better. It could have been bigger and better because, while the Federal Forest Service sold 7 billion feet of timber it, according to statements of its chief foresters, could have sold 11 billion feet of Federal forest timber and still have grown timber on the federally owned forest lands as fast as the timber was cut.

The Federal Government by selling 11 billion feet of timber from its Federal lands annually, instead of the present 7 billion feet, can increase the Federal Government's revenue from timber sales by more than $60 million a year. This will be far above all costs involved for the sale of extra timber and will leave the Government an additional profit of many millions of dollars a year to help finance the cost of Government.

Also the making of more Federal timber available will improve the economy of communities in the federally forested areas by assuring these communities an uninterrupted increased supply of logs which their woodworking industries require to assure full employment.

An artificial shortage of timber available for cutting has existed in the Pacific Northwest for several years due to undercutting on Government sustained yield forest lands. This certified shortage has resulted in many communities in curtailed employment.

By selling more Federal timber the Federal Government still, according to its own experts, can grow young trees to replace the old as fast as the old trees are cut. By doing so it can make money for the Federal Treasury and at the same time increase employment and prosperity in the timbered areas.

I am in full agreement with the text of a letter sent to President Eisenhower, under date of April 17, 1958, urging increased timber cutting on Federal forest lands by the Industrial Forestry Association, of Portland, Oreg. The text of the association's letter follows:

The PRESIDENT,
The White House, Washington, D. C.

At the annual meeting of the Industrial Forestry Association, whose members employ more than 63,000 people in western Oregon and Washington today, our subscribers unanimously directed that we send you the following telegram:

"With the United States Government owning every other tree in Oregon and Washington which provide the American people with one-quarter of their forest products, it is imperative that a realistic allowable cut of Federal timber be sold each year. In the last 10 years, through failure of the United States to sell more than 7 billion feet of ripe timber which should have been harvested, the economy of Oregon and Washington has lost three-quarters of a billion dollars. Government's failure to sell the full allowable cut has created artificial timber shortages, contributed to inflation of timber prices, and resulted in fewer job opportunities in our States. We respectfully request that you direct the Forest Service and the Bureau of Land Management to sell each year the full allowable cut under sustained yield forest management. Harvest of the full allowable cut of Federal timber is essential to the new housing program, will increase employment, stabilize communities, speed attainment of long-range Federal forestry objectives, and return increased revenue to the Treasury and local governments."

NILS B. HULT,
President, Industrial Forestry Association, Portland, Oreg.

SENATE

TUESDAY, APRIL 22, 1958

Rev. John Prescott Robertson, D. D., minister, the First Congregational Church, Braintree, Mass., and chaplain of the Massachusetts Senate, offered the following prayer:

Almighty and Most Gracious God, Father of us all and of our Lord Jesus Christ, whose concerns have become our own: Look upon us now with Thy divine understanding and forgiving affection, as we bring the person Thou alone seest into Thy presence, through our noonday prayer.

Do Thou widen the horizons of our lives until we are as sensitive to the needs of others as we are to our own welfare. Make us restless both in vaunting our faith on street corners and in hiding our talents in the earth. Guard us alike from having too much trust in ourselves and too little faith in Thee.

Give us the courage and the vision, O God, to start where we are; to do what we can; and to speak as we are able; through Jesus Christ our Lord. Amen.

THE JOURNAL

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

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3816. An act to amend section 752 of title 28, United States Code;

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes;

H. R. 7515. An act to require pilots on certain vessels navigating United States waters of the Great Lakes, and for other purposes;

H. R. 7645. An act to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin;

H. R. 7681. An act to authorize the Secretary of the Interior to convey certain land with the improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe;

H. R. 7710. An act to provide for the lump-sum payment of all accumulated and current accrued annual leave of deceased employees;

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes;

H. R. 8071. An act to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Va., known as the Fort Story Military Reservation, to the Norfolk Southern Railway Co. in exchange for other lands and easements of said company;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 9022. An act to amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress;

H. R. 9232. An act to amend Public Law 481, 84th Congress (70 Stat. 104);

H. R. 9281. An act to change the designation of the Bureau of Yards and Docks to the Bureau of Civil Engineering, and for other purposes;

