to the old economic theory, was that supply should have dropped and demand should have increased, and the problem would have solved itself. I submit that, because of the nature of farm economics, exactly the opposite situation has prevailed. As prices have gone down production has risen, indeed, production has gone up steadily and relentlessly about 2 percent a year, until at present production is approximately 10 percent above what it was in 1952. Demand has not gone up, as it should have, with prices going down. The per capita retail sales, which represent the best reflection, in fact the only true reflection of demand, have actually dropped. Such sales have actually declined.

Mr. President, that is why I say the present program is not the proper way, on a long-term basis, to solve the problem of the farmer. We must provide the kind of program envisaged by bills which are before the Senate Committee on Agriculture and Forestry, which bills I am sure will be given fair consideration. Those bills, if enacted into law, will provide a long-term farm program which will work.

Very quickly I should like to point out the injustice which a cut in dairy price supports will bring to farmers. It was stated in the Senate Chamber yesterday that since 1952 annual interest income has increased more than 58 percent, to \$19 billion. It was further stated that annual dividend income has increased 35 percent, to \$12.3 billion. The return on capital, therefore, is something over \$31 billion this year, while the return to farmers has dropped all the way down to \$11.5 billion.

Mr. President, we now face a situation in which people with capital are receiving nearly three times as much as the farmers are receiving. I say that is wrong; it is unfair, it is unjust. It is particularly wrong when we recognize that the farmers work such long hours, and work very hard, and that they have increased their efficiency and productivity far more than any other group in the economy. The reward for the farmer has been a sharp reduction in his income.

I should like to reinforce a point which was brilliantly made by the distinguished Senator from Vermont [Mr. Aiken], when he said that we live in a society of subsidies and supports.

Unfortunately we do. We have had discussions in the Senate Chamber in the last 10 days as to postal subsidies. Some of us tried to limit the subsidy paid to any publication to \$1.8 million, but we were defeated. It was the decision of the Senate as a whole that the publications should receive subsidies, including subsidies to single publications exceeding \$5 million each.

We have passed legislation to increase the airline subsidy. We have provided a minimum wage to protect labor. There is a movement with widespread backing to increase the minimum wage support for labor. We have given support by tariffs to manufacturers. There is much talk of, and a great deal of support for increasing tariffs and protecting industry through tariffs.

Most important of all, we have an administered price system in large areas of our economy. This is price fixing, price support by private agreement. Steel prices have not gone down in 25 years. There are other segments of the economy in which 1, 2, or 3 manufacturing units or corporations control a very large part of the output. Those units or corporations can fix prices, and move prices up or down.

This is the kind of economy the farmer finds himself in, when he alone—and he is virtually alone—operates in a competitive price economy. It simply does not make sense. It is unfair and unjust to the farmer. I believe it is only fair that we should give the farmer a chance and a little more time to work out his problem.

I should like to stress a statement made very well this morning by the distinguished Senator from Louisiana [Mr. Ellender] when he pointed out what has happened to parity. If Senators, both Republican and Democratic, will recognize what Secretary Benson has done to parity, they will vote overwhelmingly in favor of the joint resolution under consideration.

Let me tell the Senate what has happened. When Secretary of Agriculture Benson took office, 75 percent of parity for dairy products amounted to \$3.31 per hundredweight. Today, 75 percent of parity amounts to only \$3.03 per hundredweight.

What has happened is that parity has dropped. At the same time, costs have increased. Parity is 10 percent lower, although the farmer must pay much higher prices. I submit that this is about as unfair, improper, unjust, and unethical as it could possibly be. If we are to have a parity system which means anything, it should mean that the farmer should be in such a position that as his costs increase, his income increases.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIER. In conclusion, I say that what is at issue is the survival of the family farm.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the Senator from Maryland [Mr. Beall].

Mr. BEALL. Mr. President, the great needs of our agriculture today are bigger markets for the abundance our farms produce—more freedom for farm people to plant, to sell, and to make their own management decisions—help for the families living on inadequate farms and in underdeveloped rural areas.

The legislative changes proposed by the administration will serve all of these basic needs.

In spite of the cost-price squeeze, the ineffective price supports and unworkable acreage controls, the farm level of

living is higher than ever before. Farm assets are at a peak and productivity per man-hour is rising year by year. What we need to do now is to free our farmers as rapidly as is feasible from the shackles of controls which have cramped their operations for many years.

Our farm people want to be more free to plant, more free to market, more free to meet their competition, more free from Government interference.

This program will permit more freedom for farmers. It will give farmers more freedom to plant by increasing acreage allotments. Some of these allotments have become so small as to cripple efficiency. I am told that 7 out of 9 cotton allotments are less than 15 acres—and I know that tobacco allotments are far too small.

This program will make price supports more realistic. The range of 75 to 90 percent of parity on the basic crops and dairy products does not allow for sufficient market growth. We are pricing these commodities out of potential markets. Increased allotments and a wider range of price support logically go together.

The program will eliminate the escalator clauses, those formulas which provide that the level of price support goes up as the surpluses go down. Farm people do not want to live continually under the shadow of surpluses.

Nor do other taxpayers want it because taxpayers, including farmers, get the bill for storage and losses.

Our surplus disposal efforts have been meeting with increasing success. They must be continued until the surpluses are reduced to reasonable proportions. In this connection, I support the extension of the special school-milk program. Milk is the most valuable crop Maryland farmers produce. Last school year more than 900 Maryland schools took part in this special milk program and the children of my State consumed more than 30 million half-pints of milk under this program. This is a wise use of our abundance. It serves farm and city people alike.

I endorse the provisions on extension and expansion of Public Law 480, increased emphasis on utilization research.

We are on the right road in agricultural policy. Progress is being made. Sound programs will result in a sound agriculture.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from North Dakota [Mr. Young].

Mr. YOUNG. Mr. President, the resolution we are considering today does not seek to increase price-support levels or cash prices on farm commodities. It would only freeze price supports at last year's level. It would prevent the drop in price supports Secretary of Agriculture Benson has already scheduled for the 1958 crop.

Even the level of support last year—1957—is not high enough to lift the prices of many farm commodities up to a level necessary to maintain some semblance of equality of income as between farmers and other segments of our economy.

For example, Secretary Benson lowered price supports for wheat from \$2 to \$1.78

a bushel or from 82½ percent to 75 percent of parity. Dairy price supports are scheduled to be dropped on April 1 from approximately 83 percent to 75 percent of parity.

The pending joint resolution would restore these price supports to the present level or the one President Eisenhower himself established 2 years ago when he vetoed the major farm bill which would have set price supports for these commodities at 90 percent of parity.

The effect on feed grains would be as follows: The price of barley would be increased from 93 cents to 95 cents per bushel; grain sorghums would be increased from \$1.83 per hundredweight to \$1.86 per hundredweight—that is, over the prices of last year; rye would be increased from \$1.10 per bushel to \$1.18 per bushel; flaxseed would be increased from \$2.78 per bushel to \$2.92 per bushel—again, only a very few cents.

Farm net income has been decreasing year after year since the Korean war. These figures are as follows:

1953-----	\$13,880,000,000
1954-----	12,190,000,000
1955-----	11,581,000,000
1956-----	12,070,000,000
1957-----	11,532,000,000

Our Nation's economy is in trouble. The number of unemployed is the highest in 16 years. Our national economic situation could become far more serious than it is now—that is, if we do not correct the basic reasons for its cause.

Every depression in the past has started with depressed farm prices. It does not make sense for this administration purposely to plan lower farm prices—and that is exactly what it is doing.

Secretary Benson, in his last appearance before the Senate Agriculture Committee, stated that lower price supports would mean lower cash prices, at least for some time in the future.

These planned lower prices for farm commodities will only serve to deepen the depression. What we need is increased farm purchasing power—not less.

In the so-called agriculture States, 70 percent of the per capita income is spent for industrial goods as compared to 50 percent in the nonagricultural States. This gives some indication of how the entire economy is adversely affected when the purchasing power of the farmers is destroyed.

Mr. President, little, if any, of this drop in farm prices will be reflected in lower prices to the consumers.

Surely, there is abundant evidence to prove that the lowering of price supports in the past by Secretary of Agriculture Benson or any other Secretary has not resulted in lower prices to the consumers.

Let us take wheat for example. The price support for wheat last year was \$2 a bushel. The average cost of a 1-pound loaf of bread was 18.8 cents. The farm value of the wheat in this loaf of bread was only 2.6 cents.

Lowering price supports for wheat by 22 cents a bushel, as has been scheduled by Secretary Benson, would mean a drop of approximately 11 percent in the farm value of the wheat going into a loaf of

bread, or less than three-tenths of a cent per loaf.

Is any Senator naive enough to believe that this three-tenths-of-a-cent decrease in the cost of a loaf of bread will be passed on to the consumers? The 11 percent drop in income will be serious to farmers, however. It will break many small- and average-sized farmers. During the last 5 years 6,672,000 people left the farms to seek employment in the cities. There will be many more farmers seeking employment in the cities if we permit farm prices to drop further.

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

Mr. YOUNG. I am happy to yield.

Mr. HUMPHREY. I hope the Senator will forgive me, but I hold in my hand a clipping from the Minneapolis Morning Tribune of March 10. It is a feature article by Mr. Charles Bailey, who is a member of the press corps, and who covers the activities of the Congress of the United States for the Cowles Publications. I shall quote from a portion of the clipping which refers to a speech made by a Member of the House, in which he noted the cost to taxpayers of such programs as price support for wheat, and then said, "In addition, it may cost him about \$20 a year more for the high price of bread."

Another Member of Congress had this to say:

Because the high support program has kept the price of bread high, also, you—as an average consumer of bread—paid \$20,000 more than your bread would have cost you otherwise.

He refers to 1957.

Then the writer of the article goes on to point out what the figures really represent, as the Senator from North Dakota has pointed out. All I say is that we are constantly the victims of open distortion of fact. It is true that if the price of wheat went up 50 cents a bushel, it would not raise the price of a loaf of bread by as much as three-fourths of a cent.

Mr. YOUNG. I thank the Senator from Minnesota. It is amazing that people should throw out figures such as that. If the wheat producers gave away their wheat, and did not charge anything for it, the people of America would not have the price of a loaf of bread affected by more than 2.6 cents.

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

Mr. YOUNG. I yield.

Mr. MANSFIELD. I am interested in what the Senator from Minnesota and the Senator from North Dakota have said, especially the remarks of the Senator from North Dakota, who is one of the most distinguished agricultural experts in the Senate.

Mr. YOUNG. I thank the Senator.

Mr. MANSFIELD. He has mentioned the fact that even though the price which the farmer receives for his product has been going down over the years, the cost of the same product to the consumer has been going up.

Let us assume, as is the case at the present time and will be for some time to come, and even if Mr. Benson has his way, that wheat is selling in Montana and the Dakotas at \$2 a bushel, and that

the wheat is sent to Minnesota for milling. What does it cost to mill a bushel of wheat? Does the Senator from North Dakota have any idea about that?

Mr. YOUNG. I do not have the information; I am sorry.

Mr. MANSFIELD. It costs somewhere between 50 cents and 75 cents. Then it goes to the baking concern, and the bushel of wheat is baked into loaves of bread. Does the Senator from North Dakota have any idea how much the total number of loaves of bread will sell for?

Mr. YOUNG. I know that it is about 2.6 cents a loaf so far as the farm cost of wheat is concerned.

Mr. MANSFIELD. The total cost of that bushel of wheat comes to somewhere between \$14 and \$15. The farmer gets \$2. The miller gets about 75 cents, or six bits. The baker gets a little bit also. Who makes the money? Is it the farmer? Of course not. He gets very little. Someone somewhere along the line, is raking in the money, and the price of bread, regardless of the price of wheat, goes steadily upward.

Therefore, as the Senator has said, the farmer is being made the goat in the parity picture, and it is about time that the picture is laid on the table. If we are to criticize the farmer because of subsidies alleged to be paid him, then we should also criticize the railroads and steamships and airlines, and look into the tariff, which, after all, is a subsidy for business—a needed one, I believe—and then we should also consider the magazines and newspapers which are being paid subsidies, as was brought out in the debate a few days ago. All those enterprises receive subsidies from the Government.

Mr. YOUNG. I thank the Senator for his statement. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table prepared by the Department of Agriculture showing the cost of wheat in a loaf of bread.

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

TABLE III

Year	Cash price support level	Retail price of a 1-pound loaf of bread	Farm value of the wheat in a loaf of bread
	Cents	Cents	Cents
1948	2.0	13.9	2.6
1949	1.95	14.0	2.4
1950	1.90	14.3	2.5
1951	2.18	15.7	2.6
1952	2.20	16.0	2.5
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

Estimated number of families in the United States, 42,548,000.

Source: J. Murray Thompson, Office of Price Support, Commodity Credit Corporation.

Mr. YOUNG. Mr. President, for example, in 1948 the price support on wheat was exactly the same as it is today, \$2 a bushel. The cost of a 1-pound loaf of bread was 13.9 cents in 1948, and the farm value of the wheat in a loaf of bread was 2.6 cents.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. ELLENDER. Mr. President, I yield 5 more minutes to the Senator from North Dakota.

Mr. YOUNG. Although in 1957 the price support was exactly the same as 10 years ago, the price of a loaf of bread had risen, from 13.9 cents to 18.8 cents.

I believe that is a complete contradiction of the unreliable and inaccurate—and purposely inaccurate—statements of the kind the Senator from Minnesota has quoted.

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

Mr. YOUNG. I yield.

Mr. AIKEN. The charge has been made that the joint resolution would freeze rigid price supports into law. Is that a correct statement?

Mr. YOUNG. No. It would freeze them at not less than last years level.

Mr. AIKEN. Does it freeze rigid supports?

Mr. YOUNG. It places them exactly where they are under present law.

Mr. AIKEN. Is it not true that the only commodities which would benefit by the joint resolution would be rice, which would be maintained at 82 percent of parity, instead of 75 percent, as the Secretary proposes; wheat, which would be maintained at 79 percent of parity, instead of 75 percent; manufacturing milk, at 82 percent, instead of 75 percent; and butterfat, at 79 percent, instead of 75 percent?

Is it not true that those are the only commodities which would be affected at all, and that the same flexibility which has existed for most of the commodities will continue to exist in the future, namely, from 75 percent to 90 percent?

Mr. YOUNG. That is correct.

Mr. AIKEN. Therefore only rice and wheat and manufacturing milk are affected, regardless of what anyone may say. Corn is not affected. The support price for the 1958 corn production which corresponds to the 14 percent of corn production which was in compliance last year would be set at 77 percent of parity instead of 75 percent, but let us not lose sight of the fact that 86 percent of the corn production last year was produced on noncompliance acreage, and that would not be affected by the resolution. Any statement that the joint resolution would restore and freeze rigid 90 percent price supports is simply—well, the Senator can use his own adjective to describe that kind of statement.

Mr. YOUNG. I appreciate the statement of the Senator from Vermont.

Mr. AIKEN. I was not enthusiastic over this way of maintaining farm prices. I realize, however, that in the concerted attack upon price supports for farm commodities someone is making a major contribution to the recession in the United States. I expect to vote for the joint resolution, not because it is the way to set support prices, but because it may be the only way we can head off greater effects of the depression in the farming areas.

Mr. YOUNG. I certainly agree with the Senator from Vermont. I do not know of any time in recent years when it has been more necessary to stabilize the price of farm commodities than now.

What sense is there to helping other segments of our economy to prevent a depression when we are purposely reducing the level of income to farmers?

Much has been said about higher price supports increasing surpluses. I have had a table prepared by Mr. Kendall, of the Senate Committee on Agriculture and Forestry, showing the number of acres planted to wheat and the farm prices for each year since 1927.

For example, in 1932 the price of wheat was 38 cents a bushel, and the farmers planted 66,281,000 acres. One would naturally think that when the price reached the low level of 1932 that the farmers would decrease their acreage of wheat the next year. That is not the case, however, and, actually, in 1933, the year following that very low price of wheat, the lowest in 30 years or more, the farmers increased their wheat acreage from 66,281,000 to 69,009,000 acres in 1933.

I ask unanimous consent to have that table printed in the RECORD as a part of my remarks.

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

Year	Acres planted to wheat	United States farm prices
	Thousands	
1927	65,661	\$1.08
1928	71,152	.90
1929	67,177	1.03
1930	67,559	.66
1931	66,463	.38
1932	66,281	.38
1933	69,009	.74
1934	64,004	.84
1935	69,611	.83
1936	73,970	1.02
1937	80,814	.96
1938	78,981	.56
1939	62,802	.69
1940	61,820	.67
1941	62,707	.94
1942	53,000	1.09
1943	55,984	1.35
1944	66,190	1.41
1945	69,192	1.49
1946	71,578	1.90
1947	78,314	2.29
1948	78,345	1.98
1949	83,905	1.88
1950	71,287	2.00
1951	78,254	2.11
1952	78,645	2.09
1953	78,931	2.04
1954	62,539	2.12
1955	58,241	1.99
1956	60,658	1.97
1957	49,999	1.94

NOTE.—Since World War II there have been 7 general freight increases.

Source: Jim Kendall, Senate Agriculture Committee.

Realized net farm income

Year	Millions of dollars
1947	17.191
1948	15.943
1949	13.673
1950	12.857
1951	14.802
1952	14.256
1953	13.880
1954	12.190
1955	11.581
1956	12.070
1957	11.532

Source: Jim Kendall, Senate Agriculture Committee.

Producer's share of consumer dollar

Year:	Percent
1946	52
1947	51
1948	51
1949	47
1950	47
1951	49
1952	47
1953	44
1954	43
1955	41
1956	40
1957	40

Source: Jim Kendall, Senate Agriculture Committee.

Mr. YOUNG. Mr. President, the table proves conclusively that there is not one iota of truth to the statement that lower prices will solve our surplus problem. We will have farm surpluses in postwar periods whether we have price supports or no price supports at all.

The PRESIDING OFFICER. The additional time of the Senator from North Dakota has expired.

Mr. ELLENDER. I yield 5 additional minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, the lower dairy price supports as proposed by Secretary Benson, and which this resolution seeks to prevent, are very unlikely to be passed on in lower prices to the consumers.

The prices of some farm commodities, both price supported and nonprice supported, are fairly good. This is almost entirely because Congress has insisted on maintaining a fair level of price supports.

The greatest problem farmers have today is the rising cost of everything they have to buy and the increasing number of items they need as farming becomes more technical.

Mr. President, during the 1947-49 period, the average price for a gallon of gasoline was 21.9 cents, and on September 15, 1957, it had risen to 27 cents, or an increase of 23 percent. During this same period a 39-horsepower tractor went up from \$2,100 to \$3,000, or 43 percent; a 3-bottom tractor plow went up from \$269 to \$400, or 49 percent; a disk harrow went up from \$202 to \$301, or 49 percent; manure spreaders went up from \$332 to \$513, or 55 percent; grain drills went up from \$475 to \$754, or 59 percent; combines—a 12-foot self-propelled—went up from \$4,310 to \$6,140, or 42 percent; and 2-row cornpicker-huskers went up from \$1,210 to \$1,980, or 64 percent.

Mr. President, I ask unanimous consent to have this table inserted in the RECORD as a part of my remarks.

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

The index numbers of prices paid by farmers for production items (1910-14=100) for the years 1947-58 is as follows:

1947	224
1948	250
1949	238
1950	246
1951	273
1952	274
1953	253
1954	252
1955	249
1956	249
1957	258

¹ January-October average.

This shows an increase from 1947 to 1957 of 15 percent, and an increase of 9 percent from the 1947-49 average.

Specific items included in the production index have increased in actual retail prices as follows:

Commodity and unit	Average prices paid by farmers—		Percent increase
	Average 1947-49	Sept. 15, 1957	
Gasoline, tank truck, per gal.	Cents .219	Cents .270	23
Wheel tractor, 30 to 39 belt horsepower, each	Dollars 2,100	Dollars 3,000	43
Plows, tractor, 3-bottom, each	269	400	49
Disk harrows, tandem, each	202	301	49
Manure spreaders, each	332	513	55
Grain drills, 20-tube, each	475	754	59
Combines, self-propelled, 12-foot, each	4,310	6,140	42
Cornpicker-huskers, 2-row, each	1,210	1,980	64

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

Mr. YOUNG. I yield.

Mr. THYE. The table which has just been placed in the RECORD by the distinguished junior Senator from North Dakota is a convincing argument concerning the problem which faces the producer. No one knows the answers to the problems of the farmer better than does the distinguished Senator from North Dakota. Not only was he an operating farmer when he came to the Senate, but his sons are operating the farm today in North Dakota. The Senator knows what the farmer is faced with. He understands the farmer's problems at first hand. He is not merely reading formal statistics; neither does he get his knowledge out of books. He knows the facts first hand.

Mr. YOUNG. I appreciate that statement coming from my good friend, the distinguished Senator from Minnesota.

I have read many articles which claimed that we in Congress who represent the farming areas really do not believe in these farm programs ourselves. Of my own knowledge, I do not know of a single Member of Congress who does not firmly believe in these programs and the cause of the farmers. Anyone who has ever lived on a farm or has had any actual experience in farming would not sit idly by when farming is in the predicament it is in. It may be that some Members of Congress will be defeated the next election and will no longer be able to speak here for farmers; but the voice of the farmers will be heard in Congress in the future, whether through Republicans or Democrats.

It seems almost ridiculous for one Cabinet member in this administration, Secretary Benson, to propose lower prices, and less purchasing power for the farmers at a time when the wages of labor are increasing—and while other Cabinet members are planning multi-billion-dollar spending programs to provide employment for the unemployed.

Mr. President, I believe it is necessary for the administration to take action to help the unemployed. I am not taking issue with increased wages for labor. It does seem to be ridiculous, however, to purposely lower farm income

still more when net farm income has been dropping year by year, and when this drop in purchasing power is the primary cause of the recession which is facing this Nation today.

I hope the resolution will be passed.

Mr. BARRETT. Mr. President, I yield 15 minutes to the distinguished senior Senator from Florida.

Mr. HOLLAND. Mr. President, it saddens me to see the Senate, which is generally a deliberative body, approach the enactment of so revolutionary a law as is proposed by the pending joint resolution without hearings, without a record, without giving a chance to farm organizations to be heard, without giving a chance to the Department of Agriculture to be heard, without giving anyone else a chance to know what is included in the joint resolution, which was introduced only a few days ago.

I call attention to the fact that, as is well known to my colleagues on the Committee on Agriculture and Forestry, at the last meeting of the committee we had to make some changes in the form of the resolution as it had been overhastily reported the day before. That is not the way to enact sound legislation. Neither is it sound to legislate without any idea of what the people affected think about the matter.

I have just received a telegram from the president of the American Farm Bureau Federation, Mr. Charles B. Shuman, which I shall read into the RECORD, as follows:

WASHINGTON, D. C., March 13, 1958.

HON. SPESSARD L. HOLLAND,
Senate Office Building, Washington, D. C.:
Senate Joint Resolution 162 rigidly fixing price supports and acreage allotments is against the longtime interest of farmers and should not be approved.

CHARLES B. SHUMAN,
President, American Farm Bureau Federation.

Mr. President, as I recall, the American Farm Bureau Federation has about 1,700,000 farm families as members.

I have also received a telegram from the Florida Farm Bureau Federation, which reads as follows:

GAINESVILLE, FLA., March 12, 1958.

HON. SPESSARD L. HOLLAND,
United States Senator,
Senate Office Building,
Washington, D. C.:

We commend you on your vote against fixing dairy price support at 1957 level. Urge you to continue holding the line against bills of this type dealing with dairy and other commodities.

T. K. McCLANE,
Executive Vice President,
Florida Farm Bureau.

Mr. President, the fact of the matter is that this is well intended proposed legislation, but it is hasty, carelessly drawn, and unwise. For that reason, I protest very vigorously against its enactment. I realize that what I shall say probably will not change a single vote; but I want the record to show what I believe to be the facts about the joint resolution. That is why I am speaking now.

First, I want every Senator to ask himself this question, and I am particularly looking at Senators from the wheat-producing States: Would this ac-

tion be fair to those who have signed up under the Soil Bank program?

I note, by looking at a table compiled by the Department of Agriculture—USDA 652-58—that, in connection with wheat, there have been 164,944 applications signed and filed in county ASC offices for the retirement of acreage under the acreage reserve program of the

Department, and that the number of acres retired is 4,875,092—almost 5 million acres.

Mr. President, I ask unanimous consent to have the table printed at this point in the RECORD.

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

1958 acreage reserve participation through Feb. 28, 1958

Commodity	Applications signed and filed in county ASC offices			All offerings, including applications filed and those on waiting lists (registers)	
	Number of applications	Number of acres	Maximum payments	Number of acres	Maximum payments
Wheat (all) 1	164,944	4,875,092	\$97,180,495	5,442,357	\$107,336,540
Corn	197,207	3,957,237	167,971,622	7,232,267	311,968,026
Cotton	234,387	3,091,977	168,963,888	5,096,627	282,073,230
Rice	4,156	131,749	8,907,870	158,681	10,658,772
Tobacco:					
Flue-cured	(27,634)	(55,012)	(13,790,015)	(68,510)	(17,124,357)
Type 21	(1,091)	(1,125)	(185,675)	(1,258)	(207,634)
Types 22-23	(3,770)	(5,694)	(973,370)	(7,280)	(1,251,352)
Burley	(11,279)	(7,352)	(1,904,237)	(8,759)	(2,280,388)
Maryland	(1,449)	(6,982)	(1,060,534)	(8,575)	(1,302,606)
Dark air-cured	(3,521)	(2,031)	(312,734)	(2,049)	(315,920)
Virginia sun-cured	(1,158)	(1,943)	(266,246)	(2,135)	(292,570)
Types 42-44	(135)	(410)	(63,010)	(610)	(93,716)
Type 51	(716)	(3,037)	(1,066,945)	(3,037)	(1,066,945)
Type 52	(994)	(3,405)	(1,278,909)	(3,405)	(1,278,909)
Type 54	(163)	(460)	(65,083)	(487)	(68,857)
Type 55	(849)	(2,022)	(337,502)	(2,262)	(378,318)
Total tobacco	52,759	89,473	21,304,269	108,367	25,661,572
Total all crops	653,453	12,145,528	464,328,144	18,038,199	737,728,140

1 Includes about 3,900,000 acres of winter wheat acreage signed last fall.

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

Mr. HOLLAND. I shall yield later, after I have completed my thought.

The footnote shows that 3.9 million acres of that total—although it does not show the total number of growers participating—was in winter wheat which was signed last fall for retirement from production.

I simply ask the Senators from the wheat-producing States to ask themselves this question: Is it fair to the owners of 3.9 million acres of winter wheat, who retired their acreage last fall on the assumption that they were dealing with a program which called for a price support of \$1.78 a bushel, to hold them to those agreements—it is impossible for them to be redrafted now, because the time for such has long passed—after we have changed the program to guarantee a price support of \$2 a bushel? Would they have come in on that basis? No one will ever know.

To my mind, it seems completely unfair to even think of changing the situation now, because not only will they have signed up under a misapprehension as to what they were guaranteed by their Government, in the event the resolution is passed, but also they will be in an unfavorable position as compared with any who may sign up after the enactment of the joint resolution, because those who sign after the enactment of the joint resolution will be under a price-support inducement of \$2 a bushel.

Now I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. I appreciate the Senator's yielding.

I have been in the wheat farming business all my life. I think I know something about the wheat farming business.

I do not think one Senator has received a letter from a wheat producer anywhere in the United States complaining about any inequity which would take place if price supports were frozen at last year's level. If the farmers who are concerned in the matter had any complaint or objection whatsoever, they would have written to at least one Member of the Senate.

Mr. HOLLAND. My feeling is that since we do not know what we are about to do, how can we expect the farmers who produce wheat in the farflung States of the West, to know what we are about to do for them?

I call the attention of the Senator from North Dakota and other Senators from wheat States to the fact that growers in very large numbers—164,944 up to February 28, 1958—had signed acreage reserve contracts on the basis, as they were told, that the price of the support as guaranteed by the Government was \$1.78.

I am here to say that I do not believe it would be fair to a single one of those growers if the Congress were now to proceed to change the rules of the game while the game is in process, and if the Congress were to proceed to write, for the benefit of other wheatgrowers, acreage-allotment provisions which would enable them to receive more for each acre they retired from production, and a greater percentage of the value of the crop which otherwise would be produced on those acres, than was received by the farmers who previously signed up.

Mr. President, any Senator who wishes to attempt to meet that point, can attempt to do so on his own time. But I do not believe it can be met.

I believe it would be completely unfair to thousands of growers throughout the

Nation if the rules were changed, as now proposed, in the middle of the game, at a time some months after many of these wheat farmers—the 164,944 who have come under the program—placed their acreage in the Soil Bank.

Mr. LAUSCHE. Mr. President, can the Senator from Florida tell me the total number of acres entered in the winter-wheat program?

Mr. HOLLAND. I cannot say. But the Department of Agriculture has issued this bulletin, and I shall gladly hand it to the distinguished Senator from Ohio. It shows that 3,900,000 acres were retired from production last fall, as winter-wheat land, under the program which established the price support at \$1.78 a bushel, whereas under the proposal now before the Senate the wheat farmers who would participate in the program at a much later time would have the benefit and inducement of a price support of \$2 a bushel.

Mr. LAUSCHE. Then is it the position of the Senator from Florida that the group of wheat farmers who retired the 3,900,000 acres from production last fall or early this spring were told, in effect, "All you will be entitled to as a price support will be \$1.78 a bushel," whereas under the pending measure the entirely separate group of those who would enter the program at a much later time would be paid and guaranteed a support of \$2 a bushel?

Mr. HOLLAND. I do make that statement.

Furthermore, I say to the Senator from Ohio that those who signed up first, and who first evidenced their willingness to cooperate with the Government of the United States by reducing their planting, and thus decreasing the surplus, would be discriminated against, for the pending measure proposes that those who would offer at a much later time to cooperate would be offered a much more attractive deal than the one given to those who cooperated last fall.

Mr. LAUSCHE. Was the information on which the Senator from Florida bases his statement given to him by the Department of Agriculture?

Mr. HOLLAND. It was.

Mr. LAUSCHE. Do the figures the Senator from Florida has before him show the acreage withdrawals in Ohio?

Mr. HOLLAND. I am sorry, they do not; they simply show the figures for the entire Nation.

Mr. LAUSCHE. Is the pending proposal to be compared with the one we were considering a few days ago when we voted down a measure which would have provided, in connection with the allocation of \$250 million, a formula entirely different from the one applicable to the allocation of \$500 million under the Soil Bank program?

Mr. HOLLAND. The two situations are not identical, but the principle involved is the same.

In the present case it is proposed that there be established a new rule by means of which the payment for every acre of wheat land retired from now on by the wheat growers would be based on a support price of \$2 a bushel if he had planted wheat whereas all the wheat land heretofore retired—amounting to almost 5

million acres—was retired on a support price of \$1.78.

Furthermore, the latter are the wheat farmers who up to this time have participated in the acreage-reserve program, and who by their acts have shown that they were the most willing to cooperate with their branch of agriculture and with the United States Government, by reducing the surplus—and it is a surplus—of more than 1 year's supply of wheat. Furthermore, they are the ones who participated in the acreage-reserve program.

Mr. LAUSCHE. Is it correct that, a few days ago, it was stated on the floor of the Senate that the application of two different principles to two identical situations could not be countenanced, and, therefore, the Congress should not apply one rule to the distribution of \$500 million, and another, different, rule to the distribution of \$250 million?

Mr. HOLLAND. The Senator from Ohio is entirely correct. Let me remind him that the \$250 million which was appropriated the other day will be used for another large program of signups.

But at this time the Senate is being asked to make itself a deliberate party to a program under which the wheat farmers who sign up from now on would receive a greater inducement than was given to the wheat farmers who have shown a greater willingness to cooperate, and who signed up last fall and this spring.

Mr. YOUNG. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. Yes, if I may have more time yielded to me.

Mr. YOUNG. I should like to remind the able Senator from Florida that the Secretary of Agriculture has not yet set the final price support on wheat. It is true that he set it tentatively at \$1.78 a bushel. But the final support has not yet been set. But, in the meantime, the existing regulations provide for \$1.78.

Mr. HOLLAND. Mr. President, I remind my distinguished friend, the Senator from North Dakota, that the 3,900,000 acres already signed up, as of last fall, are irrevocably signed up. Now that they have been retired from production by their owners, who thus evidenced their willingness to cooperate with the Government's program, those farmers are not in a position to make a change in the case of those acres of land. However, we do not know whether those farmers would have agreed to put even 1 acre of land into the program if they had known that at a later time the support would be set at \$2 a bushel.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. Yes, if I have time in which to yield.

Mr. CAPEHART. If I were a member of the committee, perhaps I would not need to ask this question. But I should like to ask why the Congress does not enact a new law or amend the present law in order to do exactly what the Congress thinks should be done.

Mr. HOLLAND. I cannot answer that question, because the proposal is not one which I support. I do not think it is fair.

I believe the pending measure, if enacted into law, would be a monstrosity. I believe it would completely depart from the parity concept. Certainly it would do so, because the pending measure is based on a dollars-and-cents floor, not on the parity concept.

Senators have only to examine one of the lists prepared by the Department of Agriculture, to find that the concept of the pending joint resolution is entirely different from the parity concept based on percentage levels, because in each instance there would be a change in the comparative value of the products of the industry.

But now it is proposed not only to freeze the floor in each case, but also to proceed, not on the parity basis—with which all of us are familiar—but on the basis of dollars and cents—which would work monstrous ill to a great many people.

Mr. CAPEHART. I notice that the joint resolution provides, in part:

This joint resolution shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution.

Under these circumstances, why does not Congress do that now?

Mr. HOLLAND. Mr. President, I shall say to the Senator from Indiana that that part of the joint resolution means that if it is enacted into law, it will be permanently in effect until it is superseded by a new law. If, following enactment of the pending joint resolution—if it were enacted—10 years passed before new legislation in this field were enacted, for that 10-year period there would be an artificial price floor based on dollars and cents—a floor which would depart from the parity basis which now prevails.

Mr. President, I do not believe the Members of the Senate have the slightest realization that when they are asked to pass this joint resolution, they are being asked to depart entirely from the time-honored parity concept.

Mr. CAPEHART. Then is it fair to say that the situation is that we, the Members of Congress, do not know what to do, but we are opposed to what the Secretary of Agriculture is doing, and at a later time we expect to tell him specifically, by law, what we think he should do?

Mr. HOLLAND. I think probably that would be a fair statement of the attitude of those who support the pending measure.

Mr. President, in view of the fact that I do not support the pending joint resolution, I have no confidence in the ability of the Congress later to supply, quickly, much needed general legislation in this field—when I realize that this particular measure departs from the price-support floor which has been prescribed for nearly every product in the long list of products which will be affected by the joint resolution, if it goes into effect.

Mr. CAPEHART. As a farmer, I am not at all happy about the situation.

The PRESIDING OFFICER. The time yielded to the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from California yield further time to me?

Mr. KNOWLAND. Mr. President, I yield 10 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 additional minutes.

Mr. HOLLAND. I thank the Senator from California.

Mr. CAPEHART. Mr. President, I should like to ask a further question of the Senator from Florida.

Mr. HOLLAND. I yield.

Mr. CAPEHART. When will Congress specifically tell the Secretary of Agriculture, by law, exactly what Congress wishes to have done?

Mr. HOLLAND. I cannot answer that question. But the Senate has a woeful choice to make, when it is asked to vote on the pending joint resolution.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. HOLLAND. Mr. President, I wish to make a few other remarks, and then I shall yield to the Senator from South Carolina.

At this time I wish to refer to rice. If Senators will examine the figures on rice, as they are included in the table to which I have referred, and which I have already submitted for printing in the RECORD, they will find that 4,156 ricegrowers have entered into acreage-reserve contracts which retire from production 131,749 acres of riceland.

The point I make as to them is exactly that which I have made as to wheat growers. It is that every Senator from a State with rice production might well remember he is asked to support a program which really penalizes the farmers who have voluntarily shown a willingness to cooperate in the reduction of the product, and which gives a better deal to those who will come into the program from now on than was given to the four-thousand-odd who had cooperated in the program as of February 28, 1958.

That is only part of the story, but my time does not permit me to go further. We are again being asked today to do the same thing we were asked to do previously—to run in two directions at the same time. We have recently appropriated \$250 million to retire more acres, on a basis which then prevailed, which we expected would result in retirement of much acreage. We are now asked to bring about this price-support freeze, a situation containing much less inducement to any grower, who might be inclined to retire his acreage, to do so, because he is assured of a higher price support under this proposal than was the case when we appropriated the \$250 million.

How idle it is to change the rules in the middle of these games. I say games, but this is a deadly serious business to millions of producers throughout the country. To ask them to operate under different rules than those under which they have been operating, to prejudice many thousands who have shown the greatest willingness to cooperate with the Department of Agriculture, is something that is wrong for us to do.

Mr. THYE. Mr. President, will the Senator yield? I shall be glad to yield the Senator a minute of my time, so that I may ask him a question and he may reply.

Mr. HOLLAND. I shall be glad to yield to the Senator from Minnesota at a moment. I promised first to yield to the Senator from South Carolina. I shall not be able to do so until I complete my remarks.

We all know by the very terms of the joint resolution there is being proposed a permanent floor, until and unless permanent general legislation changing it shall be enacted. Considering how greatly this proposal departs from the flexible price-support program which was passed, with great effort, by the entire Congress, and under which farmers are trying to comply, and in compliance with which they have made

much progress in some farming industries, to change that basis entirely is, I think, wrong.

I should like to invite attention to one more matter, and that is that instead of bracketing small grains into one group, with a maximum and minimum price support, under the proposed program the very opposite thing is expected to be done. The chart I have in my hand shows that price supports for barley would be 95 cents a bushel; for flaxseed, \$2.92; for oats, 61 cents; for rye, \$1.18; for grain sorghums, \$1.86; for soybeans, \$2.09.

Mr. President, for the benefit of Senators, I ask unanimous consent to have the chart printed in the RECORD at this point in my remarks.

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

Commodity Credit Corporation price support levels and prices for 1957 and 1958 crops

Commodity	Unit	1957 crops		1958 crops	
		Support level	Support price	Support level	Support price
Basic commodities:					
Corn 1	Bushel	77.0	\$1.40	(2)	(2)
Cotton, extra long staple	Pound	75.0	.5970	(2)	(2)
Cotton, upland	do.	78.0	.2881	81	\$0.3075
Peanuts	do.	81.4	.1135	(2)	(2)
Rice, rough	Hundredweight	82.0	4.72	75	\$4.33
Wheat	Bushel	79.0	2.00	75	\$1.78
Mandatory nonbasic commodities:					
Honey	Pound	70.0	.097	70	.096
Dairy products:					
Manufacturing milk	Hundredweight	82.0	3.25	75	3.03
Butterfat	Pound	79.0	.586	75	.562
Tung nuts	Ton	65.0	52.13	(2)	(2)
Tung oil	Pound		.205	(2)	(2)
Mohair	do.	87.0	.70	82	.70
Wool		101.0	.62	95	.62
Other nonbasic commodities:					
Barley	Bushel	70.0	.95	70	.93
Beans, dry edible	Hundredweight	68.0	6.31	68	6.18
Cottonseed	Ton	65.0	{ 46.00 42.00 }	65	{ 45.00 41.00 }
Flaxseed	Bushel	65.0	2.92	65	2.78
Gum naval stores	Barrel	90.0	28.29	90	29.04
Oats	Bushel	70.0	.61	70	.61
Rye	do.	70.0	1.18	70	1.10
Sorghums, grain	Hundredweight	70.0	1.86	70	1.83
Soybeans	Bushel	70.0	2.09	70	2.09

¹ Commercial support for corn produced in compliance with acreage allotments.

² Not announced.

³ Minimum.

⁴ Unprocessed basis.

⁵ 435 pounds processed basis.

Mr. HOLLAND. Mr. President, the relative positions of those commodities and the relation of the whole group to corn will be entirely changed if this ill-considered measure should become law.

I do not know why Senators, who are generally deliberate men, rush into the Senate and, without hearings, without any chance to study what it is they are being asked to do, propose to wipe away the distinction between corn and small grains which has existed before, and under which small grains were placed in the same classification, with the same parity floor. I now yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. This matter was discussed in the Committee on Agriculture and Forestry. The only reason we are trying to have the joint resolution passed at this time is that we realize agriculture is in a critical condition, and we wish only to hold the line, so to speak, and to insure that acreage allotments and price supports shall not be lowered beyond what

they are at the present time, in order that a subcommittee of which I am chairman, as well as the full committee, may consider and report a bill on the subject. We do not want to do anything that might jeopardize our objective. Is that statement not correct?

Mr. HOLLAND. I know, and I completely concede that the intentions of my friend, the Senator from South Carolina, are most honorable. I think if we had been able to enact general legislation, it would have been done a long time ago. This is a question which addresses itself to 96 Senators and 435 Representatives. We have been pulling in opposite directions, and I think there is no possibility at all of enacting, at an early date, general legislation.

I should like to say to the Senator from Vermont [Mr. AIKEN], who is generally so sure in his facts and definite in his statements, that I was amazed when he made the statement to the Senate a while ago to the effect that the only

commodities affected by the change were wheat, rice, and milk products.

Mr. AIKEN. I meant any practical change, because there would be a slight change in barley and dry edible beans.

Mr. HOLLAND. There are variations in commodities which are on mandatory price supports or voluntary price supports. A look at the list I have placed in the RECORD will disclose, for instance, that, as to barley, there is a difference as between 95 cents and 93 cents. A greater difference might result, because we are not freezing parity; we are freezing dollars-and-cents figures.

It will also be seen that in the case of beans there is a difference as between a price of \$6.31 as against \$6.18; and there might easily be a much greater difference.

Because of the limitation of time, I cannot go into all the commodities, but the distinguished Senator will see he made the mistake of looking at the percentage column, because the percentages were left unaffected. The measure was not his, and I absolve him from the accusation that he offered it, but the measure proposes a freeze on the basis of dollars and cents, instead of on the percentage-of-parity basis, as the Senator well knows.

Mr. AIKEN. Is it not a fact that where the percentage is the same, but the dollars-and-cents figures vary 2 or 3 cents, it means farmers' costs have gone up so that the parity price has been affected. In that case why should he not get the extra few cents?

Mr. HOLLAND. I point out that some figures are adjusted downward and some upward.

Mr. AIKEN. There is a slight variation. I probably should have said "material difference."

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may be allowed 1 additional minute, so that I may yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. THYE. The only reason I asked the distinguished Senator to yield to me was that I have in my hand a letter from Marvin L. McLain, Assistant Secretary of Agriculture, dated March 4, 1958, with which letter is enclosed a news release from the Department dated February 23, which is headed "Cancellation Date For Corn, Cotton, and Spring Wheat Acreage Reserve Applications Extended to March 23."

The Secretary was changing the rules. I wanted to call the attention of my distinguished friend from Florida to the fact that the Department of Agriculture was changing the rules in the middle of the winter months.

Mr. HOLLAND. I beg to differ with my distinguished friend. The Department of Agriculture was operating under an act which had been passed by the Congress. The Department was being advised by the ablest attorneys it could find and by the GAO as to what its duties were in interpreting that act. The Department was following the mandate of the Congress. There has been no change of rules at all. In some instances, there has been a change of price supports.

Mr. THYE. Mr. President, if my dear friend will yield further—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. Mr. President, I ask for another minute.

Mr. HICKENLOOPER. I yield 1 additional minute.

Mr. THYE. The date was first set at February 20, and the farmers all proceeded upon the assumption that they were dealing with a final date of February 20. The Department finally changed the date to March 28. It was that item which I wanted to bring to the attention of my distinguished friend, because the Department changed the rules in the middle of the winter.

Mr. HOLLAND. Mr. President, if I may be allowed time to answer that statement, it seems to me that the Department has meticulously kept its word to everybody, because it has come in to ask Congress to undo the damage which was done last year, when we appropriated for the Soil Bank only \$500 million rather than the \$750 million as authorized. The Department of Agriculture has done the honorable thing in asking that the money be restored. I think the Senate approved that honorable recommendation when, the other day, it appropriated an additional \$250 million, which I understand will be adequate to take care of everybody.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THYE. Mr. President, I was opposed to the limitation of the funds a year ago. It was my amendment which proposed the increased amount for that phase of the Soil Bank.

Mr. HOLLAND. Mr. President, may I request that I be granted 30 seconds to make the Record clear?

Mr. HICKENLOOPER. Mr. President, I yield 1 additional minute.

Mr. HOLLAND. My distinguished friend the Senator from Minnesota is entirely correct in his statement that he was in favor of the restoration of the \$500 million, which our committee restored last year after the House cut out everything.

Mr. THYE. The Senator is correct.

Mr. HOLLAND. The point I made was that the Congress appropriated only \$500 million, whereas we had authorized \$750 million. That was the size of the program we had set up.

Mr. ELLENDER. Mr. President, I yield 15 minutes to the distinguished Senator from Minnesota [Mr. HUMPHREY].

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Mr. President, I should like to address myself to the comments made by some of my colleagues, and, in the time allotted to me, to place in the Record certain statistical tables of economic analyses which will set the record straight.

First, we are dealing with Senate Joint Resolution 162, which was well considered by the Committee on Agriculture and Forestry, and not hastily considered. The body of the resolution was

pending in the committee for almost 3 weeks. Extensive testimony was taken on the whole subject matter of agriculture's present plight.

There has been no lack of hearings, no lack of interest, no lack of dedication on the part of the members of the committee. The reports are complete. The statistical evidence is comprehensive. The testimony of witnesses relating to one commodity after another is detailed and emphatic. The vast majority of witnesses urged immediate emergency action to prevent further price decline.

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

Mr. HUMPHREY. I should like to continue my statement, and at the end of about 12 minutes I shall be happy to yield.

Mr. President, the distinguished Senator from Illinois [Mr. DIRKSEN] quoted the figures which had been given to him by the Department of Agriculture. These same figures were given to the committee, and were found by the committee as being inaccurate and misleading. As a result, these figures were subsequently adjusted by the Department of Agriculture. The Department has termed certain items "losses" in the price-support operations, but the figures which the Senator from Illinois used as being alleged losses under the price-support operations cannot be substantiated as losses. The committee so proved during its hearings with the Secretary. The record of the testimony is all the evidence that is needed.

The Secretary of Agriculture today continues to repeat outright misrepresentation of the economic facts. The Secretary says in a press dispatch which I have in my hand:

Farm prices have been improving and per capita income of farm population is the highest on record.

Mr. HILL. Who says that?

Mr. HUMPHREY. Secretary of Agriculture Benson says that.

Let us examine this statement.

Yes, per capita income of the farm population is the highest on record. But that is not the farm income of the farm population. That includes the nonfarm income, plus the highest Federal Government payments per capita in the history of the United States. The per capita farm income of the farmer is down substantially from 1951 and 1952, and down from 1953 and 1954—as bad as those 2 years were.

I do not ask Senators to take my word for it. I have before me the table which was submitted by the Department of Agriculture.

Mr. President, I ask unanimous consent to have printed in the Record the tables on page 197 of the committee hearings, as published, entitled "Farm Population, Number of Farms, and Percent of National Income," "Farm Income and Production Expenses," and "Index of Prices Received, Prices Paid, and Parity Ratio, All Farm Commodities"; and the figures set forth on page 201 of the same hearings in the table entitled "Per Capita Income of Farm People, 1934-57."

There being no objection, the tables were ordered to be printed in the Record, as follows:

Farm population, number of farms, and percent of national income

Year	Number of farms	Farm population	Percent of total population	Farm net income as a percent of national income
	Million	Million	Percent	Percent
1950.....	5.6	25.1	16.5	9.4
1951.....	5.5	24.2	15.7	9.4
1952.....	5.4	24.3	15.5	8.7
1953.....	5.3	22.7	14.2	7.6
1954.....	5.2	21.9	13.5	7.3
1955.....	5.1	22.2	13.4	6.7
1956.....	5.0	22.3	13.2	6.4
1957.....		20.4	11.9	

Farm income and production expenses
[Billions of dollars]

Year	Cash income from farm marketings	Realized gross farm income ¹	Production expenses	Realized net income	Farmers total net income ²
1950.....	28.4	32.1	19.2	12.9	13.7
1951.....	32.9	37.1	22.3	14.8	16.1
1952.....	32.6	36.7	22.5	14.3	15.1
1953.....	31.2	35.1	21.2	13.9	13.3
1954.....	29.9	33.7	21.5	12.2	12.7
1955.....	29.5	33.2	21.6	11.6	11.9
1956.....	30.4	34.4	22.3	12.1	11.6
1957.....	30.1	34.8	22.9	11.9	11.6

¹ Includes cash income from marketings, Government payments, value of home consumption, and rental value of dwelling.

² Includes adjustment for inventory changes.

Index of prices received, prices paid, and parity ratio, all farm commodities

[In percent]

Year	Prices received	Prices paid	Parity ratio
1950.....	258	256	101
1951.....	302	282	107
1952.....	288	287	100
1953.....	258	279	92
1954.....	249	281	89
1955.....	236	281	84
1956.....	235	285	82
1957.....	242	296	82

Per capita income of farm people, 1934-57

Year	From agriculture			From all sources	
	Excluding Government payments	Government payments	Total	Amount	Percent of non-farm population per capita income
1934.....	\$94	\$12	\$106	\$59	35.3
1935.....	167	15	182	62	47.2
1936.....	148	8	156	72	38.5
1937.....	207	9	216	80	46.1
1938.....	153	12	165	74	40.6
1939.....	147	21	168	81	39.8
1940.....	153	21	174	88	38.2
1941.....	230	16	246	103	42.4
1942.....	360	19	379	130	49.2
1943.....	476	21	497	157	52.7
1944.....	497	27	524	172	52.4
1945.....	528	26	554	166	54.9
1946.....	605	28	631	162	61.3
1947.....	631	10	641	181	59.0
1948.....	752	9	761	197	62.8
1949.....	558	6	564	201	51.0
1950.....	607	10	617	211	52.6

Per capita income of farm people, 1934-57—
Continued

Year	From agriculture			From non-farm sources	From all sources	
	Excluding Government payments	Government payments	Total		Amount	Per cent of non-farm population per capita income
1951.....	\$735	\$10	\$745	\$232	\$977	56.0
1952.....	692	10	702	251	953	52.0
1953.....	657	8	665	265	930	49.6
1954.....	650	10	660	265	925	50.7
1955.....	605	9	614	284	898	46.5
1956.....	579	22	601	301	902	44.7
1957 ¹	641	43	684	309	993	48.4

¹ Preliminary.

Mr. HUMPHREY. Very quickly stated, what do those figures show? They reveal that instead of farm income in 1957 being \$993, to which Mr. Benson referred this morning in his press conference, it was \$641. Yes, \$641 was the farm income from farm activities by farmers on farms. That is substantially lower than the \$735 of 1951. It is lower than the \$657 of 1953. And it is lower than the \$650 of 1954.

I say to the Secretary that his figures are misleading. Furthermore, he has succeeded in having 1.8 million people leave the farms in 1 year.

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

Mr. HUMPHREY. So when the Secretary of Agriculture talks about the per capita income, what he means is that there are fewer people on the farms to divide up a smaller amount of income.

I have previously asked unanimous consent to have the complete tables printed in the RECORD, and I shall not read them, except to point out that in the same tables it is shown that the Federal Government's contribution in the form of payments last year was \$43, as compared to \$10 in 1952, \$10 in 1951, and \$8 in 1953. Yet, with a \$43 per capita payment from the Government the farmer received less money in net income, while surpluses went up and farm indebtedness went up, and at the same time the number of farmers went down, the number of farm homes became fewer, and American agriculture became involved in an ever-increasing economic mess.

Is it any wonder that some of us are appealing, in righteous indignation—

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. Is it any wonder that some of us are appealing for a halt to this planned recession for agriculture?

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I cannot yield at the moment, I will say to my good friend from South Carolina, who is one of the farmers' true friends.

Mr. President, time after time the Secretary of Agriculture has given to the American people propaganda handouts, and I charge that these handouts are deliberately misleading. He's done it again today, in attempting to influence our votes. He has made many claims about what this measure would do, but

he cannot substantiate one of them—not one. The answer to Secretary Benson is to pass the resolution.

I read in the New York Times the other day that no one had ever challenged the Secretary of Agriculture to a debate. How can anyone make such a statement? I will rent a hall, and let him bring in his audience. In fact, I may say that we challenged the Secretary in Minnesota in 1954. In 1956, the radio networks asked him if he would debate, but he would not. He will not debate because the facts are not on his side. He refuses to accept the debate challenge of Senator PROXMIRE. Now, what are some of the sorry facts? I shall give the story from the Secretary's own records.

The realized net farm income of farm operators has dropped from \$14.3 billion in 1952 to \$11.6 billion in 1957. During the preceding 5 years the accumulated loss in net farm income was \$14 billion. That is a \$14 billion loss in net farm income.

The annual rate of expenditures from the Treasury for Agriculture went up in 1957 to \$5 billion, as compared with \$1 billion for agriculture in 1952. Yet there have been less beneficial results for farmers from this added cost to taxpayers.

Farmers have been driven off the land at the rate of 100,000 farm families a year. So today there are 500,000 fewer farm families in American agriculture than there were 5 years ago.

Let us take a look at another point which was made by Secretary Benson today. I hold in my hands a clipping headed "Benson Asks Consumers To Back Program."

This release alleges that if the joint resolution is passed, as Mr. Benson stated this morning in his own press conference, the price of food to consumers will be raised.

Let us take a look at that statement. Here is another clipping, dated March 7, headed "Benson Warns of Price Rise." Let us see what is going to happen. Take a look at the dairy industry. While the support price went down 13.1 percent since 1954, consumer prices went up 9.3 percent on dairy products. As the support price went down, consumer prices went up.

I have other statistical facts. Prices received by the farmers have gone down 20 percent since 1951. With prices going down 20 percent, retail food prices have gone up. Mr. Benson cannot show that if the price of oats is increased by 30 percent, it would increase the price of oatmeal by one-half of 1 percent.

Mr. Benson cannot show that by reducing the prices of dairy products to 75 percent of parity, the consumer who buys a bottle of milk would be saved one-half of a cent.

Mr. Benson cannot show that reducing the price of wheat by 22 cents a bushel would reduce the price of bread one-fourth of 1 cent.

Those are flat statements. I charge the Secretary of Agriculture with misleading the American public when he says this joint resolution would increase the cost to consumers. It would not.

The greatest increase in the cost to consumers has resulted from his own

mismanagement, increasing costs to taxpayers for his ineffective program—the program he asked for and has been unable to make work. Now the Secretary wants a program which would lead to even more disastrous results.

I am not arguing for the joint resolution because it is the answer to all the problems. I am arguing for the joint resolution because it would be at least an urgently needed stopgap. It would give Congress the time it needs to draft long-range legislation—to reconstruct a sound agricultural policy.

Let me answer my good friend from Florida [Mr. HOLLAND]. He stated that the joint resolution may be permanent. The joint resolution has no guarantee of permanency, but it would prevent the Secretary of Agriculture from reducing dairy income. It would prevent the Secretary of Agriculture from putting the skids under the wheat farmer. It would prevent the Secretary of Agriculture from aiding and abetting the recession.

The President of the United States states that he is launching an antirecession program, while his own Secretary of Agriculture proposes a program which would aid and abet the recession.

I have heard further statements—

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

Mr. HUMPHREY. I yield.

Mr. HOLLAND. The Senator does not mean to dispute my statement that unless and until the Congress acts further by general legislation this joint resolution, if enacted, would be permanent legislation, does he?

Mr. HUMPHREY. Certainly not.

Mr. HOLLAND. I thank the Senator.

Mr. HUMPHREY. I am of the opinion that any piece of legislation on the books is permanent legislation unless Congress does something to change it, or unless the legislation itself provides for a terminal date. In this instance, action by the Congress would be required. The Congress will act. It will act in the case of wool. It will act in the case of sugar. I hope it will act in the case of cotton. It will act with respect to the total farm program. But in the meantime, we are not going to allow the Secretary of Agriculture to pull the plug out of the tank of agricultural income and permit the tank to run dry, while the Congress is engaged in efforts to amend and improve the basic law farmers need to be protected from the administration's price squeeze now.

Mr. HOLLAND. Mr. President, will the Senator yield for one further question relating to the subject about which I asked him in the beginning?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. The Senator does not contend, does he, that there was any hearing on this particular joint resolution, or that there is any printed record relating to this joint resolution, or bearing on the questions involved in the joint resolution?

Mr. HUMPHREY. The Senator from Minnesota does so contend. In fact, when the junior Senator from Minnesota first brought up the joint resolution, the chairman and the other members of the committee asked that the joint resolution be put over until the hearings were completed.

It was stated that during the hearings we would have an opportunity to discuss certain parts of the joint resolution, which we did. We completed hearings with respect to every commodity, with many groups, represented before the Committee on Agriculture and Forestry. They asked for emergency action at once—and they supported this very resolution. That is a matter of record.

Now, what would the joint resolution do in terms of the prices which farmers will receive for their commodities? I have before me a table showing the prices which the joint resolution would place on the books, as compared with those which would be on economic books if Secretary Benson's prices were to go into effect.

OPERATING FARM INCOME PROTECTION PROGRAMS

Summary—Support price of farm commodities

[Established by Secretary of Agriculture under applicable laws]

Commodity	1952	1955	1956	1957	1958	
					Benson ¹	Congress ²
Index of farm costs.....	287	281	286	292		
Wheat.....	\$2.20	\$2.08	\$2.00	\$2.00	\$1.78	\$2.00
Corn.....	1.60	1.58	\$1.50	\$1.40	(³)	1.40
Cotton ⁴.....	.31	.32	.29	.29	(³)	.29
Peanuts.....	.12	.12	.11	.11	(³)	.11
Rice.....	5.04	4.60	4.57	4.72	(³)	4.72
Tobacco (11-14).....	.506	.483	.49	.51	(³)	(³)
Butterfat.....	.692	.562	.586	.586	.549	.586
Milk, manufacturing.....	3.85	3.15	3.25	3.25	3.00	3.25
Wool.....	.542	.62	.62	.62	.62	.62
Barley.....	1.22	.94	1.02	.95	.93	.95
Oats.....	.78	.61	.65	.61	.61	.61
Rye.....	1.42	1.18	1.27	1.18	1.10	1.18
Sorghum, grain.....	2.38	1.78	1.97	1.80	1.83	1.86
Flaxseed.....	3.77	2.91	3.09	2.92	2.78	2.92
Soybeans.....	2.56	2.04	2.15	2.09	2.09	2.09
Beans, dry edible.....	7.87	6.36	6.31	6.31	6.18	6.31
Cottonseed.....	66.70	46.34	48.60	46.20	41.00	46.20

¹ Announced by Secretary of Agriculture.

² In bills approved by Congressional committees.

³ Seven-eighths inch official grade for support purposes. Support prices of average grade are about 2 cents per pound higher than figures shown.

⁴ Corn produced in compliance with acreage allotments. Noncompliance corn was supported at \$1.25 in 1956 and \$1.10 in 1957.

⁵ Not available.

Mr. HUMPHREY. I also ask unanimous consent that the consumer statement which I have made, relating to agricultural prices as they affect consumer prices, be printed in the RECORD at this point, as a part of my remarks.

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

CONSUMER'S STAKE

If as much space were given in the city press and national periodicals about how American farmers are protecting consumers as is devoted to attacks on supposed subsidies to farmers, there would be far less misunderstanding about the need for a strong agriculture. If farm commodity prices had gone up at the same rate as other cost-of-living items since the Korean war, food and clothing would now be about 15 percent higher. Food and clothing during the 1951-57 period would have cost consumers many billions more than they actually paid. For consumers and taxpayers—other than farmers—this has been a fabulous bargain.

CITY FOLKS BENEFIT

Farmers, in effect, have been, and still are, subsidizing consumers of America. They are taking the losses, so consumers can have a bargain. Food absorbs a smaller proportion of the consumer's spendable dollar than

With respect to wheat, under the Benson plan the price would be \$1.78; under the Congressional plan, \$2.

With respect to corn, peanuts, rice, and tobacco, there is no announcement yet as to Benson's prices. Prices would be maintained as they are if we pass this bill.

With respect to butterfat, the Benson price is 0.549 cent; the price under the Congressional plan would be 0.586 cent.

The Benson price for manufacturing milk is \$3; the Congressional price would be \$3.25.

And so forth. I ask unanimous consent that this 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:

they know the facts. What they have been getting are half-truths and distortions. Here are some of the facts:

Food is the biggest bargain in America today.

Prices received by farmers have gone down 20 percent since 1951.

Farmers' operating costs have gone up 15 percent since 1951.

Weekly factory wage rates have gone up 23 percent since 1951—and income from interest rates has gone up 64 percent and dividends from industry have gone up 37 percent.

Per capita farm income is about half the urban rate—even with reasonable allowances for farm produced and consumed items to make figures really meaningful. And this is in spite of the far heavier investment required in farming than in the average urban resident's means of making a livelihood.

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

Mr. HUMPHREY. I yield.

Mr. ELLENDER. I desire to make a slight correction. With respect to cotton, under Benson the price support would be 30½ cents, and under the Congressional plan it could not be less than 23.8 cents.

Mr. HUMPHREY. I thank the Senator.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing per person incomes, farm and nonfarm, compared.

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

DO FARM FAMILIES GET PARITY INCOME

Per person incomes—Farms and nonfarm compared

	1951	1957	Percent change
Income per person of people on farms:			
From farming.....	\$745	\$684	-8
From all sources (current dollars).....	977	993	+2
From all sources (1957 dollars).....	1,045	993	-5
Income per person of people not on farm.....	1,745	2,045	+17
Farm family income, percent of parity income.....	56	49	-----

Source: Farm Income Situation, published by Agricultural Marketing Service, U. S. Department of Agriculture.

Farmers' share of national income and population

	1947-49 per cent	1951 per cent	1957 per cent
Of national population farm people were.....	18.0	15.7	11.9
Of national income they received.....	11.2	9.4	6.2

NOTE.—Income figures for farm people include income from off-farm sources as well as income from farming. Source: Agricultural Marketing Service, Farm Income Situation.

Mr. HUMPHREY. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks a table showing how farmers are doing compared with others, showing interest, dividends, corporation profits, wages of workers, weekly earnings of manufacturing workers, and so forth. Surely, a casual study of these facts is compelling evidence for the need of action now.

NEED THE FACTS

Of course, it isn't the consumers who are to blame for so much misunderstanding. They are not getting the real story. Probably most food consumers are not greatly interested in farm troubles, but the vast majority of them are fairminded individuals when

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

How farmers are doing, compared with others—Farmers worse off, everybody else better off, particularly corporations and stockowners

	Annual average 1947-49	1957	Percent change
Interest.....billion dollars..	9.0	18.8	+109
Dividends.....do.....	7.1	12.1	+70
Corporation profits:			
Before taxes.....do.....	29.5	41.0	+39
After taxes.....do.....	18.1	20.0	+11
Rental income.....do.....	7.2	10.4	+45
Business and professional proprietors.....do.....	20.8	28.7	+40
Weekly earnings of manufacturing workers.....dollars..	63	82	+55
Per person income, nonfarm people.....do.....	1,473	2,045	+39
Per person income, farm people.....do.....	848	993	+17
Farm income parity ratio.....percent..	68	45	-----
Farmers' total net income:			
National.....billion dollars..	15.4	-----	-25
Per family.....current dollars..	2,654	2,490	-6
Number of farms.....millions..	5.8	4.9	-16

¹ From nonfarm and farm sources.

Source: Economic Indicators (Council of Economic Advisers) and Farm Income Situation published by Agricultural Marketing Service, U. S. Department of Agriculture.

Per farm real income down ¼ in past 6 years

	1951	1957	Percent change
Farm operators' gross income:			
Including inventory change.....billion dollars..	38.4	35.0	Down 9 percent.
Excluding inventory change.....do.....	37.1	34.4	Down 7 percent.
Farm production expenses.....do.....	22.3	22.9	Up 3 percent.
Farm operators' net income:			
Including inventory change:			
United States total.....do.....	16.1	12.1	Down 25 percent.
Per farm.....dollars..	2,911	2,490	Down 14 percent.
Excluding inventory change:			
United States total.....billion dollars..	14.8	11.5	Down 22 percent.
Per farm.....dollars..	2,691	2,348	Down 13 percent.
Number of farms.....million..	5.5	4.9	Down 11 percent.
Net income per farm at 1957 prices.....dollars..	3,115	2,490	Down 20 percent.
Prices paid by farm family for living items (index).....do.....	268	286	Up 7 percent.

Source: Economic Indicators, February 1958. Published by Council of Economic Advisers to the President of the United States.

Mr. HUMPHREY. I also ask to have printed in the RECORD at this point as a part of my remarks a table showing that 1957 farm income was less than half of the parity-income goal—a goal promised by President Eisenhower.

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

1957 farm income less than half of parity income goal

	Parity farm income 1957 ¹	Actual farm income 1957 ²
Farm operators' net income:		
Including inventory change:		
United States total.....billion dollars..	26.2	12.1
Per farm.....dollars..	5,347	2,490
Excluding inventory change:		
United States total.....billion dollars..	26.2	11.5
Per farm.....dollars..	5,347	2,348
Farm production expenses.....billion dollars..	25.4	22.9
Farm operators' gross income:		
Including inventory change.....billion dollars..	51.6	35.0
Excluding inventory change.....do.....	51.6	34.4

¹ Calculation based on definition in National Farmers Union program and Agricultural Adjustment Act of 1938, as amended. (See Legislative Analysis Memorandum No. 56-18.)

² Data from Economic Indicators, February 1958, published by Council of Economic Advisers.

Mr. HUMPHREY. The most revealing tables of all are the index of prices paid by farmers, and the table showing average prices received by farmers for farm products. I ask unanimous consent to have those two tables printed in

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield me 2 minutes more?

Mr. ELLENDER. I yield 2 minutes additional to the Senator from Minnesota.

Mr. HUMPHREY. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the decrease in real income per farm in the past 6 years. The table shows that it is down by 25 percent—here we see the beginning of the recession.

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

the RECORD at this point as a part of my remarks. There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Index of prices paid by farmers (1910-14=100)

Item	Average 1947-49	Jan. 15, 1958 ¹	Change
Interest paid per acre.....	79	175	Up 122 percent.
Taxes paid per acre.....	270	464	Up 72 percent.
Cash wage rates.....	430	567	Up 32 percent.
Motor supplies.....	140	172	Up 23 percent.
Motor vehicles.....	290	421	Up 45 percent.
Farm machinery.....	239	358	Up 50 percent.
Farm supplies.....	235	292	Up 24 percent.
Building and fencing.....	296	391	Up 32 percent.
Fertilizer.....	143	152	Up 6 percent.
Average, above 6 items.....	221	299	Up 35 percent.
Household operation.....	178	209	Up 17 percent.
Household furnishings.....	256	279	Up 9 percent.
Building materials, house.....	339	409	Up 21 percent.
Autos and auto supplies.....	233	325	Up 39 percent.
Average, above 4 items.....	231	287	Up 24 percent.
Food.....	239	278	Up 16 percent.
Clothing.....	285	326	Up 14 percent.
Average, above 2 items.....	255	294	Up 15 percent.
Feed.....	231	193	Down 16 percent.
Feeder livestock.....	348	356	Down 2 percent.
Seed.....	242	209	Down 14 percent.
Average, above 3 items.....	269	245	Down 9 percent.
Prices paid for all family living items (average).....	244	289	Up 18 percent.
Prices paid for all production items (average).....	237	264	Up 11 percent.
Prices paid, commodities and services, interest, taxes, and wage rates.....	250	301	Up 20 percent.

¹ Or last available data.

Source: Agricultural Prices, Jan. 31, 1958, Agricultural Marketing Service, USDA.

Average prices received by farmers for farm products—United States, Jan. 15, 1958, and average 1951 compared with income parity equivalent prices

Commodity	1957 income parity price equivalent ¹	Actual prices		
		Average 1951	Jan. 15, 1958	Change
Wheat	\$2.99	\$2.11	1.90	Down 10 percent.
Rye	2.10	1.52	.937	Down 38 percent.
Rice (rough)	7.42	4.82	5.01	Up 3 percent.
Corn	2.18	1.66	.931	Down 44 percent.
Oats	1.14	.820	.613	Down 25 percent.
Barley	1.75	1.26	.855	Down 32 percent.
Sorghum grain	3.35	2.32	1.63	Down 30 percent.
Hay, all baled	32.34	25.60	19.00	Down 26 percent.
Cotton, American upland	.480	.377	.274	Down 27 percent.
Tobacco, types 11-37	.732	.420	.429	Up 2 percent.
Cottonseed	93.53	69.30	51.30	Down 26 percent.
Soybeans	3.92	2.73	2.05	Down 25 percent.
Peanuts	.158	.104	.0979	Down 6 percent.
Flaxseed	5.87	3.72	2.95	Down 21 percent.
Potatoes	3.18	1.63	1.76	Up 8 percent.
Sweet potatoes	6.82	3.03	5.16	Up 70 percent.
Beans, dry edible	12.11	7.91	7.03	Down 11 percent.
Hogs	28.40	20.00	18.50	Down 7 percent.
Beef cattle	29.15	28.70	19.70	Down 31 percent.
Calves	32.05	32.00	22.20	Do.
Lambs	32.34	31.00	21.60	Down 30 percent.
All chickens, live	.371	.271	.190	Do.
Turkeys, live	.484	.374	.226	Down 40 percent.
Adjusted for seasonal variation:				
All milk, wholesale	6.28	4.58	4.13	Down 10 percent.
Eggs	.621	.478	.405	Down 15 percent.

¹ Calculated by proposed income parity formula based on definitions of parity farm income in Agricultural Adjustment Act of 1938, as amended, and National Farmers Union 1956-57 Official Program. (Data as of January 1957.)

Source: Agricultural Prices (Jan. 31, 1958), Agricultural Marketing Service, USDA.

Mr. HUMPHREY. When Senators read those tables, they will plainly see what has been happening to agriculture and it is not good.

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

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Will the Senator from Minnesota tell the Senate what, in reality, the President and Mr. Benson have recommended as the parity price for the coming year?

Mr. HUMPHREY. On what commodity?

Mr. MANSFIELD. On all the basic commodities. What is the average?

Mr. HUMPHREY. The administration wants flexibility between 60 and 90. The new administration proposal is for flexibility down to 60, instead of only to 75 percent. As the Senator from Vermont pointed out, however, this joint resolution would not change the 1957 price-support program. The present program would not be changed by the joint resolution. It would just maintain last year's prices, as a holding action—a price floor—until such time as the Congress legislates otherwise.

The best I can say for the joint resolution is that it is a part of the overall effort of Congress to hold the line. It is an effort by Congress to check the recession. It represents a determination by Congress to prevent any further downward flexing of the agricultural price structure. A vote for the resolution, Senate Joint Resolution 162, is a vote for agriculture and a vote against Benson's policies.

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

Mr. ELLENDER. I yield 1 minute to the Senator from Montana.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I wish to take this occasion to commend the distinguished junior Senator from Minnesota for the

economic statesmanship he has shown in this field. Because of him, we have a chance to consider all the basics at the same time. In this way Mr. Benson will not be able to resort to his usual policy of divide and conquer; because we will all be in the same boat, and we will all be facing the same problem. I hope that under the leadership of the distinguished junior Senator from Minnesota we will be successful in this action, even though Mr. Benson, in his press conference of this morning, made the statement that what the Senate proposes to do now in 2 joint resolutions is even worse than the bill which was passed 2 years ago, under the leadership of the Senator from Minnesota, and which was vetoed by the President of the United States.

I ask unanimous consent to have printed in the RECORD at this point a news story published in the Daily Ranger, of Glendive, Mont., of March 6, 1958.

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

[From the Glendive (Mont.) Daily Ranger of March 6, 1958]

SENATOR HUMPHREY LASHES ADMINISTRATION AGRICULTURAL PLAN

(By Senator HUBERT H. HUMPHREY, United States Senator from Minnesota)

WASHINGTON.—Clearly our Nation needs a new and different farm policy and needs it now.

What should be its broad outlines?

First. A comprehensive farm program covering all major commodities with the recognition of the interdependence of agricultural production. It is a well established principle of agricultural economics that low feed prices produce low hog and beef prices. Furthermore, the price of perishable commodities is directly related to those known as storable, like grain.

Second. Agricultural policy must be based upon these accepted and known relationships. It is imperative that the Nation have adequate food and fiber reserves. The level of these reserves must be related directly to

the growth in population and the tremendous commitment of our Nation in the field of foreign policy and national security. This has not been done.

National security requires effective and constructive use of food and fiber. Our foreign economic policy must include within it long-range commitments of food and fiber supplies to our allies and the uncommitted and underdeveloped nations. Food can be force for peace and freedom. There must be additional emphasis upon conservation, both short and long term. The conservation-reserve program needs to be doubled. Broad and effective conservation measures must be integrated with overall natural resource development and management programs.

A sound farm policy should be based upon a rising net income for agriculture—parity income. The Secretary of Agriculture should be authorized to utilize several means of attaining parity income and protecting decent and fair farm-price levels. What is needed is flexibility of method in a farm program, plus determination on the part of the Secretary of Agriculture to utilize every legitimate means at his command to insure orderly marketing and a stable price structure.

Add to this farm credit facilities adequate for the cost of maintaining farm operation and you have the broad outline of a constructive farm policy that can work both for the benefit of the farmer and the Nation.

The Eisenhower-Benson farm policy has failed. This failure is due not only to weakness in the law but also faulty and ineffective administration. The efforts of Congress to strengthen the agricultural policy were overridden by a Presidential veto. The attempts of friends of agriculture to improve the administration of agricultural policy have been resisted and rebuked by the Secretary of Agriculture. The results speak for themselves.

HERE IS THE SORRY RECORD

Realized net income of farm operators dropped from \$14,300,000,000 in 1952 to \$11,500,000,000 in 1957. During the 5 years Secretary Benson has been in office, the accumulated loss in net farm income has been over \$14 billion. The annual rate of expenditures from the Federal Treasury as shown by the budget request sent to Congress this spring totals over \$5 billion as compared with slightly over \$1 billion in 1952.

Benson's policies have moved farm families off the farm at a rate of 100,000 per year. There are 500,000 fewer farm families on the farms today than when he took office. The family farm income from all sources, non-farm as well as farm, measured in 1957 dollars has dropped by over \$500 per year—from \$3,000 in 1952 to \$2,500 in 1957. Farm mortgage indebtedness is up approximately \$4 billion. Farm surpluses are still huge. Farm prices are still low. And farm income is at recession levels.

THERE IS THE RECORD

The administration farm policy was outlined in a speech early in February 1953, in St. Paul, Minn. Secretary Benson asked for a reduction of price supports to a point just above undue disaster. Doing this, he said, would lead to lower consumer food prices, reduce Federal expenditures for agriculture, and ultimately improve farm income. He claimed further that it would strengthen the family farm unit and get the Government out of agriculture.

The Secretary has at least kept his word on one of these promises—at every opportunity he has recommended lower price supports. He and the President are now asking Congress for authority to drop the price support levels to only 60 percent of parity. Secretary Benson has insisted that reducing price supports would reduce production, despite statistical evidence to the contrary. With lowering of price supports, production

has gone up. Surpluses have mounted despite tremendous disposal programs through foreign aid, relief, and overseas sales.

Secretary Benson promised that reducing price supports would reduce storage costs and the farm program costs—instead the annual storage cost paid by the Government has been the highest in history under his administration, both per unit and in total. The rate of expenditures for this is at an all time high—almost five times greater than that of 1952.