H. R. 9381. An act to designate the lake above the diversion dam of the Solano project in California as Lake Solano;

H. R. 9382. An act to designate the main dam of the Solano project in California as Monticello Dam;

H. R. 9738. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon containing 5.39 acres, more or less;

H. R. 10425. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H. R. 11058. An act to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments;

H. R. 11519. An act to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels; and

H. R. 11668. An act to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 588) making advance procurement appropriations for the fiscal year 1958, and for other purposes, and it was signed by the Vice President.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 3816. An act to amend section 752 of title 28, United States Code;

H. R. 9022. An act to amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H. R. 10425. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard; and

H. R. 11668. An act to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended; to the Committee on the Judiciary.

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes; placed on the calendar.

H. R. 7515. An act to require pilots on certain vessels navigating United States waters of the Great Lakes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 7645. An act to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin;

H. R. 8071. An act to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Va., known as the Fort Story Military Reservation, to the Norfolk Southern Railway Co. in exchange for other lands and easements of said company;

H. R. 9281. An act to change the designation of the Bureau of Yards and Docks to the Bureau of Civil Engineering, and for other purposes;

H. R. 9738. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon containing $5^{39}/_{100}$ acres, more or less; and

H. R. 11519. An act to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels; to the Committee on Armed Services.

H. R. 7681. An act to authorize the Secretary of the Interior to convey certain land with the improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 9232. An act to amend Public Law 481, 84th Congress (70 Stat. 104);

H. R. 9381. An act to designate the lake above the diversion dam of the Solano project in California as Lake Solano; and

H. R. 9382. An act to designate the main dam of the Solano project in California as Monticello Dam; to the Committee on Interior and Insular Affairs.

H. R. 7710. An act to provide for the lump-sum payment of all accumulated and current accrued annual leave of deceased employees; to the Committee on Post Office and Civil Service.

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes; and

H. R. 11058. An act to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments; to the Committee on Agriculture and Forestry.

COMMITTEE SERVICE

The VICE PRESIDENT. The Chair appoints the Senator from Idaho [Mr. CHURCH] to be a member of the Select Committee on Improper Activities in the Labor or Management Field in place of the Senator from Michigan [Mr. MCNAMARA], resigned.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

EXECUTIVE SESSION

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

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

WITHDRAWAL OF TREATIES—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Senate of the United States:

With a view to further study and consideration of certain treaties in the light of developments since they were formulated, and in order to assist the Senate in placing its Treaty Calendar on a relatively current basis, I desire to withdraw from the Senate the following treaties and understanding:

Executive C, 80th Congress, 1st session: Conciliation treaty between the United States of America and the Republic of the Philippines, signed at Manila, November 16, 1946.

Executive T, 80th Congress, 1st session: Convention Concerning Social Security for Seafarers, adopted by the International Labor Conference, Seattle, June 6–29, 1946 (ILO Convention No. 70).

Executive HH, 80th Congress, 1st session: Inter-American Convention on the Rights of the Author in Literary, Scientific, and Artistic Works, signed at Washington, June 22, 1946 (Inter-American Copyright Convention).

Executive G, 81st Congress, 1st session: Convention Concerning Statistics of Wages and Hours of Work in the Principal Mining and Manufacturing Industries, Including Building and Construction, and in Agriculture, adopted by the International Labor Conference, Geneva, June 2–22, 1938 (ILO Convention No. 63).

Executive B, 82d Congress, 1st session: Convention Concerning the Organization of the Employment Service, adopted by the International Labor Conference, San Francisco, June 17 to July 10, 1948 (ILO Convention No. 88).

Executive H, 82d Congress, 1st session: Understanding with respect to ILO Convention No. 63, concerning statistics of wages and hours of work in principal mining and manufacturing industries, including building and construction, and in agriculture.

Executive J, 82d Congress, 1st session: Convention Concerning Vacation Holidays With Pay for Seafarers, adopted by the International Labor Conference, Geneva, June 8 to July 2, 1949 (ILO Convention No. 91).

Executive K, 82d Congress, 1st session: Convention Concerning Crew Accommodations on Board Ship (revised 1949), adopted by the International Labor Conference, Geneva, June 8 to July 2, 1949 (ILO Convention No. 92).

Executive L, 82d Congress, 1st session: Convention Concerning Wages, Hours of Work on Board Ship and Manning (revised 1949), adopted by the International Labor Conference, Geneva, June 8 to July 2, 1949 (ILO Convention No. 93).

If found to be desirable in the light of the further study and consideration, one or more of the treaties listed above may be resubmitted with a fresh appraisal of their provisions.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 22, 1958.*

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations, which was referred to the Committee on Armed Services.

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

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

UNITED NATIONS

The legislative clerk read the nomination of Kingsley Davis, of New York, to be the representative of the United States of America on the Population Commission of the Economic and Social Council of the United Nations.

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

The legislative clerk read the nomination of Dr. Althea K. Hottel, of Pennsylvania, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations.

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

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

UNITED STATES COAST GUARD

The legislative clerk proceeded to read sundry nominations in the United States Coast Guard.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

UNITED STATES DISTRICT JUDGES

The legislative clerk read the nomination of Edwin D. Steele, Jr., of Delaware, to be United States District Judge for the district of Delaware.

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

The legislative clerk read the nomination of Mendon Morrill, of New Jersey, to be United States District Judge for the district of New Jersey.

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

UNITED STATES ATTORNEYS

The legislative clerk proceeded to read sundry nominations of United States attorneys.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

UNITED STATES MARSHALS

The legislative clerk proceeded to read sundry nominations of United States marshals.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

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

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

LEGISLATIVE SESSION

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

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

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the unfinished business is Senate Resolution 281, Calendar No. 1447, authorizing the printing of the committee print Recruitment and Training for the Foreign Service of the United States as a Senate document.

It is the intention of the leadership to bring up, by motion, the following measures:

Senate Resolution 281, Calendar No. 1447, the unfinished business, to which I have just referred.

Calendar No. 1434, Senate bill 1697, to authorize the exchange of certain lands at Black Canyon, Colo.

Calendar No. 1456, Senate bill 3093, to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

Calendar No. 1460, Senate bill 2033, to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury.

Calendar No. 1395, Senate bill 3295, to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under that act.

Calendar No. 1424, House bill 7930, to correct certain inequities with automatic step-increase anniversary dates and longevity step increases of postal-field-service employees.

Calendar No. 1102, House bill 7785, to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia.

I have previously announced that the leadership proposed to have the Senate proceed this week to the consideration of Calendar No. 1465, Senate bill 2888, to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans. I expressed the thought and hope that the bill could be considered on the basis of its merits—rather full hearings have been held on it—and that the Senate could promptly take action on it, without adding any crippling amendments.

Late on yesterday my colleague, the minority leader, the senior Senator from California [Mr. KNOWLAND], gave notice that he intended to propose, for himself, a series of so-called labor bill-of-rights amendments to this measure. Obviously, if due and proper consideration is to be given to amendments offered on the floor—and, incidentally, let me say that when I made my earlier announcement I did not know those amendments would be offered—the Senate should be on full notice, and the committee which has jurisdiction should have had an opportunity to hear and consider such matters.

I have asked the committee staff to give me a report on the hearings which have been held and the testimony which has been received and as to when they will be able to hold hearings on these amendments, as well as on certain amendments dealing with the same subjects which have been offered by other Senators.

Sometime later, I shall announce to the Senate when we plan to have the Senate proceed to the consideration of Calendar No. 1465, Senate bill 2888. However, I do not expect to do so before the Senate acts on the relatively minor bills to which I have already referred, and until I have received a report from the Committee on Labor and Public Welfare, at which time I shall confer with my distinguished colleague, give him ample advance notice, and make an announcement to the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

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

PLANS FOR WATERSHED IMPROVEMENT IN CERTAIN STATES

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, watershed work plans in the States of Georgia, Indiana, Mississippi, North Carolina, and Oregon (with accompanying papers); to the Committee on Agriculture and Forestry.