Grocery store food prices are higher now than they were before the Eisenhower-Benson theory was put into effect, mothers pay more for the milk they buy for their children. A loaf of bread costs more than at any time in the past 100 years. With farm prices down by almost 20 percent, retail food prices in 1958 are at the highest index ever recorded.

Yes, the administration farm program has not only failed the farmers, but it has failed the public, and socked the taxpayers. As consumers, the public is paying higher prices for food at the grocery store. As taxpayer the public is paying out at a rate of \$5,000,000,000 a year for a program that does not work. As a Nation we are threatened by a growing farm led and farm fed depression.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter which I received from the Farmers Union Grain Terminal Association, signed by Mr. M. W. Thatcher, general manager, and a summary of the GTA family farm survey for 1955-56.

The survey shows that the greatest untapped market in the world is in American agriculture, if American agriculture is given the opportunity to purchase. What we are seeking is a market. I say to my good friend that with all our efforts for tax reduction, with all our efforts to stimulate the economy, if we permit agriculture to go down further, we will experience a recession and depression which will really curl our hair, and George Humphrey's too.

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

FARMERS UNION GRAIN

TERMINAL ASSOCIATION,

St. Paul, Minn., January 29, 1958.

The Honorable HUBERT H. HUMPHREY,

Senate Office Building,

Washington, D. C.

DEAR SENATOR HUMPHREY: You will be interested in this short summary of our latest family farm survey. This study of over 4,000 farm records shows an even greater market for manufactured goods than we found 2 years ago. This market for nearly \$6,000 spending per farm could go far to restore business and jobs in our cities.

Our survey finds more and more farmers being pushed off their farms to look for city jobs, or holding part-time jobs while still farming. They will add to the unemployment now growing in industrial States.

Again we find real farm income getting lower on these better-than-average commercial family farms. Returns to farmers are far short of those to other businesses, professions or trades. After a small return on investment, you will see there is left only 25 cents per hour for the labor of the farmer and his family, and nothing for his skilled management.

The figures from wheat farms show that the 22-cents-per-bushel (11 percent) cut now scheduled for the 1958 crop will mean about a 25 percent cut in net income. The 25 cents per hundredweight (8 percent) cut

on milk will mean a similar cut in net income of Midwest dairy farmers.

You Senators and Congressmen from farm States must unite to stop these two cuts and any others this coming season. Nothing is more likely, in my judgment, to make this recession worse than to lower farm prices farther. A return of prosperity in farm States will take more than holding the price line, but that is the first necessary step.

Please feel free to call on us for help to halt these dangerous and needless cuts in wheat and dairy prices now ordered. Only you leaders in Congress can win farmers a reprieve from further price cutting.

Sincerely,

M. W. THATCHER,
General Manager.

**A SUMMARY OF THE GTA FAMILY FARM SURVEY
FOR 1955-56**

(A continuing study of family farms in Minnesota, Montana, North Dakota, South Dakota, and Wisconsin, covering 1950 through 1956, as authorized by the stockholders of Farmers Union Grain Terminal Association)

INTRODUCTION

This resurvey of some 4,079 family farms is based on the income-tax records of each farm, plus other information gained by on-the-farm interviews during 1957. The income-tax records for 1955 and 1956 were audited and added to those for 1950-54. These 2 recent years have seen increased emphasis upon accurate tax records due to the beginning of social-security payments based upon these returns. As in the first GTA family farm survey, virtually complete cooperation was forthcoming from all of these thousands of families. We present some of the findings in the hope that this unique information about average commercial family farms in some of our best farming areas may help the Congress decide wise national policies.

What the survey shows

**1. Summary of Farm Operations for 1956,
Compared With 1954**

The essential figures show that despite claims to the contrary, the lowering of farm prices between 1954 and 1956 did not improve real net income. This was in spite of a gain of some 4 percent both in acreage and investment on the farms, and with improved yields and production. Net income did go up some \$80 due to an increase in Government payments of \$125. But, this small increase was more than offset by the rise in cost of living between the two surveys. That rise was nearly 4 percent, about \$107. Real income, consequently, dropped \$27, or about 1 percent. No account has been taken in this of the \$1,848 increase in investment required to farm.

**Average per farm receipts and expenses,
with changes**

	1954	1956	Change
Cash marketings.....	\$8,010	\$8,386	\$376
Government payments.....	66	191	125
Cash receipts.....	8,076	8,577	501
Cash expense.....	4,559	4,801	242
Depreciation.....	1,310	1,463	153
	5,869	6,264	395
Receipts less expense....	2,207	2,313	106
Allow for food.....	324	323	-1
Allow for home.....	400	375	-25
Total home and food....	724	698	-26
Net income before taxes..	2,931	3,011	80
Offset by cost-of-living increase of about.....			\$107
Net change in real income from farming.....			-\$27
Percent change.....			-1

Details of cash receipts and expenses are shown in table 1 of the appendix. From this can be seen how these farms have attempted to cope with lower prices by producing more, and how various expenses have risen. The allowance for a net rental value of the farm home equal to 8 percent of the insurable value of the home is an addition to gross income not made in our original survey. The allowance for food is based on the prices farmers would get for home-used food if they sold it. This follows the usual practice in valuing such food, although the cost to city consumers of such food in the form they would buy it would be considerably higher. Other costs in farm living not figured in this survey offset this food benefit and then some, such as higher costs for all manufactured goods and for such important services as health and education.

**2. Analysis of Returns to Labor, Management,
and Capital Used on Farm**

Allowing only a 5 percent return (before taxes) on capital, and nothing for management, returns for the work of the farmer and his family were only 25 cents per hour, as shown below.

If these farmers and their families got the average factory wages paid in their State, their net income would have been \$6,303, more than double what it actually was. Stated another way, actual income was short \$3,293 of paying a factory wage. This is equal to an 8 percent loss on investment for the year.

If nothing is allowed for investment, then the return for labor amounts to 91 cents per hour. This is less than half the \$1.91 average factory wage for the area, a full dollar short. It is also below the Federal minimum wage of \$1. Thus, in addition to getting substandard wages, farmers are contributing over \$43,000 in capital for nothing, bringing that to their job with no recompense.

If the labor of the whole family, except the farm operator, is unpaid, and the operator's labor is figured at the very conservative figure of only 2,000 hours as worked in city employment, then the farmer still would make only \$1.51 per hour. That is nearly one-fourth less than factory labor. That would mean unpaid family labor, unpaid management, unpaid capital, and still inequality.

**Investment in average farm, hours worked,
average factory wages, and imputed returns
to farm labor, management, and capital**

	1954	1956	Change
Number of farms.....	4,321	4,079	-5.6
Acre in farm.....	613	637	4.0
Insurable value of home.....	\$4,999	\$4,688	
Investment in plant:			
Land and buildings.....	\$27,285	\$26,538	
Equipment.....	7,857	10,473	
Livestock.....	4,805	4,521	
Crops.....	1,701	1,964	
Total.....	41,648	43,496	\$1,848
Estimated hours worked.....	3,300	3,300	
Average factory wage.....	\$1.72	\$1.91	
Net farm income (before taxes).....	\$2,931	\$3,011	
	1954	1956	
A. Return to capital and labor:			
5 percent on investment.....	\$2,082.00	\$2,174.00	
Net to labor.....	849.00	836.00	
Net per hour.....	.26	.25	
B. If factory wages were paid on labor:			
Wages for operator and family.....	5,676.00	6,303.00	
Actual total net income.....	2,931.00	3,011.00	
Deficit.....	2,745.00	3,292.00	
Loss on investment.....			
.....percent.....	-7	-8	

Investment in average farm, hours worked, average factory wages, and imputed returns to farm labor, management, and capital—Continued

	1954	1956
C. All returns to labor, nothing to capital and management: Return per hour for 3,300 hours.....	\$0.89	\$0.91
Return for 2,000 hours.....	\$1.47	\$1.51

3. Returns Required If Farmers to Get Parity With Labor, Business, and Management

It is of interest to calculate, if only roughly, the amount needed to give these farm families something like parity returns for their labor, management, and capital. If factory wages were earned, plus only 5 percent on investment, and nothing for management of the farm, then as of 1956, it would have taken about 64 percent higher prices to bring such parity. Much business netted more than 5 percent after taxes, and farm-management services for an average commercial farm would run at least several hundred dollars. Neither factor is counted here.

Such higher prices would bring agriculture back about to where it was in the 1946-50 period, or the 1947-49 period used by the Government as a base for statistics in all fields other than agriculture. The official parity ratio was respectively 109 and 107 for these periods. Such prices also show the average of products raised in these 5 States in 1956 was between 65 and 70 percent of parity, instead of the national average of 81 percent for that year.

Such prices would give the average family, with a \$43,000 investment, a return of about \$7,000 cash before taxes, plus \$1,500 allowance for food and housing, a total of \$8,477. The \$3,011 actually received in 1956 was only 36 percent of this needed total. Thus, after nearly 10 years of declining farm income and rising city boom, farmers were far behind their city cousins for comparable investment and labor.

Increased prices needed for parity income

	1954	1956
5 percent return on investment (before taxes).....	\$2,082	\$2,174
Labor at average factory wage.....	5,676	6,303
Management.....	0	0
Total needed for parity income.....	7,758	8,477
Less actual net income.....	2,931	3,011
Deficit in parity income.....	4,827	5,466
Plus actual cash receipts.....	8,076	8,577
Equals cash receipts needed for parity.....	12,903	14,043
	Percent	Percent
Ratio of actual to parity income.....	38	36
Ratio of actual to parity cash receipts.....	63	61
Approximate increase in prices required to get parity income.....	59	64

4. Low Prices Are Forcing Commercial Farmers Into City Labor Markets

In the 2 years between early 1955 and early 1957, during which these two surveys were made, over 5 percent of these commercial farms which had been supporting families had been liquidated. In some cases this was due to death with no heirs to take over the farm, but in most cases the families were forced off by declining income. The actual figure was 1 farm out of 18 missing in this short 2-year period.

In addition to this expanded labor supply headed for the cities, many farmers, their wives, or older children began to work at off-farm jobs, part time or even year round, in the effort to save their farm homes. In

early 1957, our surveyors found this an increasing practice, but in 1956, the actual wages earned amounted to an average of only some \$200 for operators and \$100 for wives, a total of less than \$300 per family. We cite this to show that contrary to national estimates, which include many part-time farms and subsistence farmers, commercial farmers in this area were not yet able to get much help from off-farm work. Such work as was being done was concentrated nearest to the larger cities and was being done mostly by younger farmers and their wives who have the most difficulty with present conditions. Most of these off-farm workers were GI's who deserve better from their country in their effort to make a home on the farm.

Where farmers have abandoned farming to move into city jobs, they will have the least seniority and often little resources in case of unemployment and business recession. This will tend to force them back onto farms, perhaps into farm homes of relatives, adding further troubles to our farm families. Nothing is less needed by our national economy just now than another several hundred thousand farm workers dispossessed from the land. Nothing should be more vigorously opposed by city people, themselves having unemployment and relief to attempt to handle.

5. Indications That Farm Depression Is Feeding City Recession

National farm-income figures dropped lower in 1956 and again in 1957 in terms of their buying power, approaching the low figure of 1940, which was a bad depression year for the whole American economy. The gain in size, investment, inputs and outputs of the family farms in our survey covers up somewhat this drop in total buying power, but some figures do show up, which indicate the important part which lower farm income is playing in the growing national recession.

Because of the great shortage in real income needed to give farmers parity with city people, and thereby give real balance to the American economy, farm buildings, homes, and equipment have never reached parity. Much-needed spending has been postponed. Our survey repeated an earlier inventory of immediate farm needs. For production purposes, as of early 1957, here are the averages per farm, by each State, and for the 5-State area. Amounts have grown substantially in the 2 years since our earlier survey.

	Repairs and paint	New buildings	New equipment	Total
Wisconsin.....	\$1,282	\$2,383	\$2,016	\$5,681
Minnesota.....	907	2,561	1,910	5,378
South Dakota.....	968	1,565	1,447	3,980
North Dakota.....	1,259	2,847	2,932	7,038
Montana.....	947	2,237	2,161	5,345
Average, 4,079 farms.....	1,075	2,418	2,164	5,658

This total of around \$6,000 per farm does not include any spending needed to repair, modernize, or replace the farm home, or for home equipment. Even without any such spending, these totals would amount to a \$12 billion to \$15 billion potential market on the commercial family farms of the Nation, if this area is at all typical.

If farm homes were all modernized, or replaced if in poor condition, this farm market might easily be double. The insurable values for the farm homes in this survey indicate that many are in need of extensive modernizing, or of replacing, just as is true in most farm areas.

Thus, a great untapped market lies ready and waiting to restore American industry to usefulness, and American labor to produc-

tion, if only balanced farm and city income can be restored.

This farm demand is particularly for durable goods, the products of our heavy manufacturing industries now so hard hit. Higher farm income would help at the most vital spot in the current national lack of balance between capacity and demand. This includes the farm-machinery industry now severely cut back, and the appliance industry, now cutting back. Some other facts once again indicate this great need for durable goods in our farm homes. Although these are better-than-average commercial farms, they have a lack of modern conveniences that is a national shame in this 6th decade of the 20th century. The percentage of homes in this survey without the following facilities is astounding, but the figures would be even higher if all farm homes in these States were included:

Percent of farms without named facilities

	Wisconsin	Minnesota	South Dakota	North Dakota	Montana
Cold running water.....	17	32	41	31	17
Hot running water.....	24	38	48	37	22
Inside toilet.....	30	46	52	42	28
Bath tub.....	31	49	53	43	29
Central heat.....	49	56	52	40	33
Deep freeze.....	44	45	45	40	19
1 telephone (any age).....	23	19	32	20	49
1 TV set.....	31	36	49	26	45

Note that large numbers of the homes with the highest number of children in the Nation are still without either hot or cold running water.

Note that parity in plumbing facilities is not something lacking just in foreign lands, but is right here in the heart of the richest farmlands in the world.

Note that central heat is lacking in the coldest States in this Union.

Note that those families which can use to best advantage a deep freeze are not necessarily the citizens who have them.

Note that even one telephone is lacking in the home and business that needs it above all others, for convenience at least. Other figures would show how many of these phones in farm homes are still of the horse-and-buggy type, a disgrace in this day of electronic miracles.

Note that many farm homes do not have even one TV set, considered a necessity by most city families for a good many years now.

Note that none of these needed home facilities, which supposedly make up the American way of life and the vaunted American standard of living, and indeed have been so enjoyed by most city people for a long time—none of these needs are expressed in the dollar estimates of needed spending stated above. Those estimates apply only to farm production equipment, under which even a telephone was not included, although it might well have been.

Further information was gathered on the age and number of automobiles and trucks on our farms. This is of particular value now that that industry is running at only a little more than half capacity, a fact which threatens our whole economy. Farmers need automobiles and trucks in their business as well as for family living. Farm roads are the worst, and replacements would be high if farm income allowed farmers to do so.

Contrary to statements about farmers driving expensive new cars, our survey shows, as have others carried out in this area, that a considerable number of farms don't even have one car, and that the majority are older models of the so-called low-priced makes, with very few high-cost cars of any age.

Number, age, and price range of automobiles on farms

(Percent)					
	Wisconsin	Minnesota	South Dakota	North Dakota	Montana
Number:					
None	8.9	9.0	5.4	3.2	4.8
1	89.7	88.4	89.9	93.9	88.3
2 or more	1.4	2.6	4.7	2.9	6.9
Model:					
1949 or older	28.9	22.9	23.9	19.2	8.2
1950 to 1955	64.4	67.7	67.9	65.9	68.7
1956 to 1957	6.7	9.4	8.2	14.9	23.1
Price range:					
Low	71.8	74.9	70.0	71.2	66.5
Medium	27.5	24.6	29.7	28.3	31.4
High	.7	.5	.3	.5	2.1

Note the large potential market here, indicated by the large percentage of farms either with no car or with models which a year ago were 8 years old and older.

These potential markets are actually to be found not just on the commercial farms of the great Midwest, but also in the farm towns and cities which are largely dependent upon farmers for their trade and business. These areas have not shared in the national boom of the last few years in the same proportion as have industrial cities. A revival of prosperity on our farms would stimulate even greater markets in the whole rural part of the Nation, which still makes up more than a third of our population. A continuing farm depression will surely bring about a further decline in business in these same rural areas.

6. Prospects for 1958 and 1959

It is obvious that the efforts to help farm income by reducing farm prices have failed to this point. Further loss of income is now being suffered because of present weakening farm prices, especially for feed grains. This forecasts and insures a return to very low livestock prices before long. Reductions ordered in supports for dairy products and wheat will be only the forerunners of other cuts unless stopped now. Nothing is in sight which will raise farm prices or cut farming costs. Nothing will help farmers restore their purchasing to former levels.

An analysis of the figures from wheat farms in this survey shows that the 22 cents-per-bushel (11 percent) cut now scheduled for the 1958 crop, will mean about a 25 percent cut in net income. Similarly, the 25-cents-per-hundredweight (8 percent) cut on milk scheduled for this spring will bring a comparable cut in net income of Midwest dairy farmers. It is calculated that each of these two cuts will cost the respective groups of farmers \$250 million, a total of one-half billion dollars' loss in net income per year.

Further cuts in farm income will cause the farm depression to feed the national business recession, perhaps making it snowball into a depression that cannot be stopped short of terrible cost. The best way to start up our factories and call back the men is to see to it that there is no further cut in farm prices or income, and instead, that good commercial family farms be restored to parity.

Statement of purpose

The GTA Family Farm Survey has been carried on to get a true audit of conditions on commercial family farms before the Congress and the public generally. The grain farmers who own this sponsoring cooperative want to strengthen the system of family-owned and operated agriculture which has been a principal foundation of our democracy so far in our Nation's history. They are opposed to public or private policies which threaten the stability and welfare of family farming.

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This report is issued in the hope that it will help make clear the facts about such farms as they are found in this great agricultural producing area, the breadbasket of the world.

Further surveys may be made, with the cooperation of participating farm families, as times demand. Thanks to the cooperative spirit of these fine families, there is now available to the public the actual receipts and expenses for typical commercial family farms in these five States. These figures for the 7 years 1950-56 are an authentic and unique grassroots record.

APPENDIX

TABLE I.—Average receipts and expenses per farm, 1954 and 1956

	1954	1956	Change
FARM RECEIPTS			
Grain sales	\$3,638	\$3,866	\$228
Dairy products	1,236	1,381	145
Livestock sales	1,969	1,877	-92
Beets and potatoes	87	127	40
Poultry and eggs	379	402	23
Profit on purchased livestock	238	204	-34
Miscellaneous	463	529	66
Marketings	8,010	8,386	376
Government payments	66	191	125
Total	8,076	8,577	501
FARM EXPENSES			
Labor hired	401	369	-32
Feed	622	687	65
Seed	263	275	12
Custom work and machine hire	201	206	5
Supplies	194	204	10
Repairs	460	491	31
Services and fees	72	83	11
Fertilizer and sprays	139	180	41
Gas, oil and grease	700	751	51
Storage and warehousing	44	44	0
Taxes	378	402	24
Insurance	190	196	6
Interest	174	202	28
Utilities (light, power, phone)	140	157	17
Rent	116	119	3
Farm use of auto	182	196	14
Purchased livestock and poultry	38	29	-9
Miscellaneous	245	210	-35
Cash expenses	4,559	4,801	242
Depreciation	1,310	1,463	153
Total	5,869	6,264	395
Receipts less expenses	2,207	2,313	106
Plus food allowance	324	323	-1
Plus home allowance	400	375	-25
Total, home and food	724	698	-26
Net income (before taxes)	2,931	3,011	80

Mr. HUMPHREY subsequently said: Mr. President, the true meaning of a piece of proposed legislation can very often be determined by finding out the public reaction of people who are affected by it, and of the newspapers in different parts of the country, keeping in mind that newspapers have both readers and advertisers. On January 18 the Louisville Courier-Journal published an editorial captioned "Eisenhower-Benson Farm Plan Shows Neglect of Realities." The Courier-Journal happens to be one of the most highly respected and perceptive newspapers being published. I ask unanimous consent that the entire editorial be printed in the RECORD.

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

EISENHOWER-BENSON FARM PLAN SHOWS NEGLECT OF REALITIES

President Eisenhower in his farm message to Congress presented a succinct analysis of the Nation's farm problems.

No one can quarrel with his statements that "we must find ways of utilizing more completely the abundance that our farm people are now able to produce" and that "at the same time we must help our farm people to cope with the sometimes harsh consequences of their own unparalleled ability to produce . . ."

But Mr. Eisenhower's solutions to the problems fall short of the goals he himself sets up.

For the farm families with low incomes—those "millions of rural people who . . . have been unable to make the adjustments called for by modern technology"—the President again calls for a rural development program of broad dimensions.

This program, which has been operating on a pilot basis for several years now, has merit. But it scarcely can be considered a solution to the problems of the low-income farmers. The program is not yet in full operation and the movement of farm people to the cities has been going on at a terrific rate for several years.

The almost 2 million farm people who left their farms between April 1956 and April 1957, certainly got little help from the rural development program.

Under the present administration the emphasis has been mainly on pushing these people off the farm and second, on seeing to it that they are able to adjust to the conditions into which they are being forced.

The emphasis has been on economics and not on people, despite the fact that a forced-draft economic program involves people as individuals rather than as pawns in a game of "who's got the dollar?"

Furthermore, Mr. Eisenhower fails to show how pushing these less productive farmers off the land will help the farm problem. A recent study by the University of Kentucky shows that in the past 35 years the number of farms in Kentucky has declined by 30 percent and the average size of farms in this State has increased by 30 percent.

Despite this decline in persons engaged in agriculture, the study points out, the farm output of Kentucky has increased over the same period.

For the commercial farmers, Mr. Eisenhower recommends several changes to the program.

He recommends abandonment of the acreage reserve part of the Soil Bank program. On this point he will get the support of many Members of Congress. The House voted to dump that program last May and it was salvaged mainly because of the action in the Senate.

Mr. Eisenhower also recommends that the conservation reserve section of the Soil Bank—originally the lesser part of the plan—be extended and be given greater emphasis. There is merit to this recommendation, especially the tree-planting program that is part of it. Trees are one of the few farm products which are not in surplus and apparently will not be for many, many years.

Unfortunately, though, the conservation reserve section of the Soil Bank as it has been operated in the past has not caused any great rush on the part of farmers to put their land into trees. Most of the tree planting which has been done recently has resulted from another program—the agricultural conservation program which is an offshoot of the old Agricultural Adjustment Administration of the New Deal days.

Most of Mr. Eisenhower's recommendations for commercial farmers are concerned with juggling price-support programs. And the net effect of his recommendations in this field would be to get even greater production of crops than we have now at even lower prices per unit.

If such a policy is adopted it will mean even faster removal of farmers from the land and larger and larger supplies of farm commodities.

The President even suggests that dairy products be supported at less than the 75 percent of parity level to which Secretary of Agriculture Benson has announced he will again cut them next April.

A GRIM COINCIDENCE

The President, of course, could not be aware that at the very hour he was making this recommendation the responsible leadership of 17 of the Nation's milk-producer cooperatives were meeting in Louisville and threatening a widespread strike of dairy farmers unless prices are sustained on fluid milk at not less than 1957 levels.

And the President also suggests cutting the price supports under tobacco, despite the fact that market prices this year again have been well above the present 90 percent of parity levels.

All told, the farm message indicates that the President is not well informed on the farm problems of the Nation.

This, of course, should surprise no one. President Eisenhower is simply following the recommendations of Secretary Benson who firmly believes that the solution to the Nation's farm problems lies in going back to the methods which were used 30 years ago to solve the farm problems that resulted from World War I.

History shows that those methods didn't do the job.

Mr. HUMPHREY. Mr. President, the reference to the meeting of 17 milk-producer cooperatives in Louisville is worth further attention, as a further indication of the reactions of producers to the kind of Federal legislation that has been unashamedly offered. Mr. President, I ask unanimous consent to place the text of the report of this meeting in my remarks at this point in the RECORD. The story is headed "Milk Co-ops Oppose Idea of Price Cut—Strike Threat Is Suggested by Individuals."

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

MILK CO-OPS OPPOSE IDEA OF PRICE CUT—STRIKE THREAT IS SUGGESTED BY INDIVIDUALS

(By E. W. Kleckhefer)

Representatives of more than 30,000 dairy farmers announced here yesterday they will demand that farmers get as much for milk that goes into bottles during 1958 as they got for such milk last year.

The formal statement by the managers of 17 milk-producers' co-operative associations—reaching from Chicago to Florida—did not say what farmers would do if they fail to gain their demand through negotiation with milk companies.

But the threat of a nationwide strike by farmers was implied by individual members.

FORMAL STATEMENT ISSUED

"Then we get out the pitchforks * * *" was the way one manager expressed it to a reporter.

The co-operative managers issued their formal statement at the close of a 2-day meeting at the Brown Hotel.

A resolution adopted by the group said the decision was reached after having given consideration to producers' milk prices for 1958 and with particular concern of the disastrous effect on income to dairy farmers which will result from the drop in dairy support prices as proposed by the Secretary of Agriculture.

Secretary of Agriculture Benson announced last month that effective April 1 he would cut supports under dairy products to the legal minimum of 75 percent of parity. Supports during the last year were at 83 percent of parity.

(Parity is a standard for measuring farm prices declared by law to be fair to farmers in relation to their costs.)

Chairman of the conference was A. M. Glover of the Knoxville Milk Producers Association. J. B. Brown, attorney for the Falls Cities Milk Producers Association of Louisville, acted as moderator.

MAY STILL GET LESS

Brown asserted that even if the dairy farmers' demand is met by the dairies, farmers still will be getting less for their total milk production this year than they did in 1957.

Their demand will affect only that part of the milk that goes into consumer bottles and not the portion that goes into such manufactured products as butter and cheese.

(Most major cities now operate under milk-marketing orders supervised by the Federal Government. Under such orders, dairy farmers and milk handlers negotiate a formula for determining how much farmers will get for their milk.)

(Such formulas usually are based on prices being paid for certain dairy products, such as evaporated milk, dried milk, and butter. The price the farmer gets for his milk each month is a blend of this basic price and the price paid for milk that goes into bottles.)

"We do not feel that our demand is unreasonable," said Glover. "All we are asking is that we get as much for fluid milk this year as we got last year. If that is unreasonable then what we were getting last year was unreasonable and the figures show that is not true."

Brown said past experience showed that a reduction in prices paid to farmers for their milk does not bring about lower prices for the consumers.

Since 1954, he asserted, the support price for dairy farmers has gone down 13.1 percent while prices consumers paid for milk went up 9.3 percent.

He also noted that Louisville dairies have announced an increase in retail prices since Benson issued his announcement that farm-price supports would be cut.

Brown cited a chart showing the trend of prices paid to dairy farmers in the Louisville area since 1940 adjusted to the Consumer Price Index issued by the Bureau of Labor Statistics.

NOVEMBER PRICE WAS \$4.49

The chart showed that in November 1957, farmers in the Louisville milkshed were receiving \$4.708 for each 100 pounds of milk used in bottles and the blend price actually paid to farmers was \$4.49.

If prices paid to dairy farmers had followed the trend of the Consumer Price Index, Brown said, farmers would have been getting \$5.989 for their milk going into bottles and a blend price of \$5.57.

The conference authorized its chairman to contact other cooperative associations or groups of associations "and advise them of the action taken by this group and to request their support in this program of common endeavor."

SIMILAR MEETINGS HELD

Similar meetings have been held in other communities recently. A group representing dairy farmers in Arkansas, Oklahoma, Texas, and Gulf States met last Saturday at Memphis. Another meeting was held yesterday in Missouri.

Attending the meeting here were representatives of the Mid-South Milk Producers, Memphis; Madison Milk Producers Association, Jackson, Tenn.; Nashville Milk Producers, Nashville; Knoxville Milk Producers, Knoxville; Tri-State Milk Producers, Bristol, Va.; Pure Milk Association, Chicago; Square Deal Milk Producers, Highland, Ill.; Decatur Milk Producers, Decatur, Ill.; Independent

Dairy Farmers, Fort Lauderdale, Fla.; Paducah Graded Milk Producers, Paducah; Prairie Farmers Cooperative, Carlinville, Ill.; Producers Creamery Cooperative, Springfield, Mo.; Ohio Valley Milk Producers Association, Evansville; Indianapolis Dairymen's Cooperative, Indianapolis; Cincinnati Milk Sales Association, Cincinnati; Chattanooga Area Milk Producers, Chattanooga, and the Falls Cities Milk Producers Association.

Mr. HUMPHREY. Mr. President, one of President Eisenhower's favorite vacation spots in the past five years has been the national golf course in Augusta, Georgia.

Perhaps the President will not be so happy in Augusta—if his advisers get around to showing him the treatment Augusta's two daily newspapers gave to the Eisenhower farm program of 1958. Both the Augusta Herald and the Augusta Chronicle were bitterly critical of the President's program, outlined to Congress on January 16.

I ask unanimous consent that two editorials published in those newspapers be printed in the RECORD at this point.

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

[From the Augusta (Ga.) Herald of January 17, 1958]

IKE'S FARM PLAN KILLING BLOW AIMED AT SOUTH'S SMALL FARMS

If we correctly understand the implications contained in the President's latest zig in his zigzag course of laying down national policy, he has run full tilt into a new mess of trouble.

Far from becoming the example of firm and direct leadership which many persons thought they had glimpsed when he made his state of the Union address, Mr. Eisenhower is beginning to take on the aspects of this country's most misguided missile in policymaking.

The President had hardly completed his crawfishing maneuver on taking a personal hand in reorganizing the Defense Department when he came up with the idea of knocking existing props from under the prices on farm products and of leaving it up to Secretary Ezra Taft Benson to decide where new supports should be fixed.

The President's latest proposal is going to be as unpopular as his backing away from the Defense Department problem was disappointing and disheartening. Both indicate not that the President is exercising his privilege of delegating authority but that he is letting slip the reins of power which—for a brief instant—he seemed to have resumed with both authority and determination.

Not only does the President seek to knock out price supports—he wishes also to kill the Soil Bank acreage reserve and make other farm program adjustments to deal, as press reports put it, with what he calls an "irreversible * * * technological revolution in agriculture."

This latter is wonderfully broad and wonderfully obscure language which deserves elucidation.

However, the crops which his proposal would affect are those tied in directly with the economy of this region—cotton, corn, wheat, rice, tobacco, peanuts, and dairy products. Most or all of these are grown in Georgia or have a direct bearing upon the livelihood and well-being of Georgia farmers.

Relaxed or withdrawn supports are going to pinch the Southern farmer, who generally is a relatively small operator. The President's play seems to be made directly to the big farmers who will benefit immensely from unlimited acreage apparently

because of the "technological revolution" of which he speaks.

The big farmer, with unlimited acreage, need have little worry about the lessened parity. He can make up the price differential through sheer quantity of production. This the relatively small farmer cannot do with anything near the same degree of certainty.

Likewise, the Soil Bank program which the President proposes to jettison was intended, we thought, to put some control on surpluses, to bring supply and demand more closely into balance. Any great amount of imbalance can be expected to do harm—and the small farmer certainly is going to be called upon to bear the brunt—just as small businesses would suffer if similar support measures were withdrawn from them.

It may be, in all fairness, that the President sees real benefits accruing from his proposals. We cannot, in the light of what we have been told and the broad language the President has used. We would like, for instance, to know just what he means when he refers to an "irreversible . . . technological revolution."

Fortunately, the President's farm proposals face a stiff fight in Congress. Perhaps out of it will come enlightenment—and a clearer picture of just what the President does mean and just where he is heading.

[From the Augusta (Ga.) Chronicle of January 19, 1958]

WOULD BANKRUPT FARMER

There seems to be a conspiracy in Washington to liquidate the family-type farmer in the United States.

The new Eisenhower farm program, which has all the earmarks of being inspired by Secretary of Agriculture Ezra Taft Benson, would, if adopted, about put the finishing touches to the obvious scheme for putting the small farmer out of business.

The President is asking Congress for authority to reduce farm parity supports to 60 percent and to ease production controls on major crops.

If the Eisenhower administration is bent on destroying the individual farmer, and setting up a collective system of agriculture operated by factory-type corporations, it certainly has hit on the right formula. Georgia farmers today are about going broke operating on 75 percent of parity; the proposed 60 percent would put them in bankruptcy.

Really, the Eisenhower program would make Secretary Benson a virtual czar of American agriculture, empowered to fix farm prices at any figure he saw fit, and, if he chose, to open up the floodgates which would put great agricultural surpluses on the market with a consequent depression of farm prices.

Agriculture Department officials say that a reduction in price supports could be expected to be reflected in lower market prices for wheat, livestock, feed grains, rice, peanuts, milk, and cotton. These lower producer prices, in turn, would show up in some reductions in retail prices of meats, poultry products, dairy products, cereals, and the like.

This would mean that, with the middleman taking his sizable profit, the farmer would get only a paltry sum for his products.

Why is it that our present-day economy is geared to take care of everybody, through good wages, fringe benefits, subsidies and the like, except the man who tills the soil and produces the food and fiber for the rest of us?

If our farms are to be operated by corporations, and the family-type farmer is to be driven to the wall, we will lose a very precious element of our traditional way of life. Agricultural collectivism—the corporate farm—is something which always has been

entirely foreign to America. When the farmer loses his independence, his means of supporting his family—when he is driven from the soil by adverse Government policies—we have suffered the loss of a type of rugged individualism which will be hurtful to all of us in this country.

Congress should see to it that the American farmer is allowed to survive and share the prosperity with the rest of the people of the Nation. It should turn thumbs down on this new farm program, which comes in the guise of aid for agriculture, but which in reality would put the American farmer as we have known him for generations out of business.

Mr. HUMPHREY. Mr. President, the Des Moines Register also reacted editorially, saying, among other things:

The President's farm message breaks no new ground on farm policy. It is strong in describing the farm surplus situation but weak in proposing what to do about it. If Congress goes along with the President, farmers can expect no improvement in income in the next few years—and perhaps further decline.

The administration is just kidding itself if it thinks the low farm income problem is being solved. Mr. Eisenhower took comfort in the fact that farm income had stabilized the last 2 years and in the fact that farm prices are running 3 percent above a year ago. Farmers don't take much comfort in these statistics showing a leveling off at the end of a 5-year decline of income.

Mr. President, I ask unanimous consent that this editorial from the Des Moines Register be placed in the RECORD at this point.

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

THE IKE-BENSON FARM POLICY

The Eisenhower administration solution for the farm surplus problem still is to lower price supports and to relax production controls.

In his message to Congress on farm policy, the President recommended that the legal minimum floor under prices for the basic crops be dropped from 75 to 60 percent of parity. He proposed that corn acreage allotments be eliminated and that the Department of Agriculture be given more leeway to increase allotments for other basic crops. And he recommended that the acreage reserve part of the Soil Bank program be abandoned in 1959. The acreage reserve is a reduction in basic crop acreage below the regular allotments.

To reinforce this policy of lower price supports the President proposed that the flexibility formula, which he and Secretary Benson advocated until recently, be thrown out. Under present law, the Secretary of Agriculture must raise price supports when supplies decline. Secretary Benson feels that as soon as one surplus is removed, the sliding-scale formula which boosts price supports provides an incentive to produce another surplus. So the administration wants to get rid of what it now calls the escalator formula.

Thus Benson now favors rigid price supports, but at a low level.

The President recognizes that the agricultural production revolution places great stress on farm people. He said the Government must help our farm people to cope with the sometimes harsh consequences of their own unparalleled ability to produce.

He believes ways must be found of utilizing more completely the abundance . . . [by] expanding markets . . . among our own citizens and among people all over the world.

Lowering price supports will help to move farm products into consumption and prevent surpluses. But the trouble is, from the farmer's viewpoint, that it also reduces his income. Farmers are not likely to look upon this policy as helping them to cope with the harsh consequences of the overproduction situation.

If the Eisenhower administration were suggesting some alternative method of shorting up farm income during a period of severe adjustment problems, the further reduction in price supports and elimination of the acreage reserve payments would be sensible.

But no such alternative is presented. Mr. Eisenhower suggested an expansion of the conservation reserve part of the Soil Bank, to be sure. But the payments under this plan are relatively small and would not offset the elimination of the acreage reserve payments. The President's message recommended \$450 million for this. The Soil Bank originally was to provide about a billion dollars of supplemental income to agriculture.

The President's proposal that the Commodity Credit Corporation Board be given responsibility to assist the Secretary of Agriculture in setting price supports and acreage allotments is a good one. The use of the words "to assist" indicates that the Board would not be merely advisory but would act in some respects as a stabilization board. Mr. Eisenhower wants this bipartisan Board increased from 5 to 7 members, appointed by the President as at present but with confirmation by the Senate.

This would take some of the heat off the Secretary of Agriculture. Since Secretary Benson is so dogmatic in his views on lowering prices and getting back to the free market, farmers might reasonably expect that any bipartisan board would have a moderating effect on price decisions.

The President's farm message breaks no new ground on farm policy. It is strong in describing the farm surplus situation but weak in proposing what to do about it. If Congress goes along with the President, farmers can expect no improvement in income in the next few years—and perhaps further decline.

The administration is just kidding itself if it thinks the low farm income problem is being solved. Mr. Eisenhower took comfort in the fact that farm income had stabilized the last 2 years and in the fact that farm prices are running 3 percent above a year ago. Farmers don't take much comfort in these statistics showing a leveling off at the end of a 5-year decline of income.

Mr. HUMPHREY. Mr. President, President Eisenhower's recommendation to cut supports and up allotments has won no favor on any hand in tobacco producing areas. I have a news report which appeared a week ago in the Danville Register of Danville, Va., and I ask Senators to note the similarity of reactions between members and officials of the Virginia Farm Bureau and the Virginia Farmers Union. I ask unanimous consent to have the article printed in the RECORD.

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

IKE'S NEW FARM PROGRAM CONDEMNED BY PROTESTING AREA TOBACCO GROWERS

If the tobacco growers of Danville's neighboring counties can do anything about it, the Eisenhower-Benson farm program for 1958 will be scuttled completely.

The latest in a series of protests raised by area farmers was sounded by the Pittsylvania County Farmers Union meeting in Chatham last night.

The county organization adopted a resolution promising to fight "with all the strength we have" the program as proposed by President Eisenhower in his farm message last week.

A number of Caswell County farmers have blasted the administration proposals, terming them "disastrous." One tobacco grower, from Pelham, said that if Secretary of Agriculture Benson is granted authority to increase acreage allotments and to lower price supports on tobacco to 60 percent of parity the Old Belt tobacco program will be swallowed up by Alabama and Georgia farmers.

Farmers in those States, the Pelham grower said, have thousands of acres ready to be planted.

Another farmer predicted that lowering price supports will bring back 30-cent tobacco. "You can't grow tobacco for 30 cents and pay your taxes, too," he added, vehemently.

Willie Towler, president of the Pittsylvania County Farmers Union, said last night that he had contacted five other fellow county presidents and all are "astonished that the Secretary of Agriculture might recommend such a thing."

Towler also lashed at Eisenhower's proposal that funds for liming and fertilizing soils be done away with. This would make the agricultural conservation practices (ACP) program "almost ineffective for the State of Virginia," Towler said.

Elimination of the Soil Bank would finish the ACP program in Virginia, Towler said. He noted that most Old Dominion farmers own small plots of land in comparison to midwestern agronomists whose individual tracts amount to thousands of acres. Those farmers, Towler said, can place large acreage in the ACP program where Virginia growers cannot spare the land for the long-term conservation practices.

Echoing the words of the Pelham farmer, Towler said that "in the Old Belt, we have all to lose and nothing to gain" by the Eisenhower program.

Roy B. Davis, Jr., of FACES, president of the Virginia Farm Bureau, has said that his organization definitely is opposed to granting Benson power to place support prices at any level between 60 and 90 percent.

He called attention to the Farm Bureau's stand on the issue, quoting from its 1958 policies: "Price support levels should take account of competitive conditions, supply and demand, and market trends. They should not be based on arbitrary formulas nor left completely to the discretion of the Secretary of Agriculture."

The Farmers Union resolution passed last night said that southern tobacco growers have cooperated with the Agriculture Department on every phase and that the program has been "conducted in such a manner that the Government has never lost a penny."

It went on to say: "We have conducted a sound tobacco program for the past 23 years and we feel that this program, if it should be enacted, in Congress, will defeat everything we have gained in that time."

Mr. HUMPHREY. Mr. President, the same copy of the Danville (Va.) Register carries an Associated Press account from Raleigh, N. C., regarding the adverse reaction of Farm Bureau members and leaders throughout North Carolina. I ask unanimous consent that this account also appear at this point in the RECORD.

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

IKE'S AGRICULTURAL PLAN OPPOSED BY NORTH CAROLINA FARMERS

RALEIGH, January 22.—Farm Bureau members and leaders from throughout North

Carolina spoke out here today against the new Republican administration proposals for solving the ills of agriculture.

Several hundred members attending a statewide commodity conference unanimously approved a statement of protest drafted by Alonzo C. Edwards, the organization's executive vice president.

"The President's proposals are contrary to what North Carolina farmers feel is a reasonable farm program necessary to protect farmers from violent price fluctuations and market conditions which leave them with little or no bargaining power," the statement declared.

The tobacco session adopted a statement strongly endorsing the 90-percent price-support program on tobacco and vigorously urging its continuance with no reduction in the support level. The statement pointed out that the program has not caused any financial loss to the Government and at the same time has enabled farmers to produce the crop at a reasonable profit.

Principal speaker at the general session was D. S. Weaver, director of the State Agricultural Extension Service. He said the noncommercial or marginal producer, with no source of income other than his small farm, represents North Carolina's most acute agricultural problem.

The noncommercial farmer, Weaver said, has five choices. He can organize his present resources to do a better job, enlarge his operations, turn to off-farm work, leave the farm, or become a welfare case.

The livestock committee endorsed a proposed assessment on slaughter cattle and urged a favorable vote in the referendum on March 15.

Mr. HUMPHREY. Mr. President, coming to opinion in my own State of Minnesota, I want to pass on the report my good friend Ed Christianson, president of Minnesota Farmers Union, made to his membership on the President's recommendations. I ask unanimous consent that it be inserted in the RECORD at this point.

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

PRESIDENT'S PROGRAM WOULD MEAN FINANCIAL DISASTER FOR FARM FAMILIES—END TO REA, FHA, AND ACP PROGRAMS

(By Edwin Christianson)

There was little new or unexpected in the President's farm and budget messages regarding agriculture. The broad general outlines of the administration farm proposals have been publicly known and explained for several months by Secretary Benson.

Still the actual details, when spelled out in black and white, are very shocking to some people who were reluctant to believe the truth about the aims of the administration farm policy.

Some had been taken in by the talk of need of the flexible support system as a post-war agricultural readjustment, but up to now they refused to believe that the real aim was the destruction of the farm programs altogether.

Some had hoped that there was some difference between the Eisenhower farm policy and the Benson farm policy. Now they can no longer indulge in that hope.

Thinking people, on the farm and in the Congress, now must come to grips with reality. There is a clear-cut line on farm policy. There is no confusion, no uncertainty.

NO ONE CAN BE NEUTRAL

No one can any longer be neutral about farm policy. The people and Members of Congress will have to stand up and be counted.

Either they are for farmers, or they are against farmers and for Eisenhower and Benson's farm policy.

As far as farmers individually are concerned, they must consider the issues in terms of their own pocketbooks.

Here are some questions they might ask themselves:

Can you operate on \$1.43 wheat, 57 cents a bushel less than the 1957 support level?

Can you operate on \$1.09 corn, 31 cents a bushel less than the 1957 support level?

Can you operate on \$2.35 per hundredweight for milk, 90 cents a hundredweight less than the 1957 support level?

Can you operate on 45-cent butterfat, 13 cents a pound less than the 1957 support level?

Does it make sense to try to cure surpluses by expanding production, which is what is being proposed when they suggest larger acreage allotments in turn for lower price supports?

As a matter of reality, the price cuts down to 60 percent of parity would mean disaster for most farm operators.

Wheat at \$1.43, corn at \$1.09, milk at \$2.35, and butterfat at 45 cents would be below the actual cost of production.

PRESIDENT'S MESSAGE BASED ON FALSE ECONOMICS

There are several inconsistencies and faults in the logic with which the President attempts to justify his recommendations:

1. He recommends further cuts in price-support levels although there is not the slightest bit of evidence to show that the price cuts of the past several years have solved anything at all.

2. He is wrongly advised in thinking that farmers can improve their position by expanding production to cure surpluses. That idea is based on the theory that more goods would be moved into consumption and the total net farm income would be higher. There are two things wrong with that theory: first of all, the cut in farm prices would not be passed on to the consumer to any important degree; therefore, there would not be any improvement of significance in consumption; secondly, when additional volume is put on the market in times of surplus, the price drops by about 10 percent for each 1 percent added volume put on the market. Thus, farmers would take a big loss across the board on all their marketings in order to gain a small additional market volume. Certainly, there would not be any gain in selling more bushels if they are to be sold at a loss.

3. He is incorrect in assuming that production controls will not work. Acreage allotments have not been as effective as they should have been, but this is not due to the failure of the acreage allotment system; it is due to the failure of the flexible-support system. The effectiveness of acreage allotments has been partly nullified by the pressure of low price forcing greater production. Acreage allotments when used with 90-percent supports have been effective and would be effective again if so used. For example, our carryover of wheat on July 1, 1954, prior to controls, was 934 million bushels. Our carryover on July 1, 1957, was 908 million bushels and will drop to about 851 million bushels on July 1, 1958. Some will claim that the credit for the reduction should go to the Soil Bank. However, the Soil Bank has only replaced income from the diverted acreage; therefore, it has not accomplished anything which would not have taken place if wheat supports had remained at 90 percent of parity. What we are saying is that there was no more wheat-crop reduction, with wheat at \$2 and with a Soil Bank, than there would have been with acreage allotments alone and wheat at \$2.25. This is borne out by the fact that wheat acreage has not been cut appreciably below the 55-million-acre national minimum.

The low prices tended to nullify the effect which the Soil Bank could have had if used with stronger price levels. The Soil Bank, if used with allotments and with supports at \$2.25 or \$2.50 per bushel, would have made a much more sizable reduction in crop plantings.

PRESIDENT HAS LEARNED NOTHING IN 5 YEARS

The sad truth about this situation is that the President has apparently learned nothing about farm economics in his 5 years in office.

He had been badly advised and has been shielded by his advisers from the truth about the farm situation and from the consequences of his policies.

The whole farm message shows no independent thinking on the part of the President—it is just a rehash of recent speeches which have been made by Benson.

The decision of Eisenhower and Benson to make a frontal attack upon all farm programs indicates that the big responsibility is going to fall on the Congress.

If we are to keep a domestic agricultural industry based on family farms, the Congress will not only have to turn down the administration proposals but actually move ahead with measures that will raise farm prices and income.

If the Eisenhower proposals are carried out it will mean disaster for hundreds of thousands of our farm families. It will mean a shift of our pattern of agriculture to a planned scarcity, agri-business type of farming. Such a system would tear down our productive capacity at the very time that we should be taking measures to strengthen the financial footing of our farm families so that we can stay ahead of Russia in agricultural production.

Our ability to produce food during two World Wars has been perhaps our greatest asset. We certainly cannot shift to a planned scarcity type of agriculture and give the Communists the opportunity to surpass us in food production and gain this economic advantage over us in either a cold or a hot war.

MAY HELP REVITALIZE FARM BLOC

The only good thing about the farm message in the long run is that it may bring some new vitality into the farm bloc. It may attract some needed support to the farm bloc from city Congressmen who heretofore felt that they could either go along with Benson or be neutral about him.

Our food and fiber production accounts for an important part of the raw materials in our major industries and we cannot afford to have these raw materials enter the economic stream at depressed prices.

If the Congress properly assumes its responsibilities to maintain a stable agriculture in this Nation, then the passage of a good farm bill this year is not impossible. In fact, if the Members of the Congress will put the welfare of the country above partisan politics, a farm bill can be passed with more than enough votes to override a Presidential veto.

Mr. HUMPHREY. Mr. President, dairy problems have long been the target of vicious price-cutting attacks. Now the President tells us that dairymen, along with the producers of the basic commodities, should have their support floor reduced to 60 percent of parity and that this would lead to market expansion and greater freedom. I promise you that you will hear more, much more, comment about this unrealistic approach.

Dairy producer groups sent representatives to Utah Farm Program Development Conference, and I ask unanimous consent to have excerpts from the

report on the conference printed in the RECORD.

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

REPORT ON DAIRYING COMMODITY SESSION, FARM PROGRAM DEVELOPMENT CONFERENCE, NEWHOUSE HOTEL, SALT LAKE CITY, NOVEMBER 16, 1957

(Submitted by Daniel J. Dykstra)

Today there are 500,000 dairymen in the United States. A dairyman is a farmer who receives at least half of his income from dairying. There are 23,028,000 dairy cows in the United States. This number is about 1 percent less than last year but despite this decrease, production has increased. It is estimated that 128 million pounds of milk will be produced this year. The significance of the dairy industry is that 14 percent of the cash receipts of agriculture as a whole come from the sale of dairy products.

The contrast of the economic status of the dairying industry in 1956 with 1947 is as follows: In 1947, per capita consumption of dairy products was 766 pounds; in 1956, it was 677 pounds. In 1947, the farmer got \$3.76 per hundredweight for manufacturing milk; in 1956 that price had dropped to \$3.30 per hundredweight. Price per pound of butterfat in 1947 averaged 71 cents; in 1956 that average was 58 cents. Despite the decrease, the retail cost of milk in 1947 was 19 cents per quart; in 1956 it had risen to 24 cents.

In 1952 114.7 billion pounds of milk was produced; in 1957 that figure will increase to 128 billion pounds.

What has caused this disparity? Are we plagued with overproduction? Can we devise some plan to do as United States Steel does to cut production? Why do we overproduce?

The pressure to produce stems from the fact that farmers' production costs have constantly increased and that as a consequence, he is forced to produce more in order to meet these production costs. The current system has the farmer operating under a two-price system. He, in effect, sells his milk getting paid on a solid weight content basis but from the residual materials the processor makes many byproducts which he in turn resells to other farmers and consumers. For the materials that go into these products the farmer gets no pay.

The two biggest dairy processing companies reported highest profits in history for recent operations. Is this part of the trouble; are the processors getting too much?

The difficulty is that the farmer is not organized; that he, contrary to all other producer groups, has no voice in establishing the price he can get for his product. The farmer has to have equality of price. There should be no division between grade A or grade C and he should get paid for all of his products.

The dairymen have three fixed costs: living, operating, and taxes. If supports go down these costs remain constant and necessitate more production in order to meet them. The dairyman has to increase his herd to take care of added costs.

It was agreed by the group as a whole that the present farm dairying program is not satisfactory. Increased production will not help us. At dairy meetings the processors always talk big business. They urge increased production because it is to the processor's advantage to have a surplus so they can cut prices. The difficulty is the farmer does not know how much of a surplus is being produced. The processors don't tell them, and purposely don't tell them. They want a surplus.

We need controlled production on all products from a Government agency. All

products must be under the same program, that under such a program there will be times when income to the Government from one, would aid and assist in subsidy payments to others. As it is, some products benefit more than others. What we need is a program whereby we can stick to that for which our farms are best suited.

It was the sentiment of the group that they are in favor of curtailed production.

Upon the suggestion of the chairman, a member of the audience made a motion that we favor a program which would give a parity of income. The motion was seconded and all voted in favor.

In order to attain this we must place farmers in a position where they could have some say in the price they will get for the products. This partially involves educating the consumer as to the value of dairy products. We should stress that the consumer is getting 42 cents worth of food value in a quart of milk for which he is paying 24 cents.

Mr. HUMPHREY. Mr. President, Secretary Benson's home State numbers among its farmers many sugar-beet producers. When this administration took office, they found in operation a successful sugar program, based upon producer-marketing quotas. It is remarkable that no recommendations have been made that would wreck the sugar program. It has not been undermined and attacked as have the other programs which attempt to give farmers some semblance of bargaining power. For this reason, I ask unanimous consent to have the report made of the sugar-beets commodity session of the farm program development conference in Utah printed in the RECORD.

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

REPORT ON SUGAR-BEETS COMMODITY SESSION, FARM PROGRAM DEVELOPMENT CONFERENCE, NEWHOUSE HOTEL, SALT LAKE CITY, NOVEMBER 16, 1957

(Submitted by Warwick C. Lamoreaux)

There was general agreement that the legislation on the books at this time is adequate, and should be continued, the principal objections went to administration by the Department of Agriculture.

There was unanimous expression of the following declaration: Increased costs overall are up 24 percent during the past 8 years. The sugar branch of the Department of Agriculture comprising five members and the Secretary, can regulate the price of sugar to a nicety by adjusting the amount of sugar permitted to be produced and imported into this country. In the same 8 years, while our costs have gone up said 24 percent, the USDA has only allowed the price of sugar to rise 4 percent. This has worked a vast cost-price squeeze against the producer. To be fair to the consumer, as well as the producer of sugar, we are entitled to a 20 percent raise in the price of sugar beets. This would approximate \$1.80 per ton for sugar beets this coming year. The law charges the USDA with taking into account the costs of producing beets in setting the price of sugar. We definitely feel the Secretary and his associates have not been realistic in recognizing our increasing costs. The attitude in this matter must be altered at once if we are to survive.

As acreages are curtailed on beets, most farmers produce other crops. There seemed to be general agreement that beets represented the only profitable, or in many instances, cash crop. All other fields of production were suffering deficits. Beets and the present law are the only signs of hope

of survival, but realism in recognizing increasing costs is mandatory or the sugar beet producer will be driven to the wall.

All agreed that sugar producers should have a fair share of the national income, but the feeling was general that because of administration of the act, the producer was not getting enough.

There was positive agreement that sugar must never move into a free market; that it must be controlled under systems like the present law. There was satisfaction in wage stabilization among the competitive forces. In a free sugar market the differences in wage scales would put an end to the domestic sugar production. The allocation of acreages was defended; but there was some dissatisfaction with the manner in which acreages are allotted within the State of Utah.

SALE ON FUTURES

The speculative practice of purchase of future production of sugar came in for much comment. It was suggested that this entire field be the subject of intensive study at high level to the end that the abuses, so detrimental to farmers, be eliminated. The commercial sugar user has learned to use this device to his vast advantage and the producer suffers. It was hoped the leadership of this conference would enter the field and make recommendations on how to approach such a study. Some called it a damnable practice, while others suggested it was a necessary evil; but all agreed it must be better understood, as being a tool of the sugar beet manufacturers to beat down the price to the farmer.

Mr. HUMPHREY. Mr. President, now we come to a different area: New York City itself. The New York Times feels differently about the President's farm program—quite differently. It reflects the view of many strictly big city papers—just the opposite of the view expressed by newspapers in the heart of rural America. Is it any wonder some of us question whether the Eisenhower-Benson farm program is designed to serve farmers, or to have supposed political appeal to city voters?

Mr. President, I ask unanimous consent to have printed at this point an editorial from the March 4 issue of the New York Times, to show an interesting comparison of what areas are for Bensonism as contrasted to the editorials I have presented from farming areas.

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

THE BENSON ISSUE

The average reader following the news stories dealing with the attitude of Congress toward the retainment of Ezra Taft Benson as Secretary of Agriculture might be forgiven if he concluded that the only Republican standing behind this dedicated and courageous friend of the farmer was the man who appointed him, President Eisenhower.

This would not be the fault of the newspapers; it would be because the outcry raised by Mr. Benson's critics is noisy and persistent, out of all proportion to its importance, and is prompted predominantly by a desire to make headlines. It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much at least—that though they may not know much about agricultural economics they at least have a highly developed instinct for survival.

Unfortunately for the reputation and the future of the Republican Party, a sizable proportion of this noisy minority pitches its

opposition to Mr. Benson at an even lower level than those who profess objections to the Secretary's policies. These are the boys who have been frightened into opposing him not because his policies are not right but because, while he is probably right he may have antagonized agriculture's vested interests. Primarily these would be the big farmers, who learned to become accustomed to living off Government subsidies under temporary legislation enacted in wartime and whose representatives in Congress have steadfastly refused to return, as they were directed by that legislation, to a farm program designed to meet the requirements of peacetime.

Confidence in the basic policies of Mr. Benson, a successful farmer and graduate student of agriculture, is not confined to the White House. That confidence is shared by such farm organizations as the American Farm Bureau Federation, by an overwhelming majority of farm economists and by the studies of groups, objectively minded, such as the American Assembly, which have no axe to grind and which are representative of every important segment of the economy.

Mr. HUMPHREY. Mr. President, the Watertown Daily Times, of Watertown, N. Y., is published in a great farming area where its editors know what is going on in agriculture.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the Thursday, December 19 issue of the Watertown Daily Times entitled "Slow Farm Torture," and another from the February 22 issue entitled "Stubborn Mr. Benson."

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

[From the Watertown (N. Y.) Daily Times of December 19, 1957]

SLOW FARM TORTURE

Secretary of Agriculture Benson runs the price-support program for dairymen like the ancient gaoler who slowly turned the thumbscrews. He says he will reduce parity payments next April 1 to the minimum now permitted by law, 75 percent. Such a reduction could conceivably amount to cutting the milk checks as much as 24 cents a hundredweight.

The Benson program for dairymen seems to be that of gradually helping the farmers go into bankruptcy.

April 1, 1958, will be the fourth anniversary of Secretary Benson's earlier contribution to the dairymen's financial distress. In 1954 he decided that the parity should be dropped from 90 percent. He did that, and in one month he lopped off practically 40 cents from the price of class III milk. As a result of his reducing the parity price, he took the farmers back to 4 years in their pricing. The milk price has never recovered from that April 1, 1954, dislocation. It has been estimated that on the effective date of the new parity schedule, the dairymen will start losing \$300 million a year in income. The milk producers of this State will drop about \$15 million.

What happens to the consumer? Mr. Benson says he will save a half a cent a quart on milk and 2½ cents a pound on butter.

There are some who fear that in the months between now and next spring the dealers and handlers will start the push for lower milk payments to dairymen. They will be successful in those areas where there is no milk order. In the areas where the milk orders apply, such as northern New York, the cut will come suddenly, although it will be no surprise. Apparently Mr. Benson believes that in addition to turning the thumbscrews, there are certain desirable aspects in creating agony through anticipation.

The Benson position is a simple one. The Federal Government must cease its parity programs, and the first victim must be the dairyman because he is not concentrated in any one area, controlling thereby a strong bloc of votes in the Congress. Mr. Benson doesn't dare interfere with cotton parity, peanut parity, or wheat parity because each of those crops has strong advocates on the Hill. There is no such thing as a dairy bloc, however. There can't be because the dairymen are a minority in the legislative districts where their farms are located. Mr. Benson believes that it is better to save money federally, while at the same time reducing the dairyman's income.

It is significant that Mr. Benson said in announcing his plan that the dairy reduction did not presage a cut in price supports on other crops.

Senator H. ALEXANDER WILEY of Wisconsin, a friend of the dairymen at heart, but always somewhat apologetic, was led to comment on hearing of Secretary Benson's move, "This is not the time to pull the rug from under the farmers. We should wait." In other words, Secretary Benson has created an atmosphere in Washington that does not contemplate programs of help, but rather, "How can we gradually harm the dairyman?" Actually, he knows pretty well the method because he has tried it with success in the past. Anyone will agree that it is better to use something that has been successful rather than pioneer. Those thumbscrews always worked, and they still do.

[From the Watertown (N. Y.) Daily Times of February 22, 1958]

STUBBORN MR. BENSON

Secretary of Agriculture Benson has no intention of resigning. Friday he was called upon by two Congressmen representing a group of 30 House Republicans. Pointedly they explained to him that the longer he stayed in office, the less chance there would be for Republicans to come back to Washington after next November's election.

While they have been concerned all along with the disenchantment among the farmers over Mr. Benson, the Congressmen became aroused this week because a traditional Republican district in Minnesota elected a Republican Congressman by only 600 votes. In 1952, the GOP won by 60,000 votes. The reason the margin was so close was that the Democrats made Secretary Benson the chief issue.

The Benson answer to the suggestion that he quit was this: "As Secretary of Agriculture I will continue to pursue a course which I believe is best for our farmers and fair to all our people."

What to some people is political courage, to others is narrow stubbornness. Some who would justify the continuance of Mr. Benson in office suggest that the American people respect political courage; since a man of political courage has been found, the country should have the good sense to keep him. This line of argument fails to take into account the very important realities that the Congressmen seem to know better how to evaluate. These realities are that an agriculture program should be primarily in terms of agriculture, and not in terms of a stubbornness that seems to be grinding down the farmers at a time when other areas of the economy are increasing their standards. Agriculture is the one part of the economy that is worse off today than it was 5 years ago. In spite of recession, unemployment, or whatever this present business dislocation is, the aggregate of the economy, with the exception of agriculture, is operating at a higher level than it was 5 years ago.

Agriculture was bad in 1953 and this is what Secretary Benson was supposed to correct as the head of the Department of Agriculture. If there was ever a case of failure,

that failure is taking place in agriculture, and Secretary Benson should pay attention to these Congressmen, each one of whom represents more people than he does.

Mr. HICKENLOOPER. Mr. President, I yield 10 minutes to the Senator from Iowa.

Mr. MARTIN of Iowa. Mr. President, on February 14 the Secretary of Agriculture, Ezra Taft Benson, spoke at the National Farm Institute meeting in Des Moines, Iowa. He was very well received by the farmers and other businessmen in attendance.

The Secretary talked about sound principles of agriculture which provide an excellent background of information for the debate on farm legislation which will occur in the Houses of Congress during the next few weeks. There is a great deal of misunderstanding about the various suggestions for farm legislation. It is essential that the Congress act on farm proposals with knowledge based on the facts.

It would be well for every Member of Congress before voting on the various measures at hand, to read the Secretary's Des Moines speech. I ask unanimous consent to include this speech at this point in my remarks.

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

ADDRESS OF EZRA TAFT BENSON, SECRETARY OF AGRICULTURE, BEFORE THE NATIONAL FARM INSTITUTE, DES MOINES, IOWA, FEBRUARY 14, 1958

I congratulate the farsighted leaders of your State, and in particular the Greater Des Moines Chamber of Commerce, for pioneering in this Farm Institute. They have given us a living instrument of free discussion, which is so basic to the American tradition. Free discussion—the asking of questions—the searching out of answers—this is one of the important elements of progress.

Those who were kind enough to invite me to address this institute showed great wisdom at this luncheon in their selection of foods from the fine products of the farms of this great Nation. Let us pause for a moment and give thanks for the teamwork between God and man which makes this miracle of the best-fed Nation on earth a reality.

Too often we overlook some of the most significant factors underlying our achievements. Never in history have so many depended on so few to feed and clothe us so well. Think for a moment of the agricultural revolution which enables today's farmworker to produce in 1 hour what it took 2 hours to produce in 1940 and 3 hours in 1910. Today's farmer is feeding himself and 20 others. With 7,000 additional mouths to feed every day the farmer will shortly feed himself and 25 others.

Farmers can accomplish this miracle only by the aggregate effects of education, research, machines, plant food, specialized mixed feeds, better seed, and soil.

The farmers of the United States are the most efficient in the world. How else can we explain the fact that these 20 million people, less than 1 percent of the world's population, are producing between two-fifths and one-half of the world's production of eggs, red meat, and milk. We should be un stinting in our praise of the American farmer for his productive ability. For this is the major factor enabling the American consumer to have the best diet in the world and to spend a smaller percentage of his income for food than in most countries. This basic fact also undergirds our standard of living—the highest in the world.

Now, this didn't all just happen by accident. The freedom to compete which we have here meshes together a production-distribution system unparalleled anywhere. Certainly, we've all watched the American housewife shopping. Through her mind goes the most amazing set of value calculations. She decides what is the best buy. Her daily choices, in effect, help decide which way prices will go. Her effective demand ultimately will say whether she wants more or less of a commodity at a competitive price. This price tells us which way production must ultimately go.

For the livestock, poultry, and dairy producer these daily choices are of the utmost significance. They tell these producers how much and what kind of foods the customer will buy. Our food marketing system is intensely competitive, and this freedom to compete enables you to fatten hogs in Iowa for the dinner tables in New York, Boston, Miami—yes, and even Washington.

Those who don't want to compete in price, promotion, and quality must either build warehouses or get the Government to do it for them, or attempt to control production.

Here are some questions we all must ask ourselves: What will our agriculture be like 50 years from now—or 25, or even 10 years from now?

Will our farm families have more freedom to plant, to market, to compete—or will they have more Government interference? Will Government be at their side—or on their back?

Will our abundance be wisely used—or will it still be piling up in Government warehouses?

Will we have an economy of plenty—or a rationing of scarcity?

Will we have enough land, water, and timber—or will we be running short?

I have been reporting the facts about the agricultural situation to the American people. Some of our critics do not seem to want me to mention these facts. Apparently they feel that only those things should be mentioned that support their particular political point of view.

A few years ago surpluses were mounting rapidly and rigid price supports on the so-called basic crops were encouraging more and more production of crops already in surplus. We called attention to that situation, and our critics did not like it. When we pointed out that the surpluses had cut farm income an estimated 20 percent, or \$2 billion in 1 year, they were quite upset.

And now that we are pointing out some encouraging developments in the agricultural situation, our critics are, if anything, even more indignant than they were before. We have been reporting farm developments on a consistent basis. We will not be swayed by pressure to paint either a rosier or a darker picture than the facts justify.

Facts are facts, and the truth is that:

Income per person on farms last year—including income from all sources—was the highest income per person on record—up 2 percent over 1951, the previous high year.

The truth is that the level of living on farms is higher today than ever before.

The truth is that farm exports in fiscal 1957 set a new record of \$4.7 billion—68 percent higher than in fiscal 1953.

The truth is that the surplus production of American farms is being made available for hungry people at home and abroad.

The truth is that the postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in January were 4 percent above a year ago and 10 percent above 2 years ago.

The truth is that the build-up of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

These are the facts. I believe that the American people have a right to know them.

But we all realize that, despite these more favorable developments, agriculture is still having some difficult times. Nobody knows that better than I. And nobody is more deeply concerned about it.

I know that the farm part of our economy is not sharing properly in our national prosperity.

I know that the people on over half of our farms—the small farms—do not receive much, if any, benefit from price support programs.

I know that smaller and smaller acreage allotments are tightening a noose around the neck of our cotton farmers, our tobacco growers, our wheat and corn producers. Efficiency in many cases is bound to be crippled when cotton allotments are less than 15 acres—as 7 out of 9 allotments now are.

I know that land diverted from wheat and cotton has gone into sorghums, oats, and barley. I know that many corn producers are planting their 15 acres of wheat, as they can do without penalty. In 1956 wheat production in excess of allotments was about 100 million bushels. It was even higher in 1957.

Here in the Corn Belt, we should review the effects on our resources use of the present program. The basic crop acreage allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a build-up in carryover stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938 the increased carryover forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes, I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry.

We all know that farmers are being hurt by the cost-price squeeze—by soft wage settlements—by rising prices of operating necessities.

Since 1950 gross farm income has gone up \$2.7 billion—but farm costs of operation have gone up \$3.7 billion.

From 1939 to 1952, the index of prices paid by farmers more than doubled. Since then, this index has risen 3 percent. But the damage was already done. These higher prices—higher costs—have hardened into the farm-cost structure.

I have always believed in good farm prices, good wages, and just profits. I also believe that the three go together; that when any of these gets out of line, it adversely affects the others. There is not any question that farm prices today are out of line with profits and wages.

It is not for me to say what labor or industry should do, but as a spokesman for agriculture, I will say that I am deeply disturbed by any action which adds one penny to the production costs of farmers at this time. There is an urgent need for statesmanship today on the part of labor and industry.

If farm people are to share equitably in the national prosperity we must have a redirection of resources in agriculture and that is the theme of this year's institute.

What are agriculture's resources? They fall into four categories.

The first and the greatest is our farm people with their spiritual ideals, their self-reliance, their vigor, their initiative.

Second, our natural resources—land, water and timber.

Third, man-made or man-developed resources—machines, chemicals, hybrids, improved techniques in production and distribution, and the many other offspring of research and information.

Fourth, agricultural products themselves—our abundance of dairy, livestock and poultry products, our fruits and vegetables, our corn, wheat, cotton, rice, and other commodities.

These are our agricultural resources. These are the bricks and stones out of which a great future for agriculture can, and will, be built.

We must direct these resources so that America's farm economy will expand as our population and economic capacity expand. We must have new achievements and these in turn will produce greater rewards.

We must recognize that economic problems cannot be solved with legislative blockades. Legislation must recognize economic realities.

Many of our difficulties today can be traced directly to policies which have attempted to keep agriculture in a legislative price-support, acreage-control straitjacket.

This dependence on rigid supports—on a form of guaranteed markets—on ever smaller allotments and quotas to fit shrinking demand—this is defeatism. This is submission to fear. This is following the path of least resistance.

We cannot make progress that way. That is the road to a government-dominated agriculture, a socialized agriculture.

More than a century ago the French philosopher and historian De Tocqueville, who knew so well the conditions of this country, wrote: "Democracy and socialism have nothing in common except one word—equality. But notice the difference, while democracy seeks equality in liberty, socialism seeks equality in restraint."

Was that not the pattern—equality in restraint—being forced on agriculture under rigid supports?

Here and now I pledge again to the farm people of America that we in the Department of Agriculture will continue to do everything that is sound and fair to bring about such a redirection of resources as will serve to make our agriculture more dynamic, more prosperous, and more truly free.

I have cited some of the gains we have made since 1953—and mentioned some of the problems that still exist. To deal with these problems we need to push forward again—we need to supplement the progress that has been made. That is the goal of the new farm food and fiber program presented to the Congress last month by the President of the United States.

Here is what the program is designed to do: It will develop bigger markets, thus putting our abundance to good use.

It will allow farmers more freedom to use their productive resources.

It will push forward the necessary long-range conservation effort.

It will help the forgotten segment of agriculture—those people on small, low income farms.

We have lined up our sights so as to help agriculture recognize the basic economic realities and redirect into sound channels its four basic resources—its production, its techniques, its land and water, and its people. President Eisenhower spelled this out in his message to Congress in which he proposed an attack on the problem on four fronts.

First, The farm food and fiber program will help develop bigger markets. We are not content to allow agricultural abundance to pile up in Government storage. A Government warehouse is not a market.

Since 1953 surplus commodities costing close to \$12 billion have been moved out of

the Commodity Credit Corporation inventory.

Aided by Government programs agricultural exports have risen to an all-time high. More than 60 percent of all our grain exports in the past fiscal year moved under Government programs.

Yet even while we were exporting more farm products under Government programs, sales for dollars were rising, too. In fiscal 1957 dollar sales of exported farm commodities rose \$700 million—to the second highest level in recent years.

The biggest element in our Government surplus disposal programs is the Agricultural Trade Development and Assistance Act, commonly called Public Law 480.

This law was passed in 1954 and authorized the expenditure of \$1 billion over a 3-year period for surplus disposal activities. At the time there were plenty of "doubting Thomas" opinions—to the effect that we'd never be able to dispose of so much in so short a time.

Well, you will recall that the act was extended and expanded in 1956.

Now we are requesting a year's further extension with an additional appropriation of \$1.5 billion.

Our exported food is a tremendous ambassador of good will. No nation under heaven has ever been so generous with its abundance. These donations are helping the Free World stay free. In spite of the efforts of these countries and the full use of our programs, however, there still remain large groups of people in many countries who are in need of food they cannot afford to buy.

Under title III, the Department is making further constructive use of our surpluses that remain after sales and barter through donation to United States voluntary agencies like CARE, Church World Service, Catholic Relief and other church groups for distribution to needy people overseas.

I visited some of these needy people—refugees in Hong Kong, Calcutta and Karachi with representatives of United States voluntary relief agencies. I cannot describe to you the heart-rending scenes I saw in these camps. Our surpluses are filling a vacuum through feeding hungry people who cannot buy in the market and further helping to strengthen good will toward the United States in these countries. At the same time we are helping to buy time for many of these new governments in their struggle to fend off communism.

I should also mention the donations of food we make under Title II of Public Law 480 to friendly peoples abroad for relief of distress arising out of natural disasters. Just two examples might be mentioned. We donated \$12 million of food to Turkey to help feed people in an area stricken by floods, extreme cold weather, and a severe earthquake. We also have made large donations to the Government of Pakistan to relieve the suffering caused by floods of the River Indus.

I wish I could transfer to you the feeling of world oneness which such a trip inspires. Do you know, for example, that the school lunch idea has spread to Japan? I saw a thousand children eating a school lunch mostly of bread and milk produced on American farms. I saw mobile kitchens in Japan, kitchens mounted in buses. They are equipped with loudspeakers, and the Japanese housewives come around with their children strapped to their backs, to learn how to prepare bargain wheat dishes. And wheat and dairy products are now rapidly becoming important foods in Japan.

Our exported food is a tremendous ambassador of good will. It is helping the Free World stay free. And our food exports—three-fifths of which are sold for cash—are helping solve our agricultural problems here at home, too.

I am proud and I think every American can be proud of this constructive use that is

being made of the abundance of American agriculture. The sole purpose of production is consumption; certainly not storage in Government warehouses.

Besides extension and expansion of Public Law 480, we have urged that research into new uses and more effective marketing of farm products be increased. Since 1953, appropriations for agricultural research have been boosted 95 percent. It has been estimated recently that only about 7 percent of the products of our total farm acreage go into industrial outlets. Surely we can do better than this. Increased research can develop new uses and new markets, and there are few things wrong with commercial agriculture that new and expanded markets won't go far to cure.

We have more than 500 projects underway in marketing research alone, plus a good many others in utilization research. They will pay big dividends in better markets in years to come.

Second, The farm food and fiber program will allow farmers more freedom to use their productive resources. We are seeking authority to increase acreage allotments as well as a revision of the price-support programs. Farmers must have more freedom to plant and to widen markets.

Agriculture cannot properly use its resources until it is freed from misdirected price supports and acreage controls—from supports that do not adequately support—from controls that cannot adequately control.

Such misdirected supports and controls not only undermine markets, they handicap efficiency. Small allotments on highly mechanized farms mean that large overhead costs have to be carried by fewer bushels or fewer pounds of products. As production decreases, cost per unit of production rises. No wonder it is second nature to farmers to produce abundantly. No wonder farmers want to make full economic use of their resources.

The average investment per farm worker has doubled, and then redoubled, in just 15 years. Here in the Corn Belt the average investment per farm worker is \$59,000—nearly 4 times the average investment by management per industrial worker.

Meanwhile, output has received a tremendous boost. Just since 1940, we have learned to grow a third more wheat per acre. Corn yields are up more than half. Cotton is up two-thirds. We now produce a third more beef per animal, and a third more milk per cow. The average hen is laying two-thirds more eggs.

We need authority to increase allotments of cotton, wheat, rice, peanuts, and tobacco up to 50 percent above the levels determined by existing formulas. Farmers must have more freedom to plant.

As for corn, acreage allotments should be eliminated. Most corn farmers simply cannot afford to live with them.

We would make price supports more realistic by widening the range of supports. The present range of 75 to 90 percent of parity on the basic crops and dairy products does not permit the growth of markets needed to absorb production. These commodities are pricing themselves out of their potential markets. Increased allotments and a wider range of price support logically go together.

We would eliminate the so-called escalator clauses, which provide that the level of price support shall rise as the surpluses decline. So long as this basic law is unchanged, farm people can expect to be kept continually under the shadow of price-depressing surpluses.

Far too much effort has been concentrated on parity of prices. It is income that farmers spend, not price—and income is price times volume minus costs.

Technological changes are increasing efficiency in agriculture at a tremendously rapid rate. These gains in efficiency do not proceed smoothly or in all segments of agriculture at the same time. And only to the extent that the effects of technological progress are allowed to be reflected in the most recent 10-year average of prices received by farmers, does the modernized parity take them into account.

There is no single formula, or group of formulas, that can satisfactorily be employed as the criterion for price support actions. As each of the prices received for the various commodities move up or down the prices paid by producers fluctuate. These are indications that there have been shifts in the complex economic forces governing production, prices and consumption. The monthly parity prices only call attention to the changes which are happening. They neither indicate why a change has occurred nor what should be done about it.

Parity prices do not indicate what can be sold at satisfactory prices nor what price is needed to satisfactorily meet competition, either at home or abroad. Parity prices do not indicate how profitable farm production may or may not be, how much or how little farmers will produce. Programs which are economically sound, administratively feasible, and financially supportable simply do not flow from fixed formula calculations. Calling such calculations parity tells nothing more nor less than what was in the statistics and indexes from which the calculations were started.

Supply, demand, competition, and markets—all these are vital factors. To ignore them is not only uneconomical and costly; it runs directly contrary to the long-term best interests of the farmers.

Here in Iowa by far the biggest part of farm cash income comes from livestock and livestock products which are not price-supported. The so-called basic crops with mandatory supports bring in less than 15 percent of your cash farm income. Only a little over one-fourth of your cash income is derived from price-supported commodities of all kinds.

Third. The farm food and fiber program will push forward the necessary long-range conservation effort. We propose to strengthen the conservation reserve program of the Soil Bank and to terminate the acreage reserve program after the 1958 crop.

The acreage reserve was intended to get quick short-term results. The 1957 program succeeded in reducing wheat production by about 175 million bushels, cotton by about 2 million bales, and corn by about 225 million bushels below what it would otherwise have been.

Now we need to shift emphasis within the Soil Bank to the longer-term approach of the conservation reserve. Here we are aiming at overall production adjustment.

Such a shift in emphasis would aid some small farmers or to reduce their farming activities while devoting more time to other employment, who would be able to retire their entire farms from production if they wished. The program would also aid other farmers who elect not to participate. They would also benefit price-wise in the market place from sound production adjustments.

Just in passing, I might point out that more conservation practices have been applied to land these past 5 years than in any other 5-year period in our history. Water conservation and flood prevention have also been stepped up.

Fourth. The farm food and fiber program will help the forgotten segment of agriculture—those people on small, low-income farms. We have urged that the rural development program should be given increased emphasis.

The rural development program is the most important effort ever made in this country to raise the level of living in the underdeveloped areas of rural America. We know the corroding effects of living on marginal land, on farms too small or too poorly equipped to provide the essentials of a decent living.

We know from past experience the tremendous difficulties that obstruct efforts to improve opportunities in these underdeveloped pockets. The great problem has always been: "Where will the people go? What can they do?"

Under the Rural Development Program opportunities can be opened up—are being opened up. We know that education, technical information, and other essentials can be made available to help those people farm more effectively who want to stay on the farm full time.

We know that industry can be brought in to provide off-the-farm jobs. As industry expands in these areas, there will not only be a place for the under-employed, there will be a real need for them.

Already more than 350 new development projects in agriculture, forestry, marketing, industry promotion, health and vocational training are reported.

As this program moves into high gear, the long-needed redirection of human resources in underdeveloped rural areas will give great numbers the opportunity to get a fresh start under better conditions.

Bigger markets—more freedom for farmers to produce—sound conservation and production adjustment—special help for those on small low income farms—these are some of the steps which would be taken under the Farm, Food, and Fiber Act of 1958 to help farmers redirect agricultural resources into more useful, profitable channels. We feel certain they are sound, effective and reasonable, and they will work to provide the Four Freedoms farmers want:

More freedom to plant.
More freedom to market.
More freedom to meet competition.
More freedom from government interference.

In nation after nation we have seen government move in or on more and more of the production and marketing of farm commodities. The role of farmers themselves in managing their affairs and making their own economic decisions has been minimized. There is the greatest danger to the private enterprise system in this steady encroachment of government programs.

If our farmers are successfully to protect their future against the rising costs of farm production, and against the increasing costs of distribution of their own products—if they are going to get on top, and stay on top, of their own business—if they are going to mobilize their strength to bargain on an equal basis with highly organized industry and labor—if they are going to keep government from controlling and managing the farm business—they will have to appreciate the fact that what they do for themselves is far more important than what government can do for them.

This is not just another nation—it is not just one of the family of nations. This is a nation with a great mission. I believe with all my heart that it was established by the God of Heaven to be a beacon to liberty-loving people everywhere. Let us pledge ourselves to preserve in it the full measure of our traditional freedom, that our children—and our children's children in the distant tomorrow—may enjoy the blessings which we enjoy so richly today.

Let us not fear to face facts. May it never come to pass that we lose the vision—the self-reliance—the pioneer spirit which built this great Nation. Let us further develop our agricultural resources, all of them, so as to make the most of present and future

opportunities—so that our agriculture, under God, can be expanding, prosperous and free.

Mr. MARTIN of Iowa. Mr. President, on March 3, Secretary Benson spoke at Minneapolis and again received an enthusiastic reception. As a reference for the remarks I wish to make today, I would like to quote three paragraphs of the Secretary's Minneapolis speech dealing specifically with corn, which is a crop of great value to Iowa, Minnesota, Illinois, and other adjacent States. The Secretary said:

Let me make one point clear. Contrary to myths peddled by some, the level of these allotments are determined by statistical formulas spelled out in the Agricultural Adjustment Act of 1938. I know that these acreage allotments are too low. That is why we are trying to get the law changed. Also, that is why for the first time in history in 1956 and again in 1957, we made supports available for corn grown outside the allotments.

The basic crop acreage allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a buildup in carry-over stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938, the increased carry-over forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes, I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry. That is another reason why we are seeking changes in the program.

There is no question but what the traditional Corn Belt has suffered much from the outmoded farm program dating back to the late thirties. Farmers in my State of Iowa have watched their competition grow throughout the country as acreages were diverted from cotton, tobacco, and wheat because of farm programs that lost markets and that diverted crops into storage instead of consumption.

The corn area has been dispersed throughout the country because many farmers who could better grow cotton or tobacco have had their acreage of those crops so seriously restricted that they had no other choice than to plant other crops, such as corn. As Secretary Benson points out, Winston-Salem, N. C., was once the largest exporting market in the world but southern Rhodesia now claims that distinction. In addition, we have lost 60 percent of our world cotton market by placing cotton in Government warehouses instead of selling it abroad.

Only 20 years ago, the commercial corn area included 566 counties in 12 States. Now it includes 932 counties in 26 States. The facts are that acreage controls failed to curtail agricultural production. The corn program has failed as evidenced by the fact that in December 1956, 62 percent of the corn farmers who voted in the referendum favored elimination of corn acreage allotments.

Only about one-seventh of the corn producers in the commercial corn area during 1957 complied with the program and were eligible for the full price support.

Corn producers cannot live within the restrictions of the present acreage allotments. This is one of the key points of the administration's program—elimination of acreage allotments for corn.

This issue basically boils down to a question of whether we will adopt the program proposed by President Eisenhower, which accepts the need for Government price-support operations above a specified floor but provides flexibility for them above that floor, and would relax the strict controls by which farmers are told how much they may plant; or whether we will continue the Democrat program with its astronomically mounting costs to the Federal Treasury and its failure to bring any stability to our agricultural economy.

Some Democrat opponents of the Eisenhower farm program went into Iowa recently and delivered a scathing attack on that program and voiced highest praise for the rigid high price support program enacted by Democrat-controlled Congresses. They omitted any mention whatsoever of several factors which put an entirely different and far more realistic, light on the problem.

They ignored the fact that under Democrat Presidents, the outbreak of war twice prevented a collapse of the Democrat farm program under the weight of accumulating surpluses and mounting costs. I am sure that they would agree that the horrors of another war would be too great a price to pay for saving the high price support program.

Some Democrats have tried to place on Republicans the blame for the failure of Congress to enact corn legislation. But it is their own party which has been in control of Congress for the past 3 years and which has consistently refused to pass a corn bill acceptable to President Eisenhower. The Democrats have the votes to pass such legislation any time they care to, but they are fighting our President in every way possible; they refuse to give him a chance to try the program he deems best; they refuse to admit their own program is costly beyond belief and is failing to do the job.

Critics of President Eisenhower claim that farm commodity prices have failed to reach adequate levels in free markets which the Eisenhower program seeks to restore in place of government-regimented prices and controls advocated by the Democrats. Conveniently, they fail to mention that the average price of all hogs sold in Chicago last year was \$17.80 per hundredweight, higher than the average such price for any month in the entire F. D. R. administration; or that the average price of beef steers of all grades sold in Chicago last year was \$23.48, likewise higher than the average such price for any month under Roosevelt. Let us remember that under the Truman administration, prices twice were boosted by war demand. These hog and cattle prices, of course, are tremendously important to Iowa, since nearly 75 percent of Iowa's vital corn production is

fed to hogs and beef cattle, and almost all of it in Iowa.

Partisan campaigners who go into Iowa from distant places to attack President Eisenhower on the farm front, must be fair if they are to be effective.

Omission of such pertinent and important facts is most unfair. Iowa farmers are far smarter than the critics of President Eisenhower credit them with being.

The administration's program which will mean great progress in three general areas:

First. The development of bigger markets. This can and will be done through recommended extension of the surplus disposal program, and expansion of research into new uses for farm products.

Second. Provision of more freedom for farmers. This would be done by revision of the acreage control and price-support programs to permit farmers more freedom to plant and to develop more markets for the use of our surplus farm commodities.

The technological revolution in agriculture is under way and there is no way to stop it or reverse it. We would not want to stop it even if we could, because the efficiency and production of American farmers are major factors which made this Nation grow and prosper through the years.

Third. The administration's farm program deals with the specific problems confronting agriculture, including those people residing on small, low-income farms.

The principles of the administration's proposed farm food and fiber bill will restore agriculture to a sound basis and enable all farmers of this Nation to make the most of their opportunities and use Government only as a hired man to help do the job where necessary, rather than to allow Government to dominate the operation of their farms and to restrict their productive potential.

I wish I had another 2 weeks' record of the poll I am making throughout the State of Iowa; but the poll has been only half completed at this time. The poll was distributed to every 20th householder according to the directories throughout the State of Iowa. No questions were asked about political affiliation. No questions were asked about economic status. I asked only to have the householders state their occupations.

I have received some surprising answers to the farm questions from the farmers who in the poll reported themselves to be farmers. In about 2 weeks I shall have that poll completed.

I simply call attention to one question which I asked in that poll, which is as follows:

Do you approve supports for the basic crops and dairy products at 60 to 90 percent of parity with guidelines as used for other commodities?

Mr. President, the answer to that question at the grassroots, by the farmers themselves, is quite different from that which I have heard given around the corridors of the Capitol.

I am not at liberty as yet to release the figures received in the poll. To do so would be unfair to those who have not

yet voted. They have 4 weeks in which to vote. But I will submit the figures to the Senate in complete detail when the poll has been completed.

Those figures demonstrate to me that the so-called revolution of the farm group in Iowa is more a figment of the imagination than is proclaimed otherwise so loudly in the halls of Congress.

I ask Senators to go to the grassroots, take a poll such as I am taking, and ask a similar question of every 20th householder in the State. Then see what the answer is before coming to a firm conclusion as to who has the highest percentage in the matter of the program which is advocated.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished senior Senator from Minnesota.

Mr. THYE. Mr. President, I want it to be understood that I am in complete support of Senate Joint Resolution 162. I endeavored in the committee to have the resolution reported at the earliest possible time. It is imperative and necessary that the Senate act favorably on the resolution this afternoon. It is necessary so as not to permit anything to happen which would weaken the buying power of the farmers. The farmers are needed as customers for the output of industrial concerns, whether from wholesale houses, processors, or industrial plants. It is necessary to have an increased stimulation in the economy if a further increase in unemployment is to be staved off.

An old Chinese proverb goes something like this:

Look back, that you have wisdom to intelligently look forward.

I need only look back to the 1920's to find the answers to the contentions of those who charge that the price supports are the evil things which have brought about the commodity surpluses in our land.

I need only to look back into my early life, when, as a young veteran, home from World War I, I rented a farm and commenced farming, to know what the situation is today. It is exactly the same today as it was in that day.

In those days there were no controls. At that time there were no price supports. As I look back, I can almost hear verbatim some of the same statements which have been made in the Senate today. We need only to read the Record of the late 1920's and the early 1930's.

Read them, Mr. President. (Mr. LAUSCHE in the chair.) You are a distinguished, intelligent man, representing the great State of Ohio. Read some of the arguments concerning the McNary-Haugen bill. You will find almost the same arguments and the same remarks. But at that time there were no price supports. There were no incentives, as they are oftentimes referred to. Still, there were surpluses; and they were in such large amounts that dairy-men delivered their products on the streets of Minneapolis and St. Paul, oftentimes at a price of less than \$1 a hundredweight.

The price today is \$3.25 a hundredweight, only because supports are hold-

ing the price at that point. But in the 1920's there were no supports, and the price often dropped below \$1.

I was one of those who hauled hogs to South St. Paul. Hogs weighing more than 200 pounds often did not net the farmer \$5. Why?

The price of grain had become very cheap. Oats were selling for 8 or 9 cents a bushel; corn, at 12 cents a bushel. Corn would not buy as much heat in the form of coal as it would furnish in the heater in its own form. Large amounts of corn were burned as fuel in the heaters of the Midwest. I do not want to see a recurrence of that condition. I do not want the youth who have returned from World War II or the Korean war to be compelled to experience the economic conditions which prevailed in the late 1920's and the early 1930's. I do not want to see the economic condition become so tight as to squeeze them to such a point that they will have to liquidate their assets.

I saw many farmers in the early 1930's threatened with financial liquidation. Many of them were liquidated, and more would have been had it not been for the efforts of some Members of Congress at that time who were responsible for the enactment of what was known as Commissioners' loans. They were loans which were used as second mortgages behind the Federal Land Bank loans.

When that act was passed, it was possible to stop many foreclosures. Numerous foreclosures were publicized across the entire Midwest.

I was the appraiser for the Federal Land Bank. I was asked to leave my farm to help mortgagees keep ahead of the sheriff's sales. I appraised for the St. Paul Bank. I was in the heartland of the best productive area in the central part of the United States, in Minnesota, appraising in the dead of winter, in order to stop foreclosure sales.

Mr. President, this is why I am arguing today, as I have done before, in behalf of farm price supports. I need only look back into my memory of yesterday. I recall those wise words of the Chinese proverb:

Look back, that you have the wisdom to intelligently look forward.

That is why I plead for a floor under some of the farm prices. That is why I have pleaded for an orderly method of retiring land from harvest and production. I know that if there were acreage controls on wheat, cotton, and corn, and that acreage were tied down, it would simply be driven from one crop into another.

I advocated a soil bank for the dust bowl in the Southwest long before it was accepted by the Department of Agriculture. Why? I knew it was necessary to curtail the acreage, because only in that manner could production be reduced.

In the late 1920's and early 1930's, there was no use for commercial fertilizer. There were no machines equipped to spread it. The farmers had only a limited knowledge of its use or the experience with it. They loaned machines back and forth, among themselves, in order to put a few pounds of commercial fertilizer into their corn-producing land. They had no knowledge of hybrid seeds.

Yet the production of those years brought about surpluses which depressed the market, as indicated by the figures to which I have already referred.

Mr. President, the Soil Bank, the acreage-reserve program, and the consumption provisions constitute the only intelligent manner of reducing the overall production of our soil. Public Law 480 is another wise step in connection with the endeavor to sell the supplies of American agricultural commodities which today are referred to as "the surplus."

Mr. President, the freeze now proposed must be enacted into law if the farmers of the Nation are to be saved. The present drop in farm commodity prices cannot be permitted to continue; if it does continue, it will have a further adverse effect on the buying power of the farmers, and thereby will decrease the business of the wholesale houses and the output of the factories.

Mr. President, the State so ably represented by you—Ohio—is a great industrial State. The industries of Ohio depend upon the purchasing power of the farmers in the Midwest for the sale of the output of the factories. The steel factories in the Pittsburgh area depend in part on the sale of combines and tractors in the farm areas of the country.

Let all Members of the Senate consider the situation which existed in the early 1930's, in order to ascertain whether the supports have brought about the production which has been experienced. The production has been due to the educational programs of the Agricultural Extension Service, based on the activities of the State and county agents; and, above all, the production has been due to the initiative of the American people—initiative which they inherited from the pioneers who left old Europe and crossed the vast ocean to this great land. All of us have inherited that drive from our parents. Most of us are one or two generations removed from the pioneer stock. It is from that stock that we have inherited our drive and our initiative to produce. Let them not be stifled by the existence of depressed prices—so that the young people are driven off the farms and are forced to seek employment in the cities—where in many cases they would have to go on the unemployment rolls.

Mr. President, I speak now, not on the basis of statistics, but on the basis of my memories of yesterday, when, as a young member of a farm family, I worked on the land during the early 1920's and 1930's.

May the Members of Congress have the wisdom to establish this floor and keep it in effect until something better has been developed and perfected.

Mr. President, I ask unanimous consent that a statement showing what Congress has done, under Public Law 480, with respect to the surpluses be printed at this point in the RECORD, as a part of my remarks.

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

PUBLIC LAW 480

Let us examine these areas of agreement more carefully. I cosponsored Public Law

480 and have introduced a bill for its extension because it places American surplus into the hands of people who need it—because it has become an effective supplement to our foreign-aid program—and because it places our surpluses in a position to play a vital role in our destiny as a world leader for the cause of freedom and decency. Under the provisions of this law up to September of 1957 the United States had actually shipped 10,800,000 pounds of butter and butter oil valued at \$4,776,000 in trade with other nations. We have shipped over 14 million pounds of powdered milk at a value of nearly \$2 million. We have shipped 183,638,000 pounds of lard at a value of over \$23 million. This helps to explain why the price of pork has held more firm than in past years. We have also disposed of cottonseed oil, powdered milk, and peanuts for oil under the barter provision of Public Law 480. In the area of international donations, we have shipped out over 325,400,000 pounds of butter and butter oil in an amount of over \$225,500,000. Over 1 billion pounds of powdered milk in the amount of \$220,400,000 has been disposed of through the donation provision. In addition, we have donated 71,400,000 pounds of cottonseed oil valued at over \$17 million. This record demonstrates surplus products are being disposed of to the benefit of American agriculture and to the benefit of those who have received these products.

Let me give you some figures about agreements under Public Law 480 which were released at that hearing. These figures related to agreements, whereas the figures I gave you before pertained to actual shipments.

The agreements already signed provide for the shipment of 550 million bushels of wheat, 3 million bales of cotton, 25 million bags of rice, 1.8 million pounds of vegetable oils, 133 million bushels of feed grains, 175 million pounds of tobacco, 150 million pounds of meat, 225 million pounds of lard, 162 million pounds of dairy products, 197 million pounds of fruit and vegetables, as well as other commodities.

In 1955-56, the first full year of operation of title I, foreign currency shipments totaled \$427 million at export market value, or 12 percent of total United States agricultural exports. During 1956-57 title I shipments amounted to \$900 million, nearly 20 percent of the recordbreaking \$4.7 billion total achieved.

Agreements signed to date will result in foreign currency payments of more than \$2.5 billion. About 60 percent of the total will be used for economic development purposes in importing countries, about 10 percent will be used to support the defense forces of our allies, and the remaining 30 percent is planned for meeting United States expenses overseas and expanding certain United States programs.

The bulk of the commodities included in these agreements has already been exported and the increase in title I shipments from year to year has been one of the major factors leading to the rise in our total agricultural exports. In 1954-55 our agricultural exports had a market value of \$3.1 billion. Title I shipments were small that year accounting for 3 percent of the total. In 1955-56 our agricultural exports rose to \$3.5 billion. Title I accounted for 12 percent of the total. In 1956-57, the year ending last June 30, agricultural exports rose to an all-time high of \$4.7 billion. Title I shipments made up almost 20 percent of the total, or about \$900 million.

The rise in total exports was the principal reason that last year the direction of surplus accumulations was reversed. During 1956-57, CCC investment in price support commodities declined almost \$1 billion with the principal reductions being in wheat, cotton, and rice, commodities for which there were heavy movements under the title I program.

Public Law 480 is the type of program which permits this Nation to use its surpluses in three ways: (1) As an export commodity, (2) as a humane program for the relief of hunger, and (3) as a defense asset.

In Spain we took monetary earnings from our grain exports and used them to pay for air-base construction. We have taken prefabricated housing and labor from Finland to bolster our NATO allies in return for grain shipments.

It is a program which is winning friends for the United States through a benevolent approach. It is more effective than all of the armaments we could parade before hungry people in a troubled world. I ask your support for the efforts of myself and others in both political parties who call for its extension.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. HICKENLOOPER. Mr. President, I yield 5 minutes to the Senator from Delaware [Mr. WILLIAMS].

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Senator from Delaware is recognized for 5 minutes.

Mr. WILLIAMS. Mr. President, last Thursday, March 6, the Senate Agriculture Committee voted out the following bills all of which I feel are detrimental to the best interest of agriculture:

First. Senate Joint Resolution 162, provides that for an indefinite period no price support or acreage allotments shall be established below the 1957 levels.

Second. S. 2913 would increase corn allotments for 1958, 1959, and 1960 to 54 million acres, at a price support of not less than 75 percent of parity, and would require 15 percent participation in the Soil Bank in order to receive the price supports. There are no similar requirements for other feed grains.

Third. Senate Joint Resolution 163 would force the Secretary of Agriculture to support milk and dairy products for an indefinite period at levels above those provided in the current law, and at not less than the dollar-and-cents level for 1957.

In the light of certain available facts, it is difficult for me to understand this action of the committee.

For almost one-quarter of a century we have been attempting, through price-support and adjustment program, to control agricultural production in order to increase the income of the farmers, when, as a matter of fact, the price-support and adjustment programs have had very little to do with the net income of farm families since most of the prosperity since 1940 in agriculture can be directly attributed to war.

I think we need to remind ourselves again about the costs of these programs that have failed so miserably.

I shall insert in the RECORD at a later point figures, released by the United States Department of Agriculture, dealing with the cost of this program. They are broken down, commodity by commodity, and year by year. I think it is necessary for the Members of the Congress to have these facts before them.

In placing this information in the RECORD, it is not my intention to be criti-

cal of the operations of these programs, because I feel sure that no Secretary of Agriculture can administer the hodgepodge of laws that the Congress has been able to enact during the last 25 years.

The Senate is now being asked to consider, based on the action of the Senate Agriculture Committee, proposals designed to freeze commodities in their present pattern and to perpetuate further the cost to the Federal Treasury, without correcting any of the economic problems of agriculture.

Mr. President, mention has been made, today, that the pending joint resolution is only a stopgap measure. On the contrary, Mr. President, the pending joint resolution is not a stopgap measure; instead, it will be—if enacted—a permanent piece of legislation, and it will remain on the statute books until it is definitely repealed or supplanted by another act of Congress.

This proposed freeze of support prices on all agriculture crops will likewise increase the feeding costs of those farmers buying these feeds for more than any advantage they will gain as a result of the higher support on dairy products.

I submit, Mr. President, that the continuation of these programs not only will fail to solve the agricultural problem but also will be doing a great disservice to agriculture.

Our American farmers do not want to return to a program involving a "strait jacket" of controls, nor do they want an agriculture program that is designed on the theory that every few years we need a war to bail out our surpluses.

The return to the high support programs and rigid controls accompanying such a policy will inevitably further accelerate the trend toward absentee ownership and operation of our farms.

This policy of high supports and strict acreage controls accompanying such policies will destroy the individual family-type farmer, who will be unable to maintain the necessary equipment to utilize his restricted acreages. He will be forced to sell out or consolidate with the larger operator.

I ask unanimous consent to have printed at this point in the RECORD a tabulation showing the 1957 costs and benefits of our agriculture support program, broken down by States.

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

[170,333,000 population—cost \$3,255,000,000—\$19 per person cost]

State	Benefits	Cost	Gain (+) or loss (-)
New York.....	\$49,478,000	\$301,872,000	-\$252,394,000
Pennsylvania.....	48,168,000	209,817,000	-161,649,000
Ohio.....	89,200,000	174,800,000	-85,600,000
Indiana.....	92,680,000	86,127,000	+6,553,000
Illinois.....	154,780,000	183,103,000	-28,323,000
Michigan.....	63,844,000	148,257,000	-84,413,000
Wisconsin.....	76,050,000	73,378,000	+2,672,000
Minnesota.....	109,800,000	63,100,000	+46,700,000
Iowa.....	127,000,000	58,180,000	+68,820,000
Missouri.....	96,200,000	80,845,000	+15,355,000
North Dakota.....	139,400,000	12,236,000	+127,164,000
South Dakota.....	70,200,000	13,338,000	+56,862,000
Nebraska.....	127,200,000	27,585,000	+99,615,000
Kansas.....	123,550,000	40,584,000	+82,966,000
Maryland.....	8,300,000	55,000,000	-46,700,000
Virginia.....	15,200,000	72,143,000	-56,943,000
North Carolina.....	37,950,000	85,462,000	-47,512,000
South Carolina.....	29,282,000	45,030,000	-15,748,000

[170,333,000 population—cost \$3,255,000,000—\$19 per person cost]—Continued

State	Benefits	Cost	Gain (+) or loss (-)
Georgia.....	\$50,200,000	\$71,800,000	-\$21,600,000
California.....	189,650,000	264,518,000	-74,868,000
Florida.....	5,996,000	77,862,000	-71,866,000
Kentucky.....	20,740,000	57,760,000	-37,020,000
Tennessee.....	47,500,000	65,797,000	-18,297,000
Alabama.....	49,648,000	59,869,000	-10,221,000
Mississippi.....	86,500,000	41,500,000	+45,000,000
Texas.....	352,135,000	173,622,000	+178,513,000
Colorado.....	43,832,000	31,787,000	+12,045,000
Oklahoma.....	66,900,000	43,263,000	+23,637,000
Montana.....	82,339,000	12,654,000	+69,685,000
Idaho.....	51,715,000	12,160,000	+39,555,000
Washington.....	77,660,000	51,718,000	+25,942,000
Oregon.....	32,550,000	33,611,000	-1,061,000
Arkansas.....	122,529,000	33,592,000	+88,937,000
Arizona.....	59,800,000	21,584,000	+38,216,000
Louisiana.....	70,300,000	58,292,000	+12,008,000
New Mexico.....	18,900,000	15,770,000	+3,130,000

NOTE.—Based on State production.

State	Benefits	Cost	Loss
Wyoming.....	\$4,639,000	\$6,004,000	\$1,665,000
Utah.....	4,603,000	16,169,000	11,566,000
Maine.....	2,100,000	17,917,000	15,817,000
New Hampshire.....	1,135,000	10,868,000	9,733,000
Vermont.....	5,300,000	7,144,000	1,844,000
Massachusetts.....	2,460,000	92,454,000	89,994,000
Rhode Island.....	378,000	16,378,000	16,000,000
Connecticut.....	2,270,000	42,788,000	40,518,000
New Jersey.....	3,400,000	106,913,000	103,513,000
Delaware.....	568,000	8,322,000	7,754,000
West Virginia.....	2,460,000	37,544,000	35,084,000
Nevada.....	265,000	5,073,000	4,808,000

NOTE.—Based on State production.

The farm program cost the taxpayers of the United States \$3,252,400,000 in 1957. With a population of 170,333,000 people, the farm program would cost \$19 per person.

Products:	Losses
Wheat.....	\$827,300,000
Cotton.....	641,200,000
Corn.....	489,100,000
Dairy.....	378,500,000
Rice.....	152,700,000
Peanuts.....	18,700,000
Wool.....	66,700,000
Grain sorghums.....	26,100,000
Soybeans.....	15,000,000
Barley.....	26,600,000
Oats.....	25,600,000
Beef.....	32,900,000
Pork.....	6,900,000
Beans.....	16,600,000
Eggs.....	16,000,000
Hay.....	17,400,000
Rye.....	5,400,000
Tallow.....	5,500,000
Lard.....	1,500,000
Interest.....	326,000,000
Other costs.....	145,600,000
Miscellaneous.....	14,100,000

Total.....3,255,400,000

The States which would benefit most are the States producing the most wheat, cotton, corn, dairy products, and rice.

Therefore, 20 States get more money back from the farm program than their taxpayers pay in. But in 28 States the taxpayers pay in more money than their farmers receive.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed in the RECORD a table showing how, under the high support programs, the per capita consumption of butter has declined during the last several years, and also showing how the per capita consumption of oleo, a substitute for butter, has increased during the same period of time.

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

Per capita consumption of milk, butter, and margarine, United States 1940-57 and estimated 1958

[In pounds]			
Year	Fluid milk and cream	Butter ¹	Margarine ¹
1940.....	331	17.0	2.4
1941.....	334	16.1	2.8
1942.....	354	15.9	2.8
1943.....	371	11.8	3.9
1944.....	381	11.9	3.9
1945.....	399	10.9	4.1
1946.....	389	10.5	3.9
1947.....	399	11.2	5.0
1948.....	355	10.0	6.1
1949.....	352	10.5	5.8
1950.....	349	10.7	6.1
1951.....	352	9.6	6.6
1952.....	352	8.6	7.9
1953.....	347	8.5	8.1
1954.....	348	8.9	8.5
1955.....	352	9.0	8.1
1956.....	355	8.7	8.2
1957.....	356	8.5	8.6
1958 (estimate).....	355	8.6	8.6

¹ Actual weight basis.

Mr. WILLIAMS. Mr. President, I believe this point should be emphasized because unquestionably under the high support programs the Congress has been underwriting an expansion of the sale of synthetic fibers—both cotton and wool—to the detriment of the American farmer; and at the same time the Congress has been permitting a substitute for butter to take the place of the butter produced by the American farmers.

I hope the joint resolution will—in the best interest of American agriculture—be defeated.

The PRESIDING OFFICER. The time yielded to the Senator from Delaware has expired.

Mr. SYMINGTON. Mr. President—

Mr. ELLENDER. Mr. President, I yield 8 minutes to the Senator from Missouri (Mr. SYMINGTON).

The PRESIDING OFFICER. The Senator from Missouri is recognized for 8 minutes.

Mr. SYMINGTON. Mr. President, several days ago I presented to the Senate that when I came to the Senate in January 1953, the distinguished senior Senator from Georgia (Mr. RUSSELL) stated that the farm population of the United States had dropped to 13 percent of the total population, and that that farm population then received but 6 percent of the total national income.

Recently I looked up the present figures and have found that, as a result of the management of this administration, the farm population has now decreased to 12 percent of the total population; and that 12 percent is receiving only 3.2 percent of the total national income.

In other words, Mr. President, and these are the facts under the present agriculture administration, there has been, during the past 5 years, a decline of almost 50 percent in the percentage of our national income received by American farmers.

In recent weeks, Mr. President, considerable concern has been expressed about the continuing decline in the economic activity of the country. This concern

is understandable when one considers that over 5 million people are unemployed; and also that many of our major industries are operating far below their capacity.

Many leaders of government, business, labor, and agricultural groups have urged that steps be taken by the administration to check this condition, and to restore stability to our economy.

Lest we forget, the farm segment of our economy has experienced 5 years of depressed economic conditions, whereas the remainder of our people have not.

Statements have just been made that this joint resolution, introduced in an effort to prevent further planned reductions in the price support or acreage allotment levels, was considered hastily and has been ill considered. I do not believe an examination of the facts would support that statement.

During this same period, instead of taking actions to remedy the situation, this administration has persistently pursued a policy that could only result in further reducing farm income.

Since 1952, this decline has amounted to 20 percent.

As a result, family farm purchasing power is at its lowest point since 1940.

In conformity with the often expressed charge that economic trouble is invariably "farm led and farm bred," this farm recession is now spreading to other segments of the economy, and growing unemployment is causing increased concern.

Despite these facts, this administration continues to work for even further reductions in farm income.

There is little amusement in the fact that some who work so hard for other segments of our economy, trying to get special privileges for those segments they support, from the Government, must now realize that this farm-bred and farm-led recession is spreading to the small towns, and even now to the large cities; and other segments of the economy which are treated with so much deference on the floor of the Senate as against the farmer are beginning to suffer too because of the way the farmer has been treated in recent years.

In 1932 I was manufacturing farm implements, and know what happens, not just to the farmer, when his income is arbitrarily reduced, as it has been in recent years, but to all business.

Unless action is taken now by the Congress, price supports on dairy products will be further lowered 10 percent, effective as of next April 1. It is estimated this cut will take an additional \$250 million annually from the dairy farmers' income.

Missouri dairy farmers alone will lose over \$9 million if the action is not stopped.

Many of Missouri's dairy farmers, either individually or through their organizations, have protested the announced price support reduction. They find it impossible to understand the reasons behind the action.

Secretary Benson constantly reiterates that lower price supports provide less incentive for increased production.

This has been the basic theory of his administration of the Department of Agriculture, and nothing could be more incorrect.

This theory has not worked in the past and will not work in the future.

The idea that a dairy farmer can swing from milk production into grapefruit production, as a man can swing from United States Steel to Continental Can on the stock exchange, is absurd on the face of it.

A dairy farmer, with heavy investment in high-producing cows, a milking parlor, silo, and other equipment, has but one choice when his price is further reduced. He must increase his production instead of reducing it, in order to meet his fixed costs and, therefore, avoid bankruptcy.

Cash receipts from marketings of milk were the same in 1957 as they were in 1952—\$4.6 billion. Because of price reductions in that period, however, farmers had to increase their milk marketings by 15.3 billion pounds in order to receive the same gross income.

Obviously, under those circumstances, their net profit was far less than before.

In announcing this further price cut, the administration stated that the reduction in farmers' prices would be reflected in lower retail prices of one-half cent a quart for fluid milk.

But this has never been the result of support-price reductions in the past. Even if it were, it is unfortunate that those who are supposed to represent the farmers would justify a 10-percent reduction in the price-support rate on the grounds consumer retail prices would be reduced 2 percent.

In behalf of the dairy farmers of Missouri and the Nation, I have joined with many of my colleagues in the sponsoring of legislation to prevent this reduction in the dairy price-support level.

Our bill, S. 2924, together with the self-help plans, will be considered by the Senate Agriculture Committee in working for long-term legislation.

Mr. President, the Sanitary Milk Producers is a cooperative association of some 5,000 dairy farmers producing milk for the St. Louis market.

On February 18, 1958, Mr. Russell Spaulding, general manager of this association, appeared before the Dairy Subcommittee of the House Agriculture Committee.

The statement Mr. Spaulding presented to that committee represents the thinking, not only of the dairy farmers in his association, but also of many others throughout the State of Missouri. I ask unanimous consent that Mr. Spaulding's statement be inserted at this point in the RECORD.

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

STATEMENT OF RUSSELL E. SPAULDING, GENERAL MANAGER, SANITARY MILK PRODUCERS, ST. LOUIS, MO., BEFORE THE DAIRY SUBCOMMITTEE OF THE HOUSE AGRICULTURE COMMITTEE, FEBRUARY 18, 1958

My name is Russell E. Spaulding. I am the general manager of Sanitary Milk Producers, 2203 Washington Avenue, St. Louis, Mo.

Sanitary Milk Producers is a cooperative association of dairy farmers, most of whom produce milk for the St. Louis market.

There are about 5,000 dairy farmers supplying St. Louis and suburban markets with fluid milk, and approximately 147,000 farmers in Illinois and Missouri producing milk and cream for sale.

Our members reside in 25 of the 101 counties in Illinois, and in 59 of the 115 counties in Missouri. The numerical distribution in the two States is about half and half.

Sanitary Milk Producers is opposed to the Secretary's action reducing the price support level for manufacturing milk. We endorse the short-range emergency legislation proposed in bills to prevent the Secretary's action, and to define by law a dependable formula for establishing a parity equivalent price for manufacturing milk.

At this point, we wish to state also that we support the long-range proposal for a self-help program as sponsored by the National Milk Producers Federation, with whom we are affiliated, and by the National Grange. We are referring to H. R. 10043.

We realize that action cannot be taken to effectuate the self-help plan by April 1, 1958. We believe it is imperative, therefore, not only to continue the price-support program until the self-help plan can be put into operation, but also to prevent the Secretary from lowering the price-support level April 1. We endorse the bills that have been introduced to provide a stable parity equivalent formula and a price-support level of \$3.50 for manufacturing milk. Unless this legislation is passed, dairy farmers in Illinois and Missouri, as well as other sections of the Nation, will face further economic hardships.

In 1957, a total of 703 million pounds of milk was utilized in the St. Louis, Mo., market. The prices received for that milk were considerably lower than in 1956. In 1956, the price for class I, or bottled milk, was \$4.62 per hundredweight. In 1957, it was \$4.26 or 36 cents per hundredweight less. Our class I milk represents about 79 percent of our total utilization. Therefore, our uniform or blend price was 33 cents per hundredweight less in 1957 than in 1956.

The decision of the Secretary to reduce the price-support level for manufacturing milk to \$3.03 will further reduce all our prices by 22 cents per hundredweight, because fluid milk prices in St. Louis are directly related to manufacturing milk prices.

If the Secretary's action is allowed to stand, by the end of the 1958-59 marketing year, these reductions will reduce our income from 1956 by at least \$3.9 million. The further prospect of an additional reduction of 65 cents per hundredweight, if and when the President's recommendation authorizing a price-support level at 60 percent of parity is effectuated, can only result in chaos for the St. Louis market.

If the price-support level is reduced to \$3.03 (which the USDA claims is 75 percent of parity) the St. Louis uniform price will drop 22 cents per hundredweight. A reduction to \$2.38 (which the USDA claims is 60 percent of parity) would result in about a 21 percent drop.

We have estimated the loss of income, based on 1957 production, that dairy farmers in Illinois and Missouri can expect to face if the price-support level is reduced 22 cents April 1, and to 60 percent of parity.

Illinois farmers will lose about \$12 million in the drop to \$3.03, and an additional \$34 million if the level is subsequently dropped to \$2.38, or a total of \$46 million.

Dairy farmers in Missouri can expect to lose \$9 million at \$3.03, and an additional \$26 million at \$2.38, or a total of \$35 million.

We are convinced that such losses will not only bankrupt many farmers, but will wreck overnight producer cooperatives that took a

generation and more to organize and to build. If these conditions materialize, and we cannot see how they can be avoided if the intentions of the President and the Secretary are carried out, it would be impossible to prevent a recurrence of the violence, misery and waste that the St. Louis market experienced during the bitter strike of 1934.

Since 1948, our national surplus as a percentage of total production has ranged from less than 0.05 percent in 1951 to 8.3 percent in 1953. It is estimated to be about 5 percent for 1957.

In view of this relatively small surplus, considering the seasonal production aspect of the dairy industry, and the need for reserve supplies, we are convinced that the Secretary's action and the President's recommendation are ill advised, harsh, and disruptive and must be prevented, if we are to preserve any semblance of orderly marketing in the St. Louis area, or in any other fluid-milk market.

We urge the committee to report favorably on the emergency bills to establish a support level of \$3.50 for manufacturing milk, and to provide a stable parity equivalent formula.

Mr. SYMINGTON. Mr. President, in addition to the serious effect on the dairy industry, other actions by the Secretary of Agriculture in further reducing prices will have serious consequences to farmers of both Missouri and the Nation.

Let all who now talk about the importance of more purchasing power to stem the recession realize what is happening in the United States from the standpoint of the purchasing power of agriculture.

Unless this resolution to prevent reductions in price supports or acreage allotment below the 1957 level, is enacted, the farmers of Missouri and the Nation stand to lose in the following estimated amounts:

[In millions]		
	Missouri	United States
Dairy products.....	\$9	\$250
Wheat.....	11	200
Corn, possibly as much as.....	15	350
Cotton, sharply reduced acres.....		3 to 4

And considerable on other crops, such as grain sorghums, soybeans, oats, barley, and other small grains.

Mr. President, the farmers of my State could suffer further economic loss of at least \$40 million unless this joint resolution is enacted.

Missouri farmers, already caught in a serious economic vise of lower prices and higher costs, cannot stand such additional reductions.

It is a fact that from 1956 to 1957 the average total net income per farm in Missouri declined 14 percent, from \$2,148 to \$1,851.

This Administration has now completed 5 years of agriculture management. This is more than an adequate time period in which to gage results.

Based on official United States Department of Agriculture statistics, and comparing 1952 with 1957, here is the record of these years.

Total farm production, up 6 percent; farm prices, down 16 percent; farm parity ratio, down 18 percent; total farm income, down 20 percent—realized net farm income for 1957 is at its lowest point since 1942.

Family farm purchasing power of that farm income—down 24 percent—the lowest since 1940.

Total farm debt reached its all-time high of \$19.5 billion in 1957.

Farm mortgage debt is at its highest level since the early 1920's.

All this occurred at the same time corporate profits increased 14 percent and weekly wages in industry increased 21 percent, and our gross national product increased 26 percent.

The Department of Agriculture's budget expenditures have almost doubled—from \$2.5 billion in fiscal year 1954 to an estimated \$4.9 billion in fiscal 1958.

It was recently mentioned that 1,800,000 farmers left the land last year. Obviously they have gone into towns and cities. That was in line with the suggestion of the Secretary of Agriculture. That suggestion has been carried out; and the ranks of the unemployed in the cities have been further increased as a result of his policies.

During the same period the policies of the Department of Agriculture have moved over 500,000 farm families off the land—not 500,000 farm people but 500,000 farm families—the Department of Agriculture has added some 20,000 people to its payroll, all charged as additional cost to the American farmer.

As the distinguished Senator from Minnesota pointed out, the result of eliminating nearly 2 million people from our farms in the 12 months past we have a slight increase in farm per capita income, from farming sources from \$601 to \$684.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Presiding Officer is reluctant to announce that the time of the Senator has expired.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that I may proceed for 30 seconds.

In addition to the policies and programs of the Department of Agriculture, its management and administration are subject to criticism and the record so proves to any fair minded person who is interested. It now takes over 20 percent more people in the Department of Agriculture to reduce the farmers income 20 percent. Those figures are but one illustration of what is now going on in the way of duplication and waste in the management of this Department.

Mr. HICKENLOOPER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

Mr. HICKENLOOPER. Mr. President, the discussions today have taken interesting and remarkable turns. We have heard statistics quoted at length and in confusing profusion. These statistics have been used by various advocates for or against the joint resolution, in an attempt to prove the points of the Senators quoting them.

I think there are some significant outstanding facts, however, which must be considered when we come to pass seriously upon the proposed legislation, which, if adopted and made law, would, in my judgment, completely ruin the concept

of the farm program which I submit has been working out in a period of difficulty.

In the first place, there were no hearings whatsoever as to the resolution, which proposes to freeze not six commodities or not seven commodities—not simply the basic commodities—but all the commodities which enjoyed price supports in 1957. It is proposed to freeze those supports at not less than the price supports of 1957. No one knows at this time what the effect would be on the agricultural price economy in this country, because so far as I know authoritative and reliable statistics have not been developed, except as they have been developed by advocates on one side or the other in connection with their positions.

In the second place, the joint resolution represents permanent legislation. I agree with those who have pointed out heretofore that the argument which has been made, that we are talking about a temporary measure is simply not factual. If enacted, the joint resolution will be permanent until and unless the Congress takes some other action which will nullify either a part or all of the provisions of the resolution.

Mr. President, I have seen delays and confusion enter into the approach to the farm problem for 14 sessions of the Senate. I say to the Senate that if the resolution is enacted into law the result will be what some sections want, such as a permanent freeze of the cotton acreage to prevent the formula from going into effect in 1959, as it otherwise would; under the present broad gauge program, or a permanent freeze of the temporary rice acreage increase, which was supposed to be in effect for only one year. The resolution provides for a freeze of other programs indefinitely.

What the damage would be to the legislative program which has been designed as a combat weapon against spiraling costs and against imbalance in the farm program I do not know, and I do not think anyone at this time knows. It is a matter of conjecture. We do know what has happened under the present program.

Let me digress for a moment, Mr. President to say that we have heard much criticism of Mr. Benson, extending over a period of years. I remember sitting in the Senate Chamber in 1956, when the price for hogs, unfortunately and catastrophically, went down to about 10 cents per pound on the market. Hogs were selling at 10 cents a pound. Cattle prices were down. The prices were bad for the farmer, certainly.

Who got the blame for that situation, Mr. President? Senators stood in this Chamber and said that "that terrible man Benson" was responsible for it all. They would not give credence to the fact that for the first time in the history of the market the peak of the hog cycle and the peak of the cattle cycle struck at the same time in the meat market. It had never before happened in history. Prices crashed in the meat market because of that situation.

No notice was taken of that. Mr. Benson was blamed. His program was described as a terrible Machiavellian machination, designed to destroy the

farmers, and it was said that Mr. Benson was responsible for 9-cent or 10-cent hog prices.

I do not wish to argue that point further at present, but when I picked up the newspaper this morning I noticed that hogs on the Chicago market yesterday hit the highest price since 1953, in excess of \$20 a hundred. I noticed that cattle topped the market at \$37.50 a hundred on the Chicago market.

Where are those now who blamed Mr. Benson for 10 cents a pound hogs? Why do they not come forward to say, "Praise to Mr. Benson. Look what Mr. Benson has done. He has given us \$21 hogs and he has given us \$37 cattle." I have not heard a word of praise for Mr. Benson, but he received all the condemnation for 10 cents a pound hogs and 14 or 15 cents a pound cattle.

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

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. Is it not a fact that the livestock industry comprises one great group which has never agreed to be regimented by the Government, which has never wanted a price-support program and has consistently protested against price supports, and which now has recovered from what was a bad situation of several years ago simply because of an operation which is natural instead of being under Government regulation?

Mr. HICKENLOOPER. And the livestock producers have consistently bettered themselves economically under those conditions, more than those who have been suffering under high rigid price supports instigated by wartime necessities and wartime demands. Certainly the record is clear.

Now let us examine briefly the farm population question. We have heard a great deal said about driving people off the farms. I would believe, I suppose, if I did not know better, that Mr. Benson has a long Simon Legree mustache and a great long cattle whip, that he is marching here and there, and wherever he can find a poor farmer in the field he uses the cattle whip until he cuts the farmer to ribbons, to drive him off the farm, and then he says, "Ha, ha, ha; look what I have done."

Let us examine the facts in regard to the story of the farmers who have left their farms and let us determine when the farmers have done that.

We have heard a great deal in the past 4 or 5 years about driving farmers off the farms. Bless you, Mr. President, since this administration has been in charge, the total population—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. I yield myself 5 additional minutes, Mr. President.

The percentage of the population leaving the farm has declined 2.3 percent in the past 5 years.

Under the Democrat administration, beginning back in 1935—and I use the year 1935 because 1934 was about the same and 1933 was about the same, and the decline started in 1935 under the Democrat administration—the percentage leaving the farm was 11.1. Farm population went down from 24.8 percent

to 15.5 percent. But we hear nothing about that. It is Mr. Benson who is driving the people away from the farms. A smaller percentage, by far, have left the farm under this administration than under the Democratic administrations. I am not necessarily blaming the Democratic administrations for that. I am only trying to show the facts. There are factors which are economically more powerful, I believe, than any particular administration, in their effect upon migration from the farms. The fact still remains that while we hear a great deal about farm income, we hear very little about the per capita income.

It still remains the fact that farm assets as of January 1, 1958, were at an alltime high. The fact is that farm indebtedness was at an alltime low. The farmers have less than \$11 in indebtedness for every \$100 in assets. These are official figures.

Farm ownership is at a record high. Only one farm in three has a mortgage on it today.

I am not trying to say that everything is rosy with the farmer. There is much that needs to be corrected. But never in the past 5 years has this administration's farm program been put into effect. It has been hacked, chipped away, and distorted; and the edge of the tool has been dulled. This administration's farm program in its entirety as asked for by the administration has never gone into effect in full. Parts of it have, and parts of it have not.

Let me refer to the family-sized farms. We have just as many family-sized farms in the United States today as we ever had. I am not sure but that we have a few more. The overwhelming percentage of farms in the United States are family-sized. When I was a boy, 80 to 100 acres was a good-sized family farm, because that was all the farmer could handle with his family, and he required a little periodic help at that—at harvest time and perhaps at corn-picking time.

Today it is not unusual for the same type and size family to farm from 240 to 280 acres of land. I know one man who has two sons, who farms 320 acres himself. That is a family type of farm. That is not a corporate farm. The family today can handle larger farms. What I am referring to are all family-sized farms. The mere acreage does not determine whether or not a farm is a family-sized farm. It depends upon what the family can handle. With modern machinery and equipment, the capabilities of the average farm family to handle a farm have been greatly enlarged.

There is no Member of this body who has more concern for the stability of the economics of agriculture than I have. Agriculture is the lifeblood of my State. Our agriculture is diversified. The State of the present occupant of the chair [Mr. DOUGLAS] is greatly dependent on agriculture, although there are more manufacturing centers in his State than there are in my State. I know that the Presiding Officer is deeply interested in agriculture. We all are. But if the proposed "freeze" of unknown effect is to take place I do not know what the effect of the economic structure will be. Many

of those who have heretofore supported the flexible philosophy may find themselves supporting the very measure which will destroy it.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. I yield myself 2 more minutes.

So far as I know, since 1932 every President of the United States has advocated the flexible price support theory as the one broad theory to bring us out of this condition. Every Secretary of Agriculture since 1932 has advocated the soundness of the flexible price support theory. It is true that Mr. Brannan recanted at one time, but he first advocated it. Then when he evolved his production theory, the so-called Brannan plan, he changed his mind. However, I believe it will be found that every President and every Secretary of Agriculture has, at least at first—and only one changed his mind, so far as I know—advocated the flexible theory as sound. The pending proposal would destroy the theory of the use of flexible adjustments of prices of various commodities in order to maintain a balance which, in turn, would bring supply and demand into line, and bring good prices and a sound, prosperous, reliable agriculture.

I wish to make one further point. We have almost stopped the spiraling inflationary tendencies following the war years. During the period from 1939 to 1952 the index of prices paid by the farmers—and this is significant, because we hear a great deal about the "spread"—including interest, taxes, and wage rates, increased more than 100 percent. From January 1953, when this administration took over, to January 1958, this index has risen only 6 percent. Those are official figures. We are beginning to solve the farm problem. If we pass this joint resolution we shall be set back. If we go forward with the program, as it is presently envisioned, I can see the time when we will begin to experience a stabilization of agriculture, to the benefit of the farmer and the agricultural economy.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one very brief comment?

Mr. HICKENLOOPER. I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to commend the Senator for what he has said. A group of Massachusetts farmers came to see me early in the week. They were against the joint resolution and in favor of the flexible parity provision. They believe that it is a program which ultimately will afford the best chance of solving the very difficult farm problem.

They also have a great deal of respect—as do I—for the courage, integrity, and long-range thoughtfulness of Secretary Benson in forwarding the efforts he is now making toward the long-range solution of this difficult problem. I commend the Senator for what he has said.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the senior Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I did not wish to allow this opportunity to

pass without expressing my views on this particular piece of legislation.

I shall support the committee report; and I do so, I believe, without any disillusionment. I realize that while this measure is called a stopgap measure, it is in reality permanent legislation until it is changed by Congress.

I support it for 2 or 3 reasons. I have heard the debate and discussions as to why we should not pass the joint resolution.

One of the points made today was that if we vote for this type of legislation we shall increase surpluses. I say that that is contrary to logic. Let us analyze the situation.

The farmer must have so much income in order to operate his farm, pay his taxes, buy his farm machinery, and other expenses, as do others in the operation of a business.

If we establish prices on a flexible basis, from zero to 90, we force a farmer to produce more bushels for the same number of dollars. All we do is to force the farmer to increase his production. He must have more bushels of grain to get more dollars with which to pay his taxes and to pay the cost of operation of the farm. So I contend that if we wish to increase surpluses, we should continue to reduce the prices of farm commodities.

That is one reason why I am supporting the proposed increase on the various farm crops. Perhaps I can speak better on wheat than on any other commodity, although I should state to the Senate that one-fifth of Kansas is in the commercial corn area. I live in a commercial corn county. I believe I know something about the operations of the corn program, the wheat program, and the sorghum program. Kansas is a great agricultural State. We are caught in a price squeeze between the cost of operations of a farm and the cost of things a farmer must buy.

Despite the lower prices agriculture has realized, the gross income in 1957 was about \$800 million more than in 1947. In other words, we gained \$800 million in 10 years. However, costs of operations went up more than \$6 billion.

We cannot force back farm prices and expect the farmer to continue at greater deficits in his purchasing power without bringing disaster to him and to the economy as a whole.

I have heard it said that if farm prices went down, the consumer would benefit. That is contrary to the facts. I believe the distinguished Senator from North Dakota [Mr. Young] put into the Record some figures which show that whether the price of wheat goes up or down 10 or 15 or 20 or 40 or 50 cents a bushel, it does not make any difference so far as the cost of a loaf of bread is concerned. As a matter of fact, over a 10-year period the price of wheat dropped 7 percent, but the cost of a loaf of bread rose 34 percent.

In other words, there is only 2.6 cents worth of wheat in a loaf of bread that sells for about 18 or 19 cents. In a pound package of soda crackers there is only 4.3 cents worth of wheat, and that package sells for 28 cents. That

proves that low prices are not an advantage to the consumer.

Why should we adopt the legislation? I have said on the floor of the Senate that I do not believe in rigid supports as being the answer; neither do I believe that flexible supports are the answer. It is my firm belief that we will solve our farm problem when we begin to deal with it on a commodity by commodity basis. On certain crops we should consider domestic parity for that part of the commodity that is consumed domestically. I sincerely hope that the Senate will adopt the resolution.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, first let me say that I am surprised that anyone feels the debate on the floor is a fight between flexible and rigid price supports. My principal disagreement with the Secretary of Agriculture is due to the fact that he has very vigorously attacked the flexible support program for which I broke my neck working to get enacted. The flexible support program has not failed. I will no more vote to give Secretary Benson life-and-death authority over our farmers than I would give it to Secretary Brannan. I disagreed with him, too.

For the benefit of Senators who come from dairy and poultry feed States—I know their people will want to know at what level feed grain has been frozen—soybeans, from which soybean meal comes, are frozen at a minimum of 70 percent of parity. Cottonseed and flaxseed, on which we depend for protein, are frozen at 65 percent. Barley, oats, and sorghum grain are frozen at 70 percent. Corn that is grown under allotment, is guaranteed 77 percent. But that is not where we get our corn for dairy feeds. We get it from noncompliance acreage and noncommercial areas. Corn in the noncommercial area is frozen at 70 percent of parity.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. There are some other points that I should like to make for the record, in order to keep the record straight, but unfortunately I do not have time for it.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with the Senators who are advocating the passage of the resolution. I have been chairman of the committee which has been holding hearings on support prices. We have not been able to complete the hearings and to make our reports on all of them. We need more time.

We find that the farmer's income is gradually going down and down and down. I notice that since 1951 it has been constantly going down every year—from \$16 billion in 1951 to \$11.6 billion in 1957. At the same time labor income has been rising from \$175.6 billion to \$246.6 billion.

We can readily see the difference. All of us have to live in the same America with the same set of rising prices, and all of us must pay for the same

things. Therefore, Mr. President, what is wrong with putting the floor where it is at the present time until Congress can pass the necessary legislation from an overall standpoint in regard to matters pertaining to our farm commodities?

We also find that rentals have risen from \$9 billion to \$10.4 billion. Everything is going up except the farmer's income. We are trying to do something for the downtrodden farmers of America.

Mr. ELLENDER. Mr. President, I yield 1 minute to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I would be derelict in my responsibility to the citizens of my State if I did not bring to the attention of the Senate the effect of the adoption of the Benson-Eisenhower farm policy upon Oregon agriculture.

Normally, Oregon produces about 25 million bushels of wheat. A cut of 10.1 percent or 22 cents per bushel would mean a loss of about \$5 million per year to our wheat farmers. We produce about \$50 million worth of dairy products each year, roughly half of which is affected. The administration's proposal to cut support levels by 5 percent in this area would adversely affect our dairy people by about \$1.3 million annually.

These, Mr. President, are but additional steps toward an ultimate disaster to the economy of my State. This \$6 million to \$7 million loss to an already distressed State economy, suffering now under the high interest rate policy of the administration, which is hurting our lumber and timber industries and contributing to our exceedingly high unemployment problem, is but another turn of the expanding spiral of economic difficulties which confront my State.

The farm dollar of income is not kept by the farmer, it is quickly gone. It goes to the small-business man in the towns that serve our rural population. If the farmer is hurt economically, the town and city economy has sympathetic pains almost immediately. The multiplier effect of farm income, I am advised, ranges up to a 12-to-1 ratio. The economic curtailment of the Secretary's proposals, by this criterion, would be in the order of \$72 million to \$84 million. And this at a time of general business decline.

Mr. President, high support prices are not the only answer, or necessarily the best answer to the problems of our farm people. But they will provide an umbrella under which we can work out an answer that can and must be found. Mr. President, the pending Senate joint resolutions, Senate Joint Resolution 162 and Senate Joint Resolution 163, by freezing support levels, will permit us to seek equitable solutions. I urge their adoption.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the senior Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, I am gratified that the Senate Committee on Agriculture and Forestry has acted promptly in bringing a measure before the Senate to extend our cotton-acreage

amendments adopted as part of the 1956 Agricultural Act.

There were three cotton-acreage amendments included in the general farm bill of 1956, applicable only to the crop years 1957 and 1958. These amendments held the national cotton acreage allotments to at least the 1956 level, provided 100,000 additional acres for small farms with 4 acres or less, and prevented any one State from losing more than 1 percent of its allotment in any one year.

I am especially pleased that the Agriculture Committee has included as a part of their measure extension of these acreage provisions, which are identical to a bill, S. 267, which I introduced on January 7, 1957.

Mr. President, if this legislation is not enacted into law, and marketing quotas are reduced to the 10-billion bale minimum, the national cotton allotment for the crop year 1959 will go to 13.7 million acres as compared with 17.5 million acres in 1958. Our cotton farmers—small, medium, or large—cannot stand such a severe and drastic acreage reduction. Our 1956, 1957, and 1958 allotments reflect a reduction of 37 percent since 1953. It was agreed in 1956 that we could not stand further acreage reduction, and it was for this reason acreage was pegged at the 1956 level, with a special provision protecting the very small farmer and a provision for preventing any one State from losing over 1 percent of its acreage.

Acreage and price reductions plus increased costs have driven many, many thousands of our farm people from the farm. These conditions have had a seriously adverse effect on our local economy. Our cotton producers and processors represent a large part of our economy. More than 13 million people earn their livelihoods directly or indirectly from growing, handling, or processing this commodity. It is, therefore, absolutely essential that we adopt this legislation to cover the foregoing provisions as to acreage for 1959 and future years. Otherwise, the entire cotton economy would be strangled and would suffer greatly.

If we can adopt this proposed legislation, we can move to a deliberate study of legislation for a sound, long-range program that will permit the cotton industry to survive in competition with synthetics and foreign production. Such a program is already long overdue.

Mr. President, I also reaffirm my strong belief that special attention must be given to our small and family-sized farmer. Department of Agriculture figures show that in 1956, 73 percent of the cotton farms in the United States had cotton-acreage allotments of less than 15 acres. In Mississippi, 84.6 percent of the total cotton farms had allotments of less than 15 acres, and 93 percent had allotments of less than 30 acres. These farmers are the bedrock of our cotton economy, and any agricultural program which fails to recognize this group and assist it will fail to operate for the best interests of agriculture.

Our special attention must also be given to reappraising our present pro-

gram, with the objective of encouraging full utilization of land, full employment for agriculture, and increased farm income. Senate Joint Resolution 162 is a move in the right direction for at least giving us protection against acreage reductions in 1959, and I hope that it will receive the full approval of the Senate.

Mr. HICKENLOOPER. Mr. President, I yield 3 minutes to the distinguished junior Senator from Ohio.

Mr. LAUSCHE. Mr. President, I have listened for the past 3 hours to recitals of various opinions which have been expressed by the Secretary of Agriculture. I do not want my silence to be construed as a subscription to some of the words of denunciation which have been made of him. It may be that my colleagues, in the main, differ with his views. But the probability is that in solitude, reflecting upon the character of his services and his efforts, they conclude that he is sincere in what he is trying to do.

I am inclined to give faith to what Mr. Benson says. He has no selfish objective in trying to solve this problem. I believe his desire, in conformance with the oath of his office, is to serve the people of the United States.

In Ohio, there is a small newspaper named the Perry County Tribune. I should like to read what the editor of that newspaper says. I think it is equally applicable to me as it is to others who may be considering this problem.

In effect, the editor says that every attack upon Benson makes Benson stronger, and his stature grows. He quotes a statement which Mr. Benson made in reply to the statement that 20 Republicans may go down to defeat on account of the farm program. It may be that some Democrats also will go down to defeat, depending on how their votes are cast on this measure. But I respectfully submit to my colleagues that that is not the issue in determining how we should vote on the measure. Each of us can go down to defeat and it will mean nothing. In the long run, there is only one thing to be considered, and that is the health and strength of our country.

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

Mr. LAUSCHE. Not at the moment, please; I shall yield later.

Mr. Benson said:

I am interested and concerned in attempting to give the American people the best Government possible. But concern for political fortunes of individuals cannot transcend the very function of Government, which is to protect and to help its citizens. I am convinced that the American people want programs based on sound principles of agriculture.

Mr. President, although I might differ with Mr. Benson in his policies, deep within myself there is the conviction that he is acting honorably and courageously in seeking the adoption of a program which will be for the benefit of our country.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. KNOWLAND. Mr. President, I yield two additional minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, so much for Mr. Benson.

It has been pointed out by the Senator from Louisiana that under the flexible program several important products would be given higher subsidies than the resolution would produce. That seems paradoxical, but it demonstrates the strength and wisdom of having a flexible program. By the passage of the resolution we will declare that the program shall be rigid and inflexible. I do not think such a policy is sound.

I shall vote against the resolution, because I believe it to be in the best interests of our country and of the farmers as a whole to do so.

I may state, further, that while we are in this emergency, and everybody is yelling, "Rush, do this and do that; the country is going to die tomorrow unless we hurriedly pass legislation without hearings," I shall not listen to that argument.

I shall be careful to make certain that while I think I am doing good, in truth I might be doing bad. I shall vote against the resolution.

I have deep respect for the Senator from Minnesota [Mr. THYE]. I know his sincere purpose in the advocacy of the resolution. I admire him, and I listen to him with deep interest. I say that to the people of his State.

Mr. THYE. Mr. President, if I may have half a minute, I wish to comment on the statement of the distinguished Senator from Ohio that he would vote his conviction. I hope I never vote anything but what is my conviction.

I have the greatest admiration for Secretary Benson. I know that this is his conviction. But I differ with him, unfortunately, in this instance. I think the floor must remain under farm prices until we have learned how to dispose of the surpluses.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be a quorum call, and that the time for the quorum call be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Let the Chair announce, for the information of the Senate, that the Senator from Illinois has 10 minutes remaining under his control, and the Senator from Louisiana has 6 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the senior Senator from Utah [Mr. WATKINS].

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. WATKINS. Mr. President, many persons think the performance of a Secretary of Agriculture, as well as the success of an administration's farm program, can best be judged by whether the prices received by farmers rise or fall. If this is so, then we must take off our hats to Secretary Benson and the Eisenhower farm program.

Why? Because of these facts: The United States Department of Agriculture publication, *Agricultural Prices*, dated February 28, 1958, reveals that the Index of Prices Received by Farmers increased two percent during the month ended in mid-February, and that the February index at 252 percent of its 1910-1914 average was 8 percent above a year earlier and at its highest level since May 1954. Not only were mid-February prices received by farmers 8 percent above those of a year ago, but they were 11 percent above those prevailing 2 years ago.

It is especially interesting to note that the major price gains were made by agricultural products which do not even receive price support. Here is what the publication to which I have just referred says on this score:

Meat animals: The index of prices received by farmers for meat animals continued its upward surge during the month ended February 15, reaching 324 percent of its 1910-14 average. This movement, continued for the 4th consecutive month, brought the index to its highest point since May 1954 and the highest for the month since 1952.

Commercial vegetables: At 376 the index was 13 percent above January and equal to the all-time high in April 1943.

Fruit: Higher prices for oranges were mainly responsible for the nine percent increase in the index during the month.

Potatoes, sweetpotatoes, and dry edible beans: At 204 the index was 15 percent above January and 33 percent above February 1957. Substantially higher potato prices were largely responsible for the increase.

These are commodities, except for dry edible beans, which do not receive price support. However, when, either by conscious planning on the part of farmers individually, or due to the vagaries of the weather, supplies greatly exceed demand, the United States Department of Agriculture undertakes surplus-removal operations which have some positive effect upon prices. But the United States Department of Agriculture conducts no general price-support program for the benefit of the producers of these commodities.

On the other hand, Mr. President, it has always appeared to me that much unfounded criticism is directed at the Secretary of Agriculture because realized net-farm income may actually decline, even though the prices received by farmers are on the upgrade during the period under consideration. For example, although farm prices were up 3 percent last year, there was a slight decline in realized net-farm income during 1957.

Obviously, if farm income declines while farm prices received are increasing the cause of the decline in realized net-farm income is the fact that the prices paid by farmers rose at a faster rate than did the prices they received. During 1957, the pressure from the cost side of the economic equation robbed farmers of what would otherwise have been an increase in their realized net-farm income. That development was not the result of the actions of the Secretary of Agriculture or the Eisenhower farm program.

Just what the Secretary of Agriculture has to do with increasing the costs of

the things farmers buy is never explained by his critics, because such increases cannot correctly be attributed to any programs run by the United States Department of Agriculture.

The Consumer Price Index for January, 1958, issued by the Department of Labor on February 25, 1958, indicated that consumer prices rose 0.6 percent between December 1957 and January 1958. Here are some of the items which resulted in this net increase, according to the Department of Labor:

1. Rents continued their upward trend with an increase of 0.1 percent. Gas and electric bills averaged 1.2 percent higher. * * * The household operation and solid fuels and fuel-oil groups were each up 0.1 percent.

2. The reading and recreation index rose 1.7 percent, with higher prices for sporting goods and a few reports of higher movie admissions and newspaper prices.

The rise of 0.6 percent in medical care resulted from scattered reports of advances in fees for professional services and hospital rates.

Just what does the Secretary of Agriculture have to do with increases in the cost of these things—increases which in part, have served to offset, income-wise, the recent increases in the prices of farm products? Absolutely nothing. Just what has the Eisenhower farm program had to do with increasing the prices paid by farmers, and by the rest of us, as well, for such items? Absolutely nothing.

But every time this administration took steps last year to curb the forces in the economy which were making for inflation and lower realized net-farm income, the Benson-Eisenhower critics called for cheaper money and easier loan requirements—a course which, if followed, would only have fed the fires of inflation and resulted in still lower realized net-farm income, in spite of rising farm prices.

These are some of the points the Benson-Eisenhower critics consistently overlook in their demands that the Secretary of Agriculture be fired. They should not be forgotten, however, as the people of this country begin to think about the approaching 1958 Congressional elections.

The PRESIDING OFFICER. The time yielded to the Senator from Utah has expired.

Mr. KNOWLAND. Mr. President, I yield 1 additional minute to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 1 additional minute.

Mr. WATKINS. I thank the Senator from California.

Mr. President, because this theme and related matters are discussed at some length in three editorials of recent date, urging public support of Secretary Benson and the Eisenhower farm program, I ask unanimous consent that editorials which appeared in the New York Times, the Sunday Star, and the Deseret News, be printed at this point in the Record.

I also ask unanimous consent that an address delivered by the Secretary of Agriculture on March 3, 1958, at the

12th annual farm forum, at Minneapolis, Minn., and several letters and a telegram which I have received, also be printed at this point in the RECORD.

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

[From the New York Times of March 4, 1958]
THE BENSON ISSUE

The average reader following the news stories dealing with the attitude of Congress toward the retention of Ezra Taft Benson as Secretary of Agriculture might be forgiven if he concluded that the only Republican standing behind this dedicated and courageous friend of the farmer was the man who appointed him, President Eisenhower.

This would not be the fault of the newspapers: It would be because the outcry raised by Mr. Benson's critics is noisy and persistent, out of all proportion to its importance, and is prompted predominantly by a desire to make the headlines. It is doubtful that, even among those critics who profess to regard his policies as unsound, one could be found who would be prepared to meet the Secretary of Agriculture in open debate in public, which proves this much at least—that though they may not know much about agricultural economics they at least have a highly developed instinct for survival.

Unfortunately for the reputation and the future of the Republican Party, a sizable proportion of this noisy minority pitches its opposition to Mr. Benson at an even lower level than those who profess objections to the Secretary's policies. These are the boys who have been frightened into opposing him not because his policies are not right but because, while he is probably right he may have antagonized agriculture's vested interests. Primarily these would be the big farmers, who learned to become accustomed to living off Government subsidies under temporary legislation enacted in wartime and whose Representatives in Congress have steadfastly refused to return, as they were directed by that legislation, to a farm program designed to meet the requirements of peacetime.

Confidence in the basic policies of Mr. Benson, a successful farmer and graduate student of agriculture, is not confined to the White House. That confidence is shared by such farm organizations as the American Farm Bureau Federation, by an overwhelming majority of farm economists and by the studies of groups, objectively minded, such as the American Assembly, which have no axe to grind and which are representative of every important segment of the economy.

[From the Sunday Star of March 2, 1958]

MAN OF COURAGE

Spring seems to be coming a bit early this year for Ezra Taft Benson. At any rate the chilling winds which have been blowing over the Secretary of Agriculture are being tempered a bit by a warming political climate.

For one thing, farm prices were up 2 percent in February—a total increase of 8 percent over a year ago. For another, more and more Congressmen are beginning to speak out in Mr. Benson's behalf.

Of course, a determined band of midwestern Republicans are still after Mr. Benson's scalp. They say, and they may be correct, that Mr. Benson and the Benson program will cost the GOP from 20 to 30 House seats in November. Even if they are right, however, a lost battle does not mean the loss of a war. It looks as though Mr. Benson may be winning the war.

Farm prices are improving. The President is backing him to the hilt. And his supporters in Congress are beginning to rally

around. Representative Bass of New Hampshire has just made an excellent statement of the case for Mr. Benson—a speech which was warmly endorsed by a surprising number of his colleagues. It is too bad, from the point of view of the taxpayer, that Mr. Bass' remarks cannot be published in full. They should be read. The heart of the speech, however, is in these two paragraphs:

"When our taxpayers realize what farm price support programs are costing and what the costs mean to them individually; when they realize that they (the support programs) are a failure and will not solve the farm problem, then they will be strong for Benson's proposals."

"Secretary Benson has courageously proposed a way out of this nightmare of economic nonsense. It is the way of more flexible and lower agricultural price supports. It is the only way that leads toward an ultimate solution."

For our part, we welcome this budding support for Mr. Benson. We welcome it because we believe that the Benson program will be proved right in the long run—right for the farmer and right for the consumer. We also welcome it because Mr. Benson is something of a rarity in public life, and it would be a shame if he were to be sacrificed on the altar of political expediency.

He is a man of courage. More significantly, he is a man of principle and integrity. As the election draws nearer every demagogue in the land will be yelling for his head. But this will not divert Mr. Benson from his chosen course. He firmly believes that he is right, and that in the end he will be proven right. Considerations of political expediency (short-range expediency in our judgment) will not move him. This makes him something of an uncommon man on our political scene. Our country needs more like him, not fewer.

[From the Salt Lake City (Utah) Deseret News of February 22, 1958]

WHY SECRETARY BENSON SHOULD STAY

It's finally out in the open, this smoldering revolt with the Republican Party against Secretary of Agriculture Benson. Certain farm-State politicians, fearful of losing their seats have visited the Secretary, with the apparent blessings of some politically timid party leaders, and have openly asked for his resignation.

They claim that rightly or wrongly, his name has become a symbol of low farm prices and that for the good of the party he should resign.

Nonsense. Secretary Benson's resignation would be good for neither the country nor the party.

Even a politician nervous about re-election must consider the country's interests as well as his own. Let's examine the resignation request from both points of view.

From the standpoint of national interest, there is simply no question. The high rigid price support program that Secretary Benson destroyed, and which has become the rallying cry for his opponents, was bankrupting agriculture, economically and morally. It fostered inefficiency. It was grossly unfair. It created surpluses that depressed the market and made normal supply-and-demand operations impossible.

The Eisenhower-Benson program of gradually lowering supports, taking some land out of production into a conservation reserve, and helping marginal farmers get into more productive activities is the only sane way we can go. Adjustments are difficult and expensive. They take courage and foresight. But unless we see them through, we will never find a solution to the agricultural mess.

So much, briefly, for the argument of public interest. What about partisan political interest? Would the Republican Party be helped by Secretary Benson's resignation?

We think exactly the opposite is true. His resignation, or discharge, now would be an admission of 6 years of failure. How could that help the party?

More important, the abandonment of common sense farm policies in the face of farm State self-interest would deeply offend the millions of urban dwellers who have never been able to understand why they should pay higher taxes to pay price supports, and then also pay higher prices in the marketplace as a result of the supports. Time was when the farm vote was a tremendously potent political force. In 1910, the country had 14 million farmers in a population of 90 million. Today we have 8 million farmers in a population of 170 million. The difference is made up by wage-earning food consumers. Even among the 8 million farmers, relatively few get much benefit from the price-support program for the six so-called basic crops. Politically, then, where do most votes lie?

And still more important, the Eisenhower administration came into power and continued to grow in popularity during its early years primarily because the country had confidence in its moral strength. The contribution of Secretary Benson to that impression of moral strength is impossible to measure. But if he were dismissed for obviously cynical vote-seeking reasons, the reaction of the millions of Americans who are looking for integrity above political expediency, could utterly ruin Republican chances of staying in office.

As we have said before in commenting on the farm program, being right is more important than being popular. For the Republicans, however, the only chance of continued political power lies in making being right popular as well.

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON AT THE 12TH ANNUAL FARM FORUM, MINNEAPOLIS CHAMBER OF COMMERCE, MINNEAPOLIS, MINN., MARCH 3, 1958

It is both a great pleasure and a signal honor to participate in this 12th annual farm forum.

I congratulate all those who have pioneered in the establishment of this nonpartisan, impartial, and objective forum. For more than a decade this annual meeting has provided the stage for a thorough, objective, and open discussion of the broad problems related to agriculture, industry, and labor of this area. One of the basic concerns of this meeting today—shared by all of us—farmers, businessmen, housewives, and those of us in the Department of Agriculture—is that farmers are not participating equitably in the national prosperity they have helped to create.

There has been some real hardship among farm families. You know it and I know it, and I would be less than honest with you if I told you that I have a simple cure-all for all farm problems. No one does.

The pains of adjustment to our fast-moving economy are sometimes severe, and the responsibility of the Government to help cushion the effects of these changes is fully recognized. These things cannot be accomplished overnight but I am convinced that we are moving in the right direction.

However, it is entirely fitting at such a meeting as this that we should also pay tribute to the tremendous achievements of American farmers. Never in history have so many depended on so few to feed and clothe us so well.

One farm worker on the average produces in 1 hour today what it took 2 hours to produce in 1940 and 3 hours in 1910. He is producing food and fiber for himself and 20 others. With 7,000 additional mouths to feed every day the farmer will shortly feed himself and 25 others.

Farmers can accomplish this remarkable task only by the aggregate effects of education, research, machines, plant food, specialized mixed feeds, better seed and soil added to their own unceasing labors.