WATERSHED IMPROVEMENT IN STATE OF NORTH DAKOTA

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a watershed work plan for the Elm River Watershed, Traill, Steele, and Cass Counties, North Dakota (with accompanying papers); to the Committee on Public Works.

REPORT OF BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

A letter from the Chairman, Board of Governors of the Federal Reserve System, Washington, D. C., transmitting, pursuant to law, a report of that System, covering operations during the year 1957 (with an accompanying report); to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"Senate Joint Resolution 7

"Joint resolution relative to the completion of the Corning Canal, and construction of the Red Bluff Diversion Dam

"Whereas the number of unemployed people in the United States has been increasing at an alarming rate with a result that the State and Federal Governments are considering worthwhile public works projects to stimulate a greater employment and provide new jobs; and

"Whereas there is general agreement that some public works program should be initiated in addition to any possible tax cuts which, of course, would not assist those persons soon enough who are without employment, and also it is agreed that any public works program should be one which would be as beneficial as possible to the long-range economy of the Nation; and

"Whereas it has been proven over a number of years that water development projects and reclamation projects generally are wealth-producing projects on which the bulk of the costs are repaid by the beneficiaries of the projects, while at the same time, they create more irrigated farms, more homes, and more job opportunities; and

"Whereas the Congress of the United States has authorized the construction of the Red Bluff Diversion Dam, the Corning Canal, and the Red Bluff-Dunnigan Canals of the Sacramento Valley Canals unit of the C. V. P., and the Congress has appropriated considerable sums of money which have been spent on the construction of the Corning Canal, which is incomplete, and has appropriated further sums to finish construction; and

"Whereas this project will furnish additional water which will be used to produce beef and lamb and specialty crops which are in short supply and which are being imported into the United States in the form of frozen precut meat causing unemployment among American workmen; and

"Whereas the projects would complement the State of California's efforts to meet the water requirements of California's rapidly expanding population and solve the water supply problem for the west side of the Sacramento Valley in California: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President to order that construction contracts be let within 30 days for the completion of the Corning Canal and within 60 days to commence construction of the Red Bluff Diversion Dam, and that the Congress of the United States appropriate such sums as are necessary to complete construction of the Corning Canal, the Red Bluff Diversion Dam and the Red Bluff-Dunnigan Canal; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States; to the Speaker of the House of Representatives; to each Senator and Representative from California in the Congress of the United States; to W. A. Dexheimer, Commissioner of Reclamation; to Harvey O. Banks, Director of Water Resources of the State of California."

A resolution of the Fourth Guam Legislature, Territory of Guam; to the Committee on Armed Services:

"Resolution 282

"Resolution relative to expressing the appreciation of the people of Guam to the military services of the United States for their extensive defense establishments within the Territory, and emphasizing the continued desire and interest in welcoming even more extensive military utilization of this Territory

"Be it resolved by the Legislature of the Territory of Guam—

"Whereas in other areas of the world wherein the United States have established extensive military facilities as part of the global battle to defend the free world, dissatisfaction and annoyance over the necessary changes and imbalances attendant upon such establishments have been expressed by the people of such areas; and

"Whereas the United States Armed Forces have in this Territory also established large and extensive military facilities which have by their very size and complexity necessarily caused changes and deviations from a normal civilian economy for Guam; and

"Whereas despite such initial strains the people of this Territory have been enormously benefited by the opportunities provided for employment in connection with such military bases and in addition have appreciated the knowledge that such bases are playing a vital role in protecting the American and democratic system; and

"Whereas the highly satisfactory relationship existing between the Armed Forces on Guam and the people of the Territory demonstrated convincingly the ability of the American system of representative government, even when operating in a comparatively small arena, to handle with dispatch and fairness the problems and difficulties large military establishments bring about: Now, therefore, be it

"Resolved, That the Fourth Guam Legislature does hereby on behalf of the people of Guam express to the Armed Forces of the United States sincere gratitude and appreciation for the extensive military establishments within the Territory which play such an important part in the economic well-being of this island; and be it further

"Resolved, That the Fourth Guam Legislature on behalf of the people of Guam does hereby extend a wholehearted invitation to the defense agencies of the United States to establish additional military and related facilities on Guam as such are required in the continuing defense effort necessitated by the cold war; and be it further

"Resolved, That such invitation be extended in the comforting knowledge that the democratic process, whose practice and procedures are now routine in this, the newest American Territory, assures meaningful and successful cooperation by the people of Guam with the efforts of our Armed Forces in such further establishment of defense facilities on Guam, which guarantees the absence of ill-will and dissatisfaction expressed in other areas wherein the American Constitution does not, as it does here, hold full sway; and be it further

"Resolved, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Honorable Dwight D. Eisenhower, Commander in Chief, United States Armed Forces; the Honorable Richard Nixon, President of the Senate; the Honorable Neil McElroy, Secretary of Defense of the United States; the Honorable Thomas S. Gates, Jr., Secretary of the Navy; the Honorable Sam Rayburn, Speaker of the House of Representatives; Rear Adm. W. B. Ammon, United States Navy, commander, naval forces, Marianas; Maj. Gen. Charles W. Schott, commander, Third Air Division, Strategic Air Command; Lt. Col. Victor Gray, United States Army, 809 Engineer Battalion; and to the Honorable Richard Barrett Lowe, Governor of Guam.

"A. B. WON PAT,
"Speaker.

"Attest:

"V. B. BAMBA,
"Legislative Secretary."

A resolution adopted by the Presbytery of Yukon in Alaska, at Palmer, Alaska, favoring the enactment of legislation to provide statehood for Alaska; ordered to lie on the table.

RESOLUTION OF HOWARD GREELEY RURAL PUBLIC POWER DISTRICT

Mr. HUMPHREY. Mr. President, the Howard Greeley Rural Public Power District has recently adopted a resolution supporting my bill, S. 2990, to amend Reorganization Plan No. 2 of 1953 pertaining to the REA Administrator.

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

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

Whereas Ezra Taft Benson, Secretary of Agriculture, has violated the trust of the Congress in regard to the changes he has made in the structure and functioning of the Rural Electrification Administration; and

Whereas Rural Electrification Administration can no longer function efficiently and effectively as a result of this action by the Secretary of Agriculture; and

Whereas this situation was brought about by passage of the Reorganization Plan No. 2 of 1953; and

Whereas Senator HUBERT HUMPHREY, of Minnesota, has introduced bill S. 2990 that said section shall not hereafter apply to the Rural Electrification Administration and there are hereby transferred to the Administrator of the Rural Electrification Administration all functions which were transferred from the Administrator to the Secretary of Agriculture by such Reorganization Plan: Now, therefore, be it

Resolved by the board of directors of the Howard Greeley Rural Public Power District in regular session assembled this 1st day of April 1958, That the directors of the Howard Greeley Rural Public Power District request Senators CURTIS and HRUSKA and Congressmen MILLER, WEAVER, CUNNINGHAM, and HARRISON to support said bill which would rectify the situation; be it further

Resolved, That a copy of this resolution be mailed to Senators CURTIS and HRUSKA, and Congressman MILLER, WEAVER, CUNNINGHAM, and HARRISON; and be it further

Resolved, That Senator HUMPHREY, a true friend of the Rural Electrification Administration, be commended for his work in behalf of the Rural Electrification Administration, and that a copy of this resolution be also mailed to him.

CHARLES DOBEY,
Secretary.

RESOLUTIONS OF LEGISLATURE AND POLITICAL SUBDIVISIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I present for printing in the RECORD certain petitions and memorials, one coming from the Legislature of the State of New York memorializing Congress to act with respect to the crisis in the railroad industry. The others are sundry matters from political subdivisions of the State of New York.