Let us pay tribute to the farmers of the United States as the most efficient in the world. How else can we explain the fact that these 20 million people, less than 1 percent of the world's population, are producing between two-fifths and one-half of the world's production of eggs, red meat, and milk. Let us be unstinting in our praise of American farmers for their productive ability. This is the major factor enabling American consumers to have the best diet in the world and to spend a smaller percentage of their income for food than in most countries. This basic fact also undergirds our standard of living—the highest in the world.

Notwithstanding the remarkable production record, our farmers are confronted with problems. You recognize this in the theme of this 12th annual farm forum, "Who will solve the farm dilemma?" And the particular question that has been proposed for today's meeting is, "To whom does the farmer look?" He looks to several sources for help, first to himself and his own efforts.

Farms have to be run, and decisions have to be made, and responsibilities have to be borne, by the families on the farms. He may join with his neighbors in self-help programs, and certainly he has every right to look to his government for help. There are many ways in which government can help to promote stability without limiting opportunity.

I am dedicated to a principle which I am sure is equally cherished by most of you. It is that government should not—should never—be your master.

Here in Minnesota it is obvious from an examination of the facts of recent history that the farmers have chosen freedom—freedom to plant—to market—to compete. In 1957 farmers chose not to participate in the corn acreage allotment program. Only 1 acre in 10 was planted within the allotment. Also, for wheat, 1 acre out of 4 was planted in excess of the allotment—36 percent of the wheat farmers. For the allotment crops 5 out of 6 acres were planted in complete disregard of the allotments.

Let me make one point clear. Contrary to myths peddled by some, the level of these allotments are determined by statistical formulas spelled out in the Agricultural Adjustment Act of 1938. I know that these acreage allotments are too low. That is why we are trying to get the law changed. Also, that is why for the first time in history in 1956 and again in 1957, we made supports available for corn grown outside the allotments.

Let us now look at Minnesota from the standpoint of its sources of agricultural income. The propaganda mills grind out tales about the importance in Minnesota of the basic crops. Actually only 12 percent of the cash receipts of this State come from the basic crops. In view of the Minnesota farmer's free choice to plant in excess of their allotments, they are, therefore, ineligible for full price support. Thus, it is doubtful that farmers here relied on the allotment program for as much as 2 percent of their income.

Here in Minnesota the basic crop acreage allotment program has resulted in the loss of corn markets amounting to hundreds of millions of bushels. Witness the expansion of grain sorghum and barley production on the acreage diverted from wheat and cotton. Witness the fact that this loss of markets to other feed grains meant a buildup in carryover stocks of corn—now estimated at 1.5 billion bushels on October 1, 1958. Witness the fact that under the Agricultural Adjustment Act of 1938 the increased carryover forced a cut in the allotments to levels so low that most farmers chose to ignore them.

Yes, I know, and you know, that corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry. That is another reason why we are seeking changes in the program.

The loss of productive wheat acres in the upper Midwest has been a direct result of the provisions of the Agricultural Adjustment Act of 1938. You folks know better than anyone that Minnesota, the Dakota's, and Montana have been a Wheat Belt since the time our pioneer forefathers first turned over the rich, black soil of these prairies.

They worked with courage and determination and out of the sod they carved themselves homes and a vast wheat empire.

This region has appropriately been termed the "Breadbasket of the Nation." Traditionally it has produced milling wheat of the highest quality. Tremendous capital has been invested in milling businesses to work and provide a ready market for farmers and utilize to the fullest the God-given resources of this area.

In many years of normal production there was not enough of your high-quality milling wheat to meet the demand. In spite of this, this region has lost wheat acreage allotments under our outmoded farm law that was based in the late thirties. For example, in 1939, North Dakota had a total wheat acreage of 8.3 million acres and by 1958 this had decreased to 7.3 million acres. In contrast, during this same period, other Western and Southern States were receiving considerable expansion of wheat acreage allotments.

Why did this happen? Because we lost large portions of our cotton and tobacco markets through pricing ourselves out of competition. Winston Salem, N. C., was once the largest tobacco exporting market in the world but Southern Rhodesia now claims that distinction. At one time we lost 60 percent of our world cotton market by placing cotton in Government warehouses instead of selling it abroad. Those farmers who produced cotton and tobacco had no choice but to divert acres to corn, wheat, and livestock.

But as acreage allotments were cut back on your best crops in the upper Midwest, you did not have the choice of equally good alternatives that was true in other sections of the country. I have yet to see any increase in cotton or tobacco produced in Minnesota.

It doesn't make sense to me that this traditional wheat area should be deprived of production and economic wealth by unsound farm programs that lose markets and depress prices through imbalance of natural production.

That is why the President has recommended changes in the old basic farm law which would restore the rightful agricultural position of the upper Midwest and be fair to farmers in each of the 48 States. Farm programs that cause one region of the Nation to benefit at the expense of another region are unsound, uneconomic, and completely undesirable to the Nation's welfare.

Now what are the sources of cash income here in Minnesota? Two out of every three dollars come from livestock, dairy, and poultry. There is an approximately equal division between cattle, hogs, and dairy products. Soybeans provide about four times the income from wheat. Minnesota now has climbed to be the third most important soybean producing State. These facts show how little the farmers of this great State rely on the production control apparatus. The overwhelming majority of farmers here are those who foster freedom to plant—to market—to compete.

Those who don't want to compete in price, promotion, and quality must either build warehouses or get the Government to do it for them, or attempt to control production.

I deplore the tactics of those who advocate farm programs devised to fill storehouses instead of stomachs. Farmers should not be misled by those who are more interested in keeping the Government paying storage costs on warehouses filled with grain rather than working for farm programs providing profitable markets for farmers.

If we are to develop programs for agriculture to meet the needs of today and tomorrow, we must be sure the facts are presented to the American people. It is only from an understanding of the facts that we can move forward to solutions.

Let us first review some of the facts:

Income per person on farms last year—including income from all sources—was the highest income per person on record—up 2 percent over 1951, the previous high year.

The level of living on farms is higher today than ever before.

Farm exports in fiscal 1957 set a new record of \$4.7 billion—68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The postwar downturn in prices which started in 1951 has been stopped. Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago, and are at the highest level since May 1954.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

These are some basic facts. I believe that the American people have a right to know them.

However, despite these favorable developments, agriculture is still having some difficult times. Nobody knows that better than I. And nobody is more deeply concerned about it.

I know that the farm part of our economy is not sharing properly in our national prosperity.

My basic and continual concern as Secretary of Agriculture is that farmers of this Nation must participate fairly in our dynamic and prosperous economy. This, too, is your concern.

Our primary effort—and to this task I am wholeheartedly devoted—must be to further improve farm income soundly—not with short-term panaceas which disregard sound economics and basic facts. That being the case, I would like to spend a few minutes with you today discussing the major factor affecting net income—the cost-price squeeze. Here are some facts:

During the period from 1939 to 1952 the index of prices paid by farmers, including interest, taxes, and wage rates, more than doubled. From January 1953, the time this administration took office, to January 1958, this index rose only 6 percent. Make no mistake about it—the heritage left by the previous administration included an inflated cost structure, particularly as far as farmers are concerned.

Farmers who feel daily the impact of the cost-price squeeze realize the effect of inflated costs on net income. They can understand the effect of these inflated costs when they know that although the 1957 gross farm income is up about \$2.3 billion above 1950, farm costs have gone up \$3.7 billion.

If farm costs had stabilized at the 1948 level, then the 1957 realized net income would have been higher by about \$4 billion, or about \$800 per farm. Think of it—\$4 billion consumed in higher costs.

Every thoughtful farmer is disturbed by the recent increases in the cost of steel. It is an understatement to say that this creates hardships to farmers. Must the competitive

strength of labor and management forces always be resolved in higher prices? I say "No." Should higher and higher costs keep the net income of farmers from improving further? Again I say "No."

It is not for me to say what labor or industry should do at this juncture. But, as a spokesman for agriculture in the Federal Government, I am concerned by any action which adds to the production costs of farmers at this time. This is an area where restraint and statesmanship are needed for mutual advantage.

There are many weapons with which to fight these rising costs: Some of these are the maintenance of a responsible monetary policy, sound farmer cooperatives, and improved efficiency, particularly in marketing and distribution. Recently, in this area the cooperative efforts of farmers, processors, and the railroads resulted in a reduction in the freight rates for exporting soybean oil. All those who took part in this should derive great satisfaction from this constructive effort.

However, we will never attain satisfactory prosperity by increasing gross income if rising costs are allowed to siphon off all our gains. All responsible segments of our economy should be aware of these facts and give more than lip service to a solution.

One of the major decisions which we have had to make recently has been with respect to the support level for dairy products. Let me make one point clear: One of the most compelling reasons for this decision is that it was required by law—the Agricultural Act of 1949.

Contrary to the tirades of the smoke-screen spreaders, the fact is that under this legislation, the Secretary is required—notice I said "required"—to establish price supports at such levels between 75 and 90 percent of parity as will assure an adequate supply.

Prior to making this determination we checked with the technicians in the Department of Agriculture for their best estimate of the probable output of dairy products in the 1958-59 marketing year at various levels of support. The technicians advised that there was no question but that support at 75 percent of parity would result in the production of more than an adequate supply of dairy products, and that the Commodity Credit Corporation would be required to purchase substantial amounts under the support program. I must carry out my legal responsibilities as specified by Congress.

In addition, we checked with the bipartisan National Agricultural Advisory Commission and the bipartisan Commodity Credit Corporation Advisory Board. In both instances the recommendations to adjust price supports to the 75-percent level was virtually unanimous.

Dairy production has been increasing. The rising production per cow has more than offset the reduction in cow numbers. Production in 1957 was about 12 billion pounds higher than the 1952 level. In view of the record supplies of feed and the high dairy-feed ratio, it is likely that, at the announced support level, production will again outstrip requirements.

We will continue to cooperate fully with the industry in promotion and merchandising programs. The Extension Service and other agencies of the Department will join with the dairy industry in stepped-up efforts to acquaint the consuming public with facts about milk as a health food.

We will continue the nationwide brucellosis cleanup, which has made such excellent progress during the past year under the accelerated program.

We will carry out field educational efforts aimed at sound programs to cull low producers from the Nation's dairy herd—as part of generally increased efficiency in dairy farm operations. The fact that beef prices are good now will help in cases where

dairymen want to sell their more unprofitable animals.

We have urged the continuation of programs designed to increase the consumption of fluid milk. We have recommended to the Congress that they authorize the continuation of the \$75 million special school-milk program designed to increase consumption of milk by children. In addition, we urged continuation of the program under which we are paying about half the cost of milk purchased by military agencies and veteran hospitals above their normal purchases. My fundamental pledge is that we will do everything feasible that is sound and in the interest of dairy producers. Farmers deserve better than short-term soothing syrup that results in a major—if not fatal—disease a year or two later.

One of my great problems as Secretary of Agriculture has been in being misrepresented. There are some who consciously try to do this. Because of the smoke-screen of untruth about agriculture which some demagogues have poured out, it sometimes is difficult for some people to distinguish between fact and fiction.

There are several facts I should like to stress here this afternoon.

Fact No. 1: As Secretary of Agriculture, I want to make myself perfectly clear, we have never proposed—and we do not now propose—that we should scrap price supports. There is nothing wrong with the idea of providing more orderly marketing and much-needed stability to agriculture through a sound and realistic storage and loan price-support program.

I should like to quote a very significant paragraph in the President's message: "For commodities like the feed grains, with respect to which the Secretary of Agriculture has had wide discretion in the past, price support has been offered at levels as high as could be justified under the criteria specified by law. This will be the Secretary's practice under the recommended legislation."

The 1958 support prices have followed the policy enunciated above and will continue that way under this administration. Incidentally, in checking back I find that in 1950 and 1951 the price supports for flaxseed, a crop in which the upper Midwest has considerable interest, were established at 60 percent of parity, 5 percentage points lower than our recent announcements.

What is wrong today—and what has been wrong for several years—is the attempt to supply price support and acreage control by rigid formula—to fix prices and acreage allotments by Government mandate. These attempts have failed. Agriculture is a dynamic, changing industry. The farms and ranches of America cannot be run from a desk in Washington, D. C.

Fact No. 2: It was not rigid price supports that forced farm prices up during the forties and early fifties—but it was war, the insatiable demands of war and wartime inflation. Farmers sold all they produced at well above support levels. In fact, their prices would have been higher yet had it not been for Government-imposed price ceilings.

Fact No. 3: It is untrue that high, rigid price supports can hold up farm income, even though surpluses accumulate. The fact is there was just 1 year between 1947 and 1955 that farm income did not decline. In all these years until mid-1955, high, rigid price supports on basic commodities were in effect. Our present farm problem developed under such price supports. If high, rigid price supports were the answer, we would have no problem.

Fact No. 4: The old support program does not materially help the small farmer. The fact is that more than half of our farms market only 9 percent of agricultural production. Obviously, most of the Govern-

ment dollars are routed in the direction of the biggest producers.

Fact No. 5: Most farm products are being sold competitively and on free markets. It is untrue that most farm prices and incomes are Government supported and on an artificial basis. Only 19 crops, plus dairy products, are being supported—out of 250 commodities that farmers produce.

Fact No. 6: Agricultural production cannot be successfully controlled by Government action. The fact is that since 1940, the per acre yield of corn has risen 56 percent—wheat, 40 percent—cotton, 67 percent. Last year's yields of all major crops averaged 27 percent above the 1947-49 level. To control crops effectively so as to maintain price at 90 percent of parity would mean setting allotments impossibly low. Congress would never vote such controls. No Secretary of Agriculture could effectively enforce them. And American farmers just wouldn't stand for such regimentation. Agriculture is undergoing a technological revolution which is irreversible. It cannot and should not be controlled by Government mandate.

Fact No. 7: The family farm has been, is now, and always will be the backbone of American agriculture—operated by the most efficient farmers in all the world.

The charges by our opposition that farm programs of this administration are driving people off the farm are not only false—they are ridiculous. The fact is that more people left the farms during the last 4 years of the previous administration than in any other period before or since.

I have cited some of the gains we have made since 1953—and mentioned some of the problems that still exist. To deal with these problems we need to push forward again—we need to supplement the progress that has been made. This is the goal of the new farm, food, and fiber program presented to the Congress in January by the President of the United States. Farmers can look to this program designed to provide a sound solution.

The adoption of this program will mean progress in three general areas:

First: The program will develop bigger markets. We have asked that the surplus disposal program be extended and expanded and that research into new uses for farm products be increased.

We need to drive hard for further expansion of markets. There are no satisfactory substitutes for markets and a Government warehouse is not a market. Forty percent of our record agricultural exports in fiscal 1957 moved under Government programs. The biggest factor in these programs was the Agricultural Trade Development and Assistance Act, or Public Law 480. As you know, this law provides for movement of surplus farm commodities through sales for foreign currencies, barter, donation, and other means. We must push to the limit sales through commercial markets.

Three-fourths of the surplus farm product disposals by CCC in the past fiscal year were made through export channels. More than 60 percent of all our grain exports moved under Government programs.

I wish I could help you visualize how our exports are helping the Free World meet the challenge of communism by raising living standards abroad—building goodwill—laying the groundwork for future markets.

We also need increased agricultural research for market expansion. Only about 7 percent of the products of our total farm acreage now go into industrial outlets. Surely we can do better than this. Research can develop new uses and new markets—and there are few things wrong with commercial agriculture that new and expanded markets won't cure.

Second: The recommended program will allow more freedom for farmers. We are seeking revision of the acreage-control and

price-support programs to permit farmers more freedom to plant and to widen markets.

The program changes proposed by the President would give farmers more freedom to plant by increasing acreage allotments. Some of these allotments have become so small as to cripple efficiency. Do you know that 7 out of 9 cotton allotments are less than 15 acres—and that the average burley tobacco allotment is 1 acre?

The program we have proposed would make price supports more realistic by widening the range of supports. The present range of 75 to 90 percent of parity on the basic crops and dairy products does not permit sufficient market growth. These commodities are being priced out of potential markets. Increased allotments and a wider range of price support logically go together.

The program would eliminate the so-called escalator clauses.

These are formulas which provide that the level of price support shall rise as the surpluses decline. So long as this basic law is unchanged farm people can expect to be kept continually under the shadow of price and income depressing surpluses.

Third: We must help the forgotten segment of agriculture—those people on small, low-income farms.

The rural development program as a new and basic approach to the problems of farm families in underdeveloped rural areas has gained wide support. This is truly a national program, going forward in all regions of the country. Objectives of the program have been endorsed by members of both parties, farm organizations, and church groups.

Here in Minnesota farm and nonfarm agencies, working closely together, have initiated a carefully planned rural development program. Their work will give significant help to farm, business, civic, and other lay leaders in your northern counties as they move forward with a long-range program of balanced farm, industry, and community betterment.

As you know, the Minnesota Rural Development Committee has selected three demonstration counties—Hubbard, Itasca, and Carlton. In each of these counties, local citizens and agency workers have joined together to take a fresh look at their resources—and their problems—and to develop a sound, long-range development program which will solve the serious problem of underemployment on farms in the northern area.

Let me congratulate you on the progress of your State in the rural development program which a widely read midwestern farm magazine has called perhaps the soundest of all our efforts so far to deal with the farm problem.

We must move forward by adopting the President's recommendations, so we can consolidate and add to the progress that has been made these past few years.

Bigger markets—more freedom for farmers—special help for the small low-income farms—these are some of the steps which would be taken under the Farm, Food and Fiber Act of 1958 to help farmers make the adjustments they must make. We feel certain they are sound, effective, and reasonable, and they will work to provide the freedoms farmers want.

This is not just another nation—it is not just one of the family of nations. This is a nation with a great mission. I believe with all my heart that it was established by the God of heaven to be a beacon to liberty-loving people everywhere.

Let us pledge ourselves to keep America strong and sound—economically, socially, and above all, spiritually—so that we may fulfill that mission.

Strength and freedom must go hand in hand. That is why we stress so much the need for freedom in agriculture—that our farm people should be free to produce, free to market, free to compete, free to make their own management decisions.

With God's help, we must—we will—have an agriculture that is prosperous, expanding, and free. Such an agriculture is the basis of a prosperous, expanding, and free America.

SOUTH BOX ELDER FARM
BUREAU FEDERATION,

Honeyville, Utah, March 10, 1958.

HON. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: We had several local farm bureau meetings in our county last fall. In every case it was the opinion of those present that the farmers and the Government should do all possible to bring supply of farm products in line with demand. The farmers felt that high rigid supports had not worked to our advantage. We believe a gradual return to the free-market system as quickly as possible will be to the average farmer's advantage.

We have been notified that several bills were voted out of the Senate Agricultural Committee that will be injurious to our farm people. The purpose behind bills Senate Joint Resolution 150, S. 2913, and Senate Joint Resolution 149 is to continue on with supports as high, if not higher, than 1957 levels. Our farm bureau resolutions state that farmers feel sure this kind of legislation is not the right direction to take. We will never get back to a free agriculture if we continue high supports and controls of our farm products.

We are very serious about this high-support trend. They have not solved the problem in the past. Please use your influence to help turn the tide in Congress back toward a free agriculture. We heartily endorse the recommendations of our beloved Secretary Benson. I, personally, believe that the honesty and the integrity of our lawmakers in doing the right thing will win them more votes than any short-term political maneuvering that is not for the best good of our people.

We hope you will do all you can to help keep our agriculture as free as possible. We sincerely thank you for your support in the past.

Respectfully yours,
RALPH W. TOLMAN,
A Wheat Farmer and President of
South Box Elder Farm Bureau.

SALT LAKE CITY, UTAH, March 12, 1958.
HON. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.:

We commend you for your vote against suspending the rule on the supplemental appropriations bill to fix dairy price supports at 1957 level. We are certain that the dairy interests of Utah will be served best if this type of bill dealing with dairy and other commodities is defeated. Our dairy committee voted last week to wholeheartedly support Secretary Benson. There was one dissenting vote from Cache Valley Dairy.

FRANK G. SHELLEY.

BRIGHAM CITY, UTAH, March 10, 1958.

DEAR SENATOR WATKINS: In regards to the agricultural programs before the Senate I would like to express myself as one of the Farm Bureau committeemen, that we do not favor the high price supports on any commodity in any way and would appreciate anything you can do in regards to letting us have our freedom in farming.

Sincerely,

NEWELL C. CHECKETTS.

CORINNE, UTAH, March 10, 1958.

HON. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SIR: We would appreciate your vote against any bills to peg farm prices.

We would like to get Government out of agriculture as soon as it can be done safely.

Respectfully,

FLOYD G. CARTER.

Mr. WATKINS. Mr. President, I yield the floor.

Mr. BUSH. Mr. President, will the Senator from California yield one-half a minute to me, in order that I may comment on the remarks made just now by the distinguished Senator from Utah?

Mr. KNOWLAND. I yield one-half a minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for one-half a minute.

Mr. BUSH. Mr. President, I desire to congratulate the Senator from Utah [Mr. WATKINS] for the splendid statement that he has just made. I particularly desire to commend and congratulate him for the effective statement he has made in approval of the Secretary of Agriculture, a distinguished citizen of the Senator's own State. I desire to join the Senator from Utah in full endorsement of Secretary Benson and his policies.

I would add to what the Senator from Utah has said that I have profound admiration for the Secretary of Agriculture as an individual. He is a great citizen and a great public servant.

I believe that one of the most shameful comments which can be made on our day and age is that a man of such fine qualities, who has been so sound economically, morally, and otherwise, has been abused politically in the way he has been in the political battle in this country.

So I certainly thank the Senator from Utah for the statement he has made; I warmly commend him for his remarks concerning Ezra Taft Benson.

Mr. WATKINS. I thank the Senator from Connecticut.

I wish to have all Members of the Senate realize that those of us who know best the Secretary of Agriculture, Mr. Benson, have an extremely high regard for his judgment, his ability, and his integrity. He is not a theoretical farmer. He is a dirt farmer who knows the farm from the ground up. He has at heart the best interests of the American farmer and the American farm. No one can honestly dispute that that is not so.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

The Senator from California has 3 minutes remaining under his control. The Senator from Louisiana has 6 minutes remaining under his control.

Mr. JOHNSON of Texas. Mr. President, on the question on the passage of the joint resolution, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield 1½ minutes to the Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. The Senator from Texas is recognized for 1½ minutes.

Mr. YARBOROUGH. Mr. President, I desire to commend the distinguished Senator from Louisiana [Mr. ELLENDER] and the Committee on Agriculture and Forestry for bringing these joint resolutions before the Senate at this time.

Mr. President, today the agricultural segment of our population is in dire distress.

Today one Member of the Senate stated that he did not like to see distress and emergency cited as a reason for support of a measure in the Senate. I desire to point out that the farmer does not like to have distress visited upon him, either. But it has come to him just the same; it exists.

Mr. President, I hold in my hand the bible of Bensonism, namely, a statement issued by the Committee for Economic Development in December 1957. That committee has 100 trustees. If the committee had its way, 1,225,000 farmers out of the 4 million left in America, would be driven off the land—why? Because the Committee for Economic Development says that many farmers, 1,225,000, do not earn enough to justify their remaining on the land, because the value of their products is less than \$2,500 per farm per year.

Mr. President, I have searched carefully the list of the 100 trustees of the Committee for Economic Development, in an effort to find on that entire list, even one farmer. The only one of the trustees recommending the elimination of 1,225,000 farm families whose occupation approaches farming, is the chairman of the board of the Quaker Oats Co. He "shoots it out of guns." [Laughter.]

Mr. President, during the 4 years under Secretary Benson from 1952 to 1956, the profits of the Quaker Oats Co., increased 69 percent, and the profits of the Safeway Food Stores increased 246 percent in the same 4 years.

Mr. President, the present administration is an administration for processors and the packers, but not for the farmers. It is an administration that is against the farmers.

In my State of Texas 8,000 farmers were forced off the farms each year during each of the last 6 years, and farm income in Texas has decreased from a net of \$2,200 per farm in 1952 to a net of \$1,800 per farm in 1956. The number of our farmers has steadily declined and their income has likewise declined over the past 5 years. The income of farmers has gone down as price supports have gone down as shown by the tables I hold here.

The PRESIDING OFFICER. The time yielded to the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, I should like to have the Senator from Louisiana yield an additional one-half minute to me.

Mr. ELLENDER. I am sorry, but I do not have any time to spare.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the Record the tables I now have before me.

The PRESIDING OFFICER. Is there objection?

There being no objection, the tables were ordered to be printed in the Record, as follows:

OPERATING FARM INCOME PROTECTION PROGRAMS

Summary—Support price of farm commodities

[Established by Secretary of Agriculture under applicable laws]

Commodity	1952	1955	1956	1957	1958	
					Benson ¹	Congress ²
Index of farm costs.....	287	281	286	292		
Wheat.....	\$2.20	\$2.08	\$2.00	\$2.00	\$1.78	\$2.00
Corn.....	1.60	1.58	1.50	1.40	(³)	1.40
Cotton.....	.31	.32	.29	.29	(³)	.29
Peanuts.....	.12	.12	.11	.11	(³)	.11
Rice.....	5.04	4.66	4.57	4.72	(³)	4.72
Tobacco (11-14).....	.506	.483	.49	.51	(³)	(³)
Butterfat.....	.692	.562	.586	.586	.549	.586
Milk, manufacturing.....	3.85	3.15	3.25	3.25	3.00	3.25
Wool.....	.542	.62	.62	.62	.62	.62
Barley.....	1.22	.94	1.02	.95	.93	.95
Oats.....	.78	.61	.65	.61	.61	.61
Rye.....	1.42	1.18	1.27	1.18	1.10	1.18
Sorghum, grain.....	2.38	1.78	1.97	1.86	1.83	1.86
Flaxseed.....	3.77	2.91	3.09	2.92	2.78	2.92
Soybeans.....	2.56	2.04	2.15	2.09	2.09	2.09
Beans, dry edible.....	7.87	6.36	6.31	6.31	6.18	6.31
Cottonseed.....	66.70	46.34	48.60	46.20	41.00	46.20

¹ Announced by Secretary of Agriculture.

² In bills approved by Congressional committees.

³ Seven-eighths inch official grade for support purposes. Support prices of average grade are about 2 cents per pound higher than figures shown.

⁴ Corn produced in compliance with acreage allotments. Noncompliance corn was supported at \$1.25 in 1956 and \$1.10 in 1957.

⁵ Not available.

Here are the facts on farm income

	Gross income per farm, by States		Realized net income per farm, by States		Total net income per farm, by States	
	1952	1956	1952	1956	1952	1956
Michigan.....	\$5,534	\$5,771	\$2,146	\$1,989	\$2,300	\$2,040
Wisconsin.....	7,633	7,276	3,192	2,555	3,528	2,723
Minnesota.....	7,919	8,361	2,949	2,839	3,321	3,188
Iowa.....	11,834	11,393	4,009	3,738	5,452	3,303
Indiana.....	7,299	7,463	2,773	2,453	2,520	2,316
Missouri.....	5,238	5,481	2,073	2,137	2,095	2,148
North Dakota.....	8,775	9,643	3,329	3,390	2,804	3,545
South Dakota.....	9,178	8,388	3,110	2,557	3,021	2,520
Nebraska.....	11,535	9,419	3,806	2,776	4,729	2,081
Kansas.....	9,786	7,345	3,809	2,052	4,247	1,348
Virginia.....	4,138	4,237	1,741	1,604	1,762	1,707
Kentucky.....	3,290	3,428	1,624	1,674	1,652	1,734
Tennessee.....	2,864	2,916	1,492	1,359	1,368	1,273
Alabama.....	2,850	4,789	1,378	1,379	1,350	1,209
Arkansas.....	3,912	4,789	1,378	2,137	1,881	1,814
Louisiana.....	3,995	3,782	2,056	1,616	2,151	1,507
Oklahoma.....	5,514	4,557	2,187	1,327	2,097	941
Texas.....	7,322	6,720	2,873	2,280	2,706	1,828
Montana.....	11,647	12,152	5,038	5,259	5,096	4,543
Idaho.....	9,976	10,149	3,725	3,434	4,439	3,422
Wyoming.....	13,525	11,107	4,457	2,524	4,668	2,514
Colorado.....	14,005	10,865	4,180	1,838	4,423	1,777
Utah.....	7,577	6,790	2,612	2,102	3,044	2,133
Washington.....	8,778	8,718	3,557	3,154	3,879	2,838
Oregon.....	7,752	8,129	2,762	2,790	3,233	2,886

Mr. ELLENDER. Mr. President, I yield one-half a minute to the Senator from Colorado [Mr. CARROLL].

The PRESIDING OFFICER. The Senator from Colorado is recognized for one-half a minute.

Mr. CARROLL. Mr. President, I rise to commend the very able Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, and to associate myself with the remarks made by the distinguished junior Senator from Minnesota [Mr. HUMPHREY] and the distinguished junior Senator from Kansas [Mr. CARLSON].

In regard to wheat, I have only this to say: In 1956, when Secretary Benson had an opportunity to reduce the wheat price support to 77 percent of parity, he did not do so. Instead, he kept the support for wheat at \$2.

Now he has reduced wheat to \$1.78.

I deplore Mr. Benson's failure to use this discretionary power he has to hold wheat at a fair price in this period of sharp economic decline.

It was in July of 1956 that Mr. Benson used his discretionary powers and held wheat at \$2. This was a general election

year. Mr. Benson has pursued a vacillating policy on wheat price supports, apparently dictated by politics. A few months after the 1956 election he dropped wheat to \$1.78.

Now in this year of economic distress Mr. Benson is perversely determined to hold wheat at the legal minimum.

The wheat farmer is just emerging from a prolonged drought. For almost 5 years high plains wheat farmers have been either dried out, blown out or haled out.

Colorado farmers are in a state of economic distress. Their costs are soaring and now the Secretary wants to reduce the price the Colorado farmer gets for his wheat crop.

I propose that prices for farm products be held in balance until a sensible farm program can be developed by the Congress.

Mr. President, by means of the pending joint resolution all we are asking is that in a period of economic decline the Secretary of Agriculture give the wheat farmers the same consideration he gave them in 1956, and that he take similar action regarding the producers of other agricultural commodities.

The PRESIDING OFFICER. The time yielded to the Senator from Colorado has expired.

The Senator from Louisiana has 4 minutes remaining under his control. The Senator from California has 3 minutes remaining under his control.

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, supplementing some of the remarks I made a while ago in the limited time I had, and with reference to the repeated statement which has been made that this administration has driven farmers from the farms, I wish to point out that in the past 5 years, under the present administration, about 2,250,000 persons have left the farms. In the previous 5 years, under a Democratic administration, more than 3,500,000 persons left the farms. Those are official figures from the Department of Agriculture.

I yield back the remainder of my time. The PRESIDING OFFICER. The Senator from California has 1½ minutes remaining, and the Senator from Louisiana has 4 minutes remaining.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Gore
Allott	Church	Green
Anderson	Clark	Hayden
Barrett	Cooper	Hennings
Beall	Cotton	Hickenlooper
Bible	Curtis	Hill
Bricker	Dirksen	Hobbs
Bridges	Douglas	Holland
Bush	Dworshak	Hruska
Butler	Eastland	Humphrey
Byrd	Ellender	Ives
Capehart	Ervin	Jackson
Carlson	Flanders	Javits
Carroll	Frear	Jenner
Case, N. J.	Fulbright	Johnson, Tex.
Case, S. Dak.	Goldwater	Johnston, S. C.

Kefauver	Monroney	Schoeppel
Kennedy	Morse	Scott
Kerr	Morton	Smith, Maine
Knowland	Mundt	Smith, N. J.
Kuchel	Neuberger	Sparkman
Langer	O'Mahoney	Stennis
Lausche	Pastore	Symington
Long	Payne	Talmadge
Magnuson	Potter	Thurmond
Malone	Proxmire	Thye
Mansfield	Purtell	Watkins
Martin, Iowa	Revercomb	Wiley
Martin, Pa.	Robertson	Williams
McClellan	Russell	Yarborough
McNamara	Saltan	Young

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. How much time remains for both sides?

The PRESIDING OFFICER. The Senator from Louisiana has 4 minutes remaining, and the Senator from California has 1½ minutes remaining.

Mr. KNOWLAND. Out of my 1½ minutes, I yield myself a half minute.

The PRESIDING OFFICER. The Senator from California.

Mr. KNOWLAND. I rise to oppose the joint resolution. I believe it is contrary to the public policy established by the Congress of the United States. It is contrary to the policies of the Department of Agriculture, operating under the laws passed by Congress. It is opposed by the President of the United States. I believe it would be detrimental to American agriculture. I hope the resolution will be rejected.

I yield the remainder of the time allotted to me to the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I shall take only a minute to read a telegram which has already been presented. It is addressed to me:

Senate Joint Resolution 162 rigidly fixing price supports and acreage allotments is against the long time interest of farmers and should not be approved.

That is signed by Charles B. Shuman president of the American Farm Bureau Federation. If the farmers wanted this done he certainly would not send this kind of telegram.

The PRESIDING OFFICER. The time of the Senator from California has expired.

The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I yield the remainder of my time to the distinguished Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. Mr. President, the joint resolution before us today is one which would seek to bring some help to a part of our economy which was depressed long before the word "recession" began to dominate the headlines.

America's farmers—the people who produce our food and fiber—have been suffering a decline in income for 6 years. Once again we have a demonstration of a basic fact of American history.

It is that if one part of our economy is in bad shape, it will pull the others down with it.

In 1951, the total net income of farmers was \$16.1 billion. In 1957, it had fallen to \$11.6 billion—a \$4½ billion loss.

Mr. President, on page 198 of the hearings on the farm program before the Committee on Agriculture and Forestry Senators will find it stated that in the year 1957 the people who loaned the money in this country had a personal interest income of \$18.8 billion, while farm income was only \$11.6 billion. In other words, the men who loaned the money had more income than the 20 million farm population who produced the food and fiber. The bankers made more than the farmers.

Mr. President, under any circumstances, this loss in income would call for some action solely out of the dictates of humanity. But to our natural concern for fellow human beings must be added the depressing effect that hard times on the farm have had on everybody else.

For the past few years, anyone driving into a small town could not fail to note the tremendous stock of equipment in the backyard of the farm equipment dealer. It represented equipment that he could not sell because the farmers in his neighborhood could not buy.

Hard times for the farmer in Texas relates directly to hard times for the industrial worker in Wisconsin or Illinois or California. When the farmer cannot buy, the manufacturer cannot sell and everyone—farmer, workman and businessman—suffers.

Furthermore, the farmer has been caught in a particularly cruel squeeze. Since 1951, prices by farmers have gone down 20 percent. But farm operation costs have gone up 15 percent. In other words, it cost the farmer more to make less money.

What we are doing here today is essentially very modest. By approving this measure, we are saying that the powers of Government cannot be used to drive farm income even lower than it was in an admittedly bad year.

I think there is a note of tragedy in the fact that we must consider legislation in this great body to prevent our Government from making things worse. But the circumstances are such that we do have to act and act quickly in the face of the clearly announced policy of the Department of Agriculture.

Secretary Benson reconfirmed only this morning that he is determined to lower dairy support prices from \$3.25 per hundredweight to around \$3.02 on April 1. He has already announced that he plans to lower wheat supports from \$2 per bushel to \$1.78. And he intends to offer less in dollars and cents as the support level for feed grains.

Yesterday we passed a housing bill to stimulate home building in our country. We did so not only because our people need homes, but because we thought that if times were better in the housing industry, it might pull up other parts of the economy with it.

Today, we act upon farm legislation which we hope will halt to some extent the downward trend. We do so again

because we feel that the alternative is to pull the economy down even further.

We have other measures upon which I hope there will be early action—a highway bill; a capital credit bill for small business; the 1½-billion omnibus rivers and harbors bill, and many others.

I am convinced that we can work our way out of the current recession as long as we do not seek to divide our country by providing good times for some at the expense of others. We must work on the assumption that all must have a reasonable share of prosperity for any to have a reasonable share of prosperity. This measure does not come to us under partisan auspices. It was approved by a 12-to-2 vote in our Senate Agriculture and Forestry Committee.

We have seen the futility of commodity groups trying to go it alone on farm legislation, and we have seen foes of effective farm protection try to play one commodity group against the other in the past—to the detriment of all in the end. On this present resolution our commodity groups are united, standing shoulder to shoulder, knowing that it is the only way to success.

The resolution reflects the determination of members of both parties to protect agriculture from further pressures towards lower income. I commend it to the favorable attention of my colleagues.

I wish to commend the efforts of the very able Senator from Louisiana [Mr. ELLENDER], the very able Senator from Minnesota [Mr. HUMPHREY], and all members of the Committee on Agriculture and Forestry, for the contribution they have made in reporting the resolution. I hope that the joint resolution will be overwhelmingly passed by the Senate.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

The joint resolution is open to amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was read the third time.

The PRESIDING OFFICER. The question is on passage of the joint resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

On this vote the Senator from Montana [Mr. MURRAY] has a pair with the Senator from Utah [Mr. BENNETT]. If present and voting the Senator from Montana [Mr. MURRAY] would vote "yea," and the Senator from Utah [Mr. BENNETT] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family.

The Senator from Utah [Mr. BENNETT] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Utah would vote

"nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 50, nays 43, as follows:

YEAS—50

Aiken	Hennings	Mundt
Allott	Hill	Neuberger
Bible	Humphrey	O'Mahoney
Carlson	Jackson	Proxmire
Carroll	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Schoeppel
Chavez	Kefauver	Scott
Church	Kennedy	Sparkman
Clark	Kerr	Stennis
Cooper	Langer	Symington
Douglas	Long	Talmadge
Eastland	Magnuson	Thurmond
Ellender	Mansfield	Thye
Ervin	McClellan	Wiley
Fulbright	McNamara	Yarborough
Gore	Monroney	Young
Green	Morse	

NAYS—43

Anderson	Frear	Martin, Pa.
Barrett	Goldwater	Morton
Beall	Hayden	Pastore
Bricker	Hickenlooper	Payne
Bridges	Hobbs	Potter
Bush	Holland	Purtell
Butler	Hruska	Revercomb
Byrd	Ives	Robertson
Capehart	Javits	Saltonstall
Case, N. J.	Jenner	Smith, Maine
Cotton	Knowland	Smith, N. J.
Curtis	Kuchel	Watkins
Dirksen	Lausche	Williams
Dwornak	Malone	
Flanders	Martin, Iowa	

NOT VOTING—3

Bennett	Murray	Smathers
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So the joint resolution (S. J. Res. 162) was passed, as follows:

Resolved, etc., That in order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of such changes in the price support and acreage allotment laws as may be necessary at this time—

(1) the support price (in terms of dollars and cents) for any agricultural commodity, except tobacco, shall not be less than that available for such commodity during the marketing year or season which began in 1957; and

(2) the total acreage allotted for any agricultural commodity, except tobacco, shall not be less than that allotted for the 1957 crop of such commodity, and sections 302, 303, and 304 of the Agricultural Act of 1956 (relating to minimum National, State, and farm acreage allotments for 1957 and 1958) shall be extended to apply to each crop of upland cotton and rice, respectively, to which this resolution is applicable.

This resolution shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution. Nothing in this resolution shall be construed to repeal or modify any law enacted in the 2d session of the 85th Congress or to require price support to be made available if marketing quotas have been discontinued by producers, or to noncooperators in the case of any basic agricultural commodity.

Mr. ELLENDER. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

STAY OF REDUCTIONS IN DAIRY PRICE SUPPORTS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed

to the consideration of Calendar No. 1376, Senate Joint Resolution 163.

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

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 163) to stay any reduction in support prices for dairy products until Congress can make appropriate provision for such support prices.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. JOHNSON of Texas. Mr. President, I rise to ask the distinguished chairman of the Committee on Agriculture and Forestry if he anticipates that any amendments will be offered to this joint resolution?

Mr. ELLENDER. I do not.

Mr. JOHNSON of Texas. Can the Senator give any indication as to how much time will be used under the unanimous-consent agreement?

Mr. ELLENDER. Let me say this to my good friend from Texas: This joint resolution would prevent any reduction in dairy product price supports until Congress has had an opportunity to consider such further legislation as may be appropriate. Without this legislation, such supports will drop at the end of this month from \$3.25 per hundredweight for manufacturing milk to \$3.03 cents per hundredweight, and from 58.6 cents per pound for butterfat to 56.2 cents per pound. The committee has heard many varying views as to what form permanent legislation with respect to dairy products should take, and it would not be possible to give adequate consideration to these views and provide satisfactory permanent legislation in time to prevent the injury which would occur to farmers and the farm program if the prospective drop in support prices is permitted.

Now, the issue to be decided by the Senate in voting on this resolution is basically the same as that we voted upon a few minutes ago when Senate Joint Resolution 162 was passed. Since the measure now before us is confined to dairy products, and since the plight of our dairy farmers has been discussed at length during debate on Senate Joint Resolution 162, I hope the Senate will promptly vote on the pending resolution. I do not think it requires further extended discussion. As a matter of fact, I am prepared to yield back the time allotted to me if my colleagues on the other side of the aisle are willing to do likewise.

Mr. JOHNSON of Texas. I have been asked by several Senators whether or not to expect a yea-and-nay vote shortly.

I do not know how many Senators expect to address the Senate. I wonder if the minority leader has received any requests for time on his side.

Mr. KNOWLAND. I have not, but I shall make inquiry.

Does any Senator desire time on the joint resolution?

Mr. MUNDT. I shall wish some time.

Mr. AIKEN. I should like to have about 5 minutes.

Mr. KNOWLAND. Perhaps we had better proceed in regular order.

Mr. President, I yield 4 minutes to the Senator from Michigan.

Mr. POTTER. Mr. President, my views on the joint resolution are best expressed by the Michigan Milk Producers' Association, in a letter dated December 23, 1957, which I shall now read into the RECORD:

MICHIGAN MILK
PRODUCERS' ASSOCIATION,
Detroit, Mich., December 23, 1957.

The Honorable CHARLES E. POTTER,
Senate Office Building, Washington, D. C.

DEAR SENATOR POTTER: We know that you are deeply interested in the welfare of the dairy farmers of Michigan and this important industry that contributes so much toward a strong economy for the State. We, therefore, take this opportunity to express our views and opposition on the recent action by the Secretary of Agriculture in reducing the price support levels of milk and dairy products.

We seriously question the stated reasoning for such action. There is nothing in the record to prove that such a reduction will reduce production or increase consumption. In fact, producers more than likely will increase production to maintain their level of income and history indicates that other groups in the industry will quickly take up the slight reduction that might be in store for the consumer on the finished product. Moreover, there is no indication that the consumer would buy additional quantities of dairy products if this slight reduction was completely passed on to them. Prices received by dairy farmers are substantially less than they were in 1952; at the same time the consumer is paying more now for dairy products than 5 years ago.

The plight of the dairy farmers is serious. He is constantly faced with increased costs of production and being forced to produce more and more to protect his present investment and meet the current demands of the technological changes.

The following resolution, passed unanimously by the delegates of this association, representing 16,000 Michigan dairy farmers, clearly states our position:

"PRICE SUPPORT

"The problem of inadequate income faced by Michigan dairymen is in a large measure a national problem and is being experienced by farmers throughout the Nation. Local action alone cannot bring about a satisfactory, long-term solution.

"The basically unhealthy situation of rising costs without proportionate increases in returns for products sold is causing severe hardship for many dairy farmers. Ultimately, this situation will endanger not only the economy of the entire Nation, but the health and welfare of its citizens as well.

"Raising of the support level of dairy products would be of immediate help to all dairy farmers. An increase in the support price for milk would benefit dairy farmers selling to fluid markets regulated by Federal orders by raising the basic formula. We urgently request the Secretary of Agriculture to raise the support levels on dairy products to the maximum allowed under the law."

We doubt that this action will accomplish any purpose other than to reduce the already too low income of dairy farmers. This action might possibly save the Government \$15 million, but will cost the dairy farmers of the Nation over \$300 million.

We, therefore, strongly oppose the action taken in reducing dairy support levels. We

would like to discuss our views on this matter with you in the near future.

Very truly yours,

GLENN LAKE,
President.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, on December 18 the Secretary of Agriculture announced a cut in the support price for manufacturing milk, to take effect on April 1. He did this ostensibly to reduce what he considered to be a surplus of dairy products on hand and a surplus in the process of production.

The question is, Do we actually have surplus dairy products in this country over and above what is necessary to assure us what we need?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senate will be in order.

Mr. AIKEN. The Department of Agriculture statistics show, according to the booklet, *The Dairy Situation*, issued in February 1958, that in 1957 there was an increase over 1956 of 900 million pounds in the production of milk in this country. Other statistics show that there was an increase in the consumption of over 2 billion pounds of milk in this country.

In February, figures issued by the Department of Agriculture indicated that the production of milk this year is increasing at the rate of one-third of 1 percent. Our population is increasing at the rate of $1\frac{1}{2}$ to $1\frac{3}{4}$ percent per year. Half the milk in this country is sold in fluid milk areas, and it is important to have a supply of 120 percent in those areas in order to be assured of meeting the needs of dairy products on special occasions during special weather conditions and at other times. Thus it is necessary to have a surplus of 20 percent.

Three years ago, the Commodity Credit Corporation owned the equivalent of $10\frac{1}{2}$ billion pounds of milk. On January 1 of this year it owned only $1\frac{3}{4}$ billion pounds of milk. The surplus is being reduced. Milk is not being produced as fast as consumption is increasing. Probably 4 or 5 percent more milk is now being produced than is needed to take care of our percent in population. That is little enough to guarantee all the people of the Nation an adequate supply of dairy products.

If we desire to guarantee them an adequate supply of butter, ice cream, cheese, and so forth, we must have a surplus of powdered skim milk. That is what the Federal Government should take off our hands, because that surplus is carried in the interest of the consumers, rather than the farmers.

How do we stand at present? The announcement of the Secretary on December 18 should have been the cue for every processor and every dealer in the country to start unloading his butter onto the Federal Government, rather than to take the loss of $2\frac{1}{2}$ cents a pound in the price of butter on April 1. They have done that. The processors have been taking cream out of storage for immediate use. They have been putting fresh cream into butter.

Despite the fact that the Government is getting all the excess butter now, it has only some 60 million pounds on hand. Yet that is quite a lot of butter.

On behalf of the State welfare representatives, I called the Department of Agriculture on February 10 and asked, "Why do you not release any of this butter for the needy people of the country, for those on relief, as our State welfare boards do?" I was advised that every pound of butter was committed for sale.

On February 12, I received from the Department of Agriculture a report showing that out of 45 million pounds of butter on hand then, 23 million pounds were still uncommitted. That did not make sense.

On February 18, 1958, I wrote to the Secretary of Agriculture, asking him for an explanation as to why no butter was available for the needy people of the Nation, and why the Department was holding on to every single pound it had. At that time the Department had some 50 million or 55 million pounds on hand.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter I wrote to the Secretary of Agriculture on February 18, 1958.

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

FEBRUARY 18, 1958.

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

DEAR EZRA: Welfare officials of the State of Vermont wrote to me last week requesting that the Department of Agriculture release some of its stocks of surplus butter for distribution among the needy people of our State.

The Food Distribution Division, AMS, subsequently advised me on February 10, that all butter stocks on hand were committed for sale. However, an availability report from the Livestock and Dairy Division, CSS, dated February 12, shows 44,677,796 pounds of butter are presently available, of which 23,578,924 pounds are uncommitted.

I would appreciate knowing when the committed stocks are to be moved out of storage and for what purpose they are committed for sale.

I would further urge that uncommitted stocks be made available for donation to State welfare agencies.

Sincerely yours,

GEORGE D. AIKEN.

Mr. AIKEN. Mr. President, on March 10, 1958, I received a letter from Secretary of Agriculture Benson which reads as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 10, 1958.

HON. GEORGE D. AIKEN,
United States Senate.

DEAR SENATOR AIKEN: This is in reply to your letter of February 18 in which you request clarifying information regarding the present status of our butter stocks and urge that any uncommitted supplies be made available for distribution to needy persons.

We regret that you were given the impression that all butter stocks on hand as of February 10 were committed for sale, because such was certainly not intended. Actually, the 44,677,796 pounds of butter shown as available on the report to which you refer was the quantity that had not been definitely assigned to a specific program. The latest comparable figure (for

February 19) is approximately 49.4 million pounds. Your inquiry therefore as to its availability for distribution to welfare families is thoroughly understandable.

This matter has been under constant review now for several weeks. However, in view of the needs for school lunch programs, approximating 65 million pounds annually, for charitable institutions, and for planned sales programs, we have thus far not felt that stocks have been sufficient to begin general distribution to needy persons.

It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

We are watching this situation very closely. Any change in policy will be brought to your attention. Thank you for your letter and your interest in this matter.

Sincerely yours,

E. T. BENSON.

It will be seen from that letter that instead of having a tremendous surplus of butter, which might have been expected after the Department had tipped off the processors to turn it over to the Government, the Department did not even have enough to supply the school-lunch program through this year. They did not have enough even to begin distributing to charitable institutions. They did not have enough to spare any for the people on relief.

Does that indicate a surplus? I should like to know what the Department is up to. It is obvious that, come the 1st of April, with the cut in price impending, the Government will own every pound of butter in the United States, except what is needed for sale the next morning.

Certainly the manufacturers are not going to hold the butter back and take a sure loss of 2½ cents a pound. They are going to turn it over to the Government and buy it back on April 1 at a reduced price, which, on a million pounds, would mean more than \$20,000. That is a pretty good amount for a dairy processor to make or lose.

The question is, Are we about to embark on a course which will not only bring down the income of the dairy farmers, at least for the next several months, but will also jeopardize the future supply of fresh milk and dairy products for the people of the Nation?

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I favored a flexible percentage of parity price supports in the House of Representatives, where I had the honor to serve for 8 years. I felt that the flexible parity support price idea was essential, both from the point of view of the tax burden and the consumer's price point of view; and when operated in conjunction with other programs, such as the disposal of surpluses abroad, industrial experimentation and research, husbandry of land, conservation practices, and rural credit, all of which would represent an effective farm program for the country.

I am of the same mind now. But I feel that the concept to which I am a

party must stand or fall by its ability to withstand stresses and strains.

Accordingly I shall support this resolution because I believe, in respect to the dairy farmer, that there is particular stress and strain now. I see it reflected in my State, which is the second largest dairying State in the Nation.

I have a deep feeling that the support price reduction which is so imminent is directly related to the requirements of law rather than to the requirements of economics. Therefore, I shall vote for the resolution in order to give an opportunity for the letter of the law to catch up with the economics of the situation.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

Mr. YARBOROUGH. Mr. President, Texas is 12th among the States of the Union in the value of milk production, but that is not inconsiderable, because the production of Texas exceeds that of the great States of Washington and Oregon combined.

The value of milk and dairy products in the agriculture of Texas, is fifth among all the commodities produced in Texas, despite our large production of cotton, corn, grain sorghums, rice, peanuts, citrus fruit, and other crops.

But aside from that, there is another reason why I support the joint resolution. Despite our relatively large production, we import large quantities of dairy products from Wisconsin, Minnesota, Iowa, and California. We import milk itself in tank trucks from Iowa, Minnesota, Wisconsin, California, New Mexico, and other States. But the basic reason is that agriculture is in trouble in America today. Agriculture needs the help of this body, and the only way agriculture can get help from the Senate is for Senators from the farm States to stand together. That was proved in a crystal-clear manner by the passage of Senate Joint Resolution 162. The distinguished minority leader recognized that in his final appeal for the passage of the joint resolution.

I think it is time for Senators from the farm States to form a coalition or an alliance to save American agriculture. It is time for us to stand shoulder to shoulder in a solid phalanx, from the Gulf of Mexico to the Canadian border, and from the Atlantic to the Pacific.

I am glad to join with the distinguished senior Senator from Minnesota [Mr. THYE] and the distinguished junior Senator from Minnesota [Mr. HUMPHREY], regardless of party. I think Senators from the farm States should now join hands.

In this, the greatest agricultural nation on earth, because of the processes which are inimical to producers at the prevailing prices, the total value of our farm product is only 6 percent of the total national product.

In voting against the amendment on milk offered by the senior Senator from Minnesota [Mr. THYE], I did not do so because I disagreed with the Senator. I thought a united coalition should be formed to save agriculture in America. I am proud to vote now with the distinguished senior Senator from Minnesota

and with the Committee on Agriculture and Forestry in favor of Senate Joint Resolution 163, to keep from happening to the dairy farmers what has already happened to other segments of our agriculture.

I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Minnesota.

Mr. THYE. Mr. President, I shall not require 10 minutes. On March 11 I spoke about the enactment of a freeze on dairy products at the existing support level. On March 31, 1958, at midnight, the present support price of 25 cents a hundredweight will expire, unless Congress takes action to stay the Secretary's hand, because the Secretary announced on last December 18 that it was his intention to roll back the support price on dairy products by April 1 of this year.

So, Mr. President, in the CONGRESSIONAL RECORD for March 11, commencing on page 3924, and continuing through page 3931, will be found my statement on the dairy question; and further comments by me will be found on the following pages.

I am indeed grateful that today the Senate has passed Senate Joint Resolution 162, which deals with various agricultural commodities.

I am confident that the Senate will pass by an equally large vote Senate Joint Resolution 163, which will freeze further the dairy product supports. The dairy product supports were involved in the other joint resolution; but in the case of Senate Joint Resolution 163 the Senate will provide double security for the dairy products. In other words, if Senate Joint Resolution 162 is vetoed—as has been threatened—milk alone will receive support under Senate Joint Resolution 163.

Mr. President, in the efforts I made on March 11, I endeavored to have favorable action taken by means of legislation in the interest of the dairy product producers of the country. I endeavored to have the Senate pass that measure, which would freeze the supports for dairy products. I am confident that by that means I expedited the taking of action by the Senate on these two joint resolutions.

Therefore, I am indeed grateful that this much has been accomplished; and I am happy that I brought the question into focus in the way I did on March 11, because certainly there is need to freeze these supports and to protect the income of the dairy farmers of the country.

Mr. President, having made that statement, I yield back the remainder of the time which has been yielded to me.

Mr. DIRKSEN. Mr. President, I yield 4 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from South Dakota is recognized for 4 minutes.

Mr. MUNDT. Mr. President, first of all, I wish to say to my distinguished friend, the senior Senator from Minnesota [Mr. THYE] that I believe his action of the other day on the appropriation bill did tend to speed up the action

which the Senate has so gratifyingly taken today by passing Senate Joint Resolution 162. Let me say that I hope the Senate will also pass Senate Joint Resolution 163.

Mr. President, originally this farm legislation was on the legislative schedule behind the tax bill. I am glad that it has been moved forward, following our colloquy in the Senate, so that today these farm measures are scheduled for action ahead of the tax bill. I do not know how long the Senate will take to debate the tax bill, but certainly it involves a rather complicated problem, and a number of Senators are experts in that field, and undoubtedly many Senators will wish to be heard during the course of the debate on that bill.

I am very much pleased that the Congress is acting so early in the session on farm legislation. Under the able direction of the Chairman of the Senate Agriculture Committee, the senior Senator from Louisiana [Mr. ELLENDER], an excellent job has been done in holding hearings in our committee. The Senator from Louisiana has exercised excellent and outstanding leadership in the committee; we have sat mornings and afternoons, in the process of marking up the bills, so our committee could report to the Senate a package of bills which would meet the existing problems.

Mr. President, Senate Joint Resolution 162, which the Senate has passed today, is a part of that package. So is Senate Joint Resolution 163. It deserves your support.

The Senate already has acted on the extension of Public Law 480, which is a third part of the package; and the Senate also has increased by \$250 million the amount available for the acreage reserve, under the Soil Bank program.

Mr. President, as another part of the package, we have the assurance of the Chairman of the Committee on Agriculture and Forestry that on March 19 the National Wool Act, another part of the package, will be reported from our committee.

Our Committee on Agriculture and Forestry has approved proposed legislation which will be remedial to the position of the corn producer. That measure is still another part of the package.

I assume that those who are interested in the particular problems faced by the producers of cotton will likewise request that steps be taken to solve the problems of that part of the agricultural economy of the Nation.

Mr. President, I believe that our distinguished friend, the junior Senator from New York [Mr. JAVITS], made a very interesting and significant statement when he said that farm legislation should be such that it will stand up against the strains and stresses of economics. I agree. I am pleased that he recognizes that the lowering of the prices of dairy products—and I suppose he takes a similar view in regard to the lowering of the prices of other agricultural commodities—during this era provides strains and stresses for those on the farms—strains and stresses too great for them to handle unless some assistance is given by the Congress.

Mr. President, what is true of the situation of the dairy farmers is likewise true, to the same extent, of the situation of the wheat farmers and the situation of the small grain farmers. It is equally true of the situation of those who raise grain to be fed to the dairy cattle as it is true of the situation of those who sell the products from the dairy cows.

I am glad the Senator from New York recognizes that and that—to the extent he has announced—he will support Senate Joint Resolution 163.

Mr. President, I do not anticipate a veto of either Senate Joint Resolution 163 or Senate Joint Resolution 162. However, if there are reasons which would motivate the President to veto one or the other of them, I assume that he would have to veto both of them, because both of them are based on the same principle. I assume that neither the President nor the Secretary of Agriculture would wish to take action to confer benefits on certain farmers, as opposed to others—for instance, to say that only the farmers in the dairy business will receive beneficial treatment, but that such treatment shall not be received by farmers who raise grain, even though the economic problems of the latter group involve the same stresses and strains which have been so eloquently referred to by my distinguished friend, the junior Senator from New York [Mr. JAVITS], who has spoken in behalf of the dairy producers of his State.

Mr. President, I was interested to note that the vote taken a few minutes ago on Senate Joint Resolution 162 resulted in 50 yeas and 43 nays—or a majority of 7 in favor of passage of the joint resolution. That is a significant bipartisan majority. When we break down by States the votes cast in favor of the passage of that joint resolution, we find that among the Senators from the agricultural States the majority in favor of the passage of the resolution was considerably larger.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I should like to have 2 additional minutes yielded to me.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 additional minutes.

Mr. MUNDT. I thank the Senator from Illinois.

Mr. President, I believe it is significant that those who are specifically charged with the responsibility of representing the farm segment of our National population have arrived at a considerable degree of unanimity regarding the passage of this whole package of farm-aid measures. That unanimity was demonstrated most eloquently in the Committee on Agriculture and Forestry, where there were never more than three dissenting votes among the Senators who are the members of that committee, and whose responsibility it is to hear witnesses, take testimony, make investigations, and conduct inquiries as to what

is best for the American farmers. In the committee there never were more than three dissenting votes in regard to any phase of the package of agricultural bills which the Senate now is in the process of passing, and all votes were strictly bipartisan and nonpolitical.

Mr. President, I should like to point out that I believe that, without exception, the members of the Senate Committee on Agriculture and Forestry consider this package of farm legislation as sort of hold-the-line or stopgap legislation. At least, I know that no member of the committee considers these measures to constitute the final answer to the full problem of the farmer.

However, because of the stresses and strains to which the dairy farmers, the producers of corn, the wheat farmers, the small-grains farmers, and so many farmers generally are subjected, we believed that something should be done at this time, early in the session, before the crop year began, to give all farmers assurance that the prices they will receive in 1958, under the price-support law, at least will not be less than the prices they received in 1957.

The chairman of our committee has assured the committee and the Congress that we are going to have hearings in an attempt to find new answers to old problems, better answers, and I hope some that are new answers to new problems which are coming into the picture. We recognize we need an enduring type of farm legislation, economically sound, administratively feasible, which will enable to be maintained in an equitable position our farm population, that part of our population engaged in industrial pursuits, members of big unions, workers in the professional field, and the business people of this country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. May I have 1 additional minute?

Mr. DIRKSEN. I yield 1 additional minute to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is granted 1 additional minute.

Mr. MUNDT. We seek the advice and counsel of our colleagues on the floor of the Senate, and the experts in and out of the Department of Agriculture, on and off the farms, and on and off the campuses of our great agriculture colleges. We are trying to find some enduring answers. We do not pretend we have found them. We do not pretend they have been found in the peacetime economy in the history of our country. But we deny that no answer is available. We shall continue to search for the answer, and until the search is successful for some enduring legislation, we recommend that the package presentation of hold-the-line measures be adopted.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 2 minutes.

Mr. PROXMIRE. Mr. President, I rise in enthusiastic support of the joint

resolution. It originally carried the names of two great captains for the dairy farmers, the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Vermont [Mr. AIKEN]. I wish to tell my farmers at home that the passage of the joint resolution will mean a great deal to them, as undoubtedly they know.

I had gone to the majority leader and asked him to call the joint resolution up. I am delighted he has done so. I should like to point out to the Senate that the entire economy of Wisconsin is at stake. We hope Senate Joint Resolution 163 will become law. We certainly want the safeguards it would afford. Wisconsin dairy farmers produce 17 billion pounds of milk. If Secretary Benson's order goes into effect in April, it will take nearly \$50 million out of Wisconsin's economy.

I have had telegrams from chambers of commerce, labor organizations, and from people throughout Wisconsin, in favor of the proposed legislation. I appeal to my fellow Senators. Please help Wisconsin. We need the joint resolution. We need it urgently.

Mr. ELLENDER. Mr. President, I yield 1 minute to the distinguished Senator from Missouri.

Mr. SYMINGTON. Mr. President, earlier this afternoon I made some comments about the policies of the Department of Agriculture in continuing to reduce farm prices. All I wish to say at this time is that it becomes increasingly difficult for me to understand why this administration is so determined to meet the current recession by continuing to take purchasing power away from so many of our farm people. The decision to reduce dairy prices will result in taking over \$9 million out of the State of Missouri, and over one-quarter of a billion dollars out of the pockets of the dairy farmers of the United States.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the joint resolution before the Senate is another effort on the part of the Congress in the field of farm legislation for more orderly marketing and economic justice. It is a matter of economic life at this time for thousands of dairy farmers. It has been estimated by the Milk Producers Association that if the contemplated reduction in support levels of dairy products becomes effective, it will mean, as the Senator from Missouri has just stated, a reduction in farm income of one-quarter of a billion dollars.

In the State of Minnesota last year we suffered a loss of \$20 million in agricultural net income. Dairying in the United States accounts for 20 percent of the total agricultural income. It is the largest single segment in the agricultural economy. So we are dealing in this joint resolution with one-fifth of the agricultural economy of the United States of America, and one-fifth, in which there is a big investment because of the high cost of good dairy cattle and the high cost of development of a dairy farm and the high cost of the maintenance of a modern dairy production.

If the price support levels suggested by the Secretary of Agriculture go into effect, it will mean anywhere from 22 to 33 cents a hundredweight less than presently paid for milk or dairy products. We cannot stand such a loss in our economy, and we do not intend to stand for it. Both Senate Joint Resolutions 162 and 163 are designed to prohibit these unjustified cuts.

While the support price on dairy products has gone down 13.1 percent, as I stated earlier today, consumer prices have gone up 9.3 percent.

The argument which is made that lowering dairy price supports will help the consumer is false. The argument that lowering dairy price supports will reduce production is not supported by the evidence. The evidence that was presented before the Committee on Agriculture and Forestry was to the effect that in the years price supports were reduced from 90 percent to the present level, production of milk increased every single year. The production figures for last year were higher than for the year before, and for that year they were higher than they were for 1955.

Mr. President, I ask unanimous consent that a table of the production of fluid milk 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 1.—United States: Number of milk cows on farms, total production, production per cow, and gross farm income from dairy products

Year	Number of milk cows on farms (thousand head)	Total milk production (million pounds)	Milk production per cow (pounds)	Gross farm income from dairy products (millions)
1947.....	23,329	116,814	5,007	\$4,738
1948.....	22,336	112,671	5,044	5,155
1949.....	22,024	116,103	5,272	4,370
1950.....	21,944	116,602	5,314	4,312
1951.....	21,605	114,681	5,333	4,962
1952.....	21,338	114,671	5,374	5,274
1953.....	21,691	120,221	5,542	4,966
1954.....	21,581	122,094	5,657	4,632
1955.....	21,193	123,128	5,810	4,716
1956.....	20,927	125,698	6,006	4,966
1957.....	.....	¹ 126,981	.....	.....

¹ Preliminary.

Source: Statistical Bulletin No. 218, Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a portion of the argument which was so brilliantly made before the Committee on Agriculture and Forestry by Mr. Otie M. Reed, who represents in Washington the National Creameries Association, to the effect that the provision in law which the Secretary says he relies upon as compelling him to reduce price supports, namely, the provision of adequate supply, does not stand the test of careful scrutiny.

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

VICTIMS OF PRICE-POLICY DISCRIMINATION

Some of the members of this subcommittee may be surprised when I state categorically that the manufacturing milk and but-

terfat producer is the victim of as brazen a policy of price discrimination as it has been my misfortune to witness in 25 years in Washington.

I am sure all of you on this subcommittee are quite cognizant of the price criteria which are set forth in the Agricultural Marketing Agreement Act of 1937. Economic conditions are the indicators which the Secretary is required by the statute to consider in fixing price for milk used as fluid milk under Federal milk-marketing orders. The prices so established shall be such as "will assure an adequate supply of pure and wholesome milk and be in the public interest." Under the Agricultural Act of 1949, while the support range is to be between 75 and 90 percent of parity, the final criterion is to "assure an adequate supply."

Thus it is seen that the basic criterion is the same under the two acts of the Congress under which the Secretary conducts programs for the benefit of producers of fluid milk and producers of manufacturing milk and butterfat.

One measure of the price discrimination of which I spoke is to be found in a comparison of the prices received by producers for manufacturing milk and butterfat with the prices received by producers of fluid milk for that portion of their milk that is used as fluid milk in towns, cities, and villages of the United States.

These figures are shown in some detail on table 8 of the statistical appendix affixed hereto, but I will indicate briefly what these figures show. Starting in 1947, the first year for which prices of manufacturing milk were published by the United States Department of Agriculture, the spread between fluid milk prices and manufacturing milk prices has increased every year except in 1950 and 1951. Start with a spread of \$1.58 cents per hundredweight in 1951, the spread has increased every year since that time. In 1957, this spread has increased to \$2.16 per hundredweight—the highest of the record. While it is true that this average from which I have computed the spread covers more markets than are under Federal price-fixing orders, nevertheless it must be conceded by all that the basic reason for the continued increase in the spread is due very largely indeed to the level of prices fixed under the Federal orders. These orders not only fix the price in over 60 markets, most of the largest markets in the United States, they also very effectively bolster up the prices in other markets nearby the regulated markets.

Thus, we find that, under one law—the law under which market orders are written for the fluid milk producer, prices are maintained at a much higher level than under the law which authorizes the price support program for manufacturing milk and butterfat. This is the case, even though as I pointed out the price level criteria in both laws are very basically one and the same.

Another way we can get at this matter of price discrimination is to consider the parity prices of milk as published by the United States Department of Agriculture. Unfortunately, no parity prices are published for milk used as fluid milk, and, as far as I know, none are even computed by the Department. The Department does publish, however, a series of prices which represent the prices received by producers f. o. b. first delivery point, for milk delivered to plants and dealers, regardless of use. Thus, it represents a sort of average of prices received by producers in fluid milk markets and in manufacturing milk markets.

During the last year, the price of all milk ranged from 80 to 96 percent of parity (seasonally unadjusted) and averaged 88 percent of parity for the year. Manufacturing milk prices ranged from 79 to 88 percent of parity (seasonally unadjusted) and averaged 84 percent for the year. I should like to remark here that the prices for manufacturing milk parity I quoted were those which

were computed by me, using the formula provided by the Agricultural Act of 1949. As far as I know, the Department last year was still using the parity-equivalent method of computing parity prices for manufacturing milk, and price supports were set at 83 percent of parity so computed just before the start of the marketing year.

The significant point here is that the prices for manufacturing milk represent a use price—the price of all milk represents an average of all use prices. It follows that the fluid milk element in this average is what keeps the all milk price at a higher percent of parity than the manufacturing milk price represents when compared to its parity price.

Inasmuch as price supports for manufacturing milk and butterfat represent a much lower percentage of parity than the prices received for all milk, it follows that, if manufacturing milk and butterfat prices are to be placed on a basis more nearly representing equality of treatment with respect to price policy, the price support level for manufacturing milk and butterfat should be placed at least at the same percentage of parity as that enjoyed for all milk in all uses.

If this were to be done, then the price supports for manufacturing milk this coming year should be set at 88 percent of its parity price, as it can now be computed under the Agricultural Act of 1949. I calculate this to be \$3.48 per hundredweight on the basis of average parity prices for manufacturing milk during 1957, or \$3.52 on the basis of the parity price for December 1957.

In answer to this argument, we may presume that the Secretary would state that we had too much surplus, and therefore the price support level had to be reduced. Stated another way, he would argue that we would produce an adequate supply at lower prices, or are producing more than an adequate supply at current support levels, hence under the law, he could do nothing other than to reduce the price support level.

While we may be accused of being quite uncharitable to the Secretary of Agriculture, still I shall state that we would consider the argument of the Secretary to be more appropriate if he followed it in all his dealings with milk and dairy products pricing. However, while we find that the Secretary looks with extreme disfavor upon surpluses in manufacturing milk and butterfat and reduces our already low support prices as a result, he continues fluid milk prices at relatively higher levels even though many of the markets have large surpluses over fluid milk use. Thus, on page 354 of Statistical Bulletin No. 218, published by the Agricultural Marketing Service, United States Department of Agriculture, there is a table showing the percentage which class I (fluid) milk bore to all milk received from producers by regulated handlers in 63 milk markets then under Federal milk orders. For the year as a whole, 4 of these markets showed between 40 and 50 percent class I use, 5 showed from 50 to 60 percent class I, 9 showed 60 to 70 percent class I, 23 showed 70 to 80 percent class I, 17 showed 80 to 90 percent class I, and 8 showed over 90 percent class I. New York and Boston together accounted for nearly 10 billion of the total of 31 billion pounds of milk under these 63 orders, and both of these markets showed less than 50 percent of total receipts used as class I. In other words, there were about 5 billion pounds of milk surplus to fluid milk sales in these two markets alone in 1956.

Did the Secretary reduce the class I prices in the numerous oversupplied markets because the prices prevailing under his orders were bringing forth more than an adequate supply? He did not. As a matter of fact, in many of the markets, he permitted the negotiations of still higher prices between producer groups and handlers.

Why, with this record under the adequate supply criterion in fluid milk markets, did the Secretary adopt a much more

stringent measure of adequate supply in manufacturing milk and butterfat markets? We do not know. We would be eternally grateful to the members of this subcommittee if they could secure from the Secretary an expression of his reasons, for his very evident practice of price policy discrimination against manufacturing milk and butterfat producers.

Now, in case some of my colleagues in the fluid milk field, or their representatives, should infer from these comparisons that we are arguing that fluid milk prices are too high and therefore I am confusing the issue by introduction of the facts and considerations contained in this section, I want to state categorically to the subcommittee that I am not at this time arguing the level of fluid milk prices one way or the other.

I am pointing out, and on this we stand, that the Secretary of Agriculture, with basically the same price level criteria in the Agricultural Marketing Agreement Act of 1937, as amended, authorizing the fixing of prices in fluid milk markets, and the Agricultural Act of 1949, as amended, authorizing price support programs for manufacturing milk and butterfat, has so operated the two programs as to provide relatively higher prices for fluid milk and relatively lower prices for manufacturing milk. To us, this amounts to rather positive official discrimination against the manufacturing milk and butterfat producer for which we can find no compelling reason in the law.

Mr. HUMPHREY. Mr. President, in other words, the same language is in the Federal milk marketing orders, wherein the Secretary has approved higher prices for fluid milk. Yet in the same law that applies to manufacturing milk, the Secretary insists that the support level be lowered.

If it is desired to help the farmers and the Nation, and stop the recession, the thing to do is pass the joint resolution, have it placed on the President's desk, and insist on the President of the United States fulfilling his commitment to the American people, namely, giving parity in the marketplace.

Mr. JOHNSON of Texas. Mr. President, if we do not have a yeas-and-nays vote on this joint resolution, we can dispose of it, and bring up the next bill and have a unanimous-consent agreement on it, and perhaps get through with it and have a vote by perhaps 8 or 9 o'clock this evening. I hope we shall not have to have the yeas and nays on the joint resolution which is now before the Senate. We have just voted on one. Having a yeas-and-nays vote prolongs the time. It is fine for Senators interested in it, but the joint resolution will pass, and pass overwhelmingly, without a yeas-and-nays vote. We know we shall have a record vote on the Douglas tax amendment later in the evening. I think it will save time if we can pass this joint resolution with that understanding, and send it to the House, where action can be taken on it.

Mr. ELLENDER. Mr. President, I have no further requests for time, and I am prepared to yield back the time remaining to me.

Mr. THYE. Mr. President, I respectfully ask that we try to get the yeas and nays.

Mr. JOHNSON of Texas. The Senator can ask for the yeas and nays.

Mr. THYE. I think it is imperative that we ask for them.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIER in the chair). Does the Senator from Illinois yield to the Senator from Arizona sufficient time to suggest the absence of a quorum?

Mr. DIRKSEN. Mr. President, I do not know what the qualified understanding was. I am prepared to yield back the time, if all time is yielded back on the other side.

The PRESIDING OFFICER. The Senator from Louisiana is prepared to yield back his time.

Mr. ELLENDER. I stand ready to yield back the time, Mr. President.

Mr. RUSSELL. Mr. President, I should like to ask a couple of questions of the Senator from Louisiana, before the consideration of this joint resolution is concluded, if the Senator will be gracious enough to permit that.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

Mr. RUSSELL. I am, of course, interested in dairying. The State which I have the honor in part to represent has considerable dairying interest.

I am somewhat intrigued by the method which appears to be the procedure today. I read the joint resolution which the Senate passed earlier today. It seems to me that joint resolution accomplished everything for the dairy farmer which the pending joint resolution would accomplish.

I should like to ask the Senator from Louisiana if I am correct in my interpretation of the joint resolution previously passed.

Mr. ELLENDER. The Senator is correct. The joint resolution will do exactly that. This is a double shot for the dairy people. That is merely what it amounts to.

Mr. RUSSELL. I am cognizant of the fact that dairying is one of the great industries in the agricultural area. I have always supported it. I wonder why it is necessary to single out dairying for a two-shot approach.

Mr. ELLENDER. I cannot give the distinguished Senator from Georgia a specific answer, except to say that in discussion I heard that the pending resolution may have a better chance of being signed into law than the other resolution, passed a few minutes ago.

Mr. RUSSELL. Mr. President, that may well be, but I do not know upon what the statement is based. The Secretary of Agriculture has announced that he is going to take certain action. Whatever may be said about the Secretary, he has not yet, in any instance of which I have knowledge, backed up in his determination.

I wish to be perfectly frank with the Senator as to why I ask my question. This procedure appears to be a very nice way to split the agricultural interests of the country into pieces. It appears to be a very nice way to place us in a position where we cannot ever get any general farm legislation. If we follow this practice of a single resolution embracing all the commodities, and then take up for

consideration and pass a nearly identical resolution for a specific commodity, in a separate piece of legislation—

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

The PRESIDING OFFICER. The Senator from Louisiana has control of the time.

Mr. ELLENDER. Mr. President, I yield myself an additional 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. THYE. Mr. President, the distinguished Senator from Georgia knows that we are considering the resolution introduced by my colleague, the Senator from Minnesota [Mr. HUMPHREY], and the distinguished Senator from Vermont [Mr. AIKEN], on the Republican side. I have a strong feeling that since they introduced the resolution after the other resolution had been introduced, we should give them the same courtesy with regard to this resolution that we afforded with relation to the other. I believe the yeas and nays should be ordered.

Mr. RUSSELL. Mr. President, of course if we are going to follow that practice, we face a long line of resolutions to consider. I have as great respect for the distinguished Senator from Vermont [Mr. AIKEN] and the Senator from Minnesota [Mr. HUMPHREY], as does the Senator from Minnesota [Mr. THYE]. I would certainly lay my respect for them alongside his.

If that argument is good, however, there are times when 17 or 18 bills have been introduced, all of the same general tenor and effect, but sponsored by different Senators. If we are going to follow that procedure, we shall have to consider all such bills, one right after the other, so as to have a separate record vote on every Senator's bill.

It seems to me important that we have had one record vote. What we are trying to do now, Mr. President, appears to be dangerous. The only reason I consider it to be worthwhile to bring the matter to the attention of the Senate is that I feel this procedure simply gives a number of Senators an opportunity to eat their cake and have it, too. They can vote against the general farm bill and can go back to tell their constituents, "Oh, I voted against that general farm bill which would have kept prices up." But they can also go to the only agricultural industry they have in their States, to the dairy farmers, and say, "I helped to have passed the bill for you to raise your prices and hold them up."

The Senator can go into the city the same night and make a speech setting forth that he fought against increasing all agricultural price supports.

I think if we are going to follow this kind of policy simply to give some Senators an opportunity to eat their cake and have it, too, we are planting a seed which will completely destroy any hope of enacting any general farm legislation.

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

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 more minutes.

Mr. DOUGLAS. Mr. President, the Senator from Georgia, with his customary astuteness, has put his finger, I believe, on one of the political reasons for the pending resolution.

Is there not another political reason for consideration of the resolution; namely, to permit the President to veto a general farm resolution, and then sign this resolution, so that his party and his supporters can go forth as the protectors of the dairy industry?

Mr. RUSSELL. Indeed that may well be. Not only that, it will tear the groups which should be interested in agriculture to pieces. Every Senator knows that, as a general proposition, one agricultural commodity does not have sufficient strength to secure passage of general legislation by the Senate.

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

Mr. RUSSELL. I am in favor of a dairy provision. I was glad to vote for it under the general resolution. I am simply interested to know why it is necessary to keep on passing resolutions affecting dairying when we have already covered the subject in the other resolution.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. LONG. If I am not mistaken, the junior Senator from Minnesota was one of the sponsors of the resolution, Senate Joint Resolution 162.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 more minutes.

Mr. LONG. If I am not mistaken, the junior Senator from Minnesota [Mr. HUMPHREY] was one of the sponsors of the resolution, yet the Senator stood in the Chamber less than 48 hours ago, when we had before us for consideration proposed cotton legislation, and said he was against that type of piecemeal legislation for agriculture. It seems to me that the junior Senator from Minnesota has no objection to considering all the products together. The Senator certainly was willing to go along with the general resolution which was passed a few minutes ago. On the basis of this record, I am sure the Senator from Minnesota supports the policy of overall comprehensive farm legislation. He has always so indicated.

Mr. HUMPHREY. Mr. President, will the Senator permit the junior Senator from Minnesota to speak?

Mr. RUSSELL. Mr. President, I am not indulging in any personalities. I refuse to discuss personalities. I have been invited to do so at other times, and prior to the time the Senator from Louisiana took the floor. I am talking about policy.

The Members of the Senate who are hopeful of obtaining any farm legislation at all for the benefit of all the farmers should realize they are digging their graves with this kind of practice and this kind of policy, singling out one group for favoritism. We ought all to stand or fall together, and we should deal fairly with all farm commodities.

The dairy farmers have not been hurt as yet. They are threatened with a blow, as I understand, which is to fall some time later on.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RUSSELL. Some of the other commodities have been taking a fearful beating for 2 or 3 years.

I shall vote, Mr. President, if we have a record vote, against the joint resolution, as a protection of the general policy I have stated. By passing this resolution I think we would be placed in a position where we would stand naked so far as getting any general farm legislation is concerned.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. THYE. Mr. President, I ask for the yeas and nays.

Mr. MANSFIELD. Mr. President, I ask for the regular order.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Louisiana yields 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the only reason I asked the distinguished Senator from Louisiana to yield to me is so that I may set the record straight.

I think my colleagues realize that the other day, at great personal anguish and political risk, I voted against the suspension of the rules as related to the appropriation bill in respect to both cotton and milk.

I address the Senate on the very same basis that I previously approached the problem. I said then that unless we could come to the Senate with farm legislation which related to the total farm economy, we were treading on dangerous ground and inviting trouble by weakening our position.

I did not say it as well as my good and able friend from Georgia, whom I respect and admire and surely know to be one of the great spokesmen in this body for the economic rights and needs of the farm people of America.

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

Mr. HUMPHREY. I yield.

Mr. RUSSELL. I appreciate the Senator's statement. I shall vote against the resolution not because I am against the proposal, but rather as a protest against such a procedure.

Mr. HUMPHREY. I understand.

I was one of those, along with the Senator from Missouri [Mr. SYMINGTON], who sponsored the original joint resolution, Senate Joint Resolution 150 in the Senate Committee on Agriculture and Forestry, the resolution which was reported to the Senate as Senate Joint Resolution 162 and passed today. It was incorporated into the joint resolution for the total overall hold-the-line freeze on agriculture—Senate Joint Resolution 162. The record will reveal that it was this joint resolution which I

recommended be reported from the committee. But there was a dispute in the committee over the two resolutions. Therefore, both joint resolutions were reported—Senate Joint Resolution 162 and Senate Joint Resolution 163. However, the overall Resolution 162 does give protection to dairying as well as others.

I happen to believe that the best way to legislate is on all commodities, and I so voted. But if we are to have the executive branch of the Government again giving us the business, I want to be sure that the President has before him both measures. If I had my choice, I would prefer that we have only one. The one covering and protecting all commodities at a level not less than at prices in 1957. I am for the dairy producers. I am for the wheat producers. I am for the cotton producers, and I am for the tobacco producers—I believe that agriculture must stand together or be the victim of weakness through division.

Frankly, I basically agree with the Senator from Georgia, but I am not going to vote against my dairy producers in either resolution. I say very frankly that I am supporting Senate Joint Resolution 163, because if President Dwight Eisenhower is again going to renege on his word by failing to assure parity to our farm people through a veto of Joint Resolution 162, he should have the opportunity to at least be fair with dairying in connection with Senate Joint Resolution 163. I suggest that he sign both. In so doing he will not have any problems of conscience, and the Secretary of Agriculture will be able to enjoy the serenity and peace of mind which a man of his background and position should have.

Mr. THYE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield 15 seconds to the Senator from Minnesota.

Mr. THYE. In order that there may be no doubt whatsoever as to what I have endeavored to do with the President in connection with all agricultural commodities, I ask unanimous consent to have printed in the body of the RECORD a copy of the letter which I addressed to the President of the United States on January 25, 1958.

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

JANUARY 25, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: I am compelled to write this letter in strong opposition to the proposals which have recently been set forth by Secretary of Agriculture Ezra Taft Benson.

Let me say, at the outset, that there is general agreement among farm leaders, business and professional people, labor and Congressional leaders, that such programs as increased research into new uses for farm products, extension of Public Law 480, the Soil Bank, constitute constructive action to reduce surpluses and to bring about a strengthening of our agriculture economy.

Likewise, there is unanimous agreement that the farmers are caught in a "cost price" squeeze which has reduced the income to the farmer and has seriously damaged his position in our general economy.

I have found strong, adverse reaction to the Secretary's proposal to lower dairy supports. I find it necessary to call to your attention the seriousness of the proposals set forth by Secretary Benson last December 18. He proposed that "during the current year dairy supports are available at \$3.25 per hundredweight for manufactured milk (reflecting 83 percent of parity) and at 58.6 cents per pound for butterfat (reflecting 80 percent of parity)." The reduction announced would lower the supports to 75 percent of parity. The producers immediately would suffer a 25 cent per hundredweight loss on the price of milk. The producer should not suffer this reduction in the dairy prices, as the price is already too low.

Quoting further from the Secretary's statement "The downward adjustments are the equivalent on the average of about 2½ cents a pound for butter, 2½ cents a pound for cheese, and one-half cent a quart for fluid milk."

There was a very small drop in consumer costs in 1954, when price supports were reduced from 90 percent to 75 percent, as you will note on the enclosed chart. The drop then was to 59 cents per hundredweight on milk. The consumer actually received, as a benefit in the reduction of the cost of a quart of milk, only four-tenths of 1 cent, only 2.2-cent saving per pound of cheese, and a 6.6-cent saving on a pound of butter.

I feel that the 25-cent drop will not reflect any benefit to the consumer, but most certainly that amount will be a loss to the producer. The producer has endeavored to cooperate. He has not increased his number of milk cows, as you will note from the enclosed chart. Cheap feeds and some improved breeding have caused an increase per milk cow production.

I have just returned from the State of Minnesota; and I found people, both farmers and businessmen, very disturbed about the coming drop in the price of milk. That is the reason I am compelled to lay these facts before you and urge that immediate action be taken to cause a reconsideration of the Secretary's announcement concerning the lowering of the support price of milk and dairy products.

I sincerely request that I may have a personal conference with you on this question during the week of January 27.

Respectfully,

EDWARD J. THYE,
United States Senator.

Mr. THYE. Mr. President, I want everyone to know that I have repeatedly urged that we hold the line against a slide-in of agricultural prices. I recognize the fact that I am the author of neither this joint resolution nor the joint resolution which was passed earlier. However, it is important that the yeas and nays be ordered on the passage of the pending joint resolution. It is for that reason that I have asked for the yeas and nays. I renew my request for the yeas and nays on the final passage of the pending joint resolution.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute, and then I shall be prepared to yield back the remainder of the time on our side.

Let me say to my good friend, the junior Senator from Minnesota, that in my judgment he need lose no sleep to-night over what the President will do. If he consults me, I certainly will not stutter when I tell him what I think he should do.

Consistency is a jewel. The thing to do in the interest of the American farmers is to veto both joint resolutions. I

do not know that the President will consult me, but if he does, there will be no stuttering and no equivocation on my part.

I think it would be one of the greatest services he could render to American agriculture to veto the handiwork of this afternoon's performance in the United States Senate.

Mr. President, I yield back the remainder of the time on our side.

Mr. ELLENDER. Mr. President, I am prepared to yield back the remainder of the time on our side. First I yield 1 minute to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, when the Senate Agriculture Committee recently voted overwhelmingly to freeze dairy supports in one measure and price supports and acreage allotments in another, I am sure they were responsive to the desire of the great majority of the Nation's farmers. The dairymen of Oregon who have written me have, to a man, urged the action taken by the Senate Agriculture Committee.

The other day I placed in the RECORD representative letters from OREGON dairymen urging that dairy support prices be frozen at the 1957 level. By staying reductions, Congress will enable these dairymen to operate in the manner to which they have made adjustment in recent months. To let the reduction go into force would undoubtedly create maladjustments in the dairy industry, and in the process many milk producers would be eliminated.

If the present price level is maintained, the dairymen of America may proceed with the orderly development of their self-help programs, while in the meantime, opportunity will be given the Congress to act wisely on new dairy legislation designed to solve many of the chronic problems that have beset the dairymen of the country.

If there is desire to simplify the dairy problem by reducing the number of dairymen, the administration's proposed order to reduce the support price could conceivably accomplish that highly questionable objective. Enactment of Senate Joint Resolution 163 will be the immediate step, then, toward an eventual dairy program that is designed to obtain equality of income for dairy farm capital and dairy farm labor in the American economy.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time on our side.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Goldwater	McNamara
Allott	Gore	Monroney
Anderson	Green	Morse
Barrett	Hayden	Morton
Beall	Hennings	Mundt
Bible	Hickenlooper	Neuberger
Bricker	Hill	Pastore
Bridges	Hobblitzell	Payne
Bush	Holland	Potter
Butler	Hruska	Proxmire
Byrd	Humphrey	Purtell
Capehart	Ives	Revercomb
Carlson	Jackson	Robertson
Carroll	Javits	Russell
Case, N. J.	Jenner	Saltonstall
Case, S. Dak.	Johnson, Tex.	Schoeppel
Chavez	Johnson, S. C.	Scott
Church	Kefauver	Smathers
Clark	Kennedy	Smith, Maine
Cooper	Kerr	Smith, N. J.
Cotton	Knowland	Sparkman
Curtis	Kuchel	Stennis
Dirksen	Langer	Symington
Douglas	Lausche	Talmadge
Dworshak	Long	Thurmond
Eastland	Magnuson	Thye
Ellender	Malone	Watkins
Ervin	Mansfield	Wiley
Flanders	Martin, Iowa	Williams
Frear	Martin, Pa.	Yarborough
Fulbright	McClellan	Young

The PRESIDING OFFICER. A quorum is present.

The joint resolution having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

On this vote, the Senator from Montana [Mr. MURRAY] has a pair with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea," and the Senator from Utah [Mr. BENNETT] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 43, nays 50, as follows:

YEAS—43

Aiken	Fulbright	Mundt
Allott	Gore	Neuberger
Barrett	Humphrey	Payne
Carlson	Ives	Potter
Carroll	Jackson	Proxmire
Case, S. Dak.	Javits	Schoeppel
Chavez	Johnson, Tex.	Smith, Maine
Church	Johnson, S. C.	Symington
Clark	Kefauver	Talmadge
Cooper	Langer	Thye
Douglas	Magnuson	Wiley
Dworshak	Mansfield	Yarborough
Eastland	McNamara	Young
Ellender	Morse	
Flanders	Morton	

NAYS—50

Anderson	Butler	Dirksen
Beall	Byrd	Ervin
Bible	Capehart	Frear
Bricker	Case, N. J.	Goldwater
Bridges	Cotton	Green
Bush	Curtis	Hayden

Hennings	Lausche	Russell
Hickenlooper	Long	Saltonstall
Hill	Malone	Scott
Hobblitzell	Martin, Iowa	Smathers
Holland	Martin, Pa.	Smith, N. J.
Hruska	McClellan	Sparkman
Jenner	Monroney	Stennis
Kennedy	Pastore	Thurmond
Kerr	Purtell	Watkins
Knowland	Revercomb	Williams
Kuchel	Robertson	

NOT VOTING—3

Bennett	Murray	O'Mahoney
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So the joint resolution (S. J. Res. 163) was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the joint resolution was rejected.

Mr. RUSSELL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. THYE subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received from Donald A. Tentis, thanking me for my efforts in behalf of the dairy farmers.

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

KELLOGG, MINN., March 13, 1958.

Senator THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: The Zumbro Valley Farmers Union, Local No. 595, want to thank you for your efforts to freeze the price supports on all commodities at 1957 levels. Please continue your fight to freeze the supports on all the commodities and encourage the other Senators to do likewise. The cut in dairy supports in this area would mean disaster to farmers in our area and will make the recession a lot worse. Our local now has over 100 members.

Sincerely,

DONALD A. TENTIS.

RELEASE OF FUNDS APPROPRIATED BY CONGRESS FOR CONSTRUCTION OF NATIONAL GUARD ARMORIES

Mr. JOHNSON of Texas. Mr. President, recently I wrote a letter to the Department of Defense urging the release of funds appropriated by Congress for the construction of National Guard armories throughout the United States.

I pointed out that release of these funds would result in immediate building activity in many communities providing needed employment for our people and also providing a market for necessary supplies and equipment.

Mr. President, I have received this morning from the National Guard Bureau the information that additional Federal funds previously appropriated by the Congress for Army National Guard construction have been made available for obligation in this fiscal year for three more projects in the State of Texas.

The Adjutant General of Texas is being authorized, I am informed, to take the steps necessary to complete construc-

tion contracts for the following projects in my State:

A one-unit-plus armory in Longview, Federal contribution, \$73,620.

A two-unit-plus armory in Corpus Christi, Federal contribution, \$86,000.

A two-unit armory in Pasadena, Federal contribution, \$82,260.

Mr. President, it is my earnest hope that this announcement represents a change in the administration policy that has so often led to a freeze of funds authorized and appropriated by Congress for construction projects and other purposes.

I hope it represents a real awakening to the fact that many of our people need jobs right now—between 5 and 6 million people, according to the latest figures available.

I call the attention of the Senate to the fact that funds have been appropriated by Congress for a number of additional National Guard armories in Texas and that these funds have still not been made available to start immediate construction.

Let me read the list into the RECORD, along with the amount of Federal funds that could be put to work on the projects:

Gonzales, \$138,750.
Terrell, \$79,500.
Brownfield, \$75,000.
Beaumont, \$90,000.
Donna, \$90,000.
Decatur, \$120,000.
New Braunfels, \$135,000.
Orange, \$135,000.
Cameron, \$120,000.
Victoria, \$120,000.

I respectfully suggest, Mr. President, that the go-ahead signal be given on these projects.

This is one of the ways—and others already have been put forward—in which we can take effective, prompt action to combat the downward trend in our economy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 509) authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

The message also announced that the House insisted upon its amendment to 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, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAVIS of Tennessee, Mr. BLATNIK, Mr. JONES of Alabama, Mr. MCGREGOR, and Mr. MACK of Washington were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R.

5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROBERTS, Mr. ROGERS of Texas, Mr. FRIEDEL, Mr. WOLVERTON, Mr. O'HARA of Minnesota, and Mr. HALE were appointed managers on the part of the House at the conference.

FORMULA FOR TAXING OF LIFE INSURANCE COMPANIES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1390, H. R. 10021.

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

The LEGISLATIVE CLERK. A bill (H. R. 10021) to provide that the 1955 formula for taxing income of life-insurance companies shall also apply to taxable years beginning in 1957.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I have talked to the distinguished minority leader and to the author of the amendment which we expect to have called up. We expect to have the Senate remain in session in the hope that it may be possible to vote on the amendment within 4 hours.

On behalf of the minority leader and myself, I submit a proposed unanimous consent agreement which will require a vote by that time, if it is agreed to.

The PRESIDING OFFICER. The proposed agreement will be read for the information of the Senate.

The legislative clerk read as follows:

Ordered, That, during the further consideration of the bill (H. R. 10021), debate upon any amendment intended to be proposed and upon any motion or appeal relating thereto, except a motion to lay on the table, shall be limited to 4 hours, to be equally divided and controlled by the mover of any such amendment or motion and the minority leader: *Provided*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. DOUGLAS. Mr. President, reserving the right to object—and I do not intend to object—I wish to ask a question of the distinguished majority leader, to clarify the terms of the proposed unanimous-consent request.

Do I understand that the time for quorum calls will not be charged to the time of the side requesting the calls?

Mr. JOHNSON of Texas. The quorum call preceding the vote will not be charged. It will be the normal proce-

dure to have a quorum call before the vote on the Senator's amendment. If any other quorum call is desired, it will require unanimous consent. I should have no objection to giving unanimous consent at the time such a request is made, if there is a good reason for the quorum call.

Mr. DOUGLAS. May I understand, then, that there is a sort of informal gentlemen's agreement on this point?

Mr. JOHNSON of Texas. I have had no agreement with anyone. The procedure of the Senate is to have a quorum call before a yea-and-nay vote.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. ANDERSON. The bill is to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957.

Would an amendment to reduce the depletion allowance on oil be germane?

Mr. DOUGLAS. It is not my intention at the moment to offer such an amendment.

Mr. KERR. Mr. President, will the Senator from New Mexico repeat his question?

Mr. ANDERSON. I asked, since the bill is to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, and since the proposed unanimous consent agreement contains a provision to control the time for debate and a provision that amendments be germane, would an amendment to reduce the depletion allowance on oil be germane? I was getting around, eventually, to my own amendment.

The PRESIDING OFFICER. The Chair inquires of the senior Senator from Virginia whether the bill contains any provision relating to a tax on oil.

Mr. BYRD. There is nothing in the bill relating to a depletion allowance or any other tax on oil.

Mr. ANDERSON. There is nothing in the bill relating to excise taxes on automobiles, although I have an amendment to cover such a proposal. There is nothing relating to capital gains, on which I have an amendment.

I must object.

Mr. LONG. Mr. President, reserving the right to object, I do not believe—

The PRESIDING OFFICER. Objection has already been made.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Is there anything in the rules to prevent another Senator from objecting if we wishes to do so?

The PRESIDING OFFICER. Any Senator can object at this point, but, in the judgment of the Chair, such an objection would be useless.

Mr. KERR. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. If a Senator has a right to object, does he not have the right to address himself to the Chair, reserving that right?

Mr. ANDERSON. I do not wish to cut anybody off. I withdraw my objection at this time. I merely wished to make certain that there would be an opportunity, if the Senator from Illinois [Mr. DOUGLAS] could present his amendment, for me to present mine.

Under the proposed unanimous-consent agreement, neither of us could present an amendment, even though the amendment of the Senator from Illinois was named. Therefore, I felt I should object.

I think it is no secret that I do not intend to propose the amendment to change the depletion allowance on oil.

Mr. KERR. Mr. President, I feel that the Senator from Louisiana was arbitrarily cut off by the statement of the Chair. I felt that I, and perhaps other Senators, might like to hear what the Senator from Louisiana would say. But he was arbitrarily cut off by the statement of the Chair that the request had already been objected to.

The PRESIDING OFFICER. The Chair simply informed the Senator from Louisiana that the request had been objected to. The Senator from Louisiana can receive recognition, and the Chair now recognizes the Senator from Louisiana.

Mr. LONG. Mr. President, all I wished to say was that I have an amendment which might not be regarded as germane. I am not even certain that I would insist upon it, if the chairman of the committee felt like resisting the amendment. However, I should like to have the opportunity to make a record concerning the amendment.

So I myself would have been willing to agree to the unanimous-consent agreement, with the understanding that I could offer my particular amendment. If the majority leader would simply rephrase his unanimous-consent request to provide that the amendments which are at the desk may be offered, but no other amendments which are not germane would be received, my guess is that there would be no objection.

Mr. JOHNSON of Texas. It was not intended to foreclose the offering of any of the amendments which had been submitted. The germane provision is one which is used in the formal request. I was not aware of the specific amendment offered by the Senator from New Mexico, which is at the desk, including the details of the amendment.

I had an agreement with the Senator from Illinois which provided 4 hours for his specific amendment.

In reading the amendment, we felt that since 4 hours were provided for the Douglas amendment, which is a rather substantial tax amendment, the 4-hour limitation on any other amendment which had been filed, would be agreeable too.

Mr. President, I modify my request to provide a 4-hour limitation of debate on all amendments which have been filed at the desk—and I ask the clerk to state them—and 2 hours on the bill.

That will specifically include the Douglas amendment, which has been filed; the Anderson amendment, the Long amendment, the Potter amendment, and

any other amendments which may be offered.

It is not our intention to foreclose, and it has never been so suggested that we foreclose the Senator from having his amendment considered.

Mr. KNOWLAND. Mr. President, reserving the right to object, it seems to me that we might proceed with the unanimous-consent agreement, embodying in it such limitation of time as the Senate might agree to, with the understanding that since this is a tax bill, any tax amendment is germane. That, I think, would be the case. The general provision of germaneness which is used is primarily concerned with amendments entirely extraneous to the subject matter of the bill. I would not want any Senator who had not yet filed an amendment to be foreclosed from offering his amendment under the proposed unanimous-consent agreement, if the amendment related to the subject of taxation.

Mr. POTTER. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER. (Mr. PROXMIER in the chair). Does the Senator from California yield to the Senator from Michigan?

Mr. KNOWLAND. I yield.

Mr. POTTER. Is the Senator proposing that even though an amendment may not be at the desk, if the situation is such that a Senator cares to offer an amendment, it may be offered?

Mr. KNOWLAND. Yes; and that was the point I was making. Some Senators either may not have prepared an amendment or may not have had an opportunity to consider it. Under those circumstances, I would want to have Senators protected.

Mr. JOHNSON of Texas. Mr. President, I wonder whether we can agree on the following, instead of debating further the unanimous-consent agreement previously proposed: That not to exceed 4 hours shall be available on the E amendment filed by the Senator from Illinois [Mr. DOUGLAS], and that that limitation shall not foreclose debate on any other amendment.

Let us agree now to that much, without regard to any other amendment.

Mr. EASTLAND. Would that agreement foreclose debate on any other amendment?

Mr. JOHNSON of Texas. No.

Mr. EASTLAND. There could be unlimited debate on any amendment except the Douglas amendment, under that proposal; could there?

Mr. JOHNSON of Texas. Yes.

Mr. DIRKSEN. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. As I understand the language of the proposed agreement, "any amendment must be germane to the provisions of the said bill." I am not quite clear in my understanding of what amendments would be germane.

However, under that language, I judge that every amendment would have to be ruled on in regard to germaneness, because the bill deals with insurance companies. I am not quite sure how the Parliamentarian would advise the Chair in that connection.

Mr. JOHNSON of Texas. Mr. President, I have now proposed a unanimous-consent agreement that debate on the Douglas amendment identified as E be limited to 4 hours, and that the limitation apply only to that one amendment; and that all amendments offered to that amendment must be germane to it.

Mr. DIRKSEN. Is the draft I hold in my hand now before the Senate for consideration?

Mr. JOHNSON of Texas. No. The pending proposal applies only to the Douglas amendment lettered E.

Mr. CASE of New Jersey. Mr. President, I understand that the pending proposal relates only to the Douglas amendment E and to any amendments thereto.

Mr. JOHNSON of Texas. That is correct. It would not apply to any other amendments.

Mr. President, I should like to have the Senate know—if it is possible to have this agreement entered into—that between now and 10 a. m. tomorrow, the Douglas amendment lettered "E" will be disposed of.

Mr. NEUBERGER. Mr. President, I rise to a point of information.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. NEUBERGER. I have at the desk an amendment which is vital to my State and region. That amendment is the reason why I have not joined in sponsoring the Douglas amendment.

I wish to know whether my amendment would be ruled out of order on the ground of not being germane, whereas by means of the proposed unanimous-consent agreement the Douglas amendment will specifically be made germane.

Mr. JOHNSON of Texas. Mr. President, the Senate will convene tomorrow at 10 a. m., and will remain in session, if Senators are willing to do so, until 10 p. m.; and the Senate will hold a session on Saturday for so long as may be necessary, in view of the fact that Saturday is the expiration date of the existing law, and this measure should be passed by that time.

The Senator from Oregon will have ample opportunity to have his amendment considered, as will all other Senators, under the unanimous-consent agreement now proposed.

Mr. LANGER. Mr. President, I should like to have the yeas and nays ordered on the question of agreeing to the Douglas amendment lettered "E."

Mr. JOHNSON of Texas. Mr. President, I so request.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, I submit, and send to the desk my amendment identified as "3-12-58-E"; and I request that it be printed at this point in the RECORD. I have now made the following technical modification of the amendment:

On page 18, in line 5, after the word "article" and before the comma, insert the following:

(Or, in the case of an article subject to the tax imposed by section 4061 (b), an amount equal to the difference between the tax paid by him on his sale of the article and the amount of the tax made applicable to

such article on and after the tax reduction date.)

The PRESIDING OFFICER. The amendment, as modified, will be received, and will be printed in the RECORD.

The amendment lettered "E," as submitted by Mr. DOUGLAS, is as follows:

On page 1, after line 2, insert the following:

"SECTION 1. Short title, etc.

"(a) Short title: This act may be cited as the 'Tax Reduction Act of 1958.'

"(b) Amendment of 1954 code: Except as otherwise expressly provided, wherever in this act an amendment or repeal is expressed in terms of an amendment to or a repeal of a section or other provision, the reference shall be considered to be made to a provision of the Internal Revenue Code of 1954.

"TITLE I—REDUCTION OF INCOME TAX ON INDIVIDUALS FOR TAXABLE YEAR 1958

"Sec. 101. Reduction of rate applicable to first \$1,000 of taxable income for taxable year 1958.

"(a) Rates of tax on individuals other than heads of households: So much of section 1 (a) (relating to rates of tax on individuals) as precedes the table therein is amended to read as follows:

"(a) Rates of tax on individuals.—

"(1) Taxable year 1958: A tax is hereby imposed for each taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual other than a head of a household to whom subsection (b) applies. The amount of the tax shall be determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over \$1,000-----	15 percent of the taxable income.
Over \$1,000 but not over \$2,000.	\$150, plus 20 percent of excess over \$1,000.
Over \$2,000 but not over \$4,000.	\$350, plus 22 percent of excess over \$2,000.
Over \$4,000 but not over \$6,000.	\$790, plus 26 percent of excess over \$4,000.
Over \$6,000 but not over \$8,000.	\$1,310, plus 30 percent of excess over \$6,000.
Over \$8,000 but not over \$10,000.	\$1,910, plus 34 percent of excess over \$8,000.
Over \$10,000 but not over \$12,000.	\$2,590, plus 38 percent of excess over \$10,000.
Over \$12,000 but not over \$14,000.	\$3,350, plus 43 percent of excess over \$12,000.
Over \$14,000 but not over \$16,000.	\$4,210, plus 47 percent of excess over \$14,000.
Over \$16,000 but not over \$18,000.	\$5,150, plus 50 percent of excess over \$16,000.
Over \$18,000 but not over \$20,000.	\$6,150, plus 53 percent of excess over \$18,000.
Over \$20,000 but not over \$22,000.	\$7,210, plus 56 percent of excess over \$20,000.
Over \$22,000 but not over \$26,000.	\$8,330, plus 59 percent of excess over \$22,000.
Over \$26,000 but not over \$32,000.	\$10,690, plus 62 percent of excess over \$26,000.
Over \$32,000 but not over \$38,000.	\$14,410, plus 65 percent of excess over \$32,000.
Over \$38,000 but not over \$44,000.	\$18,310, plus 69 percent of excess over \$38,000.
Over \$44,000 but not over \$50,000.	\$22,450, plus 72 percent of excess over \$44,000.

"If the taxable income is—Con.

Over \$50,000 but not over \$60,000.

Over \$60,000 but not over \$70,000.

Over \$70,000 but not over \$80,000.

Over \$80,000 but not over \$90,000.

Over \$90,000 but not over \$100,000.

Over \$100,000 but not over \$150,000.

Over \$150,000 but not over \$200,000.

Over \$200,000-----

The tax is—Con.

\$26,770, plus 75 percent of excess over \$50,000.

\$34,270, plus 78 percent of excess over \$60,000.

\$42,070, plus 81 percent of excess over \$70,000.

\$50,170, plus 84 percent of excess over \$80,000.

\$58,570, plus 87 percent of excess over \$90,000.

\$67,270, plus 89 percent of excess over \$100,000.

\$111,770, plus 90 percent of excess over \$150,000.

\$156,770, plus 91 percent of excess over \$200,000.

"(2) Other taxable years: A tax is hereby imposed for each taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual other than a head of a household to whom subsection (b) applies. The amount of the tax shall be determined in accordance with the following table:

"(b) Rates of tax on heads of households: So much of section 1 (b) (1) (relating to rates of tax on heads of households) as precedes the table therein is amended to read as follows:

"(1) Rates of tax.—

"(A) Taxable year 1958: A tax is hereby imposed for each taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual who is the head of a household. The amount of the tax shall be determined in accordance with the following table:

"If the taxable income is:

Not over \$1,000----

The tax is:

15 percent of the taxable income.

Over \$1,000 but not over \$2,000.

\$150, plus 17½ percent of excess over \$1,000.

Over \$2,000 but not over \$4,000.

\$325, plus 21 percent of excess over \$2,000.

Over \$4,000 but not over \$6,000.

\$745, plus 24 percent of excess over \$4,000.

Over \$6,000 but not over \$8,000.

\$1,225, plus 26 percent of excess over \$6,000.

Over \$8,000 but not over \$10,000.

\$1,745, plus 30 percent of excess over \$8,000.

Over \$10,000 but not over \$12,000.

\$2,345, plus 32 percent of excess over \$10,000.

Over \$12,000 but not over \$14,000.

\$2,985, plus 36 percent of excess over \$12,000.

Over \$14,000 but not over \$16,000.

\$3,705, plus 39 percent of excess over \$14,000.

Over \$16,000 but not over \$18,000.

\$4,485, plus 42 percent of excess over \$16,000.

Over \$18,000 but not over \$20,000.

\$5,325, plus 43 percent of excess over \$18,000.

Over \$20,000 but not over \$22,000.

\$6,185, plus 47 percent of excess over \$20,000.

Over \$22,000 but not over \$24,000.

\$7,125, plus 49 percent of excess over \$22,000.

Over \$24,000 but not over \$28,000.

\$8,105, plus 52 percent of excess over \$24,000.

Over \$28,000 but not over \$32,000.

\$10,185, plus 54 percent of excess over \$28,000.

"If the taxable income is—Con.

Over \$32,000 but not over \$38,000.

Over \$38,000 but not over \$44,000.

Over \$44,000 but not over \$50,000.

Over \$50,000 but not over \$60,000.

Over \$60,000 but not over \$70,000.

Over \$70,000 but not over \$80,000.

Over \$80,000 but not over \$90,000.

Over \$90,000 but not over \$100,000.

Over \$100,000 but not over \$150,000.

Over \$150,000 but not over \$200,000.

Over \$200,000 but not over \$300,000.

Over \$300,000-----

The tax is—Con.

\$12,345, plus 58 percent of excess over \$32,000.

\$15,825, plus 62 percent of excess over \$38,000.

\$19,545, plus 66 percent of excess over \$44,000.

\$23,505, plus 68 percent of excess over \$50,000.

\$30,305, plus 71 percent of excess over \$60,000.

\$37,405, plus 74 percent of excess over \$70,000.

\$44,805, plus 76 percent of excess over \$80,000.

\$52,405, plus 80 percent of excess over \$90,000.

\$60,405, plus 83 percent of excess over \$100,000.

\$101,905, plus 87 percent of excess over \$150,000.

\$145,405, plus 90 percent of excess over \$200,000.

\$235,405, plus 91 percent of excess over \$300,000.

"(B) Other taxable years: A tax is hereby imposed for each taxable year, other than a taxable year beginning after December 31, 1957, and before January 1, 1959, on the taxable income of every individual who is the head of a household. The amount of the tax shall be determined in accordance with the following table:

"Sec. 102. Optional tax.

"(a) Table prescribed by the Secretary: Section 3 (relating to optional tax if adjusted gross income is less than \$5,000) is amended by striking out 'who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:' and inserting in lieu thereof 'who has elected for such year to pay the tax imposed by this section—

"(1) In the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"(2) In the case of any taxable year other than a taxable year beginning after December 31, 1957, and before January 1, 1959, the tax shown in the following table:

"(b) Technical amendments: Section 4 (a) (relating to rules for optional tax) is amended by inserting after 'the table in section 3' the following: 'and the table prescribed under section 3'.

"Sec. 103. Withholding of tax at source.

"(a) Percentage method of withholding: Section 3402 (a) (relating to withholding of income tax at source) is amended to read as follows:

"(a) Requirement of withholding: Every employer making payment of wages shall deduct and withhold upon such wages (except as provided in subsection (j))—

"(1) with respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958 and before January 1, 1959, a tax equal

to 16 percent of the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in subsection (b) (1), and

"(2) with respect to wages paid before the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958, or on or after January 1, 1959, a tax equal to 18 percent of the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in subsection (b) (1).

"(b) Wage bracket withholding: So much of paragraph (1) of section 3402 (c) (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958 and before January 1, 1959, a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee (other than wages paid during the period to which subparagraph (A) applies) a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):

"Sec. 104. Technical amendment.

"(a) Retirement income credit: Section 37 (a) (relating to credit for retirement income) is amended by striking out "an amount equal to the amount received by such individual as retirement income (as defined in subsection (c) and as limited by subsection (d)), multiplied by the rate provided in section 1 for the first \$2,000 of taxable income" and inserting in lieu thereof "an amount equal to 20 percent of the retirement income (as defined in subsection (c) and as limited by subsection (d)) received by such individual".

"(b) Effective date: The amendments made by subsection (a) and by section 102 (b) shall apply only to taxable years beginning after December 31, 1957, and before January 1, 1959.

"TITLE II—REPEAL AND REDUCTION OF CERTAIN EXCISE TAXES

"Sec. 201. Retailers excise taxes.

"(a) Tax on toilet preparations and luggage, handbags, etc.: The following provisions are repealed:

"(1) subchapter C of chapter 31 (tax on toilet preparations); and

"(2) subchapter D of chapter 31 (tax on luggage, handbags, etc.).

"(b) Watches and clocks: Section 4003 relating to exemption from tax on jewelry and related items) is amended by adding at the end thereof the following new subsection:

"(c) Certain watches and clocks: The tax imposed by section 4001 shall not apply to any watch or clock if the price for which such watch or clock is sold is less than \$100.

"(c) Technical amendment: The table of subchapters for chapter 31 is amended by striking out

"SUBCHAPTER C. Toilet preparations.

"SUBCHAPTER D. Luggage, handbags, etc."

"SEC. 202. Manufacturers excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter B of chapter 32 (tax on refrigeration equipment, electric, gas, and oil appliances, and electric light bulbs);

"(2) subchapter C of chapter 32 (tax on radio and television sets, phonographs, records, and musical instruments);

"(3) part II of subchapter D of chapter 32 (tax on photographic equipment); and

"(4) subchapter E, of chapter 32 (tax on business machines, pens, mechanical pencils, mechanical lighters, and matches).

"(b) Passenger automobiles: Section 4061 (a) (2) (relating to tax on automobile chassis and bodies) is amended by striking out 'on and after July 1, 1958, the rate shall be 7 percent' and inserting in lieu thereof 'on and after March 1, 1958, and the rate shall be 5 percent.'

"(c) Parts and accessories for automobiles: Section 4061 (b) (relating to tax on automobile parts and accessories) is amended by striking out '8 percent of the price for which so sold, except that on and after July 1, 1958, the rate shall be 5 percent' and including in lieu thereof '4 percent of the price for which so sold.'

"(d) Sporting goods: Section 4161 (relating to tax on sporting goods) is amended to read as follows:

"SEC. 4161. Imposition of tax.

"There is hereby imposed upon the sale by the manufacturer, producer, or importer of fishing rods, creels, reels, and artificial lures, baits, and flies (including in each case parts or accessories of such articles sold on or in connection therewith, or with the sale thereof) a tax equivalent to 10 percent of the price for which so sold."

"(e) Firearms: Section 4181 (relating to tax on firearms) is amended to read as follows:

"SEC. 4181. Imposition of tax.

"There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to 11 percent of the price for which so sold:

"Firearms (other than pistols and revolvers).

"Shells and cartridges."

"(f) Technical amendments.—

"(1) The table of subchapters for chapter 32 is amended by striking out

"SUBCHAPTER B. Household type equipment, etc.

"SUBCHAPTER C. Entertainment equipment,' and by striking out

"SUBCHAPTER E. Other items."

"(2) The table of parts for subchapter D of chapter 32 is amended by striking out

"Part II. Photographic equipment."

"SEC. 203. Facilities and services.

"(a) Repeal: The following provisions are repealed:

"(1) part I of subchapter A of chapter 33 (tax on admissions); and

"(2) subchapter D of chapter 33 (tax on safe deposit boxes).

"(b) Reduction of tax on communications: Section 4251 (relating to tax on communications) is amended—

"(1) by striking out '10' each place it appears therein and inserting in lieu thereof '5'; and

"(2) by striking out '8' and inserting in lieu thereof '4'.

"(c) Reduction of Tax on Transportation.—

"(1) Persons. Section 4261 (relating to tax on transportation of persons) is amended by striking out '10 percent' each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof '5 percent'.

"(2) Property other than coal: Section 4271 (a) (relating to tax on transportation of property other than coal) is amended by striking out '3 percent' and inserting in lieu thereof '1½ percent'.

"(3) Coal: Section 4271 (b) (relating to tax on transportation of coal) is amended by striking out '4 cents' and inserting in lieu thereof '2 cents'.

"(d) Technical amendments—

"(1) The table of subchapters for chapter 33 is amended by striking out

"SUBCHAPTER D. Safe deposit boxes."

"(2) The table of parts for subchapter A of chapter 33 is amended by striking out

"Part I. Admissions."

"SEC. 204. Other excise taxes.

"(a) Repeal: The following provisions are repealed:

"(1) subchapter A of chapter 36 (tax on playing cards); and

"(2) subchapter C of chapter 36 (occupational tax on bowling alleys, billiard and pool tables).

"(b) Technical amendments: The table of subchapters for chapter 36 is amended by striking out

"SUBCHAPTER A. Playing cards."

and by striking out

"SUBCHAPTER C. Occupational tax on bowling alleys, billiard and pool tables."

"SEC. 205. Floor stocks refunds.

"(a) Passenger automobiles: Section 6412 (a) (1) (relating to floor stocks refunds on passenger automobiles) is amended to read as follows:

"(1) Passenger automobiles, etc.: Where before the date of the enactment of the Tax Reduction Act of 1958, any article subject to the tax imposed by section 4061 (a) (2) has been sold by the manufacturer, producer, or importer and—

"(A) either is held by a dealer on the date of the enactment of such act, or has been held by a dealer on or after March 1, 1958, and has been sold by him to an ultimate purchaser before the date of the enactment of such act,

"(B) either has not been used before the date of the enactment of such act, or, if such article has been sold to an ultimate purchaser before such date, was not used before such sale, and

"(C) either is intended for sale on the date of the enactment of such act, or has been sold to an ultimate purchaser before such date,

there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of the tax made applicable to such article on and after March 1, 1958, if claim for such credit or refund is filed with the Secretary or his delegate on or before August 10, 1958, based upon a request submitted to the manufacturer, producer, or importer before July 1, 1958, by the dealer who held the article in respect of which the credit or refund is claimed, and, on or before August 10, 1958, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund. This paragraph shall apply in respect of an article sold by the dealer on or after March 1, 1958, and before the date of the enactment of the Tax Reduction Act of 1958, only if on or before August 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to the allowance of the credit or refund. No credit or refund of any overpayment of the tax imposed by section 4061 (a) (2) with respect to any article sold

by the manufacturer, producer, or importer on or after March 1, 1958, and before the date of enactment of the Tax Reduction Act of 1958, resulting from the enactment of such act, shall be made or allowed except pursuant to the provisions of this paragraph."

"(b) Allowance of refunds on other tax-paid articles: Section 6412 (a) (relating to floor stock refunds) is amended by renumbering paragraph (3) as (4), and by inserting after paragraph (2) the following new paragraph:

"(3) Miscellaneous articles subject to manufacturers excise tax: Where before the tax reduction date any article subject to the tax imposed by section 4061 (b), 4111, 4121, 4131, 4141, 4151, 4161 (other than fishing rods, creels, reels, and artificial lures, baits, and flies), 4171, 4181 (other than firearms (other than pistols and revolvers), shells, and cartridges), 4191, 4201, 4211, or 4451 has been sold by the manufacturer, producer, or importer and on the tax reduction date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by him on his sale of the article (or, in the case of an article subject to the tax imposed by section 4061 (b), an amount equal to the difference between the tax paid by him on his sale of the article and the amount of the tax made applicable to such article on and after the tax reduction date), if—

"(A) claim for such credit or refund is filed with the Secretary or his delegate on or before the 10th day of the 4th month which begins after the tax reduction date, based upon a request submitted to the manufacturer, producer, or importer before the 1st day of the 3d month which begins after the tax reduction date by the dealer who held the article in respect of which the credit or refund is claimed, and

"(B) on or before the 10th day of the 4th month which begins after the tax reduction date, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund."

"(c) Definition: Paragraph (4) of section 6412 (a) (relating to definitions), as renumbered by subsection (b), is amended by adding at the end thereof the following new subparagraph:

"(C) The term 'tax reduction date' means the first day of the first month which begins more than 10 days after the date of the enactment of the Tax Reduction Act of 1958."

"(d) Technical amendment: Section 6412 (c) (relating to applicability of other laws) is amended by striking out 'and 4081' and inserting in lieu thereof '4081, 4111, 4121, 4131, 4141, 4151, 4161, 4171, 4181, 4191, 4201, 4211, and 4451'."

"SEC. 206. Effective dates.

"The repeals and amendments made by sections 201, 202 (except subsection (b)), and 204 (a) (1) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. The repeal made by section 203 (a) (1) shall apply to amounts paid on or after such first day for admissions on or after such first day, except that with respect to the tax imposed by section 4231 (6) (relating to tax on cabarets), such repeal shall apply only with respect to periods after 10 antemeridian on such first day. The repeals made by sections 203 (a) (2) and 204 (a) (2) shall apply to amounts paid on or after such first day. The amendments made by section 203 (b) shall apply to amounts paid on or after such first day for communication services or facilities rendered on or after such first day. The amendments made by section 203

(c) shall apply to amounts paid on or after such first day for, or in connection with, transportation which begins on or after such first day.

"TITLE III—1957 TAX ON INCOME OF LIFE INSURANCE COMPANIES"

"On page 1, line 3, strike out 'SECTION 1' and insert 'Sec. 301.'"

"On page 2, line 1, strike out 'Sec. 2' and insert 'Sec. 302.'"

Mr. KNOWLAND. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Under the unanimous-consent agreement now proposed—and I particularly request the attention of the distinguished Senator from Illinois—I understand that debate on the Douglas amendment lettered "E" will be limited to a maximum of 4 hours. However, is it not conceivable—although I have no way of knowing—that if all the time available under the agreement were not used, the vote could be taken before 10 o'clock tomorrow?

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. Therefore, Senators should be on notice, should they not, that if all the available time on that amendment is not used, the vote on it could come at some time between now and 10 a. m. tomorrow?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I should like to point out that before the vote is taken on the Douglas amendment "E," there will be a quorum call, and it will be continued long enough so that all Senators will be notified.

Mr. DOUGLAS. Mr. President, is my amendment lettered "E" at the desk?

The PRESIDING OFFICER. The amendment has been sent to the desk, and has been ordered to be printed in the RECORD.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Is the pending question on agreeing to my amendment lettered "E," as modified?

The PRESIDING OFFICER. It is.

Mr. DOUGLAS. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement on the amendment lettered "E" which has been submitted by the Senator from Illinois?

Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that the last unanimous-consent agreement I proposed has now been entered into. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ANDERSON. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Mexico will state it.

Mr. ANDERSON. Do I correctly understand that under the unanimous-consent agreement the Senate has eliminated any general debate on the bill, and has moved directly to consideration of the Douglas amendment lettered "E"?

The PRESIDING OFFICER. That is correct.

Mr. DOUGLAS. Mr. President, I desire to state that in offering the pending amendment, I am joined by the senior Senator from Michigan [Mr. POTTER], the junior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Wyoming [Mr. O'MAHONEY], the junior Senator from Wisconsin [Mr. PROXMIER], the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Colorado [Mr. CARROLL], the senior Senator from Oregon [Mr. MORSE], and the junior Senator from Rhode Island [Mr. PASTORE].

Mr. BYRD. Mr. President, will the Senator from Illinois yield, in order that I may have an opportunity, as chairman of the committee, to make an explanation of the bill? [Laughter.]

Mr. DOUGLAS. Mr. President, I shall be very glad to do so, so long as it is understood that thereafter the pending question will be on agreeing to my amendment lettered "E," as modified.

Perhaps the Senator from Illinois has become unduly suspicious; but, at any rate, Mr. President, I ask unanimous consent that the time which will be consumed by the distinguished chairman of the Finance Committee not be charged to the time allotted for debate on my amendment lettered "E."

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOUGLAS. Then, Mr. President, I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, House bill 10021, relating to the taxation of life insurance companies, was unanimously passed by the House of Representatives. It extends the 1955-56 tax treatment of life insurance companies to the years beginning in 1957.

The 1955-56 treatment subjects a life insurance company to taxation at regular corporate rates on a portion of its net investment income. Net investment income is the gross income from investments, less investment expenses, including such things as taxes and depreciation on rented real estate. The term "investment income" includes not only interest, dividends, and rents, but also royalties, income from negotiation or termination of leases and mortgages, and other income from the operation of a business, such as a farm acquired after foreclosure of a mortgage. The net investment income is reduced, under this treatment, by a deduction equal to, first, 87½ percent of the first \$1 million of such income and, second, 85 percent of any remaining balance.

It is estimated that the extension of this treatment to the years beginning in 1957 will result in the collection of \$291 million in revenue from such companies for 1957. For 1956, \$262 million was collected under this method from insurance companies; and for 1955, \$243 million. Because insurance companies were, in general, allowed a deduction of 85 percent before arriving at their taxable income, the method in question took away from the insurance companies the 85 percent dividend credit allowed to corporations generally.

Our committee was unanimous in believing that the 1955-56 treatment

should not be adopted as a permanent method of taxing life insurance companies. However, in view of the failure of the Treasury to submit recommendations for a permanent plan of taxing life insurance companies, and in view of the short period left for insurance companies to file their 1957 returns (the due date for 1957 returns is March 15, 1958), our committee deems it advisable to adopt the House bill for 1957. The Treasury indicated to the committee that it would not be possible for recommendations on a permanent plan to be ready prior to March 15, 1958; and, when any such plan is submitted, extensive hearings and full consideration of that and other possibilities would be desirable. The Secretary of the Treasury pointed out to the committee that we are dealing with institutions with responsibility for the insurance policies of millions of American people, and final decision by the life insurance companies as to the policy, dividends, and surpluses for the year 1957 will depend to some extent on the final determination of their tax liability. The Secretary stated in his letter that, in view of this situation and in order to assure full consideration of the best permanent method of taxation of life insurance company income, it would seem reasonable to extend the law effective for the taxable years 1955-56 for another year and make it applicable for 1957 income. Your committee concurs in that view.

If the House bill is not enacted, a formula which was adopted in 1942 will come into operation. This formula has not been in effect since the year 1948. It proved unsatisfactory, and was abandoned at that time because it was found to be inequitable, and in some years, particularly 1947 and 1948, yielded no revenue from the life insurance operations of the companies. The 1942 formula is based on a ratio determined on a weighted average basis by taking into account two factors. The first factor, weighted 65 percent, compares 3¼ percent of the average reserves of all companies, and the second factor, weighted 35 percent, compares the interest actually added to their reserves by all companies during the preceding year, with the total net investment income during that year of all companies. There is thus derived an average percentage, and each company determines its taxable income by deducting that percentage of its net investment income. This arbitrary deduction of 65 percent of 3¼ percent on their reserves was greater than the amount they were earning on such reserves. For instance, the rate of return for their investments in 1946 was 2.93 percent; in 1947, 2.98 percent; and in 1948, 2.96 percent.

The 1942 formula, because of the 3¼ percent factor, has been shown by its operation not to be a dependable source of taxation. It fluctuated to a point where it produced no revenue for 1947 and 1948. The House reached the conclusion that the 1942 formula was unsound and should not be allowed to come into operation for the year 1957 even though, by happenstance, the formula would yield \$124 million more than H. R. 10021 for the year 1957.

Aside from the fact that the 1942 formula produced for some years no revenue from the life insurance business, it also had other undesirable features. It works a hardship on the smaller life insurance companies, and, in addition, greatly understates the revenue of life insurance companies having a large health and accident business. In this connection, I should like to quote the following from a memorandum submitted by Dr. Dan Throop Smith, Deputy to the Secretary of the Treasury, and presented to the Senate Finance Committee on March 5, 1958:

A reapplication of the 1942 formula would increase the overall tax liabilities of life insurance companies by an estimated \$124 million or about 43 percent above the stopgap method. It would also involve substantial shifts in burden among companies, in relation to their total taxload and their taxable capacity.

Several factors account for this varying impact. One is the special treatment for smaller companies provided under the stopgap law but not under the 1942 formula. The 1942 formula provides a 77.66 percent reserve and other policy liability deduction for all companies in 1957, leaving 22.34 percent of their net investment income subject to tax at regular corporate rates. The stopgap method generally allows an 85 percent deduction, leaving 15 percent of the income subject to tax. However, the deduction is 87½ percent on the first \$1 million, leaving 12½ percent of this amount subject to tax. Consequently, for very large companies the shift from an 85 percent to a 77.66 percent deduction would mean about a 49 percent increase in the tax base and tax liability. For companies with incomes under \$1 million, the shift would be from 87½ percent down to a 77.66 percent allowance, involving about a 79 percent increase in their tax base. Because of the interplay of the insurance company deduction and the surtax exemption for corporations generally, the percentage increase in tax would be still greater at some income levels, ranging as high as 136 percent for a company with \$200,000 net investment income.

On the other hand, data submitted by the Treasury Department showed that, as an example, for 10 companies writing also accident and health insurance, the 1955 formula would yield \$7,445,000, on the income from that part of their business, as compared to only \$6,526,000 under the 1942 formula.

A comparison of the taxes actually collected for the years 1942-56, and the taxes which would have been collected during those years if the 1942 formula had been applied for 1949-56, is shown in a table, which I ask unanimous consent to have printed in the RECORD at this point.

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

Taxes collected (in millions)	
Year:	
1942	\$27
1943	34
1944	34
1945	25
1946	22
1947	(¹)
1948	(¹)
1949	43
1950	73
1951	127
1952	144
1953	161

Taxes collected (in millions)—Continued

Year:	
1954	177
1955	243
1956	268
Total	1,317

¹ No taxes were collected on life insurance income. About \$2 million tax on the accident and health business of the companies was collected each year.

Mr. BYRD. Although for 1957 the 1955 formula would yield less than the 1942 formula, if the 1955 formula had been applied for all years beginning with 1942 (including 1957) it would have yielded far more revenue than that formula. The comparison is contained in a table, which I ask unanimous consent to have printed in the RECORD at this point.

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

[In millions]		
Year	Tax under 1942 formula	Tax under 1955 formula
1942	\$27	\$65
1943	34	71
1944	34	74
1945	25	80
1946	22	79
1947		83
1948		91
1949	2	101
1950	30	122
1951	67	161
1952	101	184
1953	155	199
1954	212	222
1955	276	243
1956	336	268
1957	415	291
Total	1,736	2,334

Mr. BYRD. These figures show that if the 1955 formula had been applied for the entire period from 1942 to 1957, inclusive, it would have produced for that period \$598 million more than the 1942 formula would have produced for the same period. This demonstrates that the 1955 formula, in addition to its other advantages, is a much greater revenue producer than the 1942 formula. Mr. MILLS, chairman of the Committee on Ways and Means, in presenting H. R. 10021 to the House stated:

The Treasury Department has joined the committee in recommending extension of the stopgap formula of H. R. 10021 to the year 1957 in preference to letting the 1942 formula apply.

There was some confusion in our committee as to the Treasury's position on H. R. 10021, and I requested Dr. Dan Throop Smith, Deputy to the Secretary of the Treasury, to clarify the Treasury's position for the benefit of our committee. This was done by Dr. Smith in a letter dated March 6, 1958, which I wish to quote:

TREASURY DEPARTMENT,
Washington, March 6, 1958.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I want to make the record clear that no statement which I made yesterday before your committee was intended to indicate any dissent from the statement which the chairman of the House Committee on Ways and Means made before the House on H. R. 10021.

With reference to the tax to be imposed on life-insurance companies, all of us are most interested in permanent legislation which will obviate any need for annual review. Satisfactory permanent legislation, in our opinion, would not be achieved either by the 1942 law or by an indefinite extension of the 1955 stopgap formula.

Under the circumstances, the Treasury advised the Ways and Means Committee that it was agreeable to the application of the stopgap legislation for 1 year, and thus joined with the Ways and Means Committee in such an extension. This is in accord with the statement of the chairman of the House Ways and Means Committee on January 30 in the House.

Sincerely yours,

DAN THROOP SMITH,
Deputy to the Secretary.

Thus the Treasury, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate are all agreed on the advisability of extending the 1955 formula to the year 1957.

Our committee is of the opinion that the formula applied under H. R. 10021 should not be adopted as a permanent method of taxing life-insurance companies. The Secretary of the Treasury, through Dr. Dan Throop Smith, Deputy to the Secretary, has promised to submit to the Congress a permanent plan for the taxation of life-insurance companies by Monday, April 7, 1958. Upon receipt of these recommendations by the Treasury, there will be sufficient time to adopt a permanent plan for the taxation of life-insurance companies for 1958 and subsequent years.

Some members of the committee desired to amend the House bill to provide another formula for the taxation of life insurance companies for the year 1957. However, the committee felt that before any change was made in the formula contained in the House bill a public hearing should be held by the committee. This hearing was held on March 5-6, 1958, and the insurance companies pointed out the inequities of continuing the 1942 formula and other stopgap formulas applicable to past years.

The Congress adopted the policy of stopgap formulas, awaiting a satisfactory permanent plan, since 1948. These were as follows:

The 1950 formula applied to 1949 and 1950. It provided for the deduction by each company of an average percentage of its net investment income, the percentage being the ratio of what the entire industry needed to meet its policy obligations for the preceding year to the net investment income of the industry for that year.

The 1951 formula was first applied to 1951, and then extended by subsequent Congressional actions to apply to 1952, 1953, and 1954. It taxed the whole net investment income of each company at low rates, 3¾ percent of the first \$200,000 and 6½ percent of the balance. The low rates were designed to have roughly similar effects as if the usual corporation rates had been applied to the net investment income less a deduction for the amount needed to meet policy obligations.

The 1955 formula was enacted on March 13, 1956, by Public Law 429, as applicable only to 1955. By legislation

in July 1956 that formula was made applicable to 1956.

The testimony during the recent hearing was unanimous that the 1955-56 formula should be applied for the year 1957 on account of the failure of the Treasury Department to submit a permanent formula. After hearing all the testimony and considering the matter in executive session, it was the opinion of the committee that the House bill should be reported without amendment.

In conclusion, I wish to emphasize that our committee is desirous of providing a permanent method of taxing life-insurance companies. This will not only be fair to the insurance companies but also to the Government. For the past 9 years, insurance companies have been left in confusion as to their proper tax liability. This has made it difficult for them to determine their policy dividends and surpluses for the years in question. I feel that we have made considerable headway in receiving assurance from the Treasury Department that they will make to the Congress by Monday, April 7, 1958, definite recommendations for a permanent plan for the taxation of life-insurance companies. Full hearings will be held on the Treasury recommendations and it is believed that a permanent plan can be evolved which will make it possible for the Congress to adopt permanent legislation for 1958 and future years. I hope that the Senate will give speedy approval to this bill, so that insurance companies can file their 1957 returns in the time prescribed by law.

Mr. President, in regard to the 1942 formula, it was not intended by the Congress that it should come into effect after 1948. The Congress was seeking a permanent method for taxing life-insurance companies to replace the discredited 1942 formula, which yielded no revenue in 1947 and 1948 on the life insurance business. The legislation that has been enacted since 1948 has all been stopgap legislation for temporary periods to provide revenue pending a permanent solution for taxing life-insurance companies. The stopgap legislation passed by the House in 1950 applied to the year 1949. In its report on this stopgap legislation, the Committee on Ways and Means said:

The committee is not willing, at this time, to recommend permanent legislation. Substantial objection has been made to the principle of basing the tax on the average experience of the industry rather than on the experience of the individual company. The restriction of the tax to net investment income (leaving underwriting income out of account) has also been criticized. The committee does not believe that it is possible to resolve these fundamental questions of principle on the basis of the necessarily brief study which it has been possible to make at this time. Therefore, the committee plans to give the problem of defining the appropriate tax base for life-insurance companies further study, with a view to the enactment of permanent legislation during this session of Congress. In the event that no action is taken on permanent legislation during 1950, this stopgap legislation can be amended to apply also to taxes for 1950.

Thus it appears that there was no thought on the part of the Committee on Ways and Means to returning to the discredited 1942 formula for it was specifically

stated in the report of that committee that in the event that no action is taken on permanent legislation during 1950, this stopgap legislation can be amended to apply also to taxes for 1950.

The Committee on Finance of the Senate took the same position as the House Committee on Ways and Means. In its report, the committee stated:

Your committee is in agreement with the House that the legislation in question should be merely of a stopgap character. The committee bill extends this stopgap legislation to 1950 because it seems unlikely that a permanent plan for the taxation of life insurance companies can be developed in sufficient time to be made applicable to 1950.

Thus it is clear that neither the House nor Senate committees contemplated a return to the 1942 formula.

Since no permanent method for taxing life insurance companies had been devised in 1950, stopgap legislation of various kinds continued to be enacted for 1951 through 1956. This bill was introduced in the House in January 1958, and passed the House on January 30. It extends stopgap legislation for 1957.

If a stopgap law expired before it was extended or a substitute law was adopted, there would be without the 1942 law no tax on insurance companies for the period after such expiration. If legislation were subsequently enacted for the expired period, some insurance companies might be in a position to legally attack its retroactivity, as was done in the case of the retroactive legislation for the years 1947 and 1948. To prevent this from happening, the Congress deemed it advisable to provide for such a contingency by keeping the 1942 legislation on the books. By this means, the Congress would lessen the chance of attack on retroactive grounds of a law passed after the close of a year and applicable to such a year. The taxpayer would be less likely to attack such a law if it were known that the discredited 1942 formula would come into operation and apply for the same year.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, I yield myself such time as I may require.

I think it is highly appropriate that the amendment which I have sent to the desk on behalf of the group of Senators be considered in connection with the tax reduction bill for the life insurance companies.

As the distinguished chairman of the Committee on Finance has said, the passage of the insurance bill in its present form would reduce taxes for the life insurance companies by approximately \$124 million a year below what they would pay if the 1942 formula were to be put into effect.

I voted for this bill in the committee. I intend to support it on the floor, for the reasons which the chairman has stated. However, if we are to have a \$124 million tax reduction for the life insurance companies, then I think it is appropriate that we should also have a tax reduction for the American people.

In brief, the amendment which I have proposed calls for a total tax reduction of approximately \$5.2 billion a year.

RECESSION HAS REACHED DANGER POINT

Why is it that we present this tax reduction amendment? We do it because of the very serious economic recession which is now under way in this country.

On Tuesday of this week the Bureau of the Census gave out the figures of the completely unemployed for the 15th of February as 5,173,000. We can take roughly 5.2 million as the figure.

I may say that the Senator from Illinois as far back as well over a week ago predicted that when the figure came out it would be 5.2 million.

This, however, is a figure merely of the completely unemployed. It does not include the equivalent of full-time unemployed for the involuntary part-time workers, which factor has become increasingly important in recent years.

INVOLUNTARY PART-TIME EMPLOYMENT IS EQUIVALENT TO AN ADDITIONAL 1.2 MILLION FULL-TIME UNEMPLOYED

The various State unemployment insurance laws almost uniformly provide that the contributions or taxes which a given employer will pay into the State fund will be graduated according to the amount of benefits paid to his specific workers. The benefits generally do not begin until the earnings of the employee have fallen below $\frac{1}{2}$ of his normal full-time wage. This means that a big financial inducement is offered to employers to dilute employment and to put men on part time, instead of laying them off completely, when they would receive unemployment insurance benefits.

For example, if there were 500 workers in a plant, working a 5-day week, the normal full-time work for a week would be 2,500 man-days. Suppose the business falls off by 40 percent, so that there is work enough for only 1,500 man-days a week. Instead of laying off 200 workers and working the remaining 300 men 5 days a week—and with the 200, incidentally, receiving unemployment insurance payments—what is very frequently done is to work all of the 500 3 days a week so that their earnings are above 50 percent of normal earnings and none of them is entitled to unemployment insurance benefits.

This may have been a good plan before the days of unemployment insurance, but during the period in which unemployment insurance is in operation, it results in a smaller total amount being paid out in wages to the workmen of the country.

It also results in a smaller number of persons being counted in the official figures of those totally unemployed.

So it seems to me that we should take account of this unemployment within employment, so to speak, and the time lost by the involuntary part-time workers.

For several years I have had the index computed of what the equivalent full-time employment would be in the case of the involuntary part-time workers. I explained this method briefly in the Senate the other day. In short, I showed that for the month of February, if this part-time factor were taken into account, it would amount to the equivalent of an additional 1,204,000 unemployed. Adding this number to the total num-

ber of completely unemployed, we have a figure just short of 6.4 million.

This, I submit, is a much truer figure of the extent of unemployment than the figures for the completely unemployed alone.

TRUE PERCENTAGE OF UNEMPLOYMENT IS 11.2 PERCENT

Of course, we want not only absolute figures, but relative figures, to find the percentage of unemployment out of all employees; and to get this we need to have a denominator which we can apply to the numerator of 6,400,000.

Frequently what is used is the total working force of approximately 67 million persons. But this is obviously in error, because there are a little more than 10 million persons who are self-employed, such as farmers who own their farms, or are tenant farmers, and those who are conducting a business enterprise under their own direction. Similarly, large numbers are independent shopkeepers, and considerable numbers are independent professional men, carrying out work on their own.

Those people cannot become unemployed. A depression does not throw them out of work. They own their jobs, so to speak. What a depression or recession does to them is to decrease their incomes, but they are not in the group which could become unemployed.

Therefore, if we want an accurate denominator to measure the extent of unemployment, we should take not the total working force, but the working force minus the self-employed, and those in the immediate families of the self-employed who are working in the family establishments.

Deducting the 10 million in these groups leaves us 57 million who either are employed at wage or salaried labor, or are seeking wage or salaried labor.

It is this figure of 57 million which should be used as the denominator in computing the percentage of unemployment. When this is done, if we divide 6.4 million by 57 million, the percentage becomes 11.2; or one-ninth of the total working time of all employees of the country is lost because of involuntary unemployment—and I stress the word "involuntary."

This, I think, is a very serious situation. It cannot be laughed off. The Congress, the country, and the administration should give it the most serious attention.

HOPED-FOR SEASONAL UPTURN IN EMPLOYMENT HAS NOT OCCURRED

I know that there have been many hopes that March might bring a revival, and that business might improve. Certainly that is the wish of the Senator from Illinois. No one wishes that more devoutly or more strongly than I.

It is important, however, to see the degree to which such hopes are actually being fulfilled.

Of course, in the normal year we have a seasonal pickup in employment and a decline in unemployment between February and March, because the weather usually becomes warmer at this time of year, with the result that building construction picks up, outside work increases, people begin buying more automobiles, and so forth. So normally we

would expect an increase in employment and a decrease in unemployment to the extent of approximately a quarter of a million persons.

I am sorry that the figures which we have thus far do not indicate any such pickup. Yesterday I placed in the RECORD the figures on insured unemployment for the week of February 22. By insured unemployment, I mean people in the occupations covered by unemployment insurance laws, including State unemployment insurance laws, the Federal employees unemployment insurance law, veterans' unemployment insurance laws, and railroad unemployment insurance laws. The latter two items are frequently omitted.

The combined figure of insured unemployment for February 22 was 3,478,600, or an increase of 141,000 over the preceding week. In other words, unemployment increased in the first week after February 15 in the insured occupations by 141,000.

As I have pointed out on numerous occasions, throughout most of this winter the insured unemployed have generally formed approximately 63 percent of the total unemployed. If this ratio were to continue, it would mean an increase of approximately 224,000 unemployed in all occupations between February 15 and 22.

I now have some incomplete figures for the week ending March 1. They are not final figures, but they have been pieced out from the official reports based on the figures of various State services, and I think I can make a fairly good estimate.

For example, I find that insured railway unemployment, which has run at 137,000 for some weeks, went up to 145,000 for the week ending March 1.

Insured unemployment of veterans went up by a little more than 2,000. I wish to make an estimate that the increase in insured unemployment under the State and Federal employee acts will amount to approximately 15,000.

My own estimate is that the total number of insured unemployed for the week ending March 1 was somewhere between 3,500,000 and 3,505,000. This is an increase in insured unemployment of between 163,000 and 168,000 over the figures for 2 weeks before, that is in the middle of February.

Applying this same ratio of 63 percent, we come to a total of somewhere around 260,000 more unemployed on March 1 over the figure for February 15. As a matter of fact, the 63 percent ratio, which I have applied, will probably decrease as a larger and larger number of workers exhaust their claims for standard benefits for the 20 or 26 weeks now given; so that probably the number of insured unemployed will be a smaller and smaller proportion of the total number who are unemployed. However, I do not stress this in the analysis I am now giving.

In other words, during the first half of the month which has elapsed since the middle of February—the figures for which were issued by the Census Bureau on Tuesday—conditions, instead of getting better, have become worse. Somewhere around a quarter of a million additional workers have lost their jobs.

Of course we do not know what has happened in the 13 days which have elapsed since the first of March. It may be that there has been a spring pickup. But that is not at all certain. I have been taking informal straw polls in my State from various sections, and I can report, so far as Illinois is concerned, that we have not had any real pickup since the first of March. Quite the contrary.

Therefore it looks somewhat dubious as to whether the March 15 figures will show any decrease in unemployment over the February 15 figures.

Normally we would expect an increase in employment of 250,000 or so. If merely the decline up to the first of March is maintained without any net change after that date, instead of getting an increase of 250,000 in employment, we shall get a decrease of 250,000.

What I am trying to say is that the situation, far from becoming less serious, is becoming more serious since the date for which the Census Bureau issued its release 2 days ago, on Tuesday.

DEEPER ECONOMIC DECLINE WOULD CAUSE SEVERE HARDSHIP

This is therefore a subject to which we must pay some immediate attention. I go on the assumption that the worst thing that could happen to this country would be to have a severe depression. Probably the majority of the American people who are now living do not remember the great depression which lasted from 1929 to 1933, and which indeed was not fully conquered in the thirties. That was an experience which virtually tore this country apart and which, if we had not had the great reforms of the thirties, might have led to convulsive changes in our whole economic and political system.

It was a period in which millions—yes, perhaps even tens of millions—of families suffered deprivation. It was a period in which the great masses of Americans suffered tremendous physical and psychological pain and loss. The worst thing that could happen to this country would be for anything approaching that to occur once again.

REFORMS OF 1930'S ARE IMPORTANT STABILIZERS

I may say that I do not expect things to go down as far as they went then, because the administration of my party during the 1930's and under the leadership of President Roosevelt put in a great many reforms which I believe have not only tremendously improved the condition of the people, but which will also serve to lessen economic declines, and which can serve as so-called built-in stabilizers.

Unemployment insurance was the most important of these. I can remember speaking for unemployment insurance in towns in Illinois in the twenties when many of the manufacturers associations tried to drive me out of the communities. Finally that system came into being. Now it is accepted, at least in theory, as a good measure.

Another great stabilizer has been the insurance of bank accounts, first up to \$5,000 and now up to \$10,000, which should, although not wholly, at least largely prevent runs on banks.

Still another was the Securities and Exchange Act, and the granting of power to fix margin requirements on stocks, so that the margins have been higher and the danger of distress selling of stocks has been reduced.

Of course there are many other things, such as the protection against the foreclosure of mortgages and protection of farm prices, and so on.

Therefore I wish it understood that I am not predicting that we are going to go through a 1929-33 experience again. A great many people say, "Well, we may go down, but we will come up again." Yes, we will come up again, but the question is how far will we go down, and how long will we stay there?

OTHER DANGERS OF A FURTHER DECLINE

What I am trying to point out is that we could go down appreciably more and stay down for a time, and if that happens the damage to the American people will be incalculable.

In addition to that, we must consider the foreign economic and political position of the United States. The worst blow that we could suffer in our struggle against Soviet Russia or Communist imperialism would be a high ratio of unemployment in this country. It would be used not only for propaganda purposes against us, but it would also be used to undermine the alliance of the free countries of the Western World with us. Therefore merely from the standpoint of military defense, which I believe to be extremely important, the prevention of a depression and the turning around of a recession, so that we may once again have prosperity quickly, is the primary task of the American public and of their Government.

In addition we know that the economic consequences of such a decline would not be confined to this country, but would be felt throughout the Free World.

We have heard a great deal of talk about the conquest of space. I am interested in the conquest of space. However, it is also important for us to conquer the problems which face us on earth, and not to have our eyes so taken up with things celestial that they do not see the importance of things terrestrial.

For all these reasons, therefore, I argue that at all costs we should act to avoid a depression.

DANGER OF CUMULATIVE FORCES WHICH MIGHT BRING DEPRESSION MUST BE HALTED

The danger is that the impetuous forces within the economy may have reached such a dangerous point that they will snowball and accumulate.

The other day I spoke in the Senate of the experience which I had as a boy up the Maine woods when I went up close to the Canadian border to fight a forest fire. I said that I learned more about economics in fighting that forest fire than I learned in any other way. Those Senators who have fought a forest fire or who have watched a forest fire know how it behaves. The fire starts. The immediate atmosphere is heated by the fire. The hot air rises. That is characteristic of all hot air. Some people believe it is characteristic also of oratorical hot air. The rising of the hot air creates a vacuum, into which the

cold air moves. The cold air moving in creates a wind. The wind then fans the flames, which create more hot air, which creates more wind, which creates more fire, which creates more hot air, and so on.

In that way, what starts as a very small blaze may wind up as a terrible conflagration. I shall never forget fighting that fire. I believe I fought it for 4 days and 4 nights. I saw it grow with every day, almost with every hour. I felt in the grip of impetuous forces which seemingly were beyond human control.

I think human history is something like that. I think that if we examine the development of human history since 1914 and see how much was latent in that pistol shot at Sarajevo, we will see it was a potent and explosive force. The full effects of it have not even yet developed.

In history thus we see the movement of powerful and impetuous forces. In economic life we can observe the same.

When a recession starts and gathers ground, the purchasing power of the people is decreased. Workers are laid off and buy less at the stores. The stores order less from the factories. The factories lay off workers, who buy less from the stores, which buy less from the factories, which lay off more workers. That is one cumulative force.

But there are other cumulative forces of a different and greater degree. For example, if the demand for consumer goods decreases then businesses say to one another, "We have idle plant; we have idle equipment. Why should we build new factories? Why should we buy new machine tools? Why should we put in new equipment?"

So the demand for and the production of so-called capital goods falls off and indeed falls off, invariably, at a greater rate than the percentage by which the demand for consumer goods decreases. That is precisely what is happening in the present situation.

DECLINE IS PREDICTED IN PLANT AND EQUIPMENT EXPENDITURES

I have some figures about what has been happening to expectations of investment. Just released by the Department of Commerce and Securities and Exchange Commission, these figures are now appearing in Friday morning papers on the newsstands. They indicate that as of the present time businesses expect to invest approximately 13 percent less than they did last year. This is interesting, because at the end of last year the decline in their expectations was only 6 percent.

So in the space of a few months the expectation of capital investment has gone down from a decrease of only 6 percent to a decrease of at least 13 percent below last year's figures. If conditions do not improve, the decrease will be even more than that.

There are various other forms of instability within the economic system which a serious recession may touch off. Therefore, what should be done is to prevent these impetuous forces from operating, to prevent the decline from going further, and to reverse the process of breakdown so that we may get the economy back on its feet.

ACTION NOW MAY AVERT NECESSITY OF MORE EXTENSIVE ACTION LATER

In this connection, I should say that a small degree of aid now will be more effective than a large degree of aid later, if conditions then are worse. There is an old maxim that an ounce of prevention is worth a pound of cure. Similarly, it is true that a pound of prevention in the early stages of a serious recession is worth a ton of cure later.

If we postpone effective prevention and do not act, as the present policy of the administration seems to be, we are likely to wake up in April or May and find that it is too late to avoid much more drastic action; that the impetuous forces may have gathered ground to such an extent that to reverse the trend will take a much larger expenditure than if we act now.

So serious is the situation that, in my judgment, it is better to act, even though if one does act, one may do too much, rather than not to act at all now, and then to act too late, and possibly on a scale that is too little.

I know that an experienced military commander does not commit all his reserves at the initial attack of an opponent. He knows that the opposing force probably follows the tactics of a feint, of a diversionary attack, to be followed with the main pressure attack at a later and at another point. Therefore, a military commander is likely to wait until the point of the main assault is clear.

But this is a very faulty analogy to use in dealing with economic affairs. A military commander generally knows what the forces of his opponent are. He can tell pretty well how much of the opponent's forces are being committed in a particular attack. But in the case of a business recession one does not know the degree to which the impetuous forces can swing the economy off balance and carry it down sharply to lower and lower levels. So I suggest that the military analogy, which may influence the present distinguished occupant of the White House, is a very poor one to use in dealing with economic matters.

TAX CUT IS QUICKEST AND MOST EFFECTIVE ACTION TO HALT RECESSION

Suppose we grant that something should be done to prevent the recession from gathering ground. The next question is, What should we do?