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

Resolution 153

Concurrent resolution memoralizing Congress to enact appropriate legislation to enable the railroad industry to compete with other forms of transportation which are aided by public funds

Whereas the railroad industry in the State of New York because of the vast service it provides the public as transporter of passengers and freight, as employer of more than 100,000 persons earning over $430 million annually, as a taxpayer contributing $45 million annually in real estate and special franchise taxes in the State, and as purchaser and consumer of goods and services amounting to hundreds of millions of dollars annually plays a tremendously vital role in the economy of our State and Nation; and

Whereas it has become generally recognized that the railroad industry is in a precarious financial situation warranting immediate action by Government at all levels; and

Whereas a recent report of the public service commission of the State of New York confirms that "the entire ailing passenger transportation industry is badly in need of resuscitative governmental assistance;" and

Whereas there are pending before the New York State Legislature several proposals designed to provide equitable tax relief to the railroads so as to place them on a basis more nearly competitive with other forms of transportation; and

Whereas it is essential to the economy of our State and Nation that the railroads continue to operate under private ownership earning a fair return so as to avoid the alternative of public ownership at incalculable cost to the public: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be memorialized to enact appropriate legislation to: (a) obviate archaic controls originally enacted in an era when the railroad industry enjoyed a transportation monopoly, so as to permit the industry fairly to compete with other forms of transportation which are substantially aided by public funds or facilities; (b) amend the internal revenue law to make available to the railroad industry the full advantage of any subsidy or tax forgiveness which may be provided it by this or any State; (c) repeal the Federal excise tax on

freight transportation and the Federal excise tax on passenger transportation; and be it further

Resolved (if the assembly concur), That copies of this resolution be transmitted to the President of the United States, the Secretary of the Senate and the Clerk of the House of Representatives and to each Member of the Congress of the United States duly elected from the State of New York and that the latter be urged to devote themselves to the task of accomplishing the purpose of this resolution.

By order of the senate.

WILLIAM S. KING,
Secretary.

Whereas there has been introduced in the Congress of the United States Senate bill 1165, which provides for additional pay and promotion for members of the legal profession serving with the armed services in a legal capacity, bringing the pay and promotion status of military lawyers to a level commensurate with the special professional pay and promotion schedule now available to members of the medical and other learned professions serving with the military; and

Whereas it is the sense of this association that lawyers should receive such commensurate compensation and rank, for their professional training and skill are certainly as valuable to the Armed Forces as those of the other learned professions; that the armed services are having great difficulty in procuring and retaining even a minimum of military lawyers, and that if they are unable to do so, it will be impossible to administer properly the present Uniform Code of Military Justice; that said code was made the basis of military justice largely through the efforts of civilian lawyers, and that we therefore having a responsibility to ensure its successful operation; and that, finally, this bar has a peculiar interest in and knowledge of the needs and problems of the armed services: Therefore, be it

Resolved, That the Lockport Bar Association endorses Senate bill 1165, and urges upon the Congress of the United States its passage, and the secretary be and he is directed to send copies of this resolution to the Honorable WILLIAM E. MILLER, IRVING M. IVES, and JACOB K. JAVITS, and to the American Bar Association.

Resolution requesting the legislators representing the county of Orange in the Congress of the United States to intercede with the Department of the Army in an effort to prevent a proposed reduction in the National Guard

Whereas it has been brought to the attention of this board that the Department of the Army will direct that a revised troop basis for the Army National Guard be instituted, calling for the elimination of 30 percent or approximately 1,700 federally recognized units of the National Guard and the possible elimination of the National Guard units at Newburg and Middletown in the county of Orange; and

Whereas such action will leave the county without National Guard protection to supplement local authorities in cases of riots or other emergencies; and

Whereas the elimination of said National Guard units will have a detrimental economic effect on the entire region and will make it difficult, if not impossible, for present members of the National Guard to complete their training programs:

Resolved, That the legislators representing the county of Orange in the Congress of the United States be requested to intercede with the Department of the Army in an effort to prevent such proposed reduction of the National Guard and to do everything else in their power to maintain the National Guard at its present strength in the county of Orange; and be it further

Resolved, That the clerk of this board be authorized to forward certified copies of this resolution to the legislators representing the county of Orange in the United States Congress forthwith, and that the chairman of this board be authorized to send to said legislators such communications as he may deem desirable in furtherance of the aims set forth in this resolution.

LESTER J. ROOSA,
Clerk of the Board of Supervisors, County of Orange, State of New York.