I submit that a tax cut is the quickest and the most effective action that can be taken. It will operate immediately. Its effects do not have to be postponed. This is the great advantage it has over the suggested program of public works, which many persons are advocating as a superior and better way of dealing with the recession than a tax cut.

Many very reputable authorities are advocating public works instead of a tax cut. One of them is Professor Galbraith, of Harvard. His argument is given in the New York Times this morning. My reply is given in an adjoining column.

Mr. President, I ask unanimous consent that these two views, as published in the New York Times of this morning, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD.

[From the New York Times of
March 13, 1958]

**A TAX CUT VERSUS PUBLIC WORKS: EXPERTS
GIVE OPPOSING VIEWS—SENATOR DOUGLAS
BACKS SLASH IN LEVY, PROFESSOR GALBRAITH
URGES WIDER UNITED STATES SPENDING IN
RECESSION**

(WASHINGTON, March 12.—Tax cut or public works—which is the better way of halting the recession? Senator PAUL H. DOUGLAS, Democrat of Illinois, an economist in his own right, is one of the leading advocates of a tax cut. Prof. John Kenneth Galbraith, a Harvard economist, favors public works. Senator DOUGLAS gave his views in a minority report to the report of the Congressional Joint Economic Committee in February. Professor Galbraith presented his arguments earlier at the committee's hearings. Following are excerpts from their remarks:)

SENATOR PAUL H. DOUGLAS

The quickest and most effective way to act is by means of a tax cut for lower and middle-income groups, i. e., those groups which tend to spend almost all of their income.

Such a tax cut would be fed into the economy almost immediately; it would stimulate demand for goods and services; afford the best hope for stopping the current economic recession, and help to start an economic upturn. The increase in the demand for consumers' goods should also stimulate the demand for, and investment in, capital goods.

Specifically, I would propose that we either raise the personal exemption from \$600 to \$700, or tax the first \$1,000 of taxable income at 15 percent rather than 20 percent. Either of these proposals could go into effect immediately and could be made retroactive to January 1, 1958.

Loss could be recouped

Further, such a cut should expire on January 1, 1959, so that if the recession is stopped, the loss of revenue—which is proper in a recession—could be recouped during a prosperous period. Such a tax cut would pump some \$3 billion per year into the economy. This would take effect currently and immediately.

In addition, I propose that the excise taxes on consumer durables, such as radios, television sets, refrigerators, air conditioners, gas and oil appliances, luggage, handbags, wallets, etc., be repealed; that the excise taxes on the transportation of property and persons and on communications be cut in half; and, if the automobile industry will agree to pass along such a cut in lowered prices, a 50-percent reduction in the manufacturer's excise tax on passenger automobiles.

Both the personal income and excise cuts could become effective almost immediately. They would show up in the weekly paychecks of individuals within a week or two following Congressional passage, and they would bring a reduction in the prices of consumer durables for which the demand has declined.

While I am certainly not opposed to the expansion of needed public works in periods of economic recessions, I do not have the same faith as my colleagues in their ability to help matters quickly.

THREE REASONS CITED

There are three principal reasons. First, public works are too slow. Except for possible psychological effects, major projects would be very slow in actually being started. Plans must be made, land bought, contracts bid for, etc. Therefore, even at best it would be many months before most of these projects could actually influence the course of the recession.

Second, even those projects which can begin early will not necessarily be in the localities where the major portion of the unemployment exists. Navigation and flood-control projects on our major and minor rivers,

and reclamation projects in the scantily populated areas of the West are not calculated to provide jobs for unemployed workers in the automobile, steel and the fabrication industries in our industrial centers.

Third, even if taken off the shelf quickly, and even if built in the right localities, public works generally do not directly employ those who have lost industrial jobs.

I favor, in this period, an expansion of needed public works. I would put schools and hospitals along with slum clearance and housing for low- and middle-income groups at the top of the list of priorities.

SWIFT ACTION URGED

Nevertheless, public works cannot be relied upon to give the economy the immediate stimulus it needs to change the direction in which economic forces are moving, but they should be provided at an appropriate time so that men will not be forced to be permanently unemployed if we experience a cumulative breakdown in the economy.

In summation, what we need is an immediate tax cut for lower and middle-income groups in order to increase demand and purchasing power. At the same time, we should increase unemployment benefits for those out of work, for a personal tax cut will not be received by them directly; for, if they have no income, they pay no taxes. However, they would benefit immediately from the excise cuts on the goods they buy.

Therefore, an increase in unemployment benefits to approximately half of the average wage as opposed to the one-third which is now the case, and an extension of time for receiving unemployment benefits by an additional 13 weeks, are both needed. Further, we should start processing needed public-works projects so that, if a tax cut fails, these men will have jobs to go to.

PROFESSOR GALBRAITH

In the present situation, there is a good deal to be said on the choice between lowering taxes and increasing public outlays. And the choice is very strongly in favor of the latter.

Tax reduction, as we all recognize, is a rather irrevocable step. Once taxes are reduced, it will be difficult to raise them again. Should the present recession prove temporary, we would want to have them back and fairly promptly. We can't have a deficit in both depression and boom. Life is not yet that wonderful.

There are other reasons for favoring an increase in expenditures. These have the initial effect of providing jobs and income to men who are now unemployed or would become so. Personal-tax reduction has the initial effect of providing added income to individuals who already have jobs and incomes and for that reason are taxpayers.

Thus, both on grounds of equity and fiscal effect, there is much to be said for the first.

Rebate held drawback

Any talk of tax reduction will bring forward many claimants for attention and with many claims—good, bad, or merely self-serving. They will argue colorfully for the favorable effect of tax relief on their own investment, purchasing power, or morale. The inevitability of debate over who should benefit from any tax reduction is another reason for avoiding this remedy.

But the most important reason for favoring an increase in civilian public outlays as the principal protective device is that we now have so many things that need doing.

Let me explain why I confine the reference to civilian outlays. It is because military outlays should be established wholly by need and not at all by fiscal considerations. This is an ironclad rule.

To adjust military spending to the fiscal needs of the economy is both reckless and immoral. It is reckless because it means that such expenditures will then be cut, regardless of urgency, whenever inflation

threatens. And it is immoral because it means that outlays for these instruments of death would be increased regardless of need when there was unemployment and idle capacity.

Arms and the economy

There has already in these last few weeks been far too much ill-considered talk about defense expenditures as the new form of pump priming.

I don't suppose there is any aspect of Communist propaganda that has so much headway as the conviction in some way that the American economy is dependent on arms expenditures. It is a charge that we should most scrupulously and honestly avoid.

On the urgency of innumerable civilian requirements, I need not dwell.

Schools and aid to education; research support and facilities; health facilities, urban rental housing, urban redevelopment, resource development, metropolitan communications are all deficient or lagging.

It would surely be a mistake to talk of tax reduction to make jobs when so many of our schools are dirty, run down, overcrowded, understaffed, on double shifts, or scheduled to become inadequate when the next increase in the school population hits them.

Trouble in suburbs

Obviously, we should first make jobs building the schools. If any taxpayer needs help, incidentally, it is the hard-pressed local property taxpayer in the new suburb.

Now this Federal tax reduction, as an alternative to help on schools and other facilities, means a continued squeeze on this man.

To support the economy by getting ahead with these urgently needed public activities is by no means the easiest course.

The Employment Act places the responsibility for offering a plan on the Executive, and there it belongs. As and when business picks up, the administration will be right in stretching out and tapering off expenditures. In so doing, it will be entitled to the support of those who now urge action.

**PUBLIC WORKS ARE DESIRABLE, BUT MUCH LESS
EFFECTIVE TO HALT THE RECESSION**

Mr. DOUGLAS. Mr. President, let me make it clear that I am not against public works as such. I have a great interest in clearing the slums of our cities. The slums are one of the worst disgraces of our civilization. I feel very keenly the need for better housing for the lower and middle-income groups of the Nation. I believe the housing industry is running out of customers in the upper income groups. I think we need better school buildings, and more hospitals, and that we need to move along with the highway program. I wish to make it clear that I am not against any of these things; in fact, I am for them. I merely say that as antirecession devices, they are far too slow.

In the first place, in many cases the engineering plans are not finally drawn. In some cases they are; but in many cases they are not. In the cases where they are not drawn, it will take time to draw the plans. Then the land must be acquired in nearly all cases. This is not so simple a move as the advocates of public works sometimes assume. Frequently, it takes much time to acquire the necessary land.

Then the contracts have to be let. This involves a process of competitive bidding, with the various possible contractors each given an adequate chance to bid. Then follows the presentation of the bids, the opening of the bids, and the awarding of the contracts.

When the contracts are awarded, it is necessary for the contractors to assemble the material and the labor, which cannot be done in advance when they do not know whether or not they will get the contracts.

So a very large amount of time is necessarily involved between passing a public-works program on paper in Congress and getting the work under way out in the country. During that time there is no additional monetary purchasing power being drawn into the gap, and the economy can slide still further downhill.

For instance, the suggested increase in the roadbuilding program, which the President has submitted, is not supposed to start until the next fiscal year, or almost 4 months from now. It will be still further delayed in practice.

The second difficulty with public works is that very often they are not built in the right place to absorb the unemployed. The unemployed primarily exist in the great industrial centers—in Pittsburgh, in Detroit, in Chicago, in industrial New England, in the region around the Great Lakes, and in the Pacific Northwest also, it is true.

The public works which I have seen suggested are not slum-clearance works for the cities or rehousing for the cities or schools or hospitals. The projects which I have seen suggested are primarily reclamation projects and rivers-and-harbors projects, to be carried out in the great open spaces, where there are not many unemployed persons. An unemployed automobile worker in Detroit certainly would not be given direct employment by a river-and-harbor development on the Upper Colorado River. The proposals are for projects and for types of labor for which most of the unemployed would not qualify.

Mr. CARROLL. 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 Colorado?

Mr. DOUGLAS. I am glad to yield.

Mr. CARROLL. I wish to say to the distinguished Senator from Illinois that this morning I read in the New York Times a statement by my very good friend, Prof. Kenneth Galbraith, and also, in the adjoining column, the statement by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. I hope the Senator from Colorado was convinced by my remarks rather than by those of Professor Galbraith.

Mr. CARROLL. Mr. President, I come from the West where there are numerous great reclamation projects.

Also I have voted for the public works program.

I have served with the distinguished Senator from New Mexico and the distinguished Senator from Oklahoma on the Interior and Public Works Committees.

I voted for the rivers and harbors public works authorization bill at a time when many Members of this body declined to support it.

But it now seems to me that I am compelled, because of the logic and the persuasive reasoning of the distinguished Senator from Illinois, and also the ex-

change between himself and Professor Galbraith—which to me is conclusive—to endorse the view taken by the distinguished Senator from Illinois, however desirable may be the public works and the reclamation projects. Certainly I will continue to fight for them. On the other hand, if action is to be taken in this depressed economic situation, we must provide that it be taken immediately and with tax cuts.

An editorial of the New York Times of the same date also points out that the tax-reduction program was a major factor in bringing us out of the recession of 1953-54.

Mr. DOUGLAS. We can also learn about the ineffectiveness of public works to halt a recession by our experience during the depression. My good friend, Harold Ickes, was then Administrator of Public Works. But it was found that it took so long to get public works underway, that they were inadequate as recovery measures.

Mr. CARROLL. As I recall, in 1937-1938, notwithstanding the WPA and the PWA and all the other pump-priming programs, there was an economic recession.

Mr. DOUGLAS. That is correct. Of course, business had been allowed to lose a great deal of ground between 1929 and 1933.

Mr. CARROLL. That is true.

Mr. DOUGLAS. That was the primary cause.

But it is true that the public works programs, as a means of economic recovery, were altogether too slow.

As I have said, I was a personal friend and a political associate of Mr. Ickes. His integrity was beyond reproach. But try as he did, that program did not give employment to many persons and did not result in the amount of economic recovery which originally had been hoped would be obtained by that means.

Mr. CARROLL. It should also be pointed out that in the 1932-1933 period, the national income was about \$40 billion. At this time there were about 14 million of the American people unemployed. So a tax cut at that time would not really have helped very much, because so many of the American people had no earnings.

On the other hand, in the present situation I believe a quick tax cut of an equitable nature, such as proposed here today, will stimulate purchasing power at many different levels in the economy.

Mr. DOUGLAS. I thank the Senator from Colorado, and I appreciate his statement on this point—namely, that despite the fact that he comes from one of the great Rocky Mountain States, he puts the economic recovery of the whole Nation first.

Mr. CARROLL. Our part of the country has not yet suffered from the recession in the same degree as the heavy industrial areas of the Nation. However, as I have said to the people of my State, notwithstanding that fact, eventually our State will be affected. We are inevitably caught in the undertow of a recession. So I believe we must pay attention to conditions in the areas of the Nation that are suffering right now from a depression, and we must take action now to curb that depression.

Mr. DOUGLAS. I thank the Senator from Colorado.

Mr. McNAMARA. Mr. President, will the Senator from Illinois yield briefly to me?

Mr. DOUGLAS. I yield.

Mr. McNAMARA. I wish to congratulate the Senator from Illinois for the excellent job he has done and for the amount of time and intelligent work he has devoted to the amendment he now has before the Senate.

I can disagree with him on only one point—and I believe I have stated it to him privately. I am reluctant to go along with what would amount to only a \$50 increase in the personal exemption. I have been committed, both publicly and privately, to a greater increase in the personal exemption.

I question the benefit which would be derived from a \$50 increase in the personal exemption; I do not think that would meet the need of the times.

I have been favoring an increase in the personal exemption from \$600 to \$800—or a \$200 increase. I believe that would be of substantial assistance to the economy.

I suppose I shall vote for the amendment of the Senator from Illinois, but I hope he will consider somewhere along the line, accepting an amendment, which will increase that figure substantially.

Mr. DOUGLAS. Mr. President, I may say to my dear friend, the Senator from Michigan, that his proposal to increase the personal exemption from \$600 to \$800 for each dependent would amount to a tax cut of approximately \$6 billion, in total.

Mr. McNAMARA. That is correct.

Mr. DOUGLAS. I am proposing a tax cut which will amount in the aggregate to almost that much; it will amount to \$5,200,000,000, but will be divided as follows: \$3 billion on the income tax; \$2,200,000,000 on the excise taxes, including a reduction by one-half of those on the automotive industry, with which I am sure the Senator from Michigan is deeply concerned.

Mr. McNAMARA. Mr. President, in the light of the statement the Senator from Illinois has made at this time—and I recognize that he is a noted economist and a great authority in this field—he has persuaded me that the increase in personal exemption he proposes is only about half of the increase which should be made.

Under the circumstances, I would be willing to propose an increase of \$100, rather than \$200, in the personal exemption; perhaps we can work out such a compromise.

Mr. DOUGLAS. Mr. President, I welcome the support of the Senator from Michigan.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. CARROLL. The colloquy has been very interesting, Mr. President.

I desire to state that the Antimonopoly Subcommittee has been making its usual investigations of the monopoly control of the Nation. We have had to do with General Motor Corp., the Ford Motor Co., and Chrysler Corp.

I believe I had not fully comprehended the effect of the proposed tax cut on the automotive industry until today I began an investigation to determine the extent of the excise-tax cut proposed to be given the automobile industry.

If my information is correct—but perhaps I shall not venture to make an assertion on this point until I inquire further of the Senator from Illinois.

Let us assume that a manufacturer's price for an automobile is \$2,500. Let us assume that the automobile is shipped from Detroit to Denver, Colo. I should like to know what the tax cut the Senator from Illinois proposes would mean to the dealer in Denver.

Mr. DOUGLAS. The present tax is 10 percent; that is paid by the manufacturer to the Government. In other words, the tax a manufacturer normally would pay would be \$250.

I am proposing that the tax be reduced to 5 percent. In the case to which the Senator from Colorado has referred, such a reduction would mean that the tax would be \$125 less.

We have had a pledge—and I refused to propose this amendment to the tax bill until we received that pledge—from all the major automobile manufacturers—namely that they would pass on this reduction; and in the last 2 days I have placed in the CONGRESSIONAL RECORD telegrams I have received from all of them. In those telegrams they have agreed to pass on to the dealers this reduction.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I think this point is most important. If my memory serves me correctly, Dr. Yntema, of the Ford Motor Company, stated that about 1,000 employees of that company are engaged in the pricing mechanism. Therefore, let us assume that the manufacturer's price to the dealer is \$2,500.

Included within that price are income taxes and excise taxes. That would mean, therefore, when the manufacturer sold that car to the dealer, it would be at what price? Two thousand three hundred and seventy-five dollars, a reduction of \$125.

Mr. DOUGLAS. That is correct.

Mr. CARROLL. I hope this does not prejudice the proposal of the distinguished Senator, but that is even more than Walter Reuther has recommended as a reduction. I am happy to have received this information from the Senator from Illinois. Did the distinguished Senator from Illinois say that all the automotive industries made that agreement?

Mr. DOUGLAS. All four of the major automobile manufacturers have agreed to pass on the tax cut to their distributors. All four have agreed they will encourage their distributors to pass the tax cut on to the dealers. The National Association of Automobile Dealers has announced that it is their policy to have their members pass the price cut on to the consumers. Of course, the National Association of Automobile Dealers cannot legally bind their individual mem-

bers, but the association has stated that all moral pressure will be used to do so; and the buyers will know of it, and will be sure to hold the dealers to that performance.

The Senator from Michigan [Mr. McNAMARA] has pointed out repeatedly to me, and I have also included a provision to that effect in the amendment, that automobiles which are sold between March 1 and the time the bill goes into effect should also have the benefit of the tax rebate, so there will be no tendency to discourage sales in the meantime. I want to say the Senator from Michigan has convinced me on this point, and in the revised amendment which was sent to the desk yesterday, and modified tonight, such a provision is included.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. CARROLL. I think the RECORD ought to show that the problem of providing a price decrease to the consumer exists above the dealer level, because when the manufacturer sells an automobile to the dealer, the dealer must put cash on the barrelhead. The dealer buys automobiles for cash, and there is great competition at the dealer level and dealers are forced to hold prices at a competitive level. It was made clear to me, not only from statements I received from automobile dealers in Denver, but also by statements by dealers all over the country, that their profits are tightly limited by competition and by the wholesale price they pay the manufacturer. It is most important that there be a reduced price by manufacturer to the dealer. There is no doubt in my mind, because it was the testimony of the dealers, that by virtue of the administered prices—some persons have been so indelicate as to call them "rigged prices"—fixed by the great three automotive manufacturers, who control 96 percent of the automobile market, the dealers have to pay the prices fixed by the manufacturers. That was the testimony we received from auto dealers in our recent Antitrust Subcommittee hearings. The dealers say the manufacturers have priced them out of the market. The dealers have testified that when a price is fixed, it is not a flexible price, but a rigid one. That is why this auto-tax reduction provision in this tax-cut amendment is a wise one. It reduces the price of an auto at the point that counts—the manufacturer's end.

If I may take 1 or 2 more minutes to emphasize my point, prices are high and consumers are not buying cars and dealers are not ordering cars, the automobile manufacturers begin to lay off employees. There are now almost 200,000 persons unemployed in the automotive trades.

Mr. McNAMARA. In Detroit alone.

Mr. CARROLL. Plus unemployed in other automotive areas.

The evidence in the hearings disclosed that when automobile manufacturers begin to shut down production and layoffs of employees begin, the effect is felt in the steel industry, the rubber industry, the textile industry, the glass industry, and by all the great suppliers of automobile manufacturers.

We received testimony in the anti-trust committee to the effect that General Motors has 18,000 suppliers. All of these suppliers are hit hard once the public stops buying because prices are too high.

One of the most important purposes of this tax-cut proposal is to stimulate sales.

We know that under our administered price economic system, which defies the law of supply and demand—the manufacturers are not going to cut their prices.

We have got to stimulate sales in some other way. What we propose here today will be a way of stimulating sales in spite of the manufacturers.

The manufacturers ought to decrease prices, but they are not going to. Standing alone, by itself, I say this amendment is worth the gamble.

Mr. DOUGLAS. I thank the Senator.

Mr. McNAMARA. Mr. President, will the Senator yield briefly for a question?

Mr. DOUGLAS. Yes.

Mr. McNAMARA. A few days ago we had a discussion of how much such a proposal would reduce the prices of cars. I think the general public has a general idea that it will be 10 percent, or 5 percent, depending on what the ultimate figure we finally adopt will be.

Mr. DOUGLAS. Of the retail price?

Mr. McNAMARA. Yes. From the figures the Senator from Illinois has quoted, that impression is not correct, but the reduction would amount to 10 percent of the manufacturer's price.

Mr. DOUGLAS. To the dealer.

Mr. McNAMARA. Which would amount to approximately 7.3 percent of the retail cost of the car, and not 10 percent, if my figures are correct. I think we ought to make the RECORD clear on that point.

Mr. DOUGLAS. I think the Senator from Michigan is completely correct if the 10 percent excise were wholly repealed. If it is merely reduced to 5 percent as our amendment proposes, the cut in the retail price would, of course, be a somewhat lower percentage.

Mr. CARROLL. Mr. President, will the Senator yield for one point?

Mr. DOUGLAS. Yes.

Mr. CARROLL. It was brought out in testimony before the Antitrust Committee that dealers have to put cash on the barrelhead for automobiles, and that their markup is very small in some instances.

Competition is very keen, the dealers told us, because the three great automobile manufacturing giants have priced buyers out of the market.

The dealers are, in many instances, making \$50 or \$100 on a car.

They believe if the retail price of a car can be brought down it will stimulate consumer interest again, and will enable them to reduce the principal on notes they have had to carry.

While those notes would be for the same period, the payments would be reduced.

This tax-cut proposal may prove to be a great psychological factor in stimulating our declining economy.

Mr. DOUGLAS. The Senator from Colorado is correct.

IMPROVEMENTS IN UNEMPLOYMENT COMPENSATION ARE ALSO NEEDED

May I say, just as I am not opposed to public works, so am I strongly in favor of liberalized unemployment compensation. The Kennedy-McNamara-McCarthy bill is a "must" bill for us to pass in order to increase benefits for those out of work.

I drafted many of the early unemployment insurance laws. It was our intention in the beginning to make the scale of benefits equal to one-half the wages. The scale of benefits, however, has been severely limited by maximum amounts that can be paid under present State laws and by the limited duration of payments. So for the period benefits are paid, they generally do not exceed one-third of the going wage. The Kennedy-McNamara-McCarthy bill will raise the benefits to at least one-half the wage paid, and will extend the duration of the benefits.

I wish to say I think it is one of the first measures the Senate Finance Committee should take up. The proposal for a tax cut, therefore, is not a rival, in any sense, of a bill providing liberalized unemployment compensation benefits, but is intended to supplement it.

Mr. CARROLL. Mr. President, will the Senator yield for a point?

Mr. DOUGLAS. Yes.

Mr. CARROLL. Going back again to what Professor Galbraith said, I quote him as follows:

Tax reduction, as we all recognize, is a rather irrevocable step. Once taxes are reduced, it will be difficult to raise them again. Should the present recession prove temporary, we would want to have them back and fairly promptly.

Is there not a time limitation provided in the proposed amendment?

Mr. DOUGLAS. Yes. I am glad the Senator has made that point. So far as reduction in the income tax which I have proposed is concerned, the reduction will end on the 31st of December 1958, unless specifically renewed. In other words, the income tax reduction would be effective only for the calendar year.

If the recession is over by then, as we hope it will be, then the previous income tax rates will go into effect. So I cannot understand the objection of Mr. Galbraith. He must not have known the proposal which I was making.

Mr. CARROLL. I thank the Senator.

AMENDMENT WILL INCREASE PURCHASING POWER AT ONCE

Mr. DOUGLAS. Mr. President, I think we have already developed the fact that the plan which is proposed would stimulate consumption. It provides for a reduction from 20 to 15 percent on the

first \$1,000 of taxable income, or a reduction of \$50 per taxpayer. Since there are approximately 60 million taxpayers, this item of the bill will call for a reduction in total income tax payments of approximately \$3 billion a year.

That is the first part of the proposal, the part which will take effect immediately. The withholding tax will be diminished by that amount, which is approximately \$1 a week for each taxpayer, which will increase the purchasing power flowing into the pockets of the people immediately.

Furthermore, the tax reduction will be retroactive to the 1st of January 1958, to be paid at the end of the year, and the prospect of the refund will stimulate purchasing in the meantime. Therefore, this is a measure which on the income tax side will immediately result in increased purchasing power.

REPEAL AND REDUCTIONS IN EXCISE TAXES WILL ALSO HAVE STIMULATING EFFECT

There is also provided a repeal or a reduction of most excise taxes on consumer durable goods, transportation, autos, and communications.

Mr. President, I ask unanimous consent that a table relating to the excise tax cuts covered by the amendment be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD.

Excise provisions of Douglas tax-cut amendment

Item	Present rate	How collected at present	New proposed rate	Revenue loss as estimated in fiscal year 1959 budget
			Percent	Million
1. Retailer's excise:				
Sec. 4001: Watches and clocks below \$100	10 percent of selling price	Paid by consumer to retailer	0	1 \$10.0
Sec. 4021: Toilet preparations	10 percent	Retailer	0	102.0
Sec. 4031: Luggage, handbags, wallets, etc.	do	do	0	60.0
2. Manufacturer's excises:				
Sec. 4061 (a) (2): Passenger automobiles	10 percent (permanent rate 7 percent)	Paid by manufacturer to Government	5	500.0
Sec. 4061 (b): Auto parts and accessories (includes parts for trucks)	8 percent (permanent rate 5 percent)	do	4	57.0
Sec. 4111:				
1. Refrigeration equipment, household type	5 percent	Paid by manufacturer	0	
2. Air-conditioners	10 percent	do	0	44.0
Sec. 4121: Electrical, gas, and oil appliances	5 percent	do	0	75.0
Sec. 4131: Light bulbs	10 percent	do	0	28.0
Sec. 4141: Radio and TV, phonographs, etc.	do	do	0	
Sec. 4151: Musical instruments	do	do	0	179.0
Sec. 4161: Sporting goods (except fishing equipment)	do	do	0	10.0
Sec. 4171:				
1. Cameras and films	do	do	0	
2. Projectors, still and motion, of household type	5 percent	do	0	22.0
Sec. 4181: Pistols and revolvers	10 percent	do	0	2.0
Sec. 4191: Business machines	do	do	0	93.0
Sec. 4201: Mechanical lighters, pencils, fountain and ball-point pens	do	do	0	10.0
Sec. 4211: Matches:				
1. Plain	2 cents per 1,000 but not more than 10 percent	do	0	
2. Fancy	5½ cents per 1,000	do	0	6.0
3. Facilities and services:				
Sec. 4231 (1-6): Admissions of all kinds including musicians cabaret	Various (20 percent cabaret)	Paid by person paying admission; collected from proprietors	0	100.0
Communications:				
Sec. 4251:				
1. Tel and Tel, leased wires, etc.	10 percent	Imposed on person paying for facility	5	
2. Local telephone	do	do	5	330.0
3. Wire and equipment service	8 percent	do	4	
Transportation:				
Sec. 4261: Persons	10 percent	Paid by person making purchase; collected by transportation company	5	107.5
Sec. 4271 (a):				
1. Transportation of property other than coal	3 percent	Paid by person making purchase of transportation	1½	
2. Transportation of coal	4 cents per ton	do	(2)	238.0
4. Miscellaneous:				
Sec. 4286: Safe-deposit boxes	10 percent	Paid by person paying for use of box	0	6.0
Sec. 4451: Playing cards	13 cents per pack	Manufacturer's excise tax	0	6.9
Sec. 4471: Occupation tax on bowling alleys and tables, other minor provisions	\$20 per year per alley or table	Occupational tax. Paid by person owning or leasing item	0	1.0

¹ Estimate. ² 2 cents per ton.

Mr. DOUGLAS. In brief, Mr. President, it is proposed that the present 10 percent tax on watches and clocks of less than \$100 value be completely repealed.

The same is true with regard to the 10 percent tax on toilet preparations. Such a tax would be repealed.

The 10 percent tax on luggage, handbags, wallets, and so forth would be repealed.

The 10 percent tax on passenger automobiles would be cut in half.

The 8 percent tax on auto parts and accessories, which includes parts for trucks, would be cut to 4 percent.

The 5 percent tax on refrigeration equipment of the household type, which was reduced by 5 percent in 1954 upon motion of the Senator from Illinois, would be eliminated.

The 10 percent tax on air conditioners would be eliminated.

The 5 percent tax on electrical, gas, and oil appliances would be completely eliminated.

The 10 percent tax presently applied to light bulbs would be eliminated.

The 10 percent tax on radio, TV, phonographs, and so forth, would be eliminated.

The 10 percent tax on musical instruments would be eliminated.

The 10 percent tax on sporting goods, except fishing equipment—that is left in order to provide funds for conservation—would be eliminated.

The 10 percent tax on cameras and films would be eliminated.

The 5 percent tax on projectors would be eliminated.

The 10 percent tax on pistols and revolvers would be eliminated.

The 10 percent tax on business machines would be eliminated.

The 10 percent tax on mechanical lighters, pencils, fountain and ballpoint pens would be eliminated.

The tax on matches would be eliminated.

The admissions tax would be swept away, including the cabaret and musicians' tax.

The 10 percent tax on the use of the telephone and telegraph would be reduced to 5 percent. The taxes on the local telephone calls would be reduced from 10 percent to 5 percent.

The tax on the transportation of persons, which is now 10 percent, would be reduced to 5 percent. That should be a great help to people who have to travel long distances, such as those who travel from the Pacific coast to Eastern States.

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

Mr. DOUGLAS. I yield.

Mr. CARROLL. Is there also provided a reduction in the tax on transportation of property?

Mr. DOUGLAS. Yes, the tax on transportation of property other than coal would be reduced from 3 percent to 1½ percent, and the tax on the transportation of coal would be reduced from 4 cents per ton to 2 cents per ton. In other words, the transportation-of-property taxes would be cut in half.

Mr. CARROLL. Such a tax cut would be to the benefit of the railroads, which are in serious difficulty today.

Mr. DOUGLAS. The Senator is correct. There are also provided tax reductions on safety deposit boxes, on playing cards, on bowling alleys, and so forth.

The tax reduction would apply to the floor stocks of the manufactured goods and, in the case of automobiles, to all automobiles manufactured after the first of March.

The total reduction provided in excise taxes would be approximately \$2.2 billion.

I think I should make clear, Mr. President, that the reduction in excise taxes—many of which would be wholly repealed—is intended to be permanent. The reduction in excise taxes would not automatically expire at the end of the year, as the income tax cut would. The reason is that I regard these excise taxes as nuisance taxes. It is a good idea to sweep them away completely. They are regressive in nature. They should not have been continued into the postwar period, and I believe they should be eliminated.

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

Mr. DOUGLAS. I yield.

Mr. CARROLL. When I was a Member of the other body and served as a member of the Committee on Ways and Means in 1950, we spent 6 months working on excise taxes, in the hope that we could eliminate them. Then along came the Korean war. Through one crisis after another we have continued the excise taxes, which are, in a way, hidden taxes.

Mr. DOUGLAS. The Senator is correct.

Mr. CARROLL. Perhaps we ought to get rid of them and approach the tax problem properly.

Mr. DOUGLAS. I think that is right.

CONTINUING RECESSION WILL DECREASE TAX RECEIPTS BELOW BUDGET ESTIMATES AND INCREASE DEFICIT

Mr. President, I know that very conscientious Members of this body will say that we should not have a tax cut, for it would increase the budget deficit. They will say that we already expect revenue losses, and if the tax cut is heaped on top of the loss in revenue it will create too large a deficit.

I appreciate the sincerity of those who will offer that objection, but I should like to point out that if the recession continues through the middle of the year before there is an upturn in business, instead of being stopped, with business turning up in March, which is this month, there will be a revenue loss because of lower corporate and personal tax liability of approximately \$5 billion. In other words, unless economic conditions take a turn for the better, we are going to collect \$5 billion less revenue than was anticipated in the budget estimate.

From the sheer standpoint of the budget, therefore, it is important to try to bring national income up. If we bring national income up, there will then be more personal and corporate income taxes, and we may find that either there will be no loss in revenue at all or, what is more likely, that the loss will be in a much smaller amount than the estimate I have made.

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

Mr. DOUGLAS. I shall be glad to yield for a question, provided the Senator will take it out of the time on the other side, because I am under a time limitation.

Mr. CAPEHART. Mr. President, I will yield the Senator whatever time is necessary.

Mr. WILLIAMS. Do I correctly understand the theory of the Senator from Illinois to be that if we adopt the pro-

posed tax cut of \$5 billion the ultimate revenue which will go to the Treasury Department will be greater than it would otherwise be?

Mr. DOUGLAS. I do not say that such a result would necessarily follow. I say that there is a good chance it might happen, and that certainly if the economy revived such a procedure would increase tax revenues above what they would otherwise be if we were either to continue to slide down the hill or to remain on the present economic level.

Mr. WILLIAMS. My question is this: If by reducing taxes \$5 billion the Senator thinks we can increase our revenues to the point where we would have as much income as we would have with the higher taxes, then why should we not reduce taxes by \$10 billion, so that we would have a surplus?

Mr. DOUGLAS. The Senator is resorting to a *reductio ad absurdum*.

Mr. WILLIAMS. I am simply illustrating the point made by the Senator.

Mr. DOUGLAS. All I said was that one of the big causes of the deficit will be the reduced national income. If we can prevent the national income from being reduced to the degree I have mentioned, we can therefore decrease the deficit which would otherwise occur. I do not claim that if we put the plan into effect we would get the same amount of taxes we receive now. I say such action will help ameliorate a decrease which will otherwise occur, and that apparently the full revenue loss will not occur.

I am not trying to sell the Senator from Delaware any patent medicine. I am merely trying to invite to his attention a fact which is at times ignored in discussing such a question of revenue and budget estimates.

Mr. PROXMIRE. Mr. President, will the Senator yield? I appreciate the Senator is operating under a limited amount of time.

Mr. DOUGLAS. That is all right. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I have just received in my office tonight the latest report from the State of Wisconsin as to unemployment. This report relates to the point which the Senator from Illinois was making so brilliantly earlier in his address.

The covered unemployment compensation in Wisconsin, according to the Industrial Commission of Wisconsin, increased between March 1 and March 8 from 59,000 to 68,000.

Wisconsin has been a microcosm of the country. It has about the same proportion of farming, industry, small towns, big towns, and so forth.

The Senator from Illinois made the point earlier that unemployment increased in the first week of March—at least in the early part of March.

The point I make is that in my State, which is so representative, unemployment increased between 15 and 16 percent in the past week. I think this is extremely alarming. I have examined the figures, which are broken down by cities. They are fairly evenly distributed, although there was an alarming increase in Kenosha and Milwaukee. Most of the

cities showed an increase, which emphasizes the point which the Senator from Illinois made so well.

Mr. DOUGLAS. I wonder if the Senator from Wisconsin will be good enough

to have that report printed in the RECORD at this point.

Mr. PROXMIER. Mr. President, I ask unanimous consent that the report from the Industrial Commission of Wisconsin,

dated March 8, 1958, be printed at this point in the RECORD.

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

TABLE 59A.1040.—Unemployment compensation claims filed in Wisconsin—Through 1958 week No. 10 (ending Mar. 8, 1958)
[Latest week's figures are preliminary]

Period	Week No.	A All unem- ployment compensa- tion claims filed	B	C	D	E	F	G	H	I	J	K			
			Interstate claims	Intrastate claims	Unemployment indicators										
						Initial (1B-1)	(1B-2) continued	All intra- state claims	Initial		Continued		New cases ¹	Completed weeks of unemployment ²	
									New	Addi- tional	Waiting period weeks	Compen- sable weeks		Number of weeks	As percent of average covered em- ployment
1957:															
Weeks Nos. 1 to 52		1,358,620	8,204	48,922	1,301,494	126,614	54,312	106,351	1,014,217	189,130					
Maximum week	52	44,937													
Minimum week	37	17,837													
Average week		26,127	158	941	25,028	2,435	1,044	2,045	19,504	3,637	22,490	2.7			
1957 weeks Nos. 1 to 10		330,913	1,779	12,245	316,889	32,823	3,831	27,832	252,403	38,433					
1958 weeks Nos. 1 to 10		567,319	3,165	24,105	540,049	63,336	6,351	43,942	426,420	72,852					
Percent change		+71.4	+77.9	+96.9	+76.0	+93.0	+65.8	+57.9	+68.9	+89.6					
1957 week ending Mar. 9	10	31,246	127	1,279	29,840	2,130	824	1,831	25,055	3,081					
1958 week ending Mar. 8	10	68,107	296	2,784	65,027	12,735	1,089	4,124	47,079	14,120					
1958 weeks ending—															
Jan. 4	1	50,765	351	2,124	48,290	7,053	0	4,634	36,603	7,404	48,159	5.7			
Jan. 11	2	56,529	465	2,093	53,971	7,905	0	5,437	40,629	8,370	46,654	5.5			
Jan. 18	3	53,350	312	2,242	50,796	6,110	274	5,456	38,956	6,696	47,063	5.6			
Jan. 25	4	52,620	287	2,276	50,057	4,777	493	4,614	40,173	5,557	48,547	5.8			
Feb. 1	5	54,546	281	2,384	51,881	5,043	675	3,881	42,282	5,999	49,446	5.9			
Feb. 8	6	56,456	370	2,373	53,713	5,826	814	3,930	43,143	7,010	51,345	6.1			
Feb. 15	7	57,180	275	2,543	54,362	4,470	1,090	4,582	44,220	5,835	52,707	6.3			
Feb. 22	8	58,415	276	2,577	55,562	4,480	952	3,898	46,232	5,708	53,351	6.3			
Mar. 1	9	59,351	252	2,709	56,390	4,937	964	3,386	47,103	6,153	53,987	6.4			
Mar. 8	10	68,107	296	2,784	65,027	12,735	1,089	4,124	47,079	14,120					

¹ "New cases" (col. I) include new and additional claims (cols. B, E, and F) which merely give notice of the start of a period of unemployment as noted below. Some of these "new cases" reflect "partial" unemployment, rather than the start of a layoff period.

A new claim is the 1st claim filed during a calendar year after a job break.

An additional claim is any other 1st claim filed after a job break.

² The "completed weeks of unemployment" figure (col. J) approximates the number

of claimants unemployed during the given week based on all continued claims (cols. C, G, and H) filed during the immediately following week.

Col. K which represents "covered unemployment as percent of average covered employment" is computed by dividing the "weeks of unemployment" shown in col. J by Wisconsin's average covered employment (840,850) for the 12-month period ended Mar. 31, 1957.

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 59.1040.—Unemployment compensation claims filed, in each Wisconsin employment service district, in 1958 week No. 10 (ending Mar. 8, 1958)

[Latest week's figures are preliminary]

WSES districts	XXX	XXX	XXX	XXX	A	B	C	D	E ¹	F ²	G	H
	All unemployment compensation claims					Interstate claims		Intrastate claims				
	In week 6	In week 7	In week 8	In week 9	In week 10	Initial (1B-1)	Con- tinued (1B-2)	All intra- state claims	Initial		Continued	
									New	Additional	Waiting period weeks	Compens- able weeks
Entire State.....	56,456	57,180	58,415	59,351	68,107	296	2,784	65,027	12,735	1,089	4,124	47,079
Appleton.....	1,853	1,795	1,762	1,577	1,539	4	19	1,507	77	7	51	1,372
Ashland.....	1,154	1,142	1,158	1,174	1,227	35	187	1,005	77	34	48	845
Eau Claire.....	3,567	3,551	3,507	3,646	3,535	56	487	2,992	197	62	145	2,588
Fond du Lac.....	1,343	1,390	1,216	1,365	1,352	1	16	1,335	84	21	80	1,150
Green Bay.....	3,059	3,088	3,274	3,241	3,408	5	65	3,338	236	119	296	2,687
Janesville.....	3,290	3,242	3,300	3,438	3,423	37	294	3,092	277	39	272	2,504
Kenosha.....	1,073	1,128	1,176	1,156	5,339	10	40	5,289	4,267	22	62	938
La Crosse.....	3,362	3,211	3,288	4,014	3,918	22	179	3,717	165	37	839	2,675
Lancaster.....	1,184	1,248	1,258	1,259	1,212	13	113	1,086	60	13	47	966
Madison.....	4,072	4,260	4,368	4,383	4,504	10	81	4,413	255	78	254	3,826
Manitowoc.....	1,815	1,744	1,662	1,595	1,518	4	22	1,492	75	24	47	1,346
Milwaukee, central.....	4,168	4,225	4,233	4,547	5,546	32	339	5,175	1,627	86	245	3,267
Milwaukee, north.....	6,634	6,856	7,322	7,387	8,887	0	0	8,887	1,983	156	471	6,277
Milwaukee, south.....	6,578	6,773	6,879	6,988	8,193	0	0	8,193	1,520	66	463	6,144
Oshkosh.....	1,186	1,254	1,185	1,193	1,185	1	16	1,168	54	35	68	1,011
Racine.....	2,004	2,032	2,095	2,021	2,673	6	43	2,624	839	58	154	1,573
Rhineland.....	1,207	1,118	1,145	1,155	1,162	9	73	1,070	84	32	41	913
Sheboygan.....	1,100	1,086	1,135	1,102	1,016	1	14	1,001	69	32	62	838
Superior.....	1,498	1,549	1,536	1,549	1,637	41	665	931	81	30	42	778
Watertown.....	855	878	1,150	902	813	1	4	808	50	16	75	667
Waukesha.....	2,423	2,455	2,551	2,603	2,761	1	20	2,740	426	66	178	2,070
Wausau.....	1,631	1,680	1,669	1,588	1,692	2	38	1,652	125	70	87	1,370
Wisconsin Rapids.....	1,460	1,535	1,486	1,468	1,686	5	69	1,512	107	36	97	1,272

PART-TIME UNEMPLOYMENT COMPENSATION SERVICE (INCLUDED ABOVE WITH DISTRICT SHOWN IN PARENTHESES)

Beaver Dam (Madison)	573	568	591	595	563	0	0	563	41	5	32	485
Beloit (Janesville)	940	929	1,069	1,101	1,155	27	210	918	75	10	77	756
Marinette (Green Bay)	369	370	346	389	404	0	18	386	36	15	28	306
Neshanic (Appleton)	226	202	234	188	212	0	0	212	8	0	13	191
Stevens Point (Wisconsin Rapids)	452	425	434	460	486	1	15	470	44	8	33	385

¹ E. A new claim is the first claim filed during a calendar year after a job break.

² F. An additional claim is any other first claim filed after a job break.

Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 56.271.—Veterans' UCV claims filed in Wisconsin—(A) In entire State during recent weeks; (B) in each employment service district during latest week, through 1958 week No. 10 ending Mar. 8, 1958

All unemployment claims (UC, UCV, and UCFE) filed in week specified	Week number, ending	UCV claims (unemployment compensation for veterans)						
		All UCV claims	Interstate UCV claims ¹		Intrastate UCV claims			
			Initial	Continued	Total	Initial		Continued
						New	Additional	
52,201	Week No. 1 (Jan. 4)	1,079	6	26	1,047	112	25	910
58,310	Week No. 2 (Jan. 11)	1,292	12	25	1,255	170	24	1,061
55,185	Week No. 3 (Jan. 18)	1,329	6	37	1,286	121	22	1,143
54,681	Week No. 4 (Jan. 25)	1,468	8	40 (A)	1,425	98	44	1,283
56,608	Week No. 5 (Feb. 1)	1,585	5	37	1,543	131	76	1,336
58,524	Week No. 6 (Feb. 8)	1,643	5	39	1,599	126	34	1,439
59,318	Week No. 7 (Feb. 15)	1,698	2	40	1,656	129	37	1,490
60,579	Week No. 8 (Feb. 22)	1,743	2	28 (A)	1,713	128	53	1,532
61,675	Week No. 9 (Mar. 1)	1,880	3	29	1,848	120	25	1,703
70,546	Week No. 10 (Mar. 8)	1,997	2	31	1,964	130	32	1,802
DISTRICT OFFICES								
In week 9	In week 10							
1,640	1,603	Appleton	65	0	65	5	0	60
1,303	1,354	Ashland	98	0	98	1	1	96
3,839	3,750	Eau Claire	181	0	173	14	6	153
1,400	1,395	Fond du Lac	39	0	39	1	0	38
3,479	3,681	Green Bay	174	0	172	17	6	149
3,509	3,498	Janesville	70	0	70	3	1	66
1,194	5,387	Kenosha	45	0	45	3	1	41
4,374	4,174	La Crosse	155	2	152	12	1	139
1,319	1,266	Lancaster	49	0	48	0	1	47
4,528	4,649	Madison	129	0	129	10	5	114
1,629	1,550	Manitowoc	28	0	28	2	0	26
4,723	5,739	Milwaukee central	150	0	143	9	1	133
7,521	9,022	Milwaukee north	116	0	116	7	2	107
7,163	8,361	Milwaukee south	164	0	164	14	1	149
1,228	1,223	Oshkosh	35	0	35	3	1	31
2,063	2,707	Racine	30	0	30	1	0	29
1,269	1,262	Rhineland	97	0	97	6	1	90
1,143	1,057	Sheboygan	37	0	37	3	0	34
1,646	1,742	Superior	94	0	82	3	2	77
915	823	Watertown	10	0	10	0	0	10
2,661	2,835	Waukesha	58	0	58	6	0	52
1,684	1,799	Wausau	98	0	98	8	2	88
1,545	1,669	Wisconsin Rapids	75	0	75	2	0	73

¹ Most interstate UCV claims are supplemental. (A UC claim is also taken.) Those which are not supplemental are indicated as follows: (A)—1 claim, (B)—2 claims, (C)—3 claims, etc.
Source: Industrial Commission of Wisconsin Statistical Department.

TABLE 56-A. 165.—Federal employees' UCFE claims filed in Wisconsin—(A) In entire State during recent weeks; (B) in each employment service district during latest week, through 1958 week No. 10 ending Mar. 8, 1958

Week No.—Ending	UCFE claims ("unemployment compensation for Federal civilian employees")							
	All UCFE claims	Interstate UCFE claims		Intrastate UCFE claims				
		Initial	Continued	Total	Initial		Continued	
					New	Additional	Waiting period weeks	Compensable weeks
Week No. 1 (Jan. 4)	447	4	22	421	25	0	8	378
Week No. 2 (Jan. 11)	489	8	25	456	41	0	33	382
Week No. 3 (Jan. 18)	506	5	27	474	34	10	25	405
Week No. 4 (Jan. 25)	493	4	25	464	28	1	31	404
Week No. 5 (Feb. 1)	477	4	25	448	26	6	19	397
Week No. 6 (Feb. 8)	425	3	24	398	26	0	16	356
Week No. 7 (Feb. 15)	440	1	25	414	28	1	23	362
Week No. 8 (Feb. 22)	421	1	23	397	21	4	19	353
Week No. 9 (Mar. 1)	444	3	25	416	34	6	20	356
Week No. 10 (Mar. 8)	442	3	25	414	58	9	32	315
Appleton	8	0	0	8	0	0	1	7
Ashland	29	0	1	28	0	1	0	27
Eau Claire	34	0	4	30	3	1	6	26
Fond du Lac	4	0	1	3	6	1	0	2
Green Bay	99	0	0	99	20	4	19	56
Janesville	5	0	1	4	0	0	0	4
Kenosha	3	1	2	6	0	0	0	4
La Crosse	101	1	4	96	1	1	2	92
Lancaster	5	0	0	5	0	0	0	5
Madison	16	1	2	13	0	1	0	12
Manitowoc	4	0	0	4	1	0	0	3
Milwaukee central	43	0	4	39	20	0	7	12
Milwaukee north	19	0	0	19	6	0	3	10
Milwaukee south	4	0	0	4	2	0	0	2
Oshkosh	3	0	0	3	1	0	0	2
Racine	4	0	1	3	0	0	0	3
Rhineland	12	0	0	12	1	0	0	11
Sheboygan	4	0	1	3	1	0	0	2
Superior	11	0	1	10	0	0	0	10
Watertown	0	0	0	0	0	0	0	0
Waukesha	16	0	0	16	1	0	0	15
Wausau	9	0	1	8	1	0	6	7
Wisconsin Rapids	8	0	2	6	0	0	0	6

Source: Industrial Commission of Wisconsin Statistical Department.

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Mr. DOUGLAS. Mr. President, I know my time is running out, and I shall be brief. A tax cut now, which might help to revivify the economy and stop the recession, could have the effect of raising tax receipts above what they would be if the recession were to continue—and there seems to be every possibility that it will continue—unless we act now.

When any such proposal is made, there are always three objections: First, "This is not the time to do it"; second, "This is not the place to do it"; and third, "This is not the way to do it."

THE TIME FOR DECISIVE ACTION IS NOW

A great many persons are saying, "Yes, perhaps we should have a tax cut some time in the future, but not now." That is the official position of the administration. It may be the official position of many important Senators on this side of the aisle. It never is the time for most of these men. It is always some other time that we should act—always in the future; never today.

Sometimes it may be necessary to postpone action. But when the economy is sliding, when it is going downhill, we had better not postpone action into the future. We had better act now. We need to beware of the cumulative and impetuous forces of economic breakdown. It is better to act decisively, even if it turns out that we ultimately do too much, than to do nothing and later find disaster upon us. There is more to lose by not acting now than by acting.

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

Mr. DOUGLAS. I yield.

Mr. CARROLL. Is it not true, according to the reports we read in the press, that the administration has under consideration a tax-cut program?

Mr. DOUGLAS. Yes; and I would say that a tax cut is inevitable. The question is simply when will it come, and in what form will it come? My argument is that it is better to act now than to postpone it into the future, because the future may be too late; and when we do put the tax cut through—as we will—it may have to be a larger tax cut than that which I am now proposing.

Mr. CARROLL. Does not the Senator think it would be the part of wisdom for this body, which has been so vigorous in stimulating leadership in the executive branch in other fields, to place another tool in the hands of the executive branch with which to function in this period of emergency. Is not this what we did yesterday in the case of the public-works resolution submitted by the distinguished majority leader?

Mr. DOUGLAS. Yes. However, I think we should not merely place the tool in the hands of the Executive, but we ourselves should move. We should take action, and not let this tax reduction be discretionary.

Mr. CARROLL. It is the function of the Congress to legislate. It is the function of the Executive to act. And if we aid the executive branch by this type of legislation, by working together we can present a full program to the country.

That is the purpose of the tax-cut proposal at this time; is it not?

Mr. DOUGLAS. The Senator is correct.

PROCEDURE OF AMENDING INSURANCE TAX-CUT BILL IS QUICKEST ROUTE TO EFFECTIVE TAX REDUCTIONS

I know that there are those who say, "This is not the way to do it. Do not base the needed tax action on an amendment offered to a tax-reduction bill for the insurance companies. Let the larger tax-cut measure go through the usual process of being initiated as a bill in the House, and referred to the Ways and Means Committee. Then we can deal with it when it comes to the Senate."

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

Mr. DOUGLAS. I yield.

Mr. CARLSON. I appreciate very much the statement the Senator is making.

Inasmuch as he mentions the House Ways and Means Committee, I should like to enter into the colloquy. It was my privilege to serve on that committee for 8 years under the chairmanship of a great American, Robert Doughton. I know of the feeling that tax measures should originate in the other body. I feel rather keenly on that subject.

I do not intend to be critical of the Senator's tax proposal, but I question the advisability of trying to write such a tax measure, or any tax measure, on the floor of the Senate. A tax measure should have not only the study of the Ways and Means Committee of the House, but of the Senate Finance Committee, of which the Senator from Illinois is one of the ablest members.

I sincerely hope that he will give that thought some consideration.

Mr. DOUGLAS. I have considered that point very carefully.

To allow such a measure to take its usual course would involve so much delay that we would be likely to wake up and find ourselves in disaster.

A bill would have to be introduced in the House—and the leadership in the House shows no present signs of an intention to introduce such a bill.

The bill would have to be referred to the House Ways and Means Committee, which would hold hearings.

If the bill were then reported by the Ways and Means Committee, there would have to be a rule from the Rules Committee to schedule it in the House.

There would be debate in the House, and the House would act upon the bill.

If it passed the House, it would come to the Senate and be referred to the Committee on Finance, upon which it is a joy for me to serve with the distinguished Senator from Kansas. Here again hearings would normally be held.

The bill would then be reported to the Senate by the Senate Finance Committee, and there would be debate on the floor of the Senate. There is a great difference of opinion as to the type of tax cut which should be enacted and the debate might well be long and complicated.

So in my judgment it would be possibly 2 or 3 months before the bill could be passed. Then there would be a time lag before it went into effect. By that time economic conditions might be rather bad.

Mr. CAPEHART. By that time the recession might be over.

Mr. DOUGLAS. That might happen and if so, that would be excellent. But the Senator is gambling with dynamite.

THERE ARE NUMEROUS PRECEDENTS FOR SENATE'S ADDING TAX-CUT AMENDMENTS TO HOUSE-PASSED REVENUE BILL

I have had the precedents examined, and before the debate is concluded I shall ask to place in the RECORD excerpts from a memorandum from Raymond E. Manning, Senior Specialists Division of the Library of Congress, on the subject of tax reduction amendments in the Senate to House-passed bills. A number of precedents are cited of the Senate having added tax amendments on the floor of the Senate to tax bills initiated by the House.

Mr. CARLSON. May I inquire if they were as far-reaching as the Senator's proposal?

Mr. DOUGLAS. Yes. A few examples are: The Revenue Act of 1950; the Revenue Act of 1945; the Revenue Act of 1932; the Industrial Recovery Act of 1932; the Revenue Act of 1926; the Revenue Act of 1918, and several others.

An amendment to the Revenue Act of 1926 initiated the famous depletion allowance, so dearly beloved by many of our Members from the oil-producing States. If a depletion allowance for the benefit of the big oil companies was legitimate by means of a Senate amendment, I think a tax reduction for the benefit of the people should be legitimized, too.

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

Mr. DOUGLAS. I yield.

Mr. ANDERSON. Like the Senator from Kansas, I was a member of the Ways and Means Committee of the House, and I am familiar with section 7 of article I of the Constitution, which provides:

All bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments, as on other Bills.

Mr. DOUGLAS. I am glad the Senator from New Mexico comes to my aid. He is entirely correct.

This bill did originate in the House. It was a bill to reduce the taxes on insurance companies by \$124 million a year. If insurance companies can get \$124 million, the people of the United States ought to get more.

I thank the Senator from New Mexico.

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

Mr. DOUGLAS. I yield. I wish to conclude briefly.

Mr. CARROLL. I also served on the House Ways and Means Committee under the distinguished Bob Doughton.

Mr. DOUGLAS. The Senator is a member of quite a distinguished alumni association.

Mr. CARROLL. I know that that committee is very jealous of its jurisdiction and prerogatives. I also know that when tax measures are reported from that committee they are reported under a closed rule.

In this critical period, it is a real demonstration and assertion of the democratic process to have a tax proposal go from the Senate to the House,

so that the Members of the House will know how we feel about the subject.

Mr. DOUGLAS. The differences can then be settled in conference.

Mr. CARROLL. Of course.

Mr. DOUGLAS. And the House can have its opinions considered in conference, and the House will then have an opportunity to pass on any final bill.

Mr. CARROLL. I said in the debate a few days ago, that the House is very close to the people in these critical periods of economic depression, and I have full confidence in them and believe that they will not feel we have taken away some of their jurisdiction.

Mr. DOUGLAS. I thank the Senator from Colorado. If we postpone action in order to save the feelings of the Members of the House, we may wake up and find that we have dealt a mortal blow to the American people. I do not believe that we should get to the point where we regard parliamentary etiquette as more important than the vital interests of the United States.

Mr. President, I should like to say, in conclusion, that the issue is not whether we will have a tax cut, but rather when the tax cut is to occur, and how it is to occur. A tax cut is coming; there can be no doubt about that; and if it is coming, why not now?

A great many Senators, if they vote against a tax cut, will look very silly in a few weeks when they come to vote for a tax cut. I will be just mean enough then to remind them of their votes. What a great many people may regard as wrong on the 13th of March will become the thing to do on the 10th or 11th of April, when the unemployment figures for March have been released. In other words, to use a popular slogan: "Eventually, why not now?"

Secondly, Mr. President, the tax cut I am proposing will build up consumer power in the middle and lower income groups of the community.

This is a sound procedure, because we suffer at present from plant equipment which is not used. How are we going to get it used? We will get it used only by building up consumer demand. As we build up consumer demand, and the idle overhead is decreased, there will be a demand for further investment.

If we make a cut in the corporate tax or in the upper income group, there may be more money saved, but it does not mean that this money will actually be invested, because a business with a 30-percent idle capacity will not want to borrow or invest at this time. It will want to use what idle capacity it has. Therefore, the amendment is based on the theory that the important thing to do is to build up consumer demand.

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

Mr. DOUGLAS. Yes; then I will yield the floor.

Mr. CARROLL. One of the most important considerations, assuming that the tax cut is coming, is what kind of tax bill will it be? I served in the other body when I saw an across-the-board cut made. There is talk, as I read the press reports, about the President and some of the administration leaders advocating an across-the-board tax cut. Some of us have never believed in it.

There has been a great deal of debate on this subject. An imposing record has been made on this very issue, and it should be examined with much care before it is subscribed to.

I believe that some people are talking about waiting before making a tax cut. However, this proposal is the kind of a tax cut we can support now and those who want to wait ought to begin to make a record now by supporting this type of tax cut.

Mr. DOUGLAS. I thank the Senator. Mr. President, I yield the floor.

Mr. CAPEHART. Mr. President, I yield 10 minutes to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I rise to speak against the amendment offered by the Senator from Illinois. I do so for two reasons: First, because I do not believe a tax reduction should be financed with borrowed money; and second, because this amendment has never been studied by the appropriate committee. The only way, really, to reduce taxes is by bringing the expenses of the Government down to the point where it can be done without further deficit spending.

If expressions of sympathy for the American taxpayers had cash value, the taxpayers would all be very wealthy; however, bona fide tax reductions will not be accomplished by expressions of sympathy but only by actions of Congress. I point out, in connection with the question of raising personal exemptions and dropping the tax bracket of the first \$1,000 from 20 percent to 15 percent, the only reduction the American people have ever had in either of these categories have been under Republican administrations.

The members of our party have every reason to boast of the record of our administration when it comes to cutting taxes.

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

Mr. WILLIAMS. I yield.

Mr. CAPEHART. Is the Senator saying that during the depression of 1933, through World War II, the Democrats never gave a tax reduction to solve the unemployment situation?

Mr. WILLIAMS. That is correct. When the New Deal administration took control of the Government in 1933, the personal exemption was \$1,000 for each individual and \$2,500 for a married couple.

When the Republican Party took control of Congress in 1948, that exemption had been whittled down by the New Deal administration from \$1,000 for each individual to an all-time low of \$500. It was only the Republican 80th Congress, over the veto of the then Democratic President, which raised the exemption to the present rate of \$600. I realize that \$600 is low, and I wish we had the money in the Treasury so that we could raise it, but I emphasize that since the first income tax act was enacted in 1913, in all the history of that tax, when the Democrats were in control they never once raised the personal exemption for the individual taxpayer. Every change that they made has been downward. Likewise, when the New Deal administration took over the Gov-

ernment in 1933 the rate on the first \$1,000 of taxable income was only 4 percent. When the Republican Party took over the administration in 1953, that rate had been increased by this same New Deal administration 550 percent in the lowest bracket—from 4 percent to an all-time of 22.2 percent. We promptly reduced that rate to 20 percent. It is still high. However the fact remains that at no time was it ever reduced during the New Deal or Fair Deal administrations.

Mr. CAPEHART. Is the Senator speaking now from the record?

Mr. WILLIAMS. I am speaking from the record.

Mr. CAPEHART. At no time during the history of Democratic administrations have taxes been reduced?

Mr. WILLIAMS. No; they reduced taxes twice in 1913. I said they never raised exemptions. They raised taxes 13 times, however, during the same period.

Mr. CAPEHART. When did they reduce taxes?

Mr. WILLIAMS. Since the first Federal income tax law was passed, in 1913, the record shows that there have been 10 tax reductions. Eight of those tax reductions were given to the American people under Republican administrations, and on only 2 occasions, in the entire history of Democratic administrations have there been any reductions in taxes.

Mr. CAPEHART. What years were those?

Mr. WILLIAMS. I will place the complete report in the RECORD later.

Mr. CAPEHART. Has there ever been a time when taxes were reduced during a depressed period?

Mr. WILLIAMS. Before I get to that I should like to point out that there have been 10 tax reductions, and 8 of those were under Republican administrations. I should also point out that since 1913 there have been 15 tax increases, and that 13 of those increases were put into effect under Democratic administrations. On only 2 occasions since 1913 have there been tax increases under a Republican administration.

We can stand here today and boast of the record of our party on giving bona fide tax reductions to the people.

Now, what did the Democratic Party do when we had serious unemployment during the depression of the 1930's?

In 1934 there were 11,340,000 unemployed. What did the New Deal administration do? It increased taxes. In 1936 there were 9,030,000 unemployed. What did they do? They increased taxes again. In 1940, there were still 8,120,000 unemployed. They again increased taxes, and they increased them again in 1941 before the outbreak of World War II, at a time when there were 5,560,000 unemployed.

At no time did the New Deal administration give a tax reduction in periods of unemployment. Oh, when they are out of power they really get enthusiastic for tax reductions, but it is action that counts, not promises.

Let us stop kidding the American people, and tell them the truth; namely, that they can expect no bona fide tax reductions until the cost of Government

has been brought under control. Tax reductions on borrowed money only mean more inflation.

I repeat: I do not think it is sound economics to vote a tax reduction on borrowed money. We are thinking too much of the political implications of a tax bill rather than discussing such a bill from an economic standpoint.

I should like to hear the proponents of the amendment tonight say they denounce the New Deal administration, with which they are affiliated, and admit that they were wrong back in the 1930's; when they voted increases in taxes with our unemployment figures running around 10 million. I am confident that if that administration were in power tonight, they would vote for another tax increase rather than a reduction. I think it is time the American people examine the record of what the two political parties have done when in power.

I, too, am concerned about the 5 million presently unemployed. The situation is almost as bad as it was under the New Deal administrations. But I point out again that 5 million as compared with the total employment is a far different picture than it was in 1938, after 6 years of the New Deal administrations when they still had a total of 10,390,000 unemployed.

We hear much about a tax reduction now being needed. It is being advocated on the basis that if the man who has a job is given a tax cut, some of the cut will trickle down to the man on the street who is out of work. I am surprised to hear my friends on the other side of the aisle advocate the trickle-down theory. They now say, give a tax reduction to a man who has full-time employment, and some of the reduction may trickle down to the man out of work. If it is desired to do something for the unemployed, let us do it directly, and not on the trickle-down theory. What an unemployed man wants is a job not a lot of hot air promises.

Mr. CAPEHART. Is the Senator advocating that we do those things which will help the unemployed directly?

Mr. WILLIAMS. That is correct. A tax reduction now, which every Senator will admit can be financed only with borrowed money, would mean that by increasing the deficit spending we would only be decreasing the value of the dollar, thus promoting inflation. Through this resulting inflation, we would only further increase the cost of living, thereby making it even harder for the person who is unemployed and who needs assistance.

Do not overlook the fact that as a result of the inflation of the past 20 years our dollar has lost over one-half of its 1939 value.

That means that one-half of the life savings of every American has been destroyed. This deterioration of our dollar has got to stop.

How will the man who is out of work be helped by a tax reduction when he has no taxes to pay? Taxes are not paid on unemployment benefits. Let us stop kidding ourselves. This \$5 billion tax reduction is simply a proposal to undermine further the solvency of the Government by promoting another round of inflation in the hope that some of the

tax cut may trickle down to help the man on the street.

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

Mr. WILLIAMS. I yield.

Mr. POTTER. Would the Senator from Delaware rather have a huge public works plan of spending or a tax reduction as a means of stimulating the economy?

Mr. WILLIAMS. I do not advocate either an unsound tax cut or a wild spending spree. It is time we woke up to the fact that all the economic problems cannot be solved by the Government in Washington. A government cannot spend itself into prosperity any more than can an individual. I do not think the Government is so powerful that it can control every phase of our economy from Washington. Certainly it can help, but it does not have all the answers.

The Government can accelerate those projects which can be justified, projects which may have been postponed a year ago to wait for the time when there was unemployment. Certainly projects which are necessary should be accelerated. But let us not get panicky and go off on a wild spending spree. We do not want a repetition of the WPA of the 1930's. Despite the WPA and the PWA in the thirties millions of people were still walking the streets unemployed after 8 years of the New Deal. They were taken off the unemployment rolls only to be put in uniform when we entered World War II.

The same was true in 1950. In 1950, during the so-called Fair Deal administration, unemployment in February reached a high of 4,684,000. The total labor force then was 64 million. Today our labor force exceeds 70 million, and 5 million are unemployed.

I still say we should be concerned about this figure, but how did our opponents handle their unemployment situation in 1950? It was handled by the Korean war. I am not suggesting that the Democratic Party is a war party, but the record is that they had no cure for unemployment.

To get the record straight, I call attention to the statistical fact that during the 20 years of the New Deal and Fair Deal administrations, when you subtract the war years the average unemployment for every peacetime year in which they were in power was over 7 million.

I repeat: unemployment under New Deal and Fair Deal administrations, between 1933 and 1952, averaged over 7 million for every year in which we were not in war.

Mr. POTTER. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. POTTER. I feel certain that the Senator recognizes that after every tax reduction, whether in the United States or Canada, the national revenue has increased. I happen to be old-fashioned enough to believe that one of the greatest impediments to a healthy economy is an overburdened tax system. I think the United States has one. I think taxes have grown up through the imposition of wartime levies. We have not had the

courage to improve that system during a period of prosperity.

Today we are not at war. Today we have unemployment. In Michigan there is unemployment amounting to more than 30 percent. More than 350,000 are unemployed.

I think the best means of solving the unemployment problem is by a tax reduction. The Senator from Delaware says that will not help the unemployed. It will help the unemployed. Michigan is an automobile manufacturing State. The excise taxes on automobiles alone are a great deterrent to the sale of automobiles. This in turn hurts the production of cars.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. CAPEHART. I yield 10 minutes more to the Senator from Delaware.

Mr. WILLIAMS. I agree with the Senator from Michigan that the tax structure is too high. But the way to approach a reduction is to stop wasteful Government spending. The trouble is that there has not been any such reduction of spending in the past several years. In times of high prosperity, the Government should hold back on the construction of some of its projects. That was not done. In the last several years, Congress has been voting for the construction of more and more projects, because it is so much more popular, politically, to advocate those things. To get back to your question: Unemployment does not always drop immediately after a tax reduction.

In 1948 there were 2,060,000 unemployed. Taxes were reduced. In 1949, only a year later, unemployment was 50 percent higher than it was in 1948. It had gone to 3,395,000.

I think the real way to approach a tax reduction is to reduce the expenses of the Government. The American people want a stable Government, one which is being operated on a sound financial basis. Then business will resume, and the economy will pick up and move forward in a healthy manner.

To maintain a solvent America we must do two things—first, we who are candidates for reelection must stop promising everything to everybody for the sole purpose of getting ourselves re-elected or perpetuating our party in power, and second, we as American citizens must stop trying to unload on the Federal Government all the responsibilities which were once recognized as being our own. All of us should recognize now that we cannot continue the vast expenditures of \$72 billion, \$74 billion, or \$80 billion on borrowed money unless we intend to destroy the solvency of the Nation.

I ask my friends to study the lessons of history, whether the lesson be that of the Roman Empire or of any of the other great nations of the past. Many of those nations were destroyed because of insolvency and moral decay from within, rather than by the enemy from without.

With all due respect to the threat of communism, let us remember that the threat of inflation is very great in the United States today. If we are not careful, we can set off another round of inflation, which could be very disastrous.

Under inflation the man who really suffers is not the so-called wealthy man, because his holdings or savings are in equities which will appreciate in direct proportion to inflation.

But the man who is hurt by inflation is the workingman who, when he retires, is dependent on his pension and life insurance policies or his savings accounts. As a result of the erosion of the value of the dollar in the last 20 years, one-half of the life savings of the American people has been destroyed.

Yes, in the past 20 years through inflation one-half of the value of every life insurance policy, every pension, every savings account has been destroyed. We have through the deficit financing policies and inflation of the past 20 years been pauperizing the aged of America.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MARTIN of Pennsylvania. I simply wish to add that the 40 million Americans who own Government bonds are also greatly damaged by the inflation which has occurred.

Mr. WILLIAMS. They are. Ten years ago, the Government bonds were sold on the basis that for every \$3 invested in such a bond, \$4 would be paid back at the end of a 10-year period. When the 10 years have expired, \$4 is paid back, but the investor cannot buy with \$4 what he could have purchased 10 years before with \$2.

Such erosion of the value of the dollar must be stopped. That cannot be done by making a \$4 billion tax reduction at such a time as this when the Government already is so deeply in the red.

I repeat, our Government cannot spend itself into prosperity on borrowed money, and a tax reduction on borrowed money is a farce.

Mr. POTTER. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS. I yield.

Mr. POTTER. Does the Senator from Delaware believe that the Government will end this year without deficit financing?

Mr. WILLIAMS. No, I do not, and that is why I am opposed to this bill which would only make the deficit bigger.

Mr. POTTER. I know the Senator from Delaware is a distinguished member of the Finance Committee. But having voted on yesterday, as I did, for a resolution which would accelerate Government spending—

Mr. WILLIAMS. That resolution—

Mr. POTTER. Just a moment, Mr. President—

Mr. WILLIAMS. Mr. President, I ask the Senator from Michigan to wait just a moment; I wish to place my own interpretation on that resolution. At the beginning of the consideration of the resolution, I said that nothing was proposed in connection with that resolution except to accelerate those projects which could be justified and which could be constructed today as well as tomorrow.

I believe any necessary and essential public works projects should be undertaken in times of unemployment, just as

I believe that when there is full employment, projects which are not immediately necessary should be postponed.

Mr. POTTER. But the Senator from Delaware knows as well as I do that their construction will be pushed and expedited by the construction of other projects scheduled immediately behind them.

Mr. WILLIAMS. But today I voted against two such spending proposals. We will act on each as it comes before us.

Mr. POTTER. My point is this: Does the Senator from Delaware not believe that one of the greatest deterrents to a healthy economy is unemployment? Perhaps Delaware is different from Michigan; but in Michigan, 350,000 people are unemployed—or 13 percent of our working population or our labor force.

It is rather hard to get the people of Michigan concerned about inflation when 350,000 of the people of Michigan are unemployed.

The Senator from Delaware can sit back, if he wishes to, and can say, "The country will pull out of it." I believe the country will pull out of it; if nothing is done in the meantime, I think eventually the country will pull out of it.

But we cannot be insensible to the fact that today so many persons are unemployed, and many of them have used up their unemployment compensation benefits.

The Senator from Delaware and I and all the other taxpayers will have to sustain those unemployed people by means of some type of relief program. But relief programs do not do anything for the economy.

I believe that the soundest program by means of which we can aid the unemployed will be an immediate tax-relief program—not only because of the actual relief involved, but also because of the psychological effect it will have.

Mr. WILLIAMS. Mr. President, I am not suggesting that we sit idly by and ignore the 350,000 workers who are unemployed in Michigan. Certainly we should not do that. But a tax reduction is not what they want. What those men want are jobs and not just a faint hope that some or part of a tax reduction will trickle down to them.

Mr. POTTER. But the tax reduction will put the economic machine back into operation, and in that way jobs will be provided.

Mr. WILLIAMS. No good will be done if the solvency of the Government is destroyed, and confidence in this country will not be restored by advocating a huge tax reduction on borrowed money. Another round of inflation would be touched off, thereby further raising the cost of living.

Since 1900 the Government of the United States has lived within its income in only 24 of the 57 years. The result is that today we have a huge national debt of over \$275 billion. The interest on our debt today is higher than the entire cost of Government as recently as 25 years ago.

Let us stop kidding ourselves. In times of prosperity the Government has not laid aside "for a rainy day" as it should have done. That was because too many of the Members of Congress were not

willing to reduce some of the expenditures of the Government.

The Government of the United States has lived within its income during only 24 of the years since 1900. I am proud to say that 21 of those years were under Republican administrations. During only 3 years under Democratic administrations did the Government of the United States live within its income.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MARTIN of Pennsylvania. Is it not true that, with the possible exception of excise taxes, under a tax reduction program it would be 2 or 3 years before the expanded economy would commence to respond to the extent of providing increased employment and things of that kind?

Mr. WILLIAMS. That is correct.

So far as the psychological effect is concerned, a man cannot live on psychology. A man who is unemployed needs something to eat. He needs a job.

The PRESIDING OFFICER. The 10 additional minutes yielded to the Senator from Delaware have expired.

Mr. CAPEHART. Mr. President, would the Senator from Delaware like me to yield additional time to him?

Mr. WILLIAMS. Yes, I would like to have 10 more minutes.

Mr. CAPEHART. Mr. President, I yield 10 additional minutes to the Senator from Delaware.

Mr. WILLIAMS. I thank the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 10 additional minutes.

Mr. WILLIAMS. Mr. President, a little while ago I promised to yield to the Senator from Kansas [Mr. CARLSON].

Mr. POTTER. Mr. President, before doing so, will the Senator from Delaware yield once more to me?

Mr. WILLIAMS. Yes, but not for the Senator from Michigan to make a speech.

Mr. POTTER. Of course not.

Is the Senator from Delaware saying that the confidence of the people of the country in the economy of the United States has no effect upon the economy?

Mr. WILLIAMS. No, I do not say that. I said that confidence is everything. But if we are to build confidence, it must be built on the sound principle that the American people have confidence in the stability of their Government. I think the trouble today is that the confidence of the people in their Government has been undermined as a result of some of the schemes which have been proposed.

The Congress is on the verge of being stampeded into rushing off in all directions at the same time. On the one hand, tax reductions which would seriously reduce the income of the Government have been proposed. On the other hand, vast expenditures by means of all sorts of spending programs have been proposed. Both programs would result in serious deficits for the Government. Whether the deficit would amount to \$5 billion or \$10 billion or \$15 billion, no one seems to know, and very few seem to care.

I reemphasize that if deficit spending is resumed, the value of the dollar is

certain to be affected. That has been true of the value of the currency not only in this country, but also in other countries, when the governments have resorted to heavy deficit spending.

Mr. POTTER. But those who propose the programs believe that a tax reduction should be made because it will give impetus to the economy, and as a result there will not have to be deficits.

Mr. WILLIAMS. But I disagree with that theory. I do not think an unemployed man will be helped by giving a tax reduction that can be financed solely on borrowed money.

Mr. President, at this time I yield to the Senator from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. President, I appreciate the courtesy of the Senator from Delaware in yielding to me.

The Senator from Michigan has called attention to the difficulty which is experienced when Senators begin to deal with taxes on the floor of the Senate, without having had studies made by the House Ways and Means Committee and the Senate Finance Committee.

I am not so sure that the automobile industry is not being very seriously damaged as a result of the debate which has been occurring in the Senate Chamber, unless a tax reduction is really going to be made; and many intelligent and well-informed people do not believe that a tax reduction will be made at this time.

As a matter of fact, people who are contemplating purchasing automobiles today are not buying them, because they assume that within 20 or 30 days a tax reduction will be made.

I would not object to a reduction of the excise taxes on automobiles, washing machines, refrigerators, or other items in that category, if the Government could afford to make such a tax reduction.

But I believe Senators are making a mistake by discussing such a proposal at this time and by making the people of the country believe that such a tax reduction is to be made, because I do not believe it will be made.

Mr. WILLIAMS. Certainly talk about a proposal for a cut in excise taxes has the effect of delaying the purchases of automobiles and other items mentioned. Certainly, the sooner we get the answer to this question, the better it will be, and I hope the answer will be the overwhelming rejection of the Douglas amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a tabulation giving the history of all the tax reductions and tax increases that have been made under the Federal income tax law from 1913 through 1954.

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

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL
REVENUE TAXATION,
Washington, D. C., October 14, 1954.
Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: The following information is furnished in reply to your request of October 8, 1954.

The individual income tax burden has been increased 15 times and decreased 10

times since the year 1913. This is shown as follows:

Year affected:	Change
1913.....	First enacted
1914.....	None
1915.....	None
1916.....	Increase
1917.....	Increase
1918.....	Increase
1919.....	Decrease
1920.....	None
1921.....	None
1922.....	Decrease
1923.....	Decrease
1924.....	Decrease
1925.....	Decrease
1926.....	None
1927.....	None
1928.....	Decrease
1929.....	Decrease
1930.....	Increase
1931.....	None
1932.....	Increase
1933.....	None
1934.....	Increase
1935.....	None
1936.....	Increase
1937.....	None
1938.....	None
1939.....	None
1940.....	Increase
1941.....	Increase
1942.....	Increase
1943.....	Increase
1944.....	Increase
1945.....	None
1946.....	Decrease
1947.....	None
1948.....	Decrease
1949.....	None
1950.....	Increase
1951.....	Increase
1952.....	Increase
1953.....	None
1954.....	Decrease

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement of the history of the first tax-bracket rate and personal exemptions. The table shows a breakdown by years and indicates just when the changes occurred.

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

Individual income tax: Combined exemptions and credits for married person with 3 dependents and 1st bracket tax rate, 1913-54¹

Income year	Combined exemptions and credits	1st bracket rate
		Percent
1913-15.....	\$4,000	1
1916.....	4,000	2
1917.....	2,600	2
1918.....	2,600	6
1919-20.....	2,600	4
1921-22.....	3,700	4
1923.....	3,700	3
1924.....	3,700	2
1925-27.....	4,700	1 1/2
1928.....	4,700	1 1/2
1929.....	4,700	1 1/2
1930-31.....	4,700	1 1/2
1932-33.....	3,700	4
1934-39.....	3,700	4
1940.....	3,200	4 1/2
1941.....	2,700	10
1942-43.....	2,250	19
1944-45.....	2,500	23
1946-47.....	2,500	19
1948-49.....	3,000	16.6
1950.....	3,000	17.4
1951.....	3,000	20.4
1952-53.....	3,000	22.2
1954.....	3,000	20

¹ Before deductions and disregarding earned income credit.

² \$500 credit for each dependent allowed against surtax which begins at 20 percent. Such credits not used in computing 3 percent normal tax.

The PRESIDING OFFICER. The additional time yielded to the Senator from Delaware has expired.

Mr. CAPEHART. Mr. President, I yield an additional minute to the Senator from Delaware.

Mr. WILLIAMS. I thank the Senator from Indiana.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two editorials, one from the Wall Street Journal and one from the Washington Daily News, commenting on the fallacy of making a tax reduction with borrowed money.

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

[From the Wall Street Journal of March 12, 1953]

TAX TRICKS

Despite its rapidly mounting deficit, the Government seems determined to cut taxes unless there is a sudden business upturn. And of all the ways for acting on this unsound policy, the prize so far must go to the proposal for a tax holiday.

Superficially, the idea may have some appeal, since it would suspend the withholding of Federal taxes for 1 to 3 months. Any taxpayer can see that this would give him a bigger immediate piece of change than a reduction in rates spread over 12 months. Essentially, though, the proposal is a trick device unworthy of serious consideration by a responsible Government.

For one thing, it would play hob with the Treasury's management of the public debt, difficult enough as it is. It would mean a revenue loss of some \$2.4 billion for each month it was in effect, requiring the Treasury to borrow heavily and perhaps necessitating another boost in the recently elevated debt ceiling.

Even less pleasant is the fact that the moratorium would be in the nature of a handout. It is not at all a tax cut, which would be very much in order if the Government would ever get its fiscal affairs in order. It is simply a temporary Government giveaway for purposes as much political as economic.

Moreover, the notion that the people need this kind of sharp jolt is way out of proportion to the economic situation as it actually exists. The actual situation is one of relative prosperity; the vast majority of people have purchasing power but for the moment choose not to use it as lavishly as they have been doing in the past few years. The tax holiday, in contrast, smacks of real "hard times" panic measures.

For that reason it is far from sure it would have the desired effect of significantly increasing private spending. The general taxpayer, seeing the Government rushing to such extremes, might get still more cautious about his buying. And knowing that the holiday would last only a few months at most, he might well decide to save the extra cash against the possibility of continued recession.

There is only one right approach to taxes, and that is for the Government to reduce its spending enough to permit reductions without unbalancing the budget. But if that is too much to expect from the nervous politicians in the administration and Congress, then, let them at least enact a legitimate cut in tax rates.

What the economy needs far more than a tax holiday is a holiday from Government gimmicks.

[From the Washington Daily News of March 12, 1953]

WHAT WOULD A TAX CUT DO?

A reckless, mad contest is going on here. The politicians are outbidding each other in a delirious race to see who can do the worst in giving away the public Treasury. There is a recession on, they say, and we have to do something—anything at all, just so it is something dramatic.

Democratic politicians are plugging primarily for more spending—a big public works program, more Federal handouts.

The administration prefers a tax cut. A thousand unionists, in the Capital to buttonhole Congressmen, are demanding both spending and tax cutting.

The excuse is a theory that these proposals would put money in the hands of consumers. With no assurance whatever, of course, that the consumers would spend it, or if they did on what or when.

The end result of all this frantic confusion may be just to make matters worse. Because whether it is extra spending or tax reductions or both, the Government simply will be printing more money. It will borrow and borrow, and as it borrows it will depreciate the value of money more.

Government deficits and inflation are stablemates. They chase each other around the same track.

Yet George Meany, president of the AFL-CIO, says: "If this takes a deficit, let there be a deficit."

Damn the torpedoes, full speed ahead. Nobody has been robbed of more money by inflation than the members of the unions Mr. Meany represents.

A wise man, Bernard Baruch, once put it this way:

"If we want to prevent depressions, we first must learn how to prevent inflation."

But Washington officialdom, as it talks, now is trying to solve a so-called recession by firing up inflation.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a list of the unemployment figures, beginning with the year 1933 and going down through 1957.

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

	Unemployment	Percent of labor force
1933.....	12,830,000	24.9
1934.....	11,340,000	21.7
1935.....	10,610,000	20.1
1936.....	9,030,000	16.9
1937.....	7,700,000	14.3
1938.....	10,390,000	19.0
1939.....	9,480,000	17.2
1940.....	8,120,000	14.6
1941.....	5,560,000	9.9
1942.....	2,270,000	3.9
1943.....	2,142,000	3.6
1944.....	2,064,000	3.4
1945.....	3,395,000	5.5
1946.....	3,142,000	5.0
1947.....	1,602,000	2.5
1948.....	3,230,000	5.0
1949.....	2,654,000	4.0
1950.....	2,551,000	3.8
1951.....	2,653,000	4.0

Mr. CAPEHART. Mr. President, I yield 5 minutes to the able Senator from Pennsylvania [Mr. MARTIN].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. MARTIN of Pennsylvania. Mr. President, I intend to be very brief. No Member of this body would ever be more desirous of a tax reduction than would the Senator from Pennsylvania. I think taxes are entirely too high. But the distinguished Senator from Delaware has

pointed out that the way to reduce taxes is to reduce governmental expenditures.

I remind my colleagues that if we had not made grants to State governments, municipalities, and individuals, including interest lost on such grants, the United States Government would not have a single dollar of debt at the present time. We would then have been in a position to reduce taxes greatly all along the line.

There is no question that incentive capital has been dried up because there is not sufficient incentive so far as profits are concerned. I have had many young men say to me, "I do not object to having the United States Government as a partner, but I do not like the idea of being a junior partner to the United States." That has been the situation in the United States for the past 20 years.

There can be no question that our taxes are entirely too high. I repeat, the way to reduce taxes is to decrease governmental spending.

So far as public works are concerned, I have always favored construction of public works during periods of unemployment. In fact, in the latter part of 1932, and early in 1933, I was State treasurer of Pennsylvania, and I was on a committee the duty of which was to take care of unemployment and relief in our commonwealth.

I came to Washington on several occasions, urging that there be more construction of public works and of roads—not WPA, but work under the free enterprise plan. If we in Pennsylvania had used for the construction of roads the amount of money we received from WPA, for which no results at all were obtained, we would almost have our road system completed.

In the last 2 or 3 days we have been meeting in committee considering a measure providing for the construction of roads. I think in a day or two a bill will be reported which will result in much employment in the United States. We are taking into consideration the number of man-hours which can be secured for the number of thousands of dollars we may appropriate. By following such a plan, we shall accomplish something useful.

I am hoping that the same committee will take up the question of the improvement of post offices and post office facilities, which will result in permanent assets for the United States. Public works of that kind are, in my opinion, sound, and they result in real improvement in facilities.

I talked to a group of workmen this morning. They were not urging tax reductions, because all of them said that the small tax reduction they would receive would not mean very much. For example, if exemptions were increased by \$100, it would mean about \$18 in tax savings to a taxpayer. However, if a workman had a job on a road or on a building, he would then have a substantial number of dollars to spend.

Later on I may have something else to say on the bill, but I wish to state now a general tax reduction proposal, such as has been presented tonight, needs long, careful consideration, when we bear in mind what is being said by laboring

people, industrialists, farmers, and other citizens throughout our country who are concerned.

I hope the amendment will be rejected, because the Senate floor is no place to draft such tax legislation.

Mr. CAPEHART. Mr. President, I yield 7 minutes to the Senator from New Mexico [Mr. ANDERSON].

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 7 minutes.

Mr. ANDERSON. Mr. President, I appreciate very much the courtesy of the Senator from Indiana. I do not intend to speak at this time on the amendment offered by the Senator from Illinois, and I appreciate the granting of this time.

First of all, I wish to say that later on amendments will be offered proposing a reduction of taxes in the automotive industry. The question has risen as to what the dealers will do. I think responses I have received from my home State of New Mexico, are typical of those from dealers across the Nation, and I therefore ask unanimous consent that I may have printed in the RECORD at this point telegrams I have received from various individual dealers and groups from across the State of New Mexico, indicating that if the reduction in excise taxes is made retroactive to March 1, they will refund to purchasers the amount of reduction.

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

DEMING, N. MEX.

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

You have our assurance that if any excise tax reduction on cars retroactive to March 1 will be refunded purchasers respectively. Your support of bill will be appreciated.

TRAVIS BREM.

TUCUMCARI, N. MEX., March 13, 1958.

Hon. CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

We would appreciate your assistance in getting an excise tax reduction on automobiles and trucks to stimulate the car business. This stimulation is desperately needed at all levels, local, State, and national and would help greatly in reducing unemployment. Any reduction received will be passed on to the purchaser.

Steiner Mason, Director NMADA, Ford; C. W. McMullen, Chevrolet; Gross Pelzer, Buick; George H. Mundell, Plymouth; Grover Dickinson, Oldsmobile; Marcus Huff, Hudson; F. H. Paschal, Mercury; Frank Baum, Pontiac; Jim Koehler, Studebaker.

SANTA FE, N. MEX., March 13, 1958.

Senator CLINTON P. ANDERSON,
Washington, D. C.:

We would like for you to know that any excise tax reduction that is made on automobiles will be passed on to the consumers. We urge you to please help us get this reduction.

Santa Fe Auto Dealers Association; Santa Fe Motor Co.; Sanco Motor Co.; Cherry Motor Co.; Hancock Olds Inc.; Jones Lincoln Mercury Edsel; William F. Colwes, Pontiac, GMC, Buick.

DEMING, N. MEX., March 13, 1958.

Honorable Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

Any excise tax reduction on cars retroactive to March 1 will be refunded to customers. Your support of bill will be appreciated. Kindest regards.

JACK KENNEDY.

DEMING, N. MEX., March 13, 1958.

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

Any excise tax reduction on cars retroactive to March 1 will be refunded to purchasers. Please support this bill. We appreciate it. Thanks.

TOM McLAUGHLIN,
Sunland Sales and Service.

DEMING, N. MEX., March 13, 1958.

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

If any excise tax reduction on cars retroactive to March 1 for our customers here, it will be refunded to them. Please support this bill.

NORWOOD IMPLEMENT Co.

ALBUQUERQUE, N. MEX., March 13, 1958.

Senator CLINTON P. ANDERSON,
Senate Office Building,
Washington, D. C.:

DEAR SENATOR: This entire organization respectively requests that you give your favorable consideration and support to legislation now pending which will reduce the Federal excise tax on automobiles. It is my intention to pass any reduction on to the public 100 percent and it is my opinion that a substantial reduction will stimulate new car sales with the resultant effect of improving the overall economy and most specifically of reducing unemployment. Thank you for your favorable representation.

LLOYD W. MCKEE,
Lloyd McKee Motors, Inc.

Mr. ANDERSON. Mr. President, I mention the telegrams particularly because a question was raised as to what the discussion of a reduction in excise taxes would do to the automobile industry. I only say the automotive industry would not be disturbed if prospective customers knew the proposal would be retroactive to March 1. Therefore, nobody would have any hesitancy about buying an automobile in the meantime.

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

Mr. ANDERSON. I yield.

Mr. DOUGLAS. That is precisely the provision which was put in the amendment the Senator from Illinois submitted last night and which is in the pending amendment in a slightly modified form.

Mr. ANDERSON. I am sure that would be true of every amendment which might be offered. Nobody wants to hurt the automobile industry. We all want to help it.

Mr. President, I signed the minority views on the bill. I hope the signature on those views will not indicate hostility to life insurance companies. Some of us feel retroactive tax reductions should not be granted.

There is no question what the law is. Under the law, life-insurance companies would have to pay, on the 15th day of March, approximately \$415 million.

That is the law. The Mills bill, which is now before the Senate, would reduce that tax liability for the year 1957—not the year we are now in, but the previous year—to about \$291 million.

I raised a question as to who would get the money. A great deal has been said about the small life-insurance companies. Everybody wants to help them. I placed in the CONGRESSIONAL RECORD, at page 4121, a list of the companies that would get the money. I was interested in that. It will be found that of the \$124 million which is to be paid retroactively to insurance companies, more than \$115 million will go to 51 large mutual companies and 25 large stock companies.

So that while there are 1,200 life insurance companies across the United States, 76 of the companies will get over 90 percent of the money. It is not the small companies that will benefit. Some persons like to point out that the small insurance companies are struggling and need help. They are not the ones who will be helped. When one company will get back \$20 million in a retroactive tax rebate, it is time to look into the matter.

Many years ago, as a high-school boy, I listened to Teddy Roosevelt make a great speech on his return from a hunting trip to Africa. Teddy Roosevelt had a cattle ranch in the Dakotas, and he came to the Dakotas to give a report of his hunting trip. I was pressed against the platform, and I listened to that great man with a great deal of interest. He said that while he was in the cattle business in the Dakotas an employee of his came to him one day and told him he had found a whole bunch of steers unbranded, and he had put the brand of Teddy Roosevelt on the steers.

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

Mr. ANDERSON. May I finish the story, please?

Teddy Roosevelt said, "I fired him that day, because a man who will steal for you will steal from you."

I only want to suggest to the life insurance companies that by advocating this type of relief they may not be doing the most intelligent thing in the world, because if we can give tax money to the life insurance companies retroactively, after the tax year is closed, we can reach back and take it away from them, and they will be handy targets when anybody desires to do that.

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

Mr. ANDERSON. I yield.

Mr. AIKEN. Is there anything to the story that these companies lost money last year because they relied upon the fact that the Treasury Department was to come up with a permanent formula, which fell through and left the companies holding the bag?

Mr. ANDERSON. The able chairman of the committee is here and can make a statement about that. I think the life insurance companies had some reason to believe they were going to be granted such relief. They had gotten it for the year 1955 and 1956, and their representatives said, "We think we have

everything fixed. You will get it for 1957 also."

It is significant to note that the life insurance companies which filed their annual reports in the District of Columbia on the 28th day of February, so far as I know filed with one exception on the basis of the Mills bill, which has not yet been passed by the Congress. They were pretty confident that the bill was going to be passed by the Congress.

I would say the life insurance companies had some reason for their belief.

Mr. AIKEN. Then the Senator from New Mexico thinks the companies should have been intelligent enough to believe that?

Mr. ANDERSON. No. On the contrary I think that they should have believed the law of the land was the basis upon which they had to pay taxes.

I will say one word further on that. When the Senator from Vermont pays his personal income tax he does not pay his tax on the basis of tax relief 6 months, 8 months, or a year from now. The Senator pays his tax based upon what the law is. So should the insurance company.

Mr. AIKEN. My personal taxes are all collected in advance.

Mr. ANDERSON. Yes, indeed. There is no possibility of the Senator coming in at a later date for a change.

Let me say to the Senator from Vermont that he has put his finger exactly on the reason why I oppose the bill.

The PRESIDING OFFICER. The 7 minutes allotted to the Senator from New Mexico have expired.

Mr. ANDERSON. Mr. President, may I have 3 additional minutes?

Mr. CAPEHART. I yield 3 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for an additional 3 minutes.

Mr. ANDERSON. Once the tax liability has been established, the insurance companies should not come in to ask for \$124 million relief, unless they can show that they are in worse shape than any other industry in the country.

Personally, I am inclined to agree with the Senator from Michigan. I think the automotive industry is in worse shape than the life insurance industry.

Mr. President, in the New York Times of Sunday, March 2, 1958, there was an interesting article about the President of the Prudential Insurance Company of America, a very able and fine man. The article says:

Carrol M. Shanks is a happy man.

He has good reason to be. The Prudential Insurance Company of America, which he heads, reported last Monday sales of \$11,296,000,000 of life insurance in 1957, an industry record.

"It represents over two-and-a-half times the amount of insurance which we sold just 5 years ago and almost four times the amount sold 10 years ago," he told a press conference that day.

That article does not indicate to me that the Prudential Insurance Co. is in any trouble. The company is doing fine, because it has excellent progressive management. I am glad the com-

pany is doing fine. However, the Prudential Insurance Co. does not need, as it would get under the provisions of the bill, over \$17 million of tax relief. If we are to give tax relief, we should give it to those who need it.

Mr. President, Newsweek of March 10, 1958, has an article with relation to the Metropolitan Life Insurance Co. and the Prudential Insurance Company of America, and the article points out:

Metropolitan president Frederic W. Ecker, weighing in 2 days later, could report that the Met was still the giant of the industry, with \$79.8 billion insurance on 41 million policyholders.

And other things.

Mr. President, I ask unanimous consent to have printed in the RECORD several paragraphs from the article in Newsweek of that date.

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

There were no firecrackers exploded last week in the hushed, walnut-paneled executive suites of New York's Metropolitan Life Insurance Co., nor amid the marble and stained-glass munificence of Prudential Insurance Company of America's headquarters at Newark, N. J. But the Nation's two biggest life-insurance companies could point to plenty of reasons for a 21-gun salute:

In his annual report to 34 million Prudential policyholders, President Carrol M. Shanks announced that 1957 sales (\$11.2 billion) were 36 percent over record 1956, giving the Prudential a sales edge over Metropolitan for the third year running. Total Prudential insurance in force hit a new high of \$65 billion.

Metropolitan President Frederic W. Ecker, weighing in 2 days later, could report that the Metropolitan was still the giant of the industry with \$79.8 billion insurance on 41 million policyholders. Sales (\$8.5 billion) were up 19.4 percent last year, and assets increased by \$751 million to \$15.5 billion, topped only by American Telephone & Telegraph (with \$17.7 billion) among all companies.

This proud showing by the two giants of insurance was a reflection of one of the most remarkable booms in history. In 7 short years, the total of United States life insurance in force has doubled, to a towering \$456 billion. And now, having just completed their best year in history (\$65.4 billion in sales), insurance men are confidently expecting another record rise in 1958. The Institute of Life Insurance reported last week that group insurance rang up the biggest January on record, hitting \$1.5 billion. And individual purchases of ordinary life-insurance policies continued to climb at a prodigious pace, setting a January record of \$3.5 billion.

Mr. ANDERSON. Mr. President, the life insurance companies are in good shape, and we should not be providing tax relief for them. If we are going to give tax relief, we should find those institutions and industries which are in the deepest trouble.

Finally, Mr. President, I shall have more to say about the matter as we go into consideration of the bill, but I do not believe the life insurance people themselves will profit the most by this proposed action, because if we once establish the principle of retroactivity, if we can go back to save money for the insurance companies, then we can go back and soak them for more.

The Treasury Department, as the able chairman of the committee knows, is to come before the Committee on Finance of the Senate by April 7 with a new tax formula for life insurance companies. Suppose we pass the new formula, which may raise their taxes to \$500 million. If the action here proposed is to be considered a precedent, we can go back to say, "We will apply the tax formula to the year 1957." Why not? If the companies are going to ask for relief retroactively, they might expect to get soaked some taxes retroactively.

I think this is an unwise procedure. These companies should pay what the law requires. It is a very foolish principle to establish tax liability on any other basis.

It is on that basis that I oppose passage of the bill, Mr. President. I am not going to be outraged if the Senate passes it. I recognize this provision has been passed for several years in the law. I would not criticize the vote of any Senator in this regard.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I shall be happy to yield, if I have any time remaining.

Mr. CAPEHART. Mr. President, we will allocate 1 additional minute to the Senator.

Mr. THYE. In other words, if we were to permit this bill to become law, changing the tax liability, there would be a direct subsidy to the insurance companies, would there not?

Mr. ANDERSON. Well, it would give back \$124 million that they are expected to pay by the 15th of March.

Mr. THYE. But the insurance companies did not operate on a deficit in 1957?

Mr. ANDERSON. I do not think they operated on a deficit at all. Some of them are in wonderfully fine shape. The insurance business generally is in excellent shape, far better than is true with regard to agriculture.

Mr. THYE. That is the reason it seems to me it would be a subsidy to the companies, because they are already operating at a profit. They already have a profit and they have paid their taxes. This would be a reimbursement.

Mr. ANDERSON. They have not yet paid the taxes, I will say to the Senator from Minnesota.

Mr. THYE. No?

Mr. ANDERSON. The taxes are due.

Mr. THYE. But they have the revenues to pay the taxes?

Mr. ANDERSON. Yes, sir.

Mr. THYE. Plus the other taxes.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. CAPEHART. It is a fact that the companies have not been paying the tax under the present formula for the last several years, is it not?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ANDERSON. That is true. May we have another half minute?

Mr. CAPEHART. Will the Senator from California yield 1 minute, please?

Mr. KNOWLAND. Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. Does the Senator not think that the insurance companies might be given a year's notice in this regard?

Mr. ANDERSON. The companies have had a year's notice. They were told as plainly as could be in 1956 that the formula was to come to an end.

Mr. CAPEHART. By whom were the companies told?

Mr. ANDERSON. I cannot answer precisely the question asked, except to say that every bit of information and evidence gave that indication. The trouble was that the companies expected the Treasury Department to come up with a formula. This is not all black and white, I admit.

Mr. CAPEHART. That is my point.

Mr. ANDERSON. I am trying to be fair.

Mr. CAPEHART. I know the Senator is trying to be fair.

Mr. ANDERSON. The companies did expect the Treasury Department to come in with a formula, but the Treasury Department did not come in with a formula.

Mr. CAPEHART. Let me see if I correctly understand the situation. The insurance companies have not been paying the tax on the present basis?

Mr. ANDERSON. That is correct.

Mr. CAPEHART. Under a formula established by law and by the Treasury Department?

Mr. ANDERSON. Yes, sir.

Mr. CAPEHART. There was some question as to whether the formula under which they had been paying taxes was right or wrong?

Mr. ANDERSON. Yes. It is not the best one.

Mr. CAPEHART. The Treasury Department did not come up with a new formula, and, therefore, the insurance companies had every right to believe they would pay taxes on the basis of the old formula?

Mr. ANDERSON. I think that is approximately correct. I would not quarrel with that statement a great deal.

I simply say that I think it is bad to do as is proposed, namely, reduce taxes retroactively.

Mr. President, because I desire to be fair about the matter, I should like to introduce the figures which show that under the 1942 formula over a period of some 15 years the insurance companies would have paid \$1,736,000,000, while under the 1955 formula as carried in the Mills bill they would have paid \$2,334,000,000. This situation is not all black and white.

Mr. CAPEHART. Then there might be some justification for giving the companies a year's notice while we work out a new formula?

Mr. ANDERSON. I will grant that point. I say, however, that I think it is a bad practice for the insurance companies and the Congress to retroactively engage in the granting of relief.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CAPEHART. May I have another half minute?

Mr. KNOWLAND. I yield the Senator 1 minute.

Mr. CAPEHART. Then the Treasury Department must take part of the blame for not bringing in the formula?

Mr. ANDERSON. They had gone to the Treasury Department. That matter was under consideration in 1956. In July of 1956 a bill was passed reestablishing the formula, and nothing more was heard from the Treasury Department. Therefore, the insurance companies thought the matter was pretty well settled on the basis of the Mills formula.

My point is, I will say to the Senator from Indiana, I think a retroactive tax reduction is a bad thing. If we can give them a retroactive tax reduction we can take it away from them.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I yield to the Senator for 1 minute.

Mr. BYRD. I should like to have 2 or 3 minutes.

Mr. CAPEHART. I yield to the able Senator from Virginia.

Mr. BYRD. Mr. President, I should like to make clear that under the bill the insurance companies will pay \$291 million in taxes for 1957. In 1956 the companies paid \$268 million. In 1955 they paid \$243 million.

We are not talking about a reduction of taxes as compared to what the companies paid in 1956 or 1955. We are talking about an increase in taxes.

The fault does not lie, Mr. President, with the insurance companies. The fault lies with the Treasury Department, because the Department did not bring in a formula whereby a new tax base could be established.

I know the distinguished Senator from New Mexico did not intend to imply that the companies were paying \$124 million less than they paid last year. The companies are paying more than they paid last year. They are paying more than they paid the previous year.

Under the 1955 formula, beginning in 1942 the insurance companies would have paid \$2,334 million, while if they had been under the 1942 formula straight through they would have paid \$1,736 million.

The fault lies—and the Senator from New Mexico knows it, because he is a very active and influential member of the Finance Committee—with the Treasury, because it did not provide a new formula in connection with the very complicated question of insurance taxes.

Mr. CAPEHART. Then my observation was correct, that the insurance companies should be given some notice if there is to be a change in the formula.

Mr. BYRD. Let me say a word further about the legislative history of this measure.

It was approved by the Ways and Means Committee of the House unanimously. Under an open rule, it passed the House unanimously. The Treasury Department has unequivocally endorsed

it. The Budget Director included in his estimates the revenue which would come from the bill now pending, and not the revenue which would come from the 1942 formula. The bill was approved by the Senate Finance Committee by a substantial majority.

Mr. DOUGLAS. Mr. President, I yield 15 minutes to the distinguished and very able senior Senator from Michigan [Mr. POTTER].

Mr. POTTER. Mr. President, I wish to speak in support of the Douglas amendment. Let me say by way of preface that I am reluctant to support a substantial amendment of this kind on a technical bill. But we are faced with a very practical situation.

We learn from the press, and from announcements by public officials of both parties, in the administration and out of the administration, that tax reductions are being considered. My State is suffering severely from unemployment. I can speak only for my State. However, I have heard that the same situation applies to other States, although perhaps not to such a serious extent as in my State.

In the State of Michigan today unemployment is more than 13 percent. That means that 350,000 men and women of our labor force are unemployed, to say nothing of those who are employed on a part-time, 2- or 3-day-week basis. So our economy is not in good shape.

If pronouncements to the effect that tax reductions are under consideration, and that we will take a look at the situation tomorrow, next week, or next month, are to be a part of the cure, they do little good unless they are accompanied by action. As a matter of fact, by merely talking about the situation rather than acting, we retard, rather than help, the recovery.

I can cite as a good example the excise tax on automobiles. When people talk about it, as they have been doing for several weeks, and nothing is done about it, the customer says, "I will wait and see what will happen." That is the reason for the retroactive feature of the Douglas amendment, providing for reimbursement for the excise tax with respect to automobiles which are sold from March 1 on.

That feature applies not only to automobiles, but to all articles with respect to which an excise tax is imposed.

Moreover, the psychology of people is an important factor. They are going to wait and see. We have been going through a period when people have been sitting on their pocketbooks, waiting to see what would happen. What we need is some leadership. We need to say, "We will" or "We will not." But let us not say, "We are going to look into the situation. We are going to consider it for another week, another 10 days, or another month." Let us act.

When people are in an economic crisis soft words and music do them little good. Promises and prophecies are of little aid. The people want some dynamic action and leadership. Until that is forthcoming, the economic climate will grow worse rather than improve.

I happen to be old fashioned. I believe that when an economic recession occurs we need to restore public confidence in our economy. I am one of those who believe that confidence is not restored by WPA projects. I believe that confidence is restored by allowing the people to spend for themselves, rather than having the Government spend for them. I believe that if the people were given an opportunity to spend for themselves the money they would save by a tax reduction, they would spend it for goods, which would create jobs and lift the economy out of the mire.

I have little patience with those who say, "We are going to pull out of it." Of course I think we shall pull out of it. I have no doubt that this condition is of a temporary nature. But I should like to remind you, Mr. President, of the fact that when 350,000 persons are unemployed they have lost their paychecks. Many of them have expended their unemployment compensation. We cannot be insensitive to that type of situation.

The bill to which this amendment is sought to be attached is a technical bill. It is a bill to give aid to the insurance companies. Whether it is their fault or the fault of the Government that there has been a misinterpretation as to what tax they should pay is immaterial. I have noted a great deal of concern and interest; and a great many people are willing to carry the cudgels. As a matter of fact, I support them.

I recognize that it is not the usual practice, in connection with a technical bill such as the one before the Senate, to attach to it a substantial amendment of this sort. However, when people are involved, why must we make sure that we go through all the customary technical procedures? This is an emergency matter. The bill must be passed by tomorrow night. Everyone is greatly concerned.

I am concerned for them, but I am also mindful of the fact that if we do not act now on the bill, with the amendment included in it, we may not be able to act for a month, 6 weeks, or perhaps 3 months, on another tax measure. I hope that the prophecies are correct, that the month of March will see an upswing. In the State of Michigan we were hit first, and we were hit the hardest, and all the prospects are that the duration will be long.

It is a little difficult to sit by—and I refuse to do it—and say, "We will wait until another tax bill is before the Senate. We want to wait and see what the House of Representatives will do."

As a Senator from Michigan, I have an obligation to the people I, in part, represent to do what I can in my best judgment to restore the economy of that State. I believe that a reduction of taxes is the best means.

I well recall that after World War II our good neighbors in Canada were decreasing their taxes. They decreased their taxes three times, while we were maintaining ours. After every tax reduction their national revenue increased. As a matter of fact, we can look at our own history. When we have reduced taxes our national revenue has increased.

Why? Because it gives stimulus to our economy. It gives the vitality that is needed in our economy today.

How much, for example, does the Federal Government receive from the excise tax on automobiles which are not sold? Is it not better to get people back to work and to revitalize the industry, so that automobiles will be sold and that men will be put to work, so that more corporation taxes will be collected, and so that there will be more income from which taxes will be collected? Is that not better than to sit idly by and maintain the status quo, as unemployment grows and grows and relief loads become heavier and heavier?

I say we would never have invaded Normandy in World War II if we had waited for all factors to have been lined up exactly right. It is time for dynamic leadership. It is time for the Senate to assert itself.

In the amendment offered by the distinguished Senator from Illinois [Mr. DOUGLAS] there are many features. He has covered many of them in his address this evening. I should like to address myself to one feature only. I fervently believe that the adoption of an overall amendment for the reduction of taxes at this time will not result in the Government losing one nickel; instead there will be collected revenue which the Government otherwise would not receive.

Therefore I wholeheartedly support the entire amendment the Senator from Illinois has offered. However, I am particularly interested in the provision which reduces the excise tax on automobiles. I bring this up not as a State matter and not as a sectional question, because Senators well know that the automobile industry is nationwide, and that the people who are employed by the automobile companies are located in practically every State of the Union; certainly the customers of the automobile companies are found in every State, and the customers of the automobile companies comprise the vast majority of every Senator's constituency.

Let us look at the record. During most of the 1930's excise tax rates of 3 percent on cars and 2 percent on trucks were in effect. The Revenue Act of 1941, a wartime measure, raised the rate on automobiles to 7 percent and on trucks to 5 percent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOUGLAS. I yield 5 more minutes to the Senator from Michigan.

Mr. POTTER. In November 1951, the rates were raised by Congress to 10 percent on passenger cars and 8 percent on trucks. Under the 1951 law, which was designed to discourage civilian production, as a part of the general mobilization plan, the rates were to revert to 7 percent and to 5 percent, respectively, on April 1, 1954. Congress has enacted legislation every year since that time to keep the emergency rates in effect on a temporary basis. The rate on automobiles is due to be reduced to 7 percent on June 30, 1958.

In July 1956 the rate on trucks was increased to 10 percent as a part of the

Federal Highway Act. Half the tax is earmarked for the Federal highway program, which I wholeheartedly endorsed. Under the provisions of that act, the 10-percent rate will remain in effect until 1972.

Excise taxes on passenger cars and trucks were increased primarily as emergency measures during World War II and the Korean war. Many of the other taxes which were imposed in the same way have been reduced or removed. Taxes on automobile production stand out as glaring examples of discriminatory taxation.

There is a need for basic tax reform, to remove the inequities in the present excise-tax structure. I think many of those inequities are covered in the amendment offered by the Senator from Illinois. Such reforms are long overdue.

Furthermore, there is currently a need for tax measures designed to provide an antirecessionary stimulus to our economy. To eliminate or reduce the tax at this time would provide both the tax reform and a badly needed antirecessionary measure.

I believe that excise taxes on passenger cars and trucks should be immediately eliminated or substantially reduced for the following reasons:

These taxes discriminate against the automobile industry and the consuming public. The passenger car and truck—vital necessities in our economy—are taxed at the same rate as many luxury items.

The elimination or reduction of the excise tax would redress an inequity in the tax structure and provide a much needed stimulus to the economy through increasing the demand for cars and trucks.

The initial revenue reduction to the Government due to lower excise taxes would be relatively small and would be partly offset by increased tax yields from improved personal and business incomes.

DISCRIMINATION

The original intent of the increases in 1941 and 1951 apparently was to discourage production of civilian hard goods that would compete unduly for materials and manpower with the defense program. They were put on to discourage production.

TRUCKS, BUSES, AND TRUCK TRAILERS

Looking back, however, it is difficult, even during wartime, to justify this reasoning on trucks, buses, and truck trailers, while other productive tools of farm and industry were not taxed.

To continue such a penalty on trucks, buses, and truck trailers in peacetime and under fully competitive conditions is unsound economics and discrimination at its worst. It would be unthinkable to impose excises on other producers' durable equipment, such as farm tractors, turbines, lathes, grinders, freight cars, industrial engines, and so forth. The excise tax is a special tax on a single tool of production. For example, the buyer of a \$3,000 dump truck pays \$225 in Federal excise taxes, but none on a power shovel used to load the truck.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. Mr. President, I yield 5 minutes more to the Senator from Michigan.

Mr. POTTER. I thank the Senator from Illinois.

Such an excise tax is additionally discriminatory, for no competitive form of transportation equipment is subject to such a penalty.

Furthermore, approximately 25 percent of truck sales are made to farmers. The excise tax has become an even greater burden to farm operators the last few years as farm incomes have been depressed.

Trucks, buses, and truck trailers are necessities and important tools in production and distribution. There is no clear reason, other than ease of taxing, why these items should be singled out for a tax. The elimination of these excises would reduce production costs and be consistent with economic fair play and equity.

PASSENGER CARS

Although not so obvious as in the case of trucks, passenger cars are an absolute necessity for business firms and most individuals. Yet the 10-percent tax rate on cars is the same as that applying to a wide range of luxuries. Most other necessities, such as food, clothing, and shelter, are not subject to Federal excises.

The present rate on most consumer durables is only one-half the present rate on passenger cars. For example, the rate was reduced from 10 percent to 5 percent as of April 1, 1954, on refrigerators, freezers, clothes driers, dishwashers, and other household electric, gas, and oil appliances. Radios, television sets, phonograph records, and musical instruments have the dubious honor of keeping company with autos at the 10-percent rate. Prior to November 1951 passenger cars were taxed at lower rates than most of the above-mentioned items.

The family that buys a \$2,500 automobile today pays \$182 in Federal excise taxes. The family that buys \$2,500 worth of refrigerators and other home appliances pays an excise tax of only \$75. This is due in part to the difference in the tax rate and also the fact that appliances usually have a 40-percent distributive margin as compared to about 25 percent on cars.

As indicated in exhibit II, the rate on automobiles is discriminatory even where no trade-in is involved. As a percent of list price, the effective tax rate is 2½ times greater than on refrigerators and one-fourth more than on radios or television sets.

In the case of a sale involving a trade-in—about 85 percent of all new-car transactions—the effective rate on cars is even more excessive. When related to the normal type of sale—trade-ins on new cars and widely available cash discounts on appliances—the automobile excise, as a percent of cash cost, may be as much as 4 to 6 times greater than the rate on refrigerators.

PASSENGER CARS—A NECESSITY

The passenger car is a necessity in the American economy. It provides mobility to the American worker. As shown

in exhibit III, two-thirds of the workers who have to travel 1 to 5 miles to work go by car. About 85 percent of those who travel over 10 miles use a car. Many of these people could not hold their present jobs if they had to depend upon other forms of transportation. Since the survey was made, the trend toward suburbanization has increased, thus placing an even greater reliance upon the family car.

In 1951, according to a survey made by Alfred Politz, Inc., 57 percent of all car mileage was driven in connection with going to and from work.

The role of passenger cars in providing local transportation is also illustrated by the fact that 72 percent of all persons, other than pedestrians, entering downtown do so by car. Even in the large cities, cities of more than 250,000 population, almost 60 percent use cars to get downtown. The dependence on cars rises sharply as the size of the city decreases.

EMPLOYMENT ASPECTS IN INDUSTRY

Tax relief would help to increase demand for motor vehicles and at the same time keep employment and payrolls in the auto industry from falling further. This is the most important part of the question.

The level of employment is closely geared to production which in turn depends on the volume of sales. For example, as shown below, 819,000 production workers were employed in April 1953, a high production month. The decline in sales resulting from the 1953-54 recession resulted in a reduction in employment to 557,000 in August 1954.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Automotive Production and Employment—Selected Dates."

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

Automotive production and employment, selected dates
(In thousands)

	Weekly average production		Production workers
	Cars	Trucks	
April 1953.....	136.7	29.2	818.8
August 1954.....	99.2	16.7	556.8
November 1955.....	178.3	28.0	796.1
November 1956.....	138.3	22.1	693.7
January 1957.....	145.9	21.4	709.7
November 1957.....	144.7	22.6	664.7
January 1958.....	111.2	18.7	610.0

¹ Estimated.

Mr. POTTER. Mr. President, evidence is mounting that we are in another recession. In November 1957, 665,000 production workers were employed in the auto industry—29,000 below the 694,000 of November 1956, and 131,000 below the 796,000 of November 1955.

Total car and truck production is now running about 25 percent below the rate a year ago, as shown below. Car production in December 1957, was 19.4 percent below December 1956, on a weekly average rate. The gap has widened to 26.4 percent in February. The truck production rate in December 1957 was

7.7 percent below December 1956. The gap has widened to 17.7 percent for February.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. I yield 2 more minutes to the Senator from Michigan.

Mr. POTTER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "United States Motor Vehicle Production—Weekly Average."

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

United States motor vehicle production—Weekly average

[In thousands]

	Cars			Trucks		
	1957-58	1956-57	Percent change	1957-58	1956-57	Percent change
November.....	144.7	138.3	+4.6	22.6	22.1	+2.2
December.....	133.7	165.9	-19.4	21.7	23.5	-7.7
January.....	111.2	145.9	-23.8	18.7	21.4	-12.6
February.....	105.1	142.8	-26.4	19.0	23.1	-17.7

¹ Based on first 2 weeks of production.

Mr. POTTER. Mr. President, automotive employment in January is estimated to be about 100,000 below January 1957. This would be the lowest employment level for a January since 1946. The prospect for an early reversal of the decline in production and employment is not very bright.

GOVERNMENT REVENUES

Even during the initial period of reduction revenue losses to the Federal Government would not be serious. Based on excise tax receipts during fiscal 1957, a reduction of the tax rate to 5 percent on passenger cars, trucks, and automotive parts is estimated initially to reduce Government revenues by only \$729 million, as shown in exhibit V. The lower current level of auto sales would mean an even smaller decline in revenues because of a rate reduction.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. I yield 1 more minute to the Senator from Michigan.

Mr. POTTER. Mr. President, this loss would be partially offset by revenue

increases from increased sales. A reduction or elimination of excise taxes would be one of the most effective means of stimulating demands for cars and trucks. This would mean higher employment, payrolls, and profits. This in turn would generate higher personal and corporate tax revenues.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. DOUGLAS. I yield 30 seconds more to the Senator from Michigan.

Mr. POTTER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD tables entitled "Excise Taxes in Effect on Automotive Products, Other Durables, and Luxury Items"; "Comparison of Effective Excise Tax Rates"; "Use of Passenger Cars by Workers"; and "Effect of Change in Automotive Excise Taxes on Government Revenues, Based on 1957 Fiscal Year Receipts."

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

EXHIBIT I

Excise taxes in effect on automotive products, other durables, and luxury items

	Effective date					
	June 1932	July 1940	October 1941	November 1951	April 1954	July 1956
Tax as percent of manufacturers' selling price						
Automotive products:						
Automobiles.....	3	3.5	7	10	10	10
Trucks.....	2	2.25	5	8	8	10
Parts and accessories.....	2	2.5	5	8	8	8
Other durables:						
Refrigerators.....	5	5.5	10	10	5	5
Freezers.....	0	0	0	10	5	5
Electric, gas, and oil: Oil appliances.....	0	0	10	10	5	5
Radios.....	5	5.5	10	10	10	10
Television sets.....	0	0	0	10	10	10
Luxury-type items: Sporting goods.....	10	0	10	15	10	10
Tax as percent of retailers' selling price						
Furs.....	10	0	10	20	10	10
Jewelry.....	10	0	10	20	10	10

¹ Tax initially imposed on Nov. 1, 1950.

² As manufacturers' excise tax: Rate on furs reduced to 3 percent June 1936. Tax eliminated on sporting goods June 1938, furs July 1938, and jewelry June 1936.

³ Increased to 20 percent on Mar. 1, 1944.

EXHIBIT II

Comparison of effective excise tax rates

	\$2,500 new automobile	\$25 table radio	\$250 refrigerator
Wholesale price.....	\$1,820	\$15.00	\$150.00
Excise tax rate (percent).....	10	10	5
Excise tax.....	\$182	\$1.50	\$7.50
Excise tax as percent of price if item is sold at suggested list.....	7.3	6.0	3.0

EFFECTIVE RATE AS PERCENT OF TRUE CASH COST TO BUYER

Assumed allowance on used car trade-in:	Percent	Percent	Percent
3-year old, \$900.....	11.4		
2-year old, \$1,200.....	14.0		
1-year old, \$1,600.....	20.2		
Cash discount on radios and appliances:			
10 percent off list price.....		6.7	3.3
20 percent off list price.....		7.5	3.8

¹ Price to distributor, not dealer, based on 40 percent distributive margin.

EXHIBIT III

Use of passenger cars by workers

1-way distance to place of employment:	Percent of workers using cars to get to work
0.1 to 0.9 miles.....	43
1.0 to 1.9 miles.....	67
2.0 to 2.9 miles.....	65
3.0 to 3.9 miles.....	66
4.0 to 4.9 miles.....	77
5.0 to 9.9 miles.....	84
10.0 to 19.9 miles.....	85
20 miles and over.....	64
All employed persons.....	

Source: State highway departments in cooperation with U. S. Bureau of Public Roads (summer, 1951 study), as reported in Automobile Facts and Figures, 1954.

EXHIBIT IV

Methods used by persons to enter downtown areas of cities—Excluding pedestrians

Population of city	Average percent traveling by auto	Average percent using public transit
Over 250,000.....	57	43
100,000 to 250,000.....	72	28
50,000 to 100,000.....	75	25
Less than 50,000.....	83	17
Average, all cities.....	72	28

Source: Surveys conducted by cities in cooperation with U. S. Bureau of Public Roads (summer 1951 study), as reported in Automobile Facts and Figures, 1954.

EXHIBIT V

Effect of change in automotive excise taxes on Government revenues based on 1957 fiscal year receipts

[In millions]

Excise tax rate	Government revenues	
	Total yield	Amount of reduction
Passenger cars:		
10 percent (present rate).....	\$1,144	0
7 percent (rate scheduled for June 30, 1958).....	801	\$343
5 percent.....	572	572
0 percent.....	0	1,144
Trucks:		
10 percent (present rate).....	196	0
8 percent (rate prior to 1956).....	157	39
5 percent.....	98	98
0 percent.....	0	196
Automotive parts and accessories:		
8 percent (present rate).....	157	0
5 percent (rate scheduled for June 30, 1958).....	98	59
0 percent.....	0	157

Mr. President, I thank my distinguished friend, the Senator from Illinois, for having been patient with me and for yielding me this much time.

Mr. DOUGLAS. I have been glad to yield.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER (Mr. PROXMIER in the chair). The Senator from North Dakota is recognized for 1 minute.

Mr. LANGER. Mr. President, I gladly associate myself with the Senator from Michigan, in the position he has taken. But I wish to say that he omitted stating one important item. Practically every farmer in the Midwest has one or more automobiles or trucks. If the excise taxes are to be reduced on automobiles, certainly the reduction should extend to trucks.

Mr. POTTER. Yes. One-third of the trucks are purchased by farmers.

Mr. LANGER. Certainly I wish to make sure that the farmers also will be benefited as the result of this proposal. The farmers should be benefited, because they are also workers; they work and they labor for a living.

Mr. CARLSON. Mr. President—

Mr. HOBLITZELL. Mr. President, I yield 5 minutes to the Senator from Kansas [Mr. CARLSON].

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. CARLSON. Mr. President, I rise to oppose the amendment of the senior Senator from Illinois, not because of the amendment itself, but because of the method employed in submitting it. Although as an amendment to a tax bill, it has been submitted on the floor of the Senate without its having received what I believe is the consideration it should receive.

Last year more than 48½ million tax returns were filed in the United States. They were based on a total gross adjusted income of nearly \$275 billion. The tax collected amounted to approximately \$36 billion or \$37 billion. I contend that in dealing with taxation, which affects so many people and affects the economy of the entire Nation, it is essential that the Congress give all due consideration to any proposed tax reduction.

As the distinguished Senator from Illinois has said, the tax reduction he has proposed may be one for which the Congress will wish to vote in the future. I do not know. But I say that the proposal should be studied by the staff of the Joint Committee on Internal Revenue Taxation.

On February 25 of this year, the Joint Committee on Internal Revenue Taxation submitted a study of various proposals for tax relief for individuals. As a matter of fact, the study deals with 19 proposals of that sort.

Many suggestions for the reduction of taxes have been made. I shall not discuss all the proposals covered by the study to which I have referred; but in the study I notice one proposal which would increase the exemption to \$700.

It may be that that will be what the Congress will wish to do; I do not know.

Another proposal is to increase the exemption to \$650 and reduce the tax 5 percent, and so on, down the line. There are 17 other proposals for reductions in the individual income taxes.

I believe it is incumbent on the Congressional committees concerned and on the Congress to study every one of these proposals, before taking action on a proposal, submitted during an evening session, to amend an insurance tax bill which we hope will be passed by the Senate by tomorrow evening.

The Senator from Illinois has said that his tax-reduction proposal would afford immediate relief, and that that is what the amendment is intended to do. That is true, and the same may be said about other proposals which we might adopt. But there are other proposals which would afford relief; this is not the only one.

As a matter of fact, the second proposal dealt with in the study which has been made by the staff of the Joint Committee on Internal Revenue Taxation is entitled "Quickie Tax Relief." I shall read from the report:

This suggestion would reduce the withholding rate from 18 percent to 9 percent for a 6-month period beginning July 1, 1958.

I am confident, Mr. President, that every Member of the Senate who has studied taxes knows that if the withholding tax of the individual wage earner of the Nation were reduced 50 percent every pay period, beginning July 1, that would put money in the taxpayer's pocket, and that money would be available for spending.

I have made some studies of the plan, and it seems to me to have merit if we wish to provide quick relief from taxation.

But another part of the comment of the staff of the Joint Committee on Internal Revenue Taxation about this particular plan is as follows:

This plan would double the \$13 value of the present per capita weekly withholding exemption with proper adjustments in other pay period exemptions. This would increase to \$26 each per capita exemption claimed by the wage earner. The plan could be adopted on July 1, 1958, for a 6-month period or extended longer if desired.

For a worker with a family of 4, this plan would increase his weekly take-home pay by \$9.36, and for a 6-month period by \$243.36.

Adoption of such a plan would put into consumer spendable income approximately \$1 billion a month.

The PRESIDING OFFICER. The time yielded to the Senator from Kansas has expired.

Mr. CARLSON. Mr. President, will the Senator from West Virginia yield 5 additional minutes to me?

Mr. HOBLITZELL. Mr. President, I yield 5 additional minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 additional minutes.

Mr. CARLSON. Mr. President, the next question Members of Congress would ask, and should ask, when they

consider such plans, is "How much will this plan cost?"

The staff of the Joint Committee on Internal Revenue Taxation has stated that the plan to which I have just referred, if adopted, "would put into consumer spendable income approximately \$1 billion a month"; and the cost for the 6-month period would be approximately \$5 billion or \$6 billion.

Mr. President, if we need to have something done quickly, such a plan would be one which could be adopted for that purpose.

But again I say that the House Ways and Means Committee and the Senate Finance Committee should give consideration to these plans.

Personally, I think the plan has much merit. I believe tax reduction has great value in aiding in ending a recession.

In 1954, when a tax reduction was made, we picked up approximately \$52 billion in 16 months.

I am not so certain that the programs we are considering at the present time—programs for spending on public works—will end the present recession. I hope they will, but past experience shows that such programs do not always work that way.

The plan on "quickie" tax relief is based on the proposition that it is better for the taxpayer to have more money to spend than for the Government to spend it on "priming the pump," so to speak, by spending on isolated and sometimes unnecessary projects.

I admit frankly that this proposal will, if adopted, require some deficit financing; but I believe we shall have to resort to deficit financing anyway. In my judgment, however, the deficit financing required under this plan will be less than in the case of the "prime the pump" method. In the long run this plan will be far better than the "prime the pump" method.

Looking at the plan as applied to present conditions—being static—it probably will result in a deficit of \$4 billion. Looking at the plan as applied to future conditions, as a dynamic problem, it probably will result in a deficit of only \$2 billion, because I believe it will accelerate business sufficiently to result in about \$2 billion of additional tax revenue.

The plan will give tax relief immediately to everybody in the United States. Government spending is necessarily confined to certain areas and does not benefit all equally.

But, Mr. President, if on July 1 the Congress determines that it is necessary to end the recession by making a tax reduction, I think that can be done very rapidly by cutting the withholding tax 50 percent for 1 month, 2 months, or any other period which Congress may decide upon.

I have prepared some amendments on this point.

I ask unanimous consent to have printed at this point in the RECORD the table to which I have referred, which has been prepared by the staff of the Joint Committee on Internal Revenue Taxation.

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

"QUICKIE" TAX RELIEF

(1) This suggestion would reduce the withholding rate from 18 percent to 9 percent for a 6-month period beginning July 1, 1958. It also provides for an accompanying adjustment in the final liability. Such a plan would increase the purchasing power of the wage earner by about \$1.2 billion a month. In the case of taxpayers not subject to withholding, adjustments could be made in their declarations.

This plan could be extended for a longer period if economic conditions warranted. The following table indicates the reduction of withheld taxes under various salary levels and exemption classes:

Weekly earnings	Earnings in 6-month period	6 months' reduction in withheld tax under plan			
		1 exemption	2 exemptions	4 exemptions	
\$50.....	\$1,300	\$87	\$56	(1)	
\$75.....	1,950	145	115		\$54
\$100.....	2,600	204	173		112
\$125.....	3,250	262	232		171
\$150.....	3,900	321	290		229
\$175.....	4,550	379	349		288
\$200.....	5,200	438	407		346

¹ No withholding under present law.

(2) This plan would double the \$13 value of the present per capita weekly withholding exemption with proper adjustments in other pay period exemptions. This would increase to \$26 each per capita exemption claimed by the wage earner. The plan could be adopted on July 1, 1958, for a 6-month period, or extended longer if desired.

For a worker with a family of 4, this plan would increase his weekly take-home pay by \$9.36, and for a 6-month period by \$243.36.

Adoption of such a plan would put into consumer spendable income approximately \$1 billion a month.

Mr. SALTONSTALL. Mr. President, will the Senator from Kansas yield for a question?

Mr. CARLSON. I am glad to yield.

Mr. SALTONSTALL. Did I correctly understand the Senator from Kansas to say that if such an amendment were adopted, it would result in a \$4 billion deficit?

Mr. CARLSON. That was the estimate made by the staff.

Mr. SALTONSTALL. That would be a \$4 billion deficit additional to any deficit which may result from the present spending; is that correct?

Mr. CARLSON. That is correct. Of course, it is estimated that the additional spending would "pick up" or result in \$2 billion of additional revenue, and that would make the net deficit only \$2 billion.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter I have received from the Kansas Motor Car Dealers Association, and also two telegrams which I have received. I have discussed this matter earlier today.

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

NORTON, KANS., March 13, 1958.

Senator FRANK CARLSON,

Senate Building, Washington, D. C.:

Any reduction in excise tax on motor vehicles, accessories, parts, etc., passed on

to our dealership by the manufacturers will be passed on to customers.

CITY MOTORS.
SCHEETZ MOTOR.
WALTER MOTOR.
BENNETT MOTOR.
GALL MOTOR.
MIZELL MOTOR.

WICHITA, KANS., March 13, 1958.

Senator FRANK CARLSON,

Senate Office Building, Washington, D. C.:

If manufacturers excise tax on automobiles, truck parts and accessories is repealed or reduced retroactive to March 1, 1958 all reduction of prices will be passed on to the customers.

Bob Moore Olds, Ben Roberson Buick, Gage Cadillac-Olds, Byron Stout Pontiac, Spencer Auto Service, ABC Motors, R. D. McKay Motor Co., Hobbs Chevrolet Co., Yingling Chevrolet Co., Price Auto Service, Zolgmann Motor Co., Palm Swede Motors, Dick Price Motors.

KANSAS MOTOR CAR

DEALERS ASSOCIATION,

Topeka, Kans., March 6, 1958.

Senator FRANK CARLSON,

Senate Building, Washington, D. C.

DEAR FRANK: In behalf of over 85 percent of franchised dealers of new cars and new trucks who are members of our State Automobile Dealers Association and the National Automobile Dealers Association, and sell over 90 percent of all new cars and trucks sold in Kansas, we appeal to you for immediate help to reduce or eliminate the present Federal excise tax on new cars and new trucks. The increased cost of labor and material since World War II has resulted in increased cost in the manufacturing of new cars and new trucks, resulting in increased cost to franchised retail dealers and increased cost to the buying public beyond their ability to pay.

The profits of the overall retail automobile industry, expressed as a percentage of sales and before provision for Federal income taxes, has varied from a high of 6.3 percent in 1950 to a low of 0.6 percent in 1954 and 0.7 of 1 percent for the year of 1957.

Federal excise taxes were put on new cars and new trucks as a war measure. Since World War II, Congress has repealed or reduced excise taxes on several industries—for example, picture shows and other entertainment, etc.

Over 80 percent of automobile mileage is essential; truck mileage—almost 100 percent.

Since World War II, operating expense of automotive transportation has increased by leaps and bounds—due to increased cost of maintenance expense, labor, parts, tires, equipment, oil, gasoline, city and State taxes, vehicle license fees, sales tax, etc., Federal and State increased gasoline tax and motor vehicle insurance.

Of recent months, some manufacturers of new cars and new trucks have had to reduce their working force by thousands of workers.

The retailing and allied industries of servicing and usage of automotive vehicles is one of Kansas' major industries.

Purpose of the foregoing is to inform you the Kansas Motor Car Dealers Association endorses proposal of Admiral Frederick J. Bell, executive vice president of the National Automobile Dealers Association with offices at 2000 K Street NW., Washington, D. C., that Congress reduce or eliminate excise tax on new cars and new trucks, providing the manufacturer, in turn, passes this savings on to the dealers, the franchised dealer will, in turn, pass this saving along to their customers.

We wish to express to you our sincere thanks for your loyal support in the past, on legislation that affects our industry.

Will appreciate wire reply, collect, expressing your views on this very important legislation.

Yours sincerely,

H. H. WALL, President.

Mr. HOBLITZELL. Mr. President, I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I address myself to this matter only because I, in part, represent the largest industrial and commercial State in the Union, a State which contributes, in round figures, approximately 20 percent of the total Federal tax. I think the people of my State have the right to know why, as their Senator, I shall vote as I shall on this amendment. Also, it may be of some interest to my colleagues. So I shall take but a few moments to state my position.

I shall vote against the Douglas amendment, and I shall do so with a heavy heart, because I have very great respect for my colleague from Illinois. Normally, I would consider myself as being on questionable ground not to be with him on an issue like this. I would rather be with him. Then I would be more deeply confirmed in my own thinking.

I have thought this question through very thoroughly. I feel the question is one essentially of timing. I think it is essential that the debate on the question be completed. I rather think, therefore, the Senator from Illinois, as is typical of him, has done us service, no matter how the vote on the amendment may go in enabling us to sharpen our thinking on his practical and very thoroughly prepared presentation.

I say it is a question of timing because I believe the recession is very serious now. In my State 442,000 persons are registered for unemployment benefits, with a very heavy ratio in manufacturing industries, especially in such centers as Buffalo, Utica, Elmira, and the Troy-Schenectady areas.

What troubles me in the debate on this question, here and throughout the country—and that is what it is getting down to—is that the effort by my dear friend and colleague from Illinois comes at the beginning rather than at the climax of the debate. I think we would find ourselves in a much better position to deal with the amendment more wisely after we had had an opportunity to let the debate mature.

In designing antirecession remedies we should determine the basic cause, as nearly as we can, and try to direct our fire at the target. The assumption being made is that the basic cause of the recession is very much what it was in 1953-54, and that the recession would be dispelled, as it was then, by a tax cut in roughly the same amount as was made then, about \$5 billion. I think that is a risky and unnecessary assumption at this time, for these reasons: This recession is characterized, not by a major decrease in consumer purchasing, which has gone down relatively little since we first began to see the signs of a recession at the end of last summer, but the recession is based

on a \$5 billion inventory contraction, and an annual rate of several billion dollars in investment in facilities and equipment by business and industry. It has hit hardest major durable goods items like automobiles.

The same workers who are now unemployed were buying at record levels for consumption only 6 or 8 months ago—and, indeed, those who are employed are still buying at near record levels. The difficulty we now face is with people who have no jobs, who only work part time, or who are in fear of losing their jobs. That is where the danger appears.

I do not believe the jobholder getting the benefit of \$50 in a personal income tax cut will buy an automobile or a home because of it. I believe that is the fulcrum on which the question turns. I do believe when he sees unemployment going down and feels more secure in his job he will go on making the same expenditures for consumption which kept our economy at such a high rate in 1955, 1956, and 1957.

Accordingly, I have backed and worked for, and will continue to back and work for, in the intervening period which I think is necessary, first, unemployment compensation to take up the slack there as much as possible, and then programs to fit into existing, going projects such as housing, highways, education, small business, hospitals, defense, aid to domestic underdeveloped areas, foreign economic and technical assistance, and Federal aid to school construction. There is capability for adding to the economy from \$5 billion to \$10 billion by programs additional to those of the last fiscal year.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. HOBLITZELL. I yield 3 additional minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 additional minutes.

Mr. JAVITS. These are not traditional public works programs which need a time lead for preparation, but the programs I am talking about now, fortunately, fit in with going concerns, as it were. We have seen some evidence of that in the action we have already taken this week on the housing bill.

I might say, in explanation of my own vote on yesterday with reference to VA mortgage interest rates, that I feel that process needs to be facilitated by lower interest rates. I express the hope and the expectation that we shall see lower rediscount rates than we have seen. They should have been cut drastically when they were cut, in order to give the necessary lift to the economy.

I think it needs to be emphasized again that an income tax cut is essentially a one-shot operation. Hence, when it is done, the timing is all important. Added to additional antirecessional expenditures already contemplated, it could easily give us, if we provided a large income-tax cut, a \$10 billion deficit in the next fiscal year. It could cancel out all its gains, and more, by inflation. Such an income tax cut

could not be repeated. In addition, if defense necessities or expenditures for survival became necessary, which was the dominant note only 6 or 8 weeks ago, it would be extremely difficult to raise the rates again. We need more turnaround time.

By way of conclusion, in view of our excellent efforts toward stimulating employment, through Federal appropriations for all types of construction which can fit in with work already under way, I do not feel at this time—and I emphasize this—we should run the risk of a “quickie” income-tax reduction.

I conclude by paying tribute to the stimulation provided by and to the dynamic thinking which the Senator from Illinois has brought about in this situation. I have no doubt it will accelerate very materially, no matter how the vote on the amendment goes, vigorous action which we must and will take in combating the recession.

Mr. HOBLITZELL. Mr. President, I yield 5 minutes to the Senator from Maine [Mr. PAYNE].

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. PAYNE. Mr. President, I wish to join my distinguished colleague from New York in the statement he has just made. I also desire to compliment my colleague the Senator from Illinois [Mr. DOUGLAS] for the presentation he has made of the proposal which is under consideration.

It is my feeling that however, an amendment of this type, involving billions of dollars, many technical changes in the present law, and many very difficult formulas—an amendment which was spoken on only 2 days or so ago, and which was printed only as of March 12 and placed upon the desks of Members of the Senate, should not be given at this moment the serious consideration of Members of this body.

That is not to say that the pending proposal does not deserve full and complete understanding, study, and consideration by the Members of this body. However, it is a poor procedure, in my humble judgment, to legislate in the Chamber of the Senate on an amendment involving billions of dollars after a period of 4 hours of discussion, with no opportunity being afforded to go into the many facets of the problem, or to exercise one's judgment and arrive at a sound equation.

I am perfectly willing to state that the amendment, containing the several items it does, should be given consideration by the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, in order that the committees might submit what would be a sound and concrete proposal. I shall go a little further. I shall be very brief, because I know my time is limited.

No one could have a higher regard than this Senator has for the distinguished senior Senator from the State of Virginia [Mr. BYRD] or for the exacting work he has done as the chairman of the Committee on Finance. We are involved, though, at the present time,

in an undertaking calling for appropriations of millions of dollars to stimulate the economy in several different directions all at one and the same time.

I simply say that notwithstanding the high regard I hold for my distinguished colleague from Illinois [Mr. DOUGLAS], I am going to vote against the amendment offered by him, not because it does not have merit, but rather because it does not bear up under the study given to it by a body which was chosen by the Senate to make such study and to submit an answer.

I am also going to vote against the measure reported by the Committee on Finance, to give relief to the insurance companies, because I shall not agree to give that type of relief, involving more than \$100 million, at this moment when we are appropriating hundreds of millions of dollars. I shall not support the bill and neither shall I vote for the amendment which is now before the Senate.

Let it be clear on the record that I shall vote against the amendment and I shall vote against the bill itself.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. DOUGLAS. Mr. President, I yield 3 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 3 minutes.

Mr. PASTORE. Mr. President, I support the amendment offered by the Senator from Illinois [Mr. DOUGLAS], and I shall vote for it.

I am one of those who do not know, Mr. President, when a recession ends and when a depression starts. All I know is that more than 5 million people in this great country are out of employment. All I know is that 13 percent of the employable population of my own State are now unemployed.

I do not know whether we should act today, act tomorrow, act next week, act next month, or act next year. All I know is that unless we act now, this avalanche may so snowball as to make the situation very tragic indeed. As a matter of fact, it may become very disastrous.

There are those here who say, “We can wait for 6 weeks. We can wait for 2 months.” Why do they want us to wait? It is because they want us merely to hope.

Let us assume that we did make a mistake tonight, and acted 2 months before time, and that we did stop the snowballing depression. What would we lose if we did that? Would we all shed crocodile tears because we stopped a depression 2 months before we had hoped to? What do we stand to lose if we stop a depression tomorrow rather than stop it 2 months from now?

Mr. President, we are dealing with humanity. I think I have some conception and some understanding of what it means for the father of a family to come home when he is without work, when it is necessary for him to feed his family three times a day. It is not a question of his being able to feed them

2 months from now, he must feed them tonight, tomorrow, and every other day they breathe the fresh air Almighty God made available to all of us.

That is the challenge we face. I know it might be a little better if we sat down in our committee rooms to listen to a score of witnesses, but the amendment proposed is very simple. It practically speaks for itself. How many times have we passed a bill and then smoothed it out in conference? We have experts. We have men who have dealt with tax laws and who have been with the Government for years and years and years. Better than anyone here in the Senate Chamber, they could meet in a corner and within a couple of hours could write a tax law which would carry out our intent.

We are here tonight not to come up with the refined language which may be necessary, but we are here to express an intent and take an action which will bring an end to this tremendous avalanche.

THE PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

MR. DOUGLAS. Mr. President, I yield 2 more minutes to the Senator from Rhode Island.

MR. PASTORE. When we count the cost in human souls, when we realize what is happening to the millions of families in this great Nation, when we realize that there are more people unemployed in the United States of America—a greater percentage—than in some nations to whom we give foreign aid to stabilize their economies, we have adequate reasons to adopt the pending amendment. That is the situation which faces the Senate, not 2 months from now but this evening. The amendment is before the Senate. I am one of those who feel responsibility. I cannot shirk my responsibility. I shall support the amendment because I know that 13 percent of the working people in my State are unemployed. That means 13 human beings out of every 100 have no place to go to work tomorrow.

All we are seeking is to do something about the economic situation. I care not what technicalities may be raised. I care not how a great parliamentarian would act. I subscribe to what was said by the distinguished Senator from Michigan [Mr. POTTER]. We need dynamic leadership, and we need it now. If a tax cut is necessary at all, it is necessary tonight, because as I stand here more than 5 million Americans are out of work. That is my reason for supporting the amendment, and that is the reason I shall vote for it.

Mr. President, I ask unanimous consent to have printed in the RECORD a résumé of the current economic situation in Rhode Island.

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

THE CURRENT ECONOMIC SITUATION IN RHODE ISLAND

Rhode Island is at present passing through its severest economic decline since 1949. Total employment in the State has been falling steadily in the past year, except for brief seasonal upturns. The decline has

been at a much faster rate since the beginning of the year. As a result, total employment in the State has currently dropped to its lowest point since 1949. Wage and salary employment this January (the latest month for which complete figures are available) totaled 268,700, a loss of 17,200 jobs from the same month a year ago—which was by no means a January of high employment as compared to other years. For example, in January 1956, the employment total was 295,100; in January 1953, it was 304,700; in January 1952, it was 298,600; in January 1951, it was 312,700. Even in 1949, before the year's lowest point was reached in July, the January employment was 286,700, or 18,000 higher than the figure for this January.

This decline has involved most lines of employment in the State, but it has been particularly severe in the manufacturing industries. Total factory employment has been shrinking at a faster rate in the past year than nonfactory employment. Manufacturing employment in January dropped to 109,400, the lowest point since the prewar years. This figure was 15,600 below the level of a year ago, but much lower as compared to the January totals of other years; for example, the 149,200 in 1953, the 161,000 in 1951, and the 158,000 in 1947 and 1948. The decline in the textile industry, whose employment has been cut in half from the more than 60,000 it employed in the early postwar years, has been responsible for most of this loss in factory jobs.

As a result of these employment losses, unemployment in the State has been increasing in the past several years. The jobless total has been mounting even more rapidly since the beginning of this year, and now stands at an estimated 46,000, the highest for any January and one of the highest for any month since the war. In relation to the State's total work force this means an unemployed ratio of 13.0 percent, as compared to the average rate of 7.4 percent for the Nation as a whole.

By comparison, unemployment in January 1957 totaled only 29,900, representing 8.4 percent of the labor force; in December the total had risen to 37,800, or 10.6 percent of the labor force.

Compared with other years, the unemployment figure of 36,000 in January 1958 was nearly equal to the previous high of 46,500 in April and May of 1954. The current January total was also exceeded by 2 months in 1950—47,000 in May and 48,000 in June. The highest postwar unemployment levels were experienced in 1949, when the total rose to 57,000 in April, climbed to the postwar peak of 65,000 in July and stayed at the high levels of 60,000 in August, 52,000 in September, and 47,000 in October. At its highest point in July 1949, unemployment constituted 17.7 percent of the total labor force.

It should, however, be noted that both in 1949 and 1950, the abnormally high jobless levels reflected in part the impact of the fixed employment security benefit year then in effect, as a result of which most of the unemployed workers filed for their benefits at or around the beginning of the new benefit year on April 1.

Unemployment in the State stood at its lowest postwar level in October 1950, when it totaled only 14,000 and made up 3.8 percent of the labor force. September, November, and December of that year were also months of low unemployment, averaging around 16,500. The first 4 months of 1951 also showed relatively low unemployment, averaging about 17,500 or 4.7 percent of the labor force. The year 1953 again was a year of relatively stable employment and moderate unemployment. The latter averaged about 22,000 for the year, or 6.1 percent of the labor force. In more recent years, the last 4 months of 1956 were also periods of moderate to low unemployment, averaging

about 21,000, for an unemployment rate of 6.1 percent.

In other words, unemployment in the State currently is more than twice as high as the low levels of the years mentioned. Indications are that unemployment in the State will continue at high levels for some months to come, as they are expected to do in other parts of the Nation.

Reflecting this mounting unemployment, claims for employment security benefits have climbed sharply in the past 2 months from the already high levels of the past year. Since the first of this year, the weekly total of all claimants in the State has been well above 30,000. The amount of benefits paid in January was \$2,821,279, and in February, \$2,640,214. These figures compare with payments of \$1,866,752 and \$1,843,830 respectively in January and February of last year. Both the number of unemployment claims filed and the amount of benefits paid have been highest since the recession of 1949.

The trend in insured unemployment has closely paralleled the trend in total unemployment. Thus, in the week ending February 15, 1958 (the latest period available) the number of claimants in continued and compensable status in the State represented 10.3 percent of the total covered work force. The average insured rate for the Nation for the same week was 7.5 percent. For the corresponding week a year ago, the insured unemployment rate for the State was 7.8 percent and the average for the Nation was 4.4 percent. For the week ending September 28, 1957, before the downturn came in employment, Rhode Island's insured rate was only 4.1 percent and the average for the Nation 2.9 percent. In other words, Rhode Island's current insured jobless rate is about $2\frac{1}{2}$ times the rate of last September.

These high claim loads and resultant benefit outlays have meant a much heavier drain on the State's employment security fund. The effect of these heavier drains are already apparent in the balance remaining in the fund. From a reserve of \$30,929,772 in the fund as of February 28, 1957, the balance as of the end of this February had dropped to an estimated \$29,129,628, a decrease of approximately \$1,800,144 in the February-to-February comparison. The reserve may drop still further in the coming months, if the benefit outlays continue to remain heavy, as they are expected to do.

Together with these peak claim loads and payments, the number of claimants who have used up all their benefit credits has been rising steadily in the past several months. A total of 2,376 claimants received final payments in January and 2,190 in February. In fact, in the year 1957, 30 out of every 100 persons who received a benefit payment exhausted their benefits, one of the highest exhaustion rates for any State and compared with an average of 22.1 percent for the Nation. The average duration of benefits collected by exhaustees in Rhode Island in 1957 was 15.6 weeks. There is every indication that exhaustions will run even higher in 1958. The prospects of reemployment this year are even less favorable than they were last year. Accordingly, the bulk of the exhaustees will not be returning to their jobs and will in all probability have to go on the relief rolls after receiving their final benefit payments.

MR. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Oregon.

MR. MORSE. Mr. President, as a cosponsor of the amendment, I desire to place myself on record as voting for the amendment for three main reasons.

First, I shall vote for the amendment for the reasons set forth in the powerful argument just made by the Senator from Rhode Island [Mr. PASTORE]. I shall not retrace that argument. It speaks for itself.

Second, Mr. President, it is my judgment the Senator from Illinois [Mr. DOUGLAS] is an unquestioned tax authority. He is not only, in my opinion, the greatest economist in the Senate, but, as I have said from many platforms in America, I think he is one of the 10 greatest economists in America. I believe in following the advice of experts who have the knowledge I do not profess to have as an expert on a matter such as this.

I am not at all moved by the argument that perhaps some of the proposals in the amendment have not received all the hearings some would like to have them receive. They have received very scholarly study by the Senator from Illinois, and I am waiting for a successful rebuttal to the arguments of the Senator from Illinois. I have not heard it. Therefore, Mr. President, I shall vote for the amendment because I think I have unquestioned, competent authority on which to rely.

In the third place, in line with what the Senator from Rhode Island [Mr. PASTORE] has said, there are millions of unemployed people in my State. Oregon is just about at the bottom of the ladder so far as unemployment is concerned. The situation there is about the worst in the country. The savings to the people which would flow from this amendment would go directly into the cash registers of the small-business men of my State. They would not go into a deep freezer. Those savings would go into cash registers to buy necessities for the people. That would help to provide the employment which the Senator from Rhode Island has discussed.

Mr. President, I am willing to take the risks involved. I am willing to resolve the doubts in favor of doing something which will increase the purchasing power of the mass of consumers.

Lastly, I shall vote for the amendment because the entire excise tax provision in it has been before the Senate since 1947.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. DOUGLAS. I yield an additional minute to the Senator from Oregon.

Mr. MORSE. The excise tax provision has been before the Senate since 1947, when a group of economists and advisers to the Committee for Economic Development first recommended the elimination of most of the excise taxes, and the reduction of many of the others, giving as their major economic reason the fact that such action would cause the savings to flow into the cash registers of the country.

That argument is even more potent today than it was in 1947. The excise taxes are inequitable and unjust. I think we owe it to American business to give it the relief it would get from the elimination of the excise taxes.

I could enumerate many other reasons, but I think the broad brush strokes I have just painted in support of the amendment suffice to make the record perfectly clear. I am voting for the amendment because I think it would bring relief to people in America who tonight sorely need relief.

The PRESIDING OFFICER. The Chair announces that the Senator from Illinois [Mr. DOUGLAS] has 10 more minutes, and the minority leader has 45 minutes.

Mr. DOUGLAS. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I am very happy to associate myself with the able and distinguished Senator from Illinois in support of his amendment. As has been stated again and again, he is a respected authority in the field of economics, and a profound and dedicated student of all problems relating to our economy. I realize that there are differences of opinion over the method which should be utilized to stimulate the economy. However, there is one point which does not seem to be in dispute. The economy needs stimulation. There is no doubt about that.

The question is, How? There is another question, and that is: How bad off is the economy?

I believe it would be prudent on the part of the Senate to consider the fact that the so-called seasonal upturns and inventory adjustments which the alleged experts were expecting have not materialized.

I think it would be well for Members of the Senate to recognize that there are deep problems in this economy which have been with us for a long time. They have been glossed over and obscured by a barrage of propaganda and an overdose of political soothing sirup.

We debated one of those problems earlier in the day. I refer to the decline in farm income. Many Senators were present when we held hearings dealing with tax relief for small business. There is no doubt that small business enterprises have been facing a very serious economic situation. I was looking for a clipping which I had in my hand today, pointing out that the International Harvester Co. had suffered a drop in sales of millions of dollars. It had suffered a drop in its income of more than 13 percent.

I do not have the time tonight to pinpoint what I call the weak spots of economy, but I did so on March 6 in the Senate, and that speech is in the Record.

The Senator from Illinois proposes to lower the tax rate on the first \$1,000 of taxable income. Why? Because that relief would reach the great mass of potential purchasers of goods and service.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. DOUGLAS. I yield another minute to the Senator from Minnesota.

Mr. HUMPHREY. The proposed decrease from 20 to 15 percent touches the pocketbook, in the sense of placing something in the pocketbooks of those who are in the low-income brackets. It touches all, but the majority of the taxpayers who would be particularly benefited are in the low-income brackets.

Also, the proposed relief would reach the single taxpayers, who carry a tremendous burden of taxation.

As to the excise taxes, I could not agree more with what was said by the Senator from Oregon. We have been

intending to do something about the excise taxes as long as I have been a Member of the Senate.

The excise tax structure is inequitable, at best. It can be justified only by dire conditions, such as war, or conditions incident to a postwar era. It is not justified today, in a period of economic recession.

I wish I could be more definite about a knowledge of the economy; but in this instance I would rather be on the side of doing a little more than necessary, rather than less. Doing more would pay dividends, while doing less would result in deficits.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DOUGLAS] has 6 minutes remaining. The minority leader has 45 minutes.

Mr. NEUBERGER rose.

Mr. DOUGLAS. Mr. President, I yield for a question to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I had requested 5 minutes from the other side. I should like to ask my distinguished colleague one question. I expect to discuss this subject in a little greater detail later.

Why is the transportation tax, or the travel tax, not repealed entirely? I ask that question as a Senator from the region which has the highest unemployment rate of any region in the United States. This particular tax is choking the Pacific Northwest, because we are so far from major markets, and so much of the cost of our manufacturing is involved in freight.

Mr. DOUGLAS. Let me say to my good friend—

The PRESIDING OFFICER. The Chair asks the Senator from Illinois whether he is yielding from his time or the time of the minority?

Mr. DOUGLAS. I have no control over the time of the minority. I yield from my own time.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. DOUGLAS. As much time as may be necessary to deal with the question of the Senator from Oregon, with the understanding that I do not run over the total time, and that the explanation I am about to give will not be deducted from the time of the minority.

The Senator from Illinois is very conservative financially. He proposed a decrease of \$335 million in the transportation tax. He has been under a good deal of attack for allegedly doing too much.

Now the Senator from Oregon comes along and says that he is not doing enough. The Senator from Oregon reminds me of the man who, when he was saved from drowning, asked his rescuer, "Why didn't you save my hat?" [Laughter.]

I should like to eliminate the transportation tax entirely, but that would cost \$335 million a year more, and I am trying to get a bill which will embody most of the desirable provisions.

Mr. NEUBERGER. I may say to my good friend from Illinois that the \$500 million reduction in the case of automobiles is mainly for the 6½ million people who might purchase automobiles. But the \$330 million reduction in the freight

tax would go to every person in the United States, because the freight tax is a part of the cost of every commodity in our economy; it goes into the cost of all the food we eat and everything we wear. It does not seem to me to be a fair proportion of the proposed reduction, in other words.

Mr. DOUGLAS. If we wait until we get a tax bill which satisfies everyone, we will wait until doomsday. All we can do is write a bill which will take most of the good provisions that we want and put them into effect. I believe it was Edmund Burke who said that to tax and to please at the same time is not given to mortal man. I hope my good friend from Oregon, in his desire to protect the Pacific Northwest, will not shut the gates of mercy on mankind and vote against a measure that is designed to effect economic recovery.

Mr. NEUBERGER. Would the distinguished Senator from Illinois consider modifying his amendment to repeal the Federal freight tax entirely?

Mr. DOUGLAS. I am informed that I am not able to do it from a parliamentary standpoint, because the yeas and nays have been ordered. I am told that there is a possibility that after the controlled time has been used up, and prior to the final rollcall, amendments may be proposed. I believe at that time it would be appropriate for the Senator from Oregon to offer an amendment. I believe the Senator from Rhode Island also has an amendment to offer. However, it cannot be done during the controlled time.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. NEUBERGER. Is it correct that after the controlled time has been used up, it is permissible to offer an amendment to the pending amendment?

The PRESIDING OFFICER. The Senator is correct. The unanimous-consent agreement does not exclude further amendments.

Mr. NEUBERGER. I thank my friend from Illinois.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. HOBLITZELL. Mr. President, I yield 10 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, I rise in opposition to the amendment offered by the Senator from Illinois to the pending measure. The pending measure was brought to the floor of the Senate by the Committee on Finance as a measure dealing with the tax on insurance companies. It is the opinion of the Senator from Oklahoma, and it was the opinion of the Committee on Finance, that if the bill were to be made the vehicle for amendments, it could serve no useful purpose, because it would become an overburdened vehicle and break down somewhere between its present posture and the goal which those offering amendments to it would have of its becoming the law.

The Senator from Oklahoma favors a tax reduction at this time—a tax reduction in the form of either an increase in personal exemption or an increased tax

credit. However, he does not believe that the pending measure is a proper vehicle for such an amendment. The Treasury Department has made it plain that the matter is being studied. The leadership in the House of Representatives has made it plain that the matter of a tax reduction is being studied in the House, where it has been the historic pattern for tax legislation to originate.

I am opposed to the pending amendment because I do not believe it would accomplish the purpose ascribed to it by those supporting it. The Senator from Oklahoma is as conscious of the burden imposed on our economy by more than 5½ million unemployed as is any other Senator. The Senator from Oklahoma has made it plain for 2 years that he felt certain policies would inevitably result in recession and unemployment, and they have. Measures should be taken to stem the recession and reverse the economic tide. However, the amendment offered by the Senator from Illinois will not accomplish that purpose. He offers an amendment which would benefit individual taxpayers by about \$3½ billion.

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

Mr. KERR. I yield.

Mr. DOUGLAS. It would benefit taxpayers to the extent of \$5,200,000,000.

Mr. KERR. I thank the Senator for his scintillating brilliance and the inappropriateness of his manifestation of it.

Mr. DOUGLAS. I know the evening is late.

Mr. KERR. The Senator from Illinois offers two basic proposals in his amendment. One is the reduction of the individual income tax; the other is the elimination or reduction of certain excise taxes.

Mr. DOUGLAS. The Senator from Oklahoma is correct.

Mr. KERR. The Senator from Oklahoma was addressing himself to the first part of the amendment, which provides for a reduction in individual income taxes.

Mr. DOUGLAS. I beg the Senator's pardon. The Senator is correct. I thought he was giving the total figure.

Mr. KERR. I know the Senator from Illinois is the source and fountain of most knowledge and information, but I am sure he is not the source and fountain of all of it.

Mr. DOUGLAS. I quite agree with the Senator from Oklahoma.

Mr. KERR. I have been hearing about or reading the amendment of the Senator from Illinois for some days. Certainly it would not take any great strain on even the limited brain of the Senator from Oklahoma to know that the Senator from Illinois has two sections in his amendment.

Mr. DOUGLAS. I am delighted that the Senator from Oklahoma should say that. Sometimes the speech of the Senator from Oklahoma is so luxuriant in style that it is very difficult to get at the kernel of the point the Senator from Oklahoma is making.

Mr. KERR. I know it would be difficult for the Senator from Illinois to understand, but one of the burdens resting on the Senator from Oklahoma is

not that of opening the mind of the Senator from Illinois so that he can better understand what is going on.

Mr. DOUGLAS. Sometimes it is difficult to follow the Senator from Oklahoma as he becomes intoxicated with the exuberance of his own verbosity when he goes along in that fashion, and I was merely trying to introduce a certain element of fact.

Mr. KERR. It is almost as burdensome as having the Senator from Illinois always on the floor interrupting other Senators, whether it is on his own time or on their time.

Mr. DOUGLAS. I notice that the Senator from Oklahoma does that himself upon occasion.

Mr. KERR. He does indeed.

Mr. DOUGLAS. The next time I have any time assigned to me I shall be very glad to yield to my good friend, the Senator from Oklahoma, and he can indulge in his characteristic rhodomontade as much as he wishes.

Mr. KERR. The Senator from Oklahoma does interrupt at times, but he tries to know what he is talking about when he interrupts.

Mr. DOUGLAS. He certainly tries but he is not always successful in that regard.

Mr. KERR. That is true, but that is no reason why the Senator from Illinois should criticize the behavior of the Senator from Oklahoma.

Mr. DOUGLAS. I am ready to call it a draw and resume the debate.

Mr. KERR. That is a fair proposal, and I accept it. As I was saying before I was interrupted, the Senator from Illinois proposes a reduction of about \$3.5 billion in personal income taxes. I ask the Senator of what benefit that would be to the unemployed? If a man is unemployed and has no taxable income, how does it benefit him to reduce his tax?

The Senator from Illinois offers it with one hand even to those who are employed and have taxable income, and with the other hand takes it away from them. Although he offers a \$3 billion reduction on personal income tax, the taxpayer must pay about a billion and a half dollars of it this year, which, so far as I know, is the critical year, and then under the provision of the amendment of the Senator from Illinois, a year from now or a little over a year from now Uncle Sam will rebate to the individual taxpayers about a billion and a half dollars.

But bear this in mind: The amendment will not put \$1 into the pockets of the unemployed. The tax reduction, meritorious as it is in some regards, would benefit the employed, not the unemployed.

Then, Mr. President, I submit that the same thing is true of the Senator's proposal to reduce or eliminate excise taxes. I was impressed by the eloquent plea of the distinguished Senator from Rhode Island [Mr. PASTORE] for the unemployed. I join him in that plea. This recession stalks abroad in Oklahoma, where 200,000 people are going to the courthouse every Thursday to get hand-outs of surplus food products. But there is not a thing in the bill which will put \$1 in the pockets of any of them.

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

Mr. KERR. I yield.

Mr. PASTORE. Is the Senator from Oklahoma suggesting that the lowering of taxes is never a relief to unemployment?

Mr. KERR. Not at all. I am saying that the tax reductions proposed in the amendment will not put any dollars in the pockets of the unemployed.

Mr. PASTORE. Not immediately. But the condition would be improved by the purchasing power of people who now cannot spend the money.

Mr. KERR. But the unemployed need help now.

Mr. PASTORE. How else can we give it to them?

Mr. KERR. The resolutions have been adopted—and the Senator from Rhode Island very ably cosponsored them—which call for a stepup in public works and a stepup in the defense program.

Certainly the Senate voted today to put some sort of foundation under farm income.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. HOBLITZELL. I yield 5 minutes more to the Senator from Oklahoma.

Mr. KERR. If we are to halt the recession, it is necessary to put purchasing power into the hands and pockets of the unemployed.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. KERR. My time is limited. I regret to say that in the time allotted to me I cannot yield.

I want Senators to visualize the 200,000 people in the breadlines in Oklahoma—and I am sure they are in breadlines in more than half the States of the Union.

Would the Senator from Oklahoma not get a glad hand if he walked down to the courthouse some Thursday afternoon, where 500 people were lined up to get some surplus food commodities, and said, "I've got good news for you. We have taken the excise tax off Cadillac cars. Now you can buy one and not have to pay any excise tax." [Laughter.]

If that did not please them, I would say, "Listen; we have taken off or reduced the excise tax on television sets. You can quit getting the surplus food and go home and rejoice that Uncle Sam, in Washington, has come to your rescue by taking the excise tax off television sets." [Laughter.]

I would say, "If that does not put money in your pocket, I want you to know that we have taken the excise tax off mechanical refrigerators which freeze the units in air conditioners."

Mr. President, the 5 million unemployed in the Nation are not interested in getting rid of excise taxes on automobiles and air conditioners. They are not even interested in some of the other items, such as toilet preparations. Now, would that not be a boon to the unemployed? [Laughter.]

Mr. DOUGLAS. Mr. President, the Senator from Oklahoma is having such

a good time in mishandling this subject that it is really a shame to interfere. But does he not think that the people who work in automobile factories, in television factories, and in other factories, would be very happy if other people bought more automobiles and television sets, so that they could go back to work?

I wish the Senator would curb his tongue a little and deal with the facts.

Mr. KERR. Is the Senator intimating that I have said something that is not true?

Mr. DOUGLAS. The Senator from Oklahoma has drawn the wrong inference.

Mr. KERR. The Senator from Illinois is drawing the inference. I must say it is beyond the almost omnipotent brainpower of the Senator from Oklahoma to prevent the Senator from Illinois from drawing the wrong inference. He should not put that burden on the shoulders of the Senator from Oklahoma. [Laughter.]

Mr. DOUGLAS. I ask my good friend from Oklahoma if an increase in the production of automobiles, televisions, air conditioners, and other articles would not put people back to work in the factories?

Mr. KERR. Surely.

Mr. DOUGLAS. That is what the Senator from Illinois is saying.

Mr. KERR. That is exactly what the Senator from Illinois is not saying.

Mr. DOUGLAS. No; it is exactly what he is saying.

Mr. KERR. The Senator from Illinois has not made a single proposal to put a dollar into the pockets of the consumers who are now out of work with which to buy refrigerators and automobiles.

Mr. DOUGLAS. May I reply to that?

Mr. KERR. The Senator can do so on his own time.

Mr. DOUGLAS. I have no time.

Mr. KERR. Do not blame me. The Senator knows what happened to the foolish virgin who wasted her oil, does he not? The Senator from Illinois used all his time; I did not. [Laughter.]

Mr. DOUGLAS. Would my good friend from Oklahoma give up his pleasantries and discuss the issues?

Mr. KERR. I must say to my good friend from Illinois that if I were yielded another 10 minutes, I should have to yield first, to my good friend from Rhode Island, because of the questions he asked.

Mr. DOUGLAS. Five minutes have been yielded to the Senator from Oklahoma.

Mr. KERR. I want to say 2 or 3 more things; then, if I yield to anyone I will yield to the Senator from Rhode Island, who asked me to yield to him a little while ago.

Mr. DOUGLAS. If the Senator from Rhode Island does not take up the challenge, I should like to use some of the time which has just been granted to the Senator to ask him some questions.

Mr. KERR. The Senator from Illinois would not pay any attention to what I told him if I let him ask questions. [Laughter.]

Let me tell the Senate that the Senator from Illinois proposes to take the excise tax off playing cards.

Mr. DOUGLAS. Does the Senator from Oklahoma oppose that?

Mr. KERR. No; I buy playing cards.

The Senator proposes to take the excise tax off pistols and revolvers.

Mr. DOUGLAS. That should be very popular in Oklahoma. [Laughter.]

Mr. KERR. How does the Senator from Illinois know? He has never been to Oklahoma.

He is even proposing to remove the excise from the leasing of safety deposit boxes.

Oh, if I could go home and tell the unemployed in Oklahoma, "Boys, hurrah. We have got it made. Uncle Sam has taken the excise tax off the rental you owe the bank on your safety deposit box." [Laughter.]

Mr. DOUGLAS. The Senator from Oklahoma has more safety deposit boxes and bigger safety deposit boxes than anyone else in the United States Senate, and they are crammed full of this world's goods, so I am told, and I am trying to help him.

Mr. KERR. Let anybody who believes that give me a quarter. Let anyone who believes that the Senator from Illinois is trying to interest the Senator from Oklahoma give me a quarter.

Mr. DOUGLAS. I have not the change.

Mr. KERR. Here is a dime. [Laughter.]

Mr. President, if the items of relief so generously proposed by the Senator from Illinois did not solve all the problems, I am sure any unsolved problems would be taken care of by the fact that he proposes to eliminate the excise tax on fountain and ball-point pens. Imagine what a benefit that would be to the men standing in the breadlines or to the unemployed.

Mr. President, what are needed are jobs. What we need is to restore the purchasing power of the farmer. What are needed are jobs for the unemployed. Then they will tear down the factories to buy the products.

But the amendment bill could be adopted three times, and it would afford no relief to a single one of the men and women on the breadlines in Oklahoma or Illinois.

Mr. DOUGLAS. Does the Senator from Oklahoma not realize that most families have more than one person receiving incomes, so that even if there may be one person unemployed in the family, there will be others receiving income, and that, therefore, if they are purchasing, their money will go further if there is a tax cut?

Is not the Senator from Oklahoma also supporting, together with the Senator from Illinois, the Kennedy-McNamarra-McCarthy bill to increase unemployment relief compensation? That is the way to help the unemployed; not by building dams in Oklahoma, which will not employ automobile workers in Detroit.

Mr. KERR. What the Senator from Illinois has said up to now has not impressed the Senator from Oklahoma; but he surely impressed me just now. [Laughter.]

I now yield to the distinguished Senator from Rhode Island, if he has any questions.

Mr. PASTORE. I had a question, but I think it has been sufficiently covered. I merely say to the distinguished Senator from Oklahoma that no one pretends that anything in the amendment will put money in the pockets of the unemployed. The whole purpose of the amendment is to stimulate production and to increase the purchasing power of the people.

The administration itself has said that perhaps within 6 weeks or 2 months it might institute a tax-reduction program. That is precisely what we are trying to do now.

I hope the distinguished Senator is not trying to take the position, this evening, that a tax reduction will not help employment in the Nation. That is all we are trying to do.

We know that nothing in this amendment will put 10 cents in the pocket of an unemployed person tomorrow. No one has said that it will; I did not say it.

I rose only because the distinguished Senator from Oklahoma took occasion to refer to me by name.

I did make a plea for relief for the unemployed, and I am supporting this amendment tonight because I know it will stimulate the purchasing power of millions upon millions of Americans, and in that way will aid the millions of Americans who today are unemployed. I support this amendment in the hope that it will enable 60 million Americans to purchase more, and thus will help create jobs for the 5 million Americans who today are unemployed.

That is all the amendment is intended to do, and that is all it will do.

Mr. KERR. Mr. President, I thank the Senator from Rhode Island.

I stated that I favor a tax reduction at the proper time and by the proper vehicle.

But this amendment would not put any money into the pockets of the unemployed.

I said I share the sentiments of the Senator from Rhode Island, namely, that we should do something for the unemployed. But I do not believe we should say we are going to have the Government spend \$5 billion to help the unemployed, and then have the unemployed find that they will not get a penny of it.

In that connection I am reminded of the song we used to sing in the Army: "All we do is sign the payroll, but we never get a dad-burned cent."

That is what would happen under the proposal now before the Senate: Uncle Sam's income would be reduced by \$5,800 million, but the unemployed would not be helped; the American people who are in the breadlines would not be helped.

Mr. President, I am surprised that my friends on this side of the aisle would adopt the trickle-down theory, which I thought my friends on the other side of the aisle had the exclusive right to.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield again to me?

The PRESIDING OFFICER. The time under the control of the Senator from Illinois has expired.

Mr. KNOWLAND. Mr. President, I am prepared to yield back the remainder of the time under my control; and I do yield it back.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Arizona would vote "nay."

The Senator from Louisiana [Mr. LONG] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting the Senator from Louisiana would vote "nay" and the Senator from Wyoming would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of illness in his family, and, if present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are detained on official business, and if present and voting, each would vote "nay."

The result was announced: yeas 14, nays 71, as follows:

YEAS—14

Anderson	Johnston, S. C.	Pastore
Carroll	Langer	Potter
Douglas	Mansfield	Proxmire
Hill	McNamara	Sparkman
Humphrey	Morse	

NAYS—71

Aiken	Goldwater	Mundt
Allott	Gore	Neuberger
Barrett	Green	Payne
Beall	Hickenlooper	Purtell
Bible	Hoblitell	Revercomb
Bricker	Holland	Robertson
Bush	Hruska	Russell
Butler	Ives	Saltonstall
Byrd	Jackson	Schoeppel
Capehart	Javits	Scott
Carlson	Jenner	Smathers
Case, N. J.	Johnson, Tex.	Smith, Maine
Case, S. Dak.	Kefauver	Smith, N. J.
Church	Kennedy	Stennis
Clark	Kerr	Symington
Cooper	Knowland	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Lausche	Thye
Dirksen	Magnuson	Watkins
Dworshak	Malone	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Yarborough
Ervin	Monroney	Young
Frear	Morton	

NOT VOTING—11

Bennett	Fulbright	McClellan
Bridges	Hayden	Murray
Chavez	Hennings	O'Mahoney
Flanders	Long	

So Mr. DOUGLAS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, the Senator from New Mexico has an amendment, 3-11-58-F. The Senator from New Mexico must leave for his home State to attend a funeral tomorrow. He desires to call up the amendment tonight. He is agreeable to a 20-minute limitation of time on his amendment, 10 minutes to be controlled by the Senator from New Mexico and 10 minutes by the chairman of the committee.

I ask unanimous consent that he may call up his amendment at this time, and that 20 minutes be allowed on the amendment, 10 minutes to be controlled by the Senator from New Mexico and 10 minutes by the Senator from Virginia [Mr. BYRD].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 13, to insert the following:

SEC. 3. Reduction in the manufacturers excise tax on automobiles and other vehicles, and on parts and accessories therefor.

(a) Reduction in rates: The rates of the manufacturers excise taxes imposed by section 4061 of the Internal Revenue Code of 1954 shall be reduced as follows:

(1) The rate on articles taxable under subsection (a) (1) of such section (trucks, etc.) shall be reduced from 10 percent to 5 percent.

(2) The rate on articles taxable under subsection (a) (2) of such section (automobiles, etc.) shall be reduced from 10 percent to 5 percent; and

(3) The rate on articles taxable under subsection (b) of such section (automobile parts and accessories) shall be reduced from 8 percent to 3 percent.

(b) Effective dates.—

(1) The reduction made by paragraphs (a) (1) and (a) (2) shall apply to articles sold on or after March 1, 1958.

(2) The reduction made by paragraph (a) (3) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after date of enactment of this act.

(c) Floor stock refunds.—

(1) Section 6412 (a) (1) of such code (relating to floor stock refunds in the case of passenger automobiles, etc.) is amended by striking out "July 1, 1958" each place it appears and inserting in lieu thereof "March 1, 1958"; by striking out "November 10, 1958" each place it appears and inserting in lieu thereof "July 10, 1958"; by striking out "October 1, 1958" and inserting in lieu thereof "June 1, 1958"; and by adding at the end thereof the following new sentence: "This paragraph shall not apply in respect of an article sold by the dealer on or before the date of the enactment of this act unless on or before July 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to allowance of the credit or refund."

(2) Section 6412 (a) (2) is amended by adding at the end thereof the following: "In the case of any article subject to tax imposed by section 4061 (a) (1), the following dates are substituted for those contained in the first sentence of this paragraph: For July 1, 1972, is substituted March 1, 1958;

for November 10, 1972, is substituted July 10, 1958; for October 1, 1972, is substituted June 1, 1958. This paragraph shall not apply in respect of an article subject to tax imposed by section 4061 (a) (1), sold by the dealer on or before the date of the enactment of this act unless on or before July 10, 1958, reimbursement has been made to the ultimate purchaser of the article by such dealer for the tax reduction on such article or written consent has been obtained from such ultimate purchaser to allowance of the credit or refund."

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 10 minutes.

Mr. ANDERSON. Mr. President, I recognize that the Senate is anxious to dispose of this bill—

Mr. JOHNSON of Texas. Mr. President, may we have order? I think we may be able to conclude action on the bill if we can have order for a few minutes.

The PRESIDING OFFICER. The Senate will be in order. The Senator from New Mexico is recognized for 10 minutes.

Mr. ANDERSON. I recognize that the Senate is anxious to dispose of the bill. I am anxious to cooperate with it. My position has been, and other members of the Finance Committee have agreed with me, this is not the time to grant retroactive tax reductions to life insurance companies.

According to financial reports, life insurance companies have been booming during the past few years. Life insurance companies today are in mighty fine shape, but there is an industry which is not in good shape. That is the automotive industry. It is recognized that the automotive industry is in deep trouble. There is very substantial unemployment in Detroit. I understand in that city 200,000 persons are out of work because of shutdowns in that industry, and that there is a total unemployment in the State of Michigan of 350,000. The automobile industry has been having some bad days. I shall not try to say why that is so. That is not my province. Six million passenger cars were produced in 1957. In January and February of 1958 the number is down to 882,700, a reduction of 27.24 percent. That is what is happening in the automobile industry while the life insurance industry, which it is proposed should receive \$124 million in retroactive tax relief, is in the finest shape it has ever known. Automobile employment is down from 689,000 in March of 1957 to 600,000. Actually, the current estimate is 550,000.

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

Mr. ANDERSON. Yes, I am glad to yield.

Mr. GORE. I do not know that I can support the amendment of the able Senator, but I should like to ask him which industry he thinks is in more serious economic circumstances now, the insurance industry or the automobile industry?

Mr. ANDERSON. I think any study of life insurance statistics will indicate that the life insurance companies are in mighty, mighty fine shape, and the automobile producers are not. That is why I

say if we have \$124 million of retroactive tax relief to give out—and that is all that is involved in this insurance bill, make no mistake about it—

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from New Mexico will suspend. This time will not be charged to him. The Senator from New Mexico will wait until the Senate is in order; then he may proceed. The Senate will be in order.

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

Mr. ANDERSON. I yield to the Senator from Tennessee.

Mr. GORE. What segment of the American economy has profited more from the high interest rate policies than the insurance industry?

Mr. ANDERSON. I think the life insurance industry has profited the most. I do not regret that. I am glad the industry is in fine shape. It is in the best shape ever.

Mr. GORE. That being the case, what is the justification for giving tax forgiveness of \$75 million to 10 insurance companies?

Mr. ANDERSON. It is simply because they said they got it last year. They backed up to the trough last year and the year before and they got it. They want to come to the trough again. I do not blame them.

I tried to calculate, I will say to the Senator, how many trucks loaded with silver would be necessary to haul away the \$124 million. We do not have enough silver in the Treasury to fill such an order.

I say if an industry is in distress, that is one thing. The automotive industry is in distress. The Senate ought to say, if it is going to give tax relief, that it will give tax relief selectively, not to the one group which has in the past, as pointed out so well by the able Senator from Tennessee, probably profited more by high interest rates than any other group in the Nation.

Senators may pick up any report of any life insurance company and observe these companies with one or two exceptions which might be laid to bad management, have enjoyed remarkably good success. If we look at the reports of the largest and best companies, we will see that they have made marvelous records. They have done so because people are living longer, and because of higher interest rates.

I do not begrudge these companies the money. I am not at all sorry they are in wonderful shape.

I say to the Senate that the automotive industry is in trouble. If we start to give tax relief, we ought to give it where it is needed, where it might stimulate employment. I think if we desire to grant tax relief we should grant it to the automotive industry.

I have checked with the automobile dealers, and they say that car and truck sales are being held back because of the excise tax.

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

Mr. ANDERSON. I am happy to yield to the Senator from Michigan.

Mr. POTTER. The Senator's amendment, I believe, is similar to an amendment I have offered.

Do I correctly understand that the Senator's amendment would reduce the excise tax on automobiles from 10 percent to 5 percent?

Mr. ANDERSON. That is correct. The same would be true with reference to trucks.

Mr. POTTER. The same would be true as to the trucks?

Mr. ANDERSON. And there is provided a 5-percent reduction on the parts, from 8 percent to 3 percent.

Mr. POTTER. What about a retroactive date? Is there a retroactive date?

Mr. ANDERSON. Yes; there is. I will say to the able Senator from Michigan that on cars and trucks the amendment goes back to March 1, so that there will be no possibility of saying that the sale of cars is being impeded by the thought that we might give a tax reduction at a later date.

The amendment has been carefully drawn. I would be happy to have either or both of the Senators from Michigan join in offering the amendment.

Mr. POTTER. I have a similar amendment at the desk. I am delighted to join with the Senator on his amendment.

Mr. McNAMARA. I should also like to join with the Senator on the amendment.

Mr. ANDERSON. I appreciate the Senators from Michigan doing so.

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

Mr. ANDERSON. I am happy to yield to the Senator from Oklahoma.

Mr. MONRONEY. Will the Senator advise the Senate what the profit from the production of cars is? I am informed the profit is about 15 percent for Ford and about 15 percent for General Motors, after taxes. I do not see why the Federal Government should be cutting its revenue at this point when we need to increase employment, when we have no assurance whatever that any of the reduction will generate new employment, to be brought about by the masterminds of Detroit lowering their already exorbitant profits.

Mr. ANDERSON. I will say to the Senator from Oklahoma that I will let the record of the next few months prove who is correct, but I predict that at least Ford and Chrysler will not earn the dividend for the first quarter, the second quarter, and possibly the third quarter. I do not know what the situation is with relation to General Motors. I did not have as frank a discussion with them as with the other companies.

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

Mr. ANDERSON. I am happy to yield to the Senator from Michigan.

Mr. POTTER. On that score, in the first place, the manufacturers have all agreed in writing to the Senator from Illinois, to me, and to other Senators that such a tax reduction will be passed on to the dealers, so it would mean nothing to them. I wish to assure the Senator that at the present time Chrysler is running in the red. Ford will have

a very difficult time earning dividends. The automotive industry is not a booming industry. Removing the excise tax will in no way be a bonanza to the industry.

Mr. ANDERSON. I will say to the Senator from Michigan that I took the trouble to check the matter. I was not satisfied with the figures I had. I called the President of the Ford Motor Co. and asked him if I had correct information as to his company. I would not try to reveal the figures of that company, but I was assured—and I am sure I was told the truth—that Ford would not earn a dividend in the first quarter of the year. I do not believe they will earn a dividend in the second quarter.

When we run into that sort of a situation, if we are going to give tax relief—and that is what is provided in the bill for the insurance companies—why should we not reach out to try to give relief to an industry which is in trouble?

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

Mr. ANDERSON. I yield.

Mr. REVERCOMB. Will the able Senator advise us what amount of reduction in revenue will result if the amendment is adopted?

Mr. ANDERSON. I have some figures on the estimated 1958 revenue loss. If the provision is retroactive to March 1, assuming a production of $4\frac{1}{2}$ million units, it will be \$593 million. I do not know exactly, but it is somewhere between \$400 million to \$500 million.

Mr. REVERCOMB. Will the Senator yield further?

Mr. ANDERSON. I am happy to yield.

Mr. REVERCOMB. I am sure the Senator realizes my purpose in ascertaining the amount of reduction in revenue which will result from the reduction in taxes. It becomes a question of judgment and the best wisdom we can exercise as to where we can apply the loss of revenue and exactly how much reduction we can stand.

Mr. ANDERSON. I agree with the Senator. I only say that during this year we will have to make some tests as to what a reduction in taxes will do to sales. I think the quickest way to find that out is by giving excise-tax relief to the automotive industry. We will find out in a hurry then.

We shall be wrestling with the tax bill all during the session. We can find out whether this approach does work or does not work.

Mr. McNAMARA and Mr. MONRONEY addressed the Chair.

Mr. ANDERSON. I yield first to the Senator from Michigan.

Mr. McNAMARA. I have agreed to cosponsor the Senator's amendment, though I would much prefer to have the matter covered by a separate bill.

As I understand the situation, the Senator's amendment is proposed to H. R. 10021?

Mr. ANDERSON. I think this is the only thing we will have a chance to do.

Mr. McNAMARA. The unfortunate part of it is, I will say to the Senator, that I desire to vote for the amendment and against the bill. We are going up

hill and down again. It is a very peculiar situation.

Mr. ANDERSON. I am only trying to see if we can apply the tax relief in a better way by doing it selectively, and not picking out the one American industry which is booming.

The PRESIDING OFFICER (Mr. MORRIS in the chair). The time of the Senator from Oklahoma has expired.

The Senator from Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. JOHNSON of Texas. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I merely wish to say that the amendment was not submitted to the Senate Committee on Finance. There has been no committee discussion of the amendment. The matter has many ramifications, as all of us well realize.

Mr. JOHNSON of Texas. Mr. President, may we have order, so that we can hear the chairman of the committee.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. It seems to me to be a very unwise procedure to adopt an amendment of this importance on the floor of the Senate without proper consideration. We should all recognize the fact that tax measures must originate in the House of Representatives. I have a feeling that the Committee on Ways and Means of the House will resent the action if the Senate should attempt to enact an amendment of this character into law.

Mr. President, the impression has been given tonight that the pending bill provides a reduction in the taxes of insurance companies. That is not correct.

Mr. CARROLL. Mr. President, will the Senator yield, before he gets into a discussion on the insurance provisions?

Mr. BYRD. I yield.

Mr. CARROLL. I should like to say I am sorry that some of my distinguished colleagues do not serve on the Senate Judiciary Committee, which has just finished the antimonopoly investigation with regard to pricing in the automotive industry during which we heard from General Motors, Ford, and Chrysler.

Earlier this evening I exchanged some remarks in a colloquy with my distinguished friend, the Senator from Illinois [Mr. DOUGLAS]. As a part of a broad general tax reduction program I favor the reduction of the manufacturer's excise tax on automobiles. But it would be unconscionable to give relief to this one industry alone, and ignore all the others.

I will tell the Senator why in a few words.

The General Motors Corp. has had tremendous profits in the past 10 years. The Ford Motor Co., the Chrysler Corp., and General Motors—the three of them—control 97 percent of the automotive industry. The benefits to them of an isolated tax-relief measure would be enormous.

Senators should remember that we are trying to relieve the economic plight of the consumer. It is true, I will say to the distinguished Senator from Vir-

ginia, I think this excise-tax reduction might stimulate production, but all the evidence we have heard thus far is that the great industrial giants, the monopolistic corporations—and I mean monopolies—have steadfastly refused, in the face of declining sales, to reduce their prices. That has been the testimony of automotive dealers throughout the Nation.

I say to the distinguished Senator from Virginia that I think this amendment should be voted down, and that we should have the right to vote on the insurance bill alone.

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

Mr. BYRD. I yield.

Mr. MONRONEY. I served in the House with the distinguished junior Senator from Colorado and many others. The Constitution of the United States places in the House of Representatives the prerogative of originating tax bills. When the House sends to us a minor bill and we send back an amendment providing for tax reductions of \$5 billion, \$6 billion, or \$7 billion, we are usurping the constitutional prerogatives of the House of Representatives.

This proposal has not gone through a committee; and yet, with a meat axe, we would cut up the Government revenue, and deny the right to go into a public works program to create more employment. I think it is a poor time, at this hour of the night, to usurp the prerogatives of the House of Representatives on the basis of one man's judgment.

Mr. BUSH. Mr. President, will the Senator from Virginia yield 2 or 3 minutes to me? If not, I should like 2 or 3 minutes on my own time.

Mr. BYRD. I am happy to yield.

Mr. BUSH. I should like briefly to make three points in opposition to the pending amendment. I am opposed to it for several reasons.

First, I do not believe it would do the job. I do not believe it would have very much effect in stimulating automobile sales, which is the purpose of the amendment.

The trouble with the automobile market is not the excise tax. The trouble with the automobile market, among other things, is that the manufacturers have been selling cars on the basis of too greatly extended financing.

They have also made automobiles so big and so expensive that they have succeeded in pricing them out of the reach of the average working man or woman.

That, I believe, is one of the real troubles with the automobile business, and one of the factors contributing to the current recession in that industry, which has so many ramifications in American industry generally.

I believe that what is needed in the automobile market is a bargain sale, such as the sales which are held in the large department stores at the end of the year. The automobile industry ought to clean up the market by reducing prices to the point where the market will be cleaned up. Then the manufacturers can go about manufacturing cars anew. When they do, I hope they will get the size and price of the cars down to the point

where the average American citizen can afford to buy them.

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

Mr. BYRD. I yield.

Mr. MAGNUSON. Several Senators are in a quandary similar to that in which the Senator from Michigan [Mr. McNAMARA] finds himself with respect to certain tax proposals.

We are discussing industries which are in some sort of financial trouble. The Senate Committee on Interstate and Foreign Commerce has been going into the subject of transportation for many weeks. I dislike to confer on any one industry the dubious honor of being in the worst trouble, but I think the railroads would take the prize.

One trouble with the railroads is the problem of taxation. The transportation tax affects every person in the United States, no matter who he is or where he lives. It is a discriminatory tax, which grows larger the farther one gets away from the markets. It is particularly discriminatory with respect to points far removed from markets, as the Senator from Virginia knows so well.

We who are quite concerned over the problem are hopeful that there can be some relief with respect to the transportation tax on property. We hope there will be some hearings on the question, and that the Senate Finance Committee will delve into the subject.

We are in an unusual situation here tonight. An amendment dealing with the subject may be presented. This may not be the proper place to present it, and such a course may not be the proper procedure. However, we are deeply interested in these questions.

I ask the distinguished Senator from Virginia whether, in his opinion, there is a possibility—I know he cannot say definitely—that those of us who are interested in the repeal of the transportation excise tax, for example, will be afforded an opportunity to be heard?

The Senator from New Mexico [Mr. ANDERSON] has been discussing one particular phase of the economy. There were certain provisions in the amendment of the Senator from Illinois [Mr. DOUGLAS] with which I agreed, and with which many Senators who voted against the amendment agreed.

What are the prospects, after proper hearings before the Senate Committee on Finance, of having reported a suitable piece of legislation which would afford some of the tax relief upon which we might agree?

Mr. BYRD. As chairman of the Committee on Finance, I shall be glad to hold hearings on any such proposal. I cannot speak for the committee.

Mr. MAGNUSON. I understand that; but this may be our last chance in this session of Congress to effect some of the tax relief which should come about by way of tax reduction. That is the question which is bothering many of us tonight.

Mr. BYRD. No proposal has been made to hold hearings on the subject.

Mr. MAGNUSON. I know the Senator from Virginia could assure the Senate that there would be reasonable and fair

opportunity to present these questions in the proper way to the Committee on Finance at this session of Congress.

Mr. BYRD. If the Senator will submit an amendment, we shall be glad to consider it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. As I understand, the distinguished chairman of the Committee on Finance has sent a letter to the leading representatives of labor and industry, asking for their suggestions; and he expects to receive replies and to give due consideration to them.

Mr. BYRD. Those questions do not include the reduction of taxes.

Mr. JOHNSON of Texas. What do they include?

Mr. BYRD. They include general ideas as to what should be done to overcome the depression.

Mr. JOHNSON of Texas. Does the Senator think they would have no reference to taxes?

Mr. BYRD. Not to any particular taxes.

Mr. JOHNSON of Texas. I understand; but I assume that when the Senator collects his information he will give due consideration to what should be done in the light of the replies received.

Mr. BYRD. Of course. As chairman of the committee, I will say that we shall hold hearings.

Mr. President, I hope the pending amendment will be rejected, for the reasons which have been stated. It involves a very complex subject. It would result in the loss of \$850 million in revenue. Many other proposed reductions in taxes have just as much merit, if not more merit.

The PRESIDING OFFICER. All time has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Virginia may be permitted to yield to the Senator from Oregon [Mr. NEUBERGER].

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

Mr. NEUBERGER. Mr. President, I should like to ask a question of a parliamentary nature. I should like to ask it of the distinguished chairman of the Finance Committee.

Is it true or not true that the Finance Committee must wait for a House-passed bill dealing with tax relief or tax changes before the Senate can act on some of the urgent problems which the able Senator from Washington [Mr. MAGNUSON] has mentioned?

Mr. BYRD. Any revenue bill is subject to amendment in the Senate, but it must originate in the House.

Mr. NEUBERGER. That is what I mean. It cannot originate in the committee of the distinguished Senator from Virginia. Is that correct?

Mr. BYRD. The Senator is correct.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON]. [Putting the question.]

The amendment was rejected.

Mr. GORE. Mr. President, the pending bill provides not only for a tax reduction, but for a retroactive tax reduction. The amendment which was just rejected would have provided tax reduction retroactively to March 1 of this year. The pending bill provides retroactive tax reduction for insurance companies to January 1, 1957. How can that be justified? Who are the principal beneficiaries? I undertook to find out during the course of the hearings of the committee, but the information was not readily available. Fortunately, we have been able to secure some information. Seventy-five million dollars of retroactive tax reduction is provided in the bill for 10 insurance companies.

Mr. MONRONEY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORE. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, many Senators have asked me whether we expect to consider any other amendments this evening. So far as the leadership is concerned on both sides of the aisle, we do not expect to have any more yeas and nays votes this evening if we can avoid it. The Senate will meet early tomorrow and we hope to consider various amendments which have been proposed, and perhaps dispose of the bill before the end of the session tomorrow. We do not expect any yeas and nays votes this evening if we can avoid it.

Mr. GORE. Mr. President, I shall delay further remarks until tomorrow.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to my friend from Illinois.

Mr. DOUGLAS. Mr. President, I believe there is one point that should be cleared up.

Mr. JOHNSON of Texas. Mr. President, may we have order.

Mr. DOUGLAS. I believe there is one point that should be cleared up.

Mr. JOHNSON of Texas. Mr. President, may we have order so we may hear the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois will suspend. The Senate will be in order. The hour is late.

Mr. DOUGLAS. There is one point I should like to have cleared up before the Senate takes a recess this evening. The statement has been repeatedly made that the proposal to amend the pending bill by adding additional tax-cutting features is a violation of parliamentary procedure. That is certainly not the case. It is true that a revenue bill must originate in the House. The pending bill originated in the House. It came over here, and it is the right of the Senate to add other revenue features to it. There is a long train of precedents for it, including the Revenue Act of 1950, which, as passed by the House, provided for a reduction of taxes, and which, as passed by the Senate, was turned into a bill to increase the revenue by several

billion dollars. That is also true of the Revenue Act of 1945, the Revenue Act of 1932, the Industrial Recovery Act of 1932, the Revenue Act of 1926, the Revenue Act of 1918, the Corporation Excise Tax of 1909, the Tariff Act of 1897, and the Tariff Act of 1894, as well as many other acts. Many precedents go back in time.

The Constitution clearly states, article I, section 7:

All bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

This would seem to settle the question. Mr. JOHNSON of Texas. I yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, the distinguished Senator from New Mexico [Mr. ANDERSON] and the distinguished Senators from Michigan [Mr. POTTER and Mr. McNAMARA] offered an amendment a little while ago which, if conditions permitted, would be regarded as having much merit.

A strong argument made in favor of it was that the saving effected by it would be passed on to prospective purchasers. The distinguished Senator from Tennessee [Mr. GORE] has just said that the pending bill, if passed, would give \$75 million retroactively to 10 insurance companies. In one respect the Senator is correct. However, I call the attention of the Senate to the fact that 8 of those 10 companies are mutual companies, and they have told the Committee on Finance—and their record substantiates their statement—that every dollar they save under the enactment of the bill will be passed on to other policyholders. The other two will pass on much of what they save to their policyholders. There is this difference between the automobile companies saying they will pass the saving on to prospective purchasers and an insurance company passing on to policyholders the savings that they will effectuate by the passage of the bill. The former is of benefit only to those who are in a position to buy an automobile. The latter is for the benefit of literally millions of people who are consumers and who receive the benefit of this legislation in the form of dividend checks from the insurance companies, and those dividend checks will move into the channel of trade and commerce and be a stimulus to our economy, and therefore beneficial, and therefore in line with the purposes of those of us who are trying to put money into the hands of consumers and give our economy a lift.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield the floor.

COMMITTEE MEETING DURING SESSION OF SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Public Works may meet during the session of the Senate tomorrow from 10 a. m. until noon.

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

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on the sessions of the Senate until Monday next.

FACTS ABOUT PRICE SUPPORTS

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD the factual publication by the Department of Agriculture entitled "Facts About Price Supports." Every Member of Congress should carefully evaluate the content of this analysis, and every citizen who is interested in sound farm legislation should also consider the basic facts contained herein.

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

FACTS ABOUT PRICE SUPPORTS

Items from only 13 crops are in Government inventory, plus manufactured dairy products and a small amount of wool soon to be sold. Our farms and ranches produce some 250 commodities including cattle, hogs, sheep, poultry, and tremendous quantities of fluid milk.

Over 80 percent of the price supports and stabilization costs in the 1956-57 period were concentrated in three crops and butter and manufactured dairy products. Nearly one-half—48 percent—of the costs were incurred on two crops—wheat and cotton.

Most farm products are being sold competitively—on free markets.

The major Federal costs of price supports and stabilization programs are concentrated in three crops and butter and manufactured dairy products (based on fiscal years 1956 and 1957):

	Percent of costs	Percent of total cash farm receipts from 1956 sales
Wheat.....	30.0	7.4
Cotton.....	18.2	5.9
Corn.....	13.8	5.2
Dairy products.....	20.2	14.7
Subtotal.....	82.2	33.2
All other.....	17.8	66.8
Total.....	100.0	100.0

This distribution of price support and stabilization program costs is the result of operations in conformance with law.

The net realized cost of programs primarily for the support of farm prices and income in fiscal 1956 was \$1.9 billion and in 1957 was almost \$3.25 billion. These heavy costs would be justified if they led to a solution of the problems. Such is not the case. Price supports at the levels specified by the old basic law continue to generate surpluses which must be disposed of at heavy loss. The stock buildup resulting from the old rigid price law contributed to a major part of this loss. The losses are shown at the time of disposal:

1957 fiscal year price support and stabilization calculated costs by size and class of farms

	Scale of farm product sales	Number of farms	Percent of farms	Percent of United States farm marketings	Calculated portion of 1957 price support and stabilization costs	
					Total	Amount per farm
Large scale farms.....	Sales of \$5,000 or more.....	Thousand 1,290	27	79	Million \$2,571	\$1,993
Medium-scale farms.....	Sales of \$2,500 to \$4,999.....	811	17	12	391	432
Small-scale, part-time, and residential farms.....	Farms with less than \$2,500 sales.....	2,681	56	9	293	109
Total.....		4,782	100	100	3,255	

Most price supports go to the 1.3 million large scale farms accounting for 79 percent of the farm marketings. For this group, the calculated portion of price support and stabilization costs for fiscal year 1957 averaged about \$2,000 per farm.

For the 2.7 million small-scale, part-time and residential farms, accounting for only 9 percent of farm marketings, the calculated portion of costs of governmental programs for price supports and stabilization averaged only slightly over \$100 per farm. These farms received little help from the \$3.3 billion of Federal costs in fiscal 1957.

The rural development program is helping primarily the low-income farm families—the ones most in need of help.

The realized net cost per farm of price support and stabilization programs for fiscal year 1957 by crops (based on most recent census data of number of farms selling the crops) has been about as follows:

	Cost per farm
Wheat.....	\$1,166
Cotton and cottonseed.....	877
Corn.....	687
Grain sorghums.....	365
Rice.....	14,667

There are, of course, wide extremes between small 15-acre wheat or 5- to 10-acre cotton farms—and the large-scale acreages per farm of 100 acres or more.

For example, based on 1954 census distribution of crops by size groups:

Wheat: 625,000 farms (62 percent) with less than 25 acres of wheat accounted for less than 14 percent of the governmental costs (fiscal 1957). This averaged about \$200 per farm; 59,000 farms (6 percent) with 200 acres and over, accounted for 36 percent of the Government costs (fiscal 1957). This averaged almost \$6,000 per farm.

Cotton: 424,000 farms (49 percent) with less than 10 acres of cotton accounted for less than 11 percent of the governmental costs (fiscal 1957). This averaged nearly \$200 per farm; 32,000 farms (4 percent) with 100 acres or more of cotton accounted for 31 percent of the governmental costs (fiscal 1957). This averaged about \$7,400 per farm.

Rice: 7,468 farms (64 percent) of the 11,567 rice farms had 100 acres or more of rice and accounted for about 92 percent of the governmental costs (fiscal 1957). This averaged about \$21,800 per farm.

The commodity figures have special meaning when it is realized there are nearly 1.9 million farms with total sales per year of \$1,200 or less.

A TRIBUTE TO THE REVEREND FREDERICK BROWN HARRIS, CHAPLAIN OF THE SENATE

Mr. MORSE. Mr. President, we have been operating under a limitation of time during most of the day, with the result, because I was at a committee conference this morning when tributes were paid to the Senate Chaplain on his receiving a special award from Freedom Foundation at Valley Forge, I was not able to say a brief word that I wish to say in tribute to the Chaplain.

Mr. President, I do not believe anything anyone could say would be more fitting by way of commending the Chaplain for this very deserved distinction that has been bestowed upon him than is contained in the words of the award itself, which reads:

To the Reverend FREDERICK BROWN HARRIS,
Chaplain of the United States Senate:

With esteem and affection to an American whose prayers, sermons and editorial works have lifted the hearts of multitudes—

With regard and honor to him whose thoughts, far vision and steadfast faith move all whom he touches to patriotism and love of country—

With matchless service to the cause of free men, he makes known the strength of prayer and iron will in language beautiful in his prayers in the Senate of the United States. Truly one who desires freedom for all under God, and asks nothing for himself.

From personal association with the Chaplain, who I am privileged to say is a very good and close friend of mine, I believe him to be one of the greatest spiritual leaders it has ever been my privilege to know.

I extend to him, on behalf of Mrs. Morse and myself, our very sincere congratulations and commendation for this deserved award.

Mr. President—

The PRESIDING OFFICER. The Senator from Oregon.

TAXATION OF LIFE INSURANCE COMPANIES

Mr. MORSE. Mr. President, I am concerned about the record made today as it will appear on the pages of the CONGRESSIONAL RECORD, even though I think the Senator from Illinois [Mr. DOUGLAS] has placed in the RECORD the answer to what I consider to be an ungrounded comment which has been made several times in the course of the debate on the Douglas amendment and on the other amendments which have been offered, which seek the same objective, such as the amendment of the Senator from New Mexico [Mr. ANDERSON].

I am a cosponsor of the Douglas amendment, and I do not cosponsor amendments or author amendments unless I am satisfied they are in order. But the argument has been made tonight that amendments such as the Douglas amendment and the Anderson amendment are really not in order because revenue bills must originate in the House.

These amendments, in effect, constitute reference to a revenue matter. The Senator from Illinois has pointed out that the bill came to us from the House, and that once it came to the Senate from

the House, these amendments were in order.

I do not like to leave the issue clouded. I think the Senate is entitled to have the question settled once and for all. We who will be discussing this matter in our own States with the taxpayers, who will want to know our explanation for the course of action which the Senate took, are entitled to be placed in a position so that we will have the official answer to any rationalization that the Douglas amendment and the Anderson amendment were not really in order.

Therefore, I raise a parliamentary inquiry as follows: Was the Douglas amendment to the pending bill in order?

The PRESIDING OFFICER (Mr. MORRIS in the chair). The Chair rules that the amendment was in order. A unanimous-consent agreement was reached as to germaneness, and the amendment was in order.

Mr. MORSE. I thank the Chair. I think that when arguments of that type are made in debate in the Senate, it is important that we get the answers to them then and there. I think the amendment of the Senator from Illinois, as the Chair has pointed out, was germane and in order.

I am willing to predict that the chances are very great that within 90 days the Senate will be voting again on the principle of the Douglas amendment. The danger is that then it may be too late to do much good. I think if the principle of the Douglas amendment were adopted now, it would be possible to put a great many people back to work within the next 90 days, because of the increase in purchasing power which would have flowed from it. The savings would have gone immediately into the cash registers of America.

I shall close, Mr. President, because I may not be able to speak on the matter tomorrow, with a 1-minute reference to the pending bill. I shall, of course, vote against the bill which seeks to give a handout to the insurance companies of America.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Mr. President, earlier in our deliberations today, the distinguished Senator from Illinois [Mr. DOUGLAS] asked me if it would be possible to have a quorum call before the yea-and-nay vote on his amendment, without the time for the quorum call being charged to his time. The Senator from Texas replied in the affirmative, stating that it was customary to permit a quorum call before a yea-and-nay vote.

The Senator from Texas was not in the Chamber during the last few minutes of the debate. It is my information that no Senator suggested the absence of a quorum.

One of our colleagues, relying upon the statement that the absence of a quorum could be suggested, was not present for the yea-and-nay vote on the Douglas amendment.

Rule XII provides:

And no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for suffi-

cient reasons, with unanimous consent, change or withdraw his vote.

Since no Senator, under rule XII, can vote after the decision has been announced, I deeply regret that the absence of a quorum was not suggested. I apologize to the Senators involved.

Had I been here, and had I remembered the suggestion I made to the Senator from Illinois, I would have suggested the absence of a quorum, and they would have had an opportunity to be recorded. I asked that the RECORD show how they would have voted had they been here. I assume that was my responsibility, although I do not feel that it was my responsibility to suggest the absence of a quorum, because that was the privilege of any Senator.

Mr. MORSE. I add only this to the point which the Senator from Texas has made. I think it is remarkable that the Senator from Texas is able to grant all the courtesies and considerations to Members of the Senate, with regard to the procedures of the Senate, that he does grant. Certainly I do not think he should feel the least bit apologetic for the fact that in this particular circumstance a quorum was not called, because it seems to me that some other Senator, under the circumstances, should have called for a quorum in the absence of the Senator from Texas. But his explanation is typical of the determination of the Senator from Texas to be fair and considerate to all Members of the Senate on both sides of the aisle.

I simply wanted to speak for a minute with regard to the bill, because I wish the RECORD to show, before we adjourn tonight, that I shall vote against the bill in its present form. I believe in taxing on the basis of ability to pay. If any group in America has the ability to pay the going rate of taxes, which under the law it is obligated to pay, it is insurance companies. I think we have already permitted enough loopholes in the tax structure under this administration for the advantage of big business without the Senate deliberately selecting one special, powerful economic group and giving it what I consider to be an unwarranted tax concession, when millions and millions of small taxpayers in the United States are entitled to the kind of consideration which the Senator from Illinois sought to give them tonight by his amendment.

Mr. President, I simply cannot understand the motivation behind this bill. I am at a loss to understand how it can be seriously proposed, in view of the situation which confronts the economy of the Nation, that Congress should give a handout to the great insurance organizations of the Nation.

If it is tax relief that is needed, it ought to be tax relief on a broad base, not at the apex. It should be at the broad base of the economic triangle. That would mean relief to the small taxpayers, whose savings, as the Senator from Illinois and other Senators pointed out earlier in the debate, would go immediately into the purchase of commodities which would put thousands of persons back to work.

I believe we would have to stretch our imaginations rather far in order to make ourselves believe that very much employment would result from this kind of a handout to the insurance companies.

I wonder whether anyone really thinks the insurance companies would, as a result, lower their premiums on insurance policies. Certainly they would increase their dividends; but they certainly would not lower their premiums.

Mr. President, sometimes I find that things in the Senate are beyond explanation. This is one of them.

I shall vote against the bill, because I find it shocking to horse-sense, and because I am satisfied that any 12 true Americans serving in a jury box anywhere in the Nation would, if this proposal were put to them, arrive at a unanimous verdict against it.

Therefore, Mr. President, because I believe the pending bill proposes a grossly unjust handout to the insurance companies and a further discrimination against the best interests of the entire group of so-called small taxpayers of the Nation, I shall vote against the bill.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. JOHNSON of Texas, from the Committee on Armed Services, with amendments:

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made (Rept. No. 1390).

ADDITIONAL BILLS INTRODUCED

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

By Mr. PASTORE (by request):

S. 3474. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. NEUBERGER:

S. 3475. A bill for the relief of Florentino Bustamante Bacaoan, yeoman, second class, United States Navy; to the Committee on the Judiciary.

FORMULA FOR TAXING INCOME OF LIFE INSURANCE COMPANIES—AMENDMENTS

Mr. POTTER submitted an amendment, intended to be proposed by him, to the bill (H. R. 10021) to provide that the 1955 formula for taxing income of life insurance companies shall also apply to taxable years beginning in 1957, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted amendments, intended to be proposed by him, to House bill 10021, supra, which were ordered to lie on the table and to be printed.

Mr. NEUBERGER submitted an amendment, intended to be proposed by him, to House bill 10021, supra, which was ordered to lie on the table and to be printed.

ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. DOUGLAS. Mr. President, pursuant to the order previously entered, I now move that the Senate stand adjourned.

The motion was agreed to; and (at 11 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, March 14, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 13, 1958:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Thomas Francis Hickey, O10362, Army of the United States (major general, U. S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066 to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Herbert Butler Powell, O16684, United States Army, in the rank of lieutenant general.

Maj. Gen. Clark Louis Ruffner, O15968, United States Army, in the rank of lieutenant general.

IN THE AIR FORCE

The following officers to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10, of the United States Code:

Maj. Gen. Robert W. Burns, 527A, Regular Air Force.

Maj. Gen. Roscoe C. Wilson, 360A, Regular Air Force.

Maj. Gen. Roy H. Lynn, 492A, Regular Air Force.

Maj. Gen. Robert M. Lee, 590A, Regular Air Force.

The following officers to be placed on the retired list in the grade of lieutenant general under the provisions of section 8962, title 10, of the United States Code:

Lt. Gen. Charles T. Myers, 37A (major general, Regular Air Force), United States Air Force.

Lt. Gen. Joseph Smith, 84A (major general, Regular Air Force), United States Air Force.

Lt. Gen. Donald L. Putt, 494A (major general, Regular Air Force), United States Air Force.

IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of section 8298, title 10, United States Code. All officers are subject to physical examination required by law.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Kelly, James S., 31753A.

Kincaid, Thomas L., Jr., 31754A.

Paige, Frederick D., 31752A.

Degnan, Donald W., 31750A.
Hilbun, William H., 3d, 31751A.
Schulman, Herbert L., 31755A.
Jost, George T., 31756A.
Caldwell, Troy L., 31757A.
Hirsh, Leon S., Jr., 31761A.
Sverdrup, Lawrence H., 31759A.
Manthei, Donald F., 31758A.
Lively, William L., 31762A.
Monahan, John W., 31760A.
Winbery, Gordon H., 31763A.
Wright, Clifton D., Jr., 31764A.
Smith, Warren P., Jr., 31766A.
Kuhnell, Rudolf R., 3d, 31765A.
Meinig, Helmut P. M., 31768A.
Comfort, Earle H., 31767A.
Almond, Gerald R., 28976A.
Barker, Raoul S., 31770A.
Koski, Francis H., 31774A.
Yager, Donald E., 31771A.
Capper, Dennis L., 31772A.
Greenblatt, Owen L., 31773A.
King, Robert J., 31775A.
Ruth, Alfred E., Jr., 31776A.
Woodworth, Samuel A., 31777A.
Waring, George B., 31781A.
Wathen, John A., 31782A.
Sharp, Hubert W., 31784A.
Smith, Richard P., 31780A.
Chancey, John W., 31783A.
McCormack, Eugene L., Jr., 31779A.
Reese, Jerry W., 31778A.
Smith, Thomas H., 31785A.
Gowing, Donald R., 31786A.
DiBartolo, Eugene N., 31787A.
Frisbie, Erwin C., Jr., 31791A.
Sager, Robert E., 31790A.
Braunstein, Eugene D., 31789A.
Carlson, Fredric J., 31788A.
Myers, Franklin W., 31795A.
Hogeman, Carroll G., 31798A.
Plaisance, Newton C., Jr., 31797A.
Duval, Donald K., 31799A.
Wade, Austin R., 31796A.
Gray, Eugene T., 30794A.
Craver, Jesse C., Jr., 31793A.
Hinote, Martin A., 31801A.
Sohn, Randall L., 31800A.
Hesseltine, William H., Jr., 31792A.
Aldrich, William B., 31802A.
Bruckner, Charles S., 31803A.
Brown, Harris S., 31807A.
Moore, Thomas L., 31805A.
Plumb, Richard E., 31806A.
Thornhill, William J., 31808A.
Hendry, Lynwood B., 31804A.
Oehme, Chester G., Jr., 31809A.
Nelson, Merle A., 31810A.
Weiner, Arthur C., 31811A.
Puckett, William E., 31812A.
Green, Billy L., 31815A.
Prince, Robert E., 31817A.
Ballard, Arthur T., Jr., 31816A.
Dyer, Thomas J., 3d, 31813A.
Barton, Gerard S., 31814A.
Hamilton, John T., 27259A.
Jacobs, Delbert H., 27291A.
Phillips, Fred B., 27379A.
Adams, Francis J., 27155A.
Newell, Marcy L., 27362A.
Karam, Raymond A., 27295A.
Ebert, Daniel, 27226A.
Smetana, Duane W., 27427A.
Burroughs, William D., 27184A.
Ruth, John C., 27409A.
Perkins, John R., 27374A.
Stuart, Robert B., 27443A.
Thompson, James L., Jr., 27448A.
Welch, William W., 27465A.
Davis, Reginald R., 27212A.
Poppe, Robert T., 27385A.
Bossert, Carl J., 27177A.
Volgenau, Ernst, 27457A.
Burton, Robert W., 27185A.
Gamble, John T., 27242A.
Gregg, Lucius P., Jr., 27256A.
Worden, Alfred M., 27474A.
Blitch, George R., 27176A.
McClure, Samuel L., 27332A.
Howard, James E., 27288A.
Greene, Francis M., Jr., 27255A.

O'Leary, Robert M., 27368A.
 Riedel, Emil G., Jr., 27394A.
 Young, William R., 27478A.
 Rubenstein, Morton J., 27403A.
 Wray, Robert O., 27475A.
 Cacavas, Paul C., 27186A.
 Millard, Robert G., 27347A.
 Linebarger, John H., 27317A.
 Rupp, Alexander K., 27407A.
 Sims, Thomas E., 27423A.
 Lovely, Howard E., 27319A.
 Fowle, Edward E., 27238A.
 Moore, Thomas D., Jr., 27353A.
 Cosca, Dennis J., 27201A.
 Fuqua, Claude T., 3d, 27241A.
 Low, Edward, 27320A.
 Nelson, Harold W., Jr., 27360A.
 Wolfe, Lloyd T., 27472A.
 Bartlett, Robert O., 27166A.
 Ohme, Calvin E., 27367A.
 Gray, Charles M., 27254A.
 Loosley, Donald J., 27318A.
 Jamison, John W., Jr., 27292A.
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 Conway, William R., 27200A.
 Cathey, Carl H., Jr., 27191A.
 Straub, Edward C., 27439A.
 Edwards, Alan M., 27227A.
 Sherman, Robert M., Jr., 27422A.
 Stewart, James H., 27435A.
 Moses, Kenneth H., 27355A.
 State, Thomas L., 27432A.
 Peterson, Carl B., 27375A.
 Sheldon, Alfred E., Jr., 27421A.
 Hilland, Richard W., 27279A.
 Poirier, John T., 27383A.
 Keranen, Edmund H., 27301A.
 McKelvey, Robert D., 27338A.
 Peterson, Donald H., 27376A.
 Dorough, Felix, 27219A.
 Ware, Walter E., Jr., 27460A.
 Anders, William A., 27158A.
 Holden, Kenneth L., 27283A.
 Hawkins, Jerome D., 27272A.
 Klung, Henry A., Jr., 27305A.
 Hodges, Russell B., 27282A.
 Heye, James F., 27277A.
 Lunnen, Ray J., Jr., 27321A.
 Donald, Frank L., Jr., 27217A.
 Hatch, Monroe W., Jr., 27271A.
 Raster, John M., 27390A.
 Hardy, John S., 27266A.
 Helms, Sandra B., Jr., 27273A.
 Chiota, Anthony J., 27194A.
 Fairley, William G., 27231A.
 Rule, Ronald E., 27405A.
 Stone, Reed L., 27437A.
 Moran, Richard A., 27354A.
 Hammond, Robert A., 27263A.
 Cassells, Cyrus C., Jr., 27190A.
 Kenney, Charles E., 27300A.
 Bouchard, Philippe O., 27179A.
 Chapman, Edwin K., 27192A.
 Benton, Charles R., 27171A.
 Barlow, William J., 27164A.
 Bottoms, William H., Jr., 27178A.
 Floyd, Leland D., 27236A.
 Sutton, Donald J., 27446A.
 Giza, Donald A., 27249A.
 Trapp, David L., 27452A.
 Schade, David U., 27412A.
 Strickland, Theodore R., 27442A.
 Dickson, Marshall W., Jr., 27216A.
 Hlawek, Robert A., 27280A.
 Levin, Harold A., 27314A.
 Prater, Richard H., 27387A.
 Dickinson, James H., 27215A.
 McWilliams, William D., 3d, 27343A.
 McCrillis, Walter C., 27334A.
 Drake, Thomas J., 27220A.
 Russell, Robert L., 27408A.
 Martin, Paul L., Jr., 27325A.
 Volkstadt, Wilfred G., 27458A.
 Monnich, David H., 27352A.
 Conner, George W., 27199A.
 McNiven, Ronald W., 27340A.
 Meisenheimer, Robert A., 27345A.
 Ulshafer, Paul M., 27455A.
 Keegan, James F., 27298A.
 McPherson, James K., 27341A.
 Beoddy, John J., 27172A.

Olive, Lewis C., Jr., 27369A.
 Carrington, William M., 27188A.
 Thornquist, Robert, 27449A.
 Schlicht, Harold C., 27413A.
 Harnly, Myron D., 27267A.
 Ward, Brian D., 27459A.
 Pickitt, John L., 27381A.
 Glidden, Norb R., 27250A.
 Goodwin, William J., Jr., 27252A.
 Graue, Robert W., 27253A.
 Ponti, Robert J., 27384A.
 Seay, James E., 27414A.
 Wargowsky, Richard G., 27461A.
 Secord, Richard V., 27417A.
 Martin, William C., 27326A.
 Gerdon, Gerald A., 27246A.
 Lichtenberg, Herbert S., 27316A.
 Geran, Daniel B., 27245A.
 Binish, Robert H., 27175A.
 Karnes, John H., 27296A.
 Serex, Henry M., 27419A.
 May, Donald M., 27330A.
 Stephens, Jerry D., 27434A.
 Small, Irvin M., 27426A.
 Lyden, Raymond G., 27322A.
 Cutchin, James H., 4th, 27207A.
 Bianchino, Richard A., 27174A.
 McDonald, John S., 27336A.
 Strickland, Robert K., 27441A.
 Seborg, Earnest H., 27415A.
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 Phillips, Thomas J., 2d, 27380A.
 Roades, Charles W., 27398A.
 McDaniel, Robert H., Jr., 27335A.
 Brower, Richard H., 27181A.
 Regnier, Richard A., 27393A.
 Baker, Marlin R., 27163A.
 St. George, Edward F., Jr., 27410A.
 Hotchkiss, John F., Jr., 27287A.
 Millay, Albert K., 27348A.
 Crouch, David B., 27205A.
 Coulter, Robert K., 27202A.
 Michalove, Lawrence G., 27346A.
 Harvill, Preston S., Jr., 27270A.
 Palladino, Norman K., 27372A.
 Anderson, Edwin M., Jr., 27159A.
 Ray, James S., 27391A.
 Tebben, Gerald D., 27447A.
 O'Connor, Patrick J., 27365A.
 Anderson, William L., 27161A.
 Francis, George F., 27239A.
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 Wilhelm, Frederick A., Jr., 27467A.
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 Vitori, Theodore E., 27456A.
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 Gaudin, John E., 3d, 27243A.
 Cunningham, John T., 3d, 27206A.
 Alfred, Loren R., 27156A.
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 Oppel, Albert F., 27370A.
 Harris, William W., Jr., 27268A.
 Davis, Joseph H., Jr., 27211A.
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 Fetterer, George G., 27234A.
 Gimbrone, Joseph L., 27248A.
 Flynn, Charles L., 27237A.
 Recicar, Steve A., 27392A.
 Nordlie, Roland L., 27363A.
 Mitchell, Jimmie R., 27350A.
 Lewis, Alan P., 27315A.

Pruitt, Leslie D., 27388A.
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 Buile, Al, 27183A.
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 Medeiros, Raymond R., 27344A.
 Winters, Albert C., Jr., 27471A.
 Hunter, George F., 27290A.
 Ruberg, Arthur J., 27404A.
 Law, Donald K., 27311A.
 McCarthy, Richard D., 27331A.
 Todd, William J., 27451A.
 Hall, Bud T., 27258A.
 Young, Brewer H., Jr., 27477A.
 Weissenborn, Ronald E., 27464A.
 Neubeck, Francis G., 27361A.
 Phelf, Robert F., 27378A.
 Barton, Robert B., 27167A.
 Kaus, Norbert R., 27297A.
 Faurer, Judson C., 27233A.
 Wilson, Kenneth V., 27469A.
 Smith, Richard S., 27428A.
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 Herman, Milton J., Jr., 27276A.
 Sullivan, John R., 27444A.
 Roche, James J., 27399A.
 Chura, Francis R., 27195A.
 Dantzier, Gerald T., 27209A.
 Sechrist, John R., 27416A.
 Hock, William J., 3d, 27281A.
 Odgers, Peter W., 27366A.
 Gilpin, Jerry M., 27247A.
 Winfrey, Arthur P., 3d, 27470A.
 Riggs, Leland S., Jr., 27395A.
 O'Brien, Thomas E., 27364A.
 Mudzo, Michael G., 27356A.
 Harbour, William T., 27265A.
 McLaughlin, Francis J., 27339A.
 Trentman, Clarence L., 27453A.
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 Stoeckel, Charles G., 27436A.
 Storey, Alvin B., 2d, 27438A.
 Masson, Richard W., 27327A.
 Carruthers, William M., 27189A.
 Clarkson, Joseph E., 27196A.
 Farnsworth, William W., 27232A.
 LeCates, Walter F., Jr., 27312A.
 Zuckerman, Donald L., 27479A.
 Pirkey, Frederick E., 27382A.
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 Murray, Ronald S., 27358A.
 Goodwin, James A., 27251A.
 Singer, Earl V., Jr., 27424A.
 Arnold, William E., Jr., 27162A.
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 Kittler, Richard M., 27304A.
 Bendrick, Frank E., 27170A.
 Bell, Thomas J., 27169A.
 Hamley, Gordon B., 27261A.
 Brown, Gerald C., 27182A.
 Kiefer, Richard J., 27302A.
 Hammett, David M., 27262A.
 Mulholland, James W. A., 27357A.
 Eassa, Edward J., 27225A.
 Hansell, Haywood S., 3d, 27264A.
 Rodes, Allen H., 27400A.
 Lynn, Roy H., Jr., 27323A.
 Miller, Thomas H., 27349A.
 Fisher, Melvyn, 27235A.
 Davis, Dempsey A., Jr., 27210A.
 Drummond, Kent R., 27221A.
 Spangler, Wilson H., Jr., 27430A.

Huey, Brooks T., 27289A.
 Bayly, Philip A., 27168A.
 Steele, Eldon D., 27433A.
 Rohr, Donald F., 27401A.
 McVey, Robert L., 27342A.
 Dyer, Pintard M., 3d, 27224A.
 Holland, Leslie R., Jr., 27284A.
 Anderson, John J., 27160A.
 Koonce, David M., 27307A.
 Woodcock, Sidney J., 27473A.
 Kindel, John F., 27303A.
 Pabst, Harold C., Jr., 27371A.
 Sizemore, Tad E., 27425A.
 Ellstrom, James W., 27228A.
 Snyder, John F., 27429A.
 Bernt, Nathaniel, 27173A.
 Freeman, Roy B., Jr., 27240A.
 Castillo, Francis L., 27580A.
 Dahlquist, Lamont R., 31819A.
 O'Brien, Thomas H., 31818A.
 Quinn, Lawrence H., 31822A.
 Eggleston, John D., 31820A.
 Faulkner, Frederick H., 31821A.
 Jefferies, William R., 3d, 31823A.
 Peterson, Milton R., 31824A.
 Borland, Jack G., 31830A.
 Boseman, Paul M., 31827A.
 Munna, Joseph V., 31825A.
 Somers, Richard L., 31833A.
 Donlon, James M., Jr., 31834A.
 Smith, Robert N., 31826A.
 Hall, John L., 31828A.
 Behringer, Blair R., 31837A.
 Ericson, David M., Jr., 31831A.
 Lund, William R., 31832A.
 Varnum, John W., 31836A.
 Elmer, Dean A., 31835A.
 Brennan, William F., 31838A.
 Arenas, Thomas J., 31840A.
 Bolin, John W., Jr., 31841A.
 Anderson, William G., 31839A.
 Edgren, Robert D., 31842A.
 Womack, Willis G., 31845A.
 Jameson, George W., 31844A.
 Siegmund, Frederick R., Jr., 31847A.
 Wiederspan, Jon W., 31848A.
 Zarr, Robert D., 31846A.
 Phillips, John B., 31849A.
 Girard, Robert M., 31850A.
 Weaver, James A., Jr., 31853A.
 Smith, Dale H., 31852A.
 Davis, James W., 31854A.
 Tillotson, James H., Sr., 31855A.
 Hall, Gene F., 31859A.
 Newell, Jack L., 31856A.
 Boehler, Ernest A., Jr., 31858A.
 Walbridge, James S., 31861A.
 Schmaling, Max R., 31857A.
 Desmond, William R., 31860A.

NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 13, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Galatians 6: 9: Let us not be weary in well-doing; for in due season we shall reap, if we faint not.

Most merciful and gracious God, we beseech Thee to be present and favorable unto these Thy servants as they again assemble in this Chamber to engage in the business of statecraft.

We pray that Thou wilt increase the ardor of our efforts in well-doing and help us to mobilize our faith in the abiding reality and the invincible strength of the moral and spiritual resources.

Grant that we may hasten the dawning of that day when all shall know Thee,

and the kingdoms of this world shall become the kingdom of our Lord.

We thank Thee for the life and character of our colleague who now dwells with Thee in eternal blessedness. May the members of his bereaved family find their consolation in Thee.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

Senate Resolution 274

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN J. DEMPSEY, late a Representative from the State of New Mexico.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative, the Senate, at the conclusion of its business today, adjourned until 10 o'clock antemeridian tomorrow.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3418. An act to stimulate residential construction; and

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 58-10.

ATOM BOMB EXPLOSION AT FLORENCE, S. C.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, Pentagon officials, according to news reports yesterday, considered the Florence atomic bomb as a case in point to prove their official contention, issued on February 15, that the possibility of an accidental nuclear explosion "is so remote as to be negligible." They cite odds of two billion to one.

Please note, however, by "accidental" they mean only a mechanical failure or inadvertence. If you add, as you

must, human errors such as misguided idealism, venality, drunkenness, mental illness, and misunderstanding, then you must conclude, as I have concluded, that an "accidental" or unauthorized atomic explosion is inevitable.

Thousands of nuclear weapons exist today, ready for instant detonation and in the hands of error-prone human beings like you and me. What happened in South Carolina day before yesterday raises the question again: "Are we smart enough to survive our own inventions?" In my opinion, the solution, if there is still time for one, lies in the suspension of nuclear tests, cessation of the production of nuclear weapons, and the disposal of stockpiles—not unilaterally but by common consent to turn back before it is too late.

PRICE SUPPORTS

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, our friends in the other body have scheduled final floor action today on the legislation to hold the line on farm price supports for this year. Our own great Committee on Agriculture now is considering similar legislation which was introduced by several of us on the opening day of this session.

It is imperative that this legislation be given favorable action before April 1, the date when the first price cut will otherwise go into effect.

This week the Department of Labor announced that the official unemployment total in the Nation is now well over 5 million. I submit, Mr. Speaker, that much of this unemployment stems from the fact that the purchasing power of our farm families has dropped by one-third since 1951.

If we permit farm income to drop again in 1958, we can expect the 5-million unemployment figure to move on up toward the 10-million mark.

The gentleman from California [Mr. ROOSEVELT] and I have recently introduced comprehensive farm legislation that is geared to the best interest of both farmers and consumers. We hope for favorable action on our proposal, but for the present we need to act on the temporary hold-the-line legislation which I trust will be before the House in the next few days.

SMALL BUSINESS COMMITTEE

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Small Business Committee may sit today during general debate.

The SPEAKER. Is there objection? There was no objection.

NORTH ANDOVER'S SCARLET KNIGHTS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.