RESOLUTION

Whereas the Niagara Falls Commission on Unemployment has made a thorough study of the employment situation in Niagara Falls and have reported to this city council that there is a very large number of people unemployed in the area and that this number is increasing: Now, therefore, be it

Resolved, That this city council hereby requests the Federal and State Governments declare the Niagara Falls area to be an extremely distressed and critical labor surplus area; and be it further

Resolved, That this city council does hereby request Secretary of Defense Neil McElroy to place as many as possible military defense orders with our local industrial plants; and be it further

Resolved, That the Governor of the State of New York and Federal and State legislators be and they hereby are requested to make available in the Niagara Falls area whatever programs are possible in order to assist in reducing unemployment, and the City Clerk is hereby directed to forward a copy of this resolution to Honorable Averell Harriman, Governor of the State of New York, State Capitol, Albany, N. Y.; Honorable Secretary of Defense, Neil McElroy, Washington, D. C.; Senator Jacob Javits, Senate Office Building, Washington, D. C.; Senator Irving Ives, Senate Office Building, Washington, D. C.; Representative William E. Miller, House of Representatives, Washington, D. C.; Senator Earl W. Brydges, 426 Third Street, Niagara Falls, N. Y., Assemblyman Ernest Curto, Gluck Building, Niagara Falls, N. Y.; Assemblyman Harold Altro, 242 South Transit Street, Lockport, N. Y.; Mr. Robert Goodwin, Director of the Bureau of Employment Security, Washington, D. C.; Mr. Louis Levine, Director of Program Analyses, U. S. Department of Labor, Washington, D. C. and Mr. Carl Wedeking, Director of the Division of Employment Service, United States Department of Labor, New York City, N. Y.

Witness my hand and seal this 9th day of April 1958.

JAMES E. COLLINS,
City Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 9655. An act to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes (Rept. No. 1463).

By Mr. HOLLAND, from the Committees on the Judiciary and Agriculture and Forestry, jointly, with amendments:

S. 1356. A bill to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes (Rept. No. 1464).

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

S. 3632. A bill to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 1465).

BILLS INTRODUCED

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

By Mr. SALTONSTALL (by request):

S. 3661. A bill for the relief of Han Soon Lee (also known as Ow Kau); to the Committee on the Judiciary.

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

S. 3662. A bill to authorize and direct the Secretary of the Navy to acquire in fee or otherwise lands and rights in land on the Island of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILLIAMS:

S. 3663. A bill to strengthen the law with respect to bribery and graft; to the Committee on the Judiciary.

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

By Mr. JAVITS (for himself, Mr. IVES, Mr. POTTER, and Mr. SALTONSTALL):

S. 3664. A bill to provide assistance to small-business concerns to facilitate adjustment made necessary by the foreign trade policy of the United States, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. HUMPHREY:

S. 3665. A bill for the relief of Choe Kum Bok; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 3666. A bill for the relief of Feng Yeah Chow; to the Committee on the Judiciary.

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

S. 3667. A bill to amend section 1461 of title 18 of the United States Code with respect to the mailing or causing the delivery by mail of obscene matter to minors, and for other purposes; to the Committee on the Judiciary.

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

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 3668. A bill for the relief of McCune C. Ott; to the Committee on the Judiciary.

By Mrs. SMITH of Maine:

S. 3669. A bill to amend the Commodity Exchange Act to prohibit trading in potato futures in commodity exchanges; to the Committee on Agriculture and Forestry.

By Mr. MURRAY (by request):

S. 3670. A bill to provide for the transfer of title to certain land at Sand Island, T. H., to the Territory of Hawaii, and for other purposes; to the Committee on Interior and Insular Affairs.

GLACIER NATIONAL PARK LOOP ROAD

Mr. MANSFIELD. Mr. President, Montana can boast of having one of the finest national parks and scenic landmarks in the Nation, Glacier National

Park, and to the north, on the Canadian side of the boundary is Waterton Lakes National Park, a similarly fine national park. The unfortunate thing about these two adjoining parks is that travel between the two has been limited because of the inability to construct a highway connection on the western side of the parks.

For a number of years civic groups in Montana and Canada have promoted the idea of a figure-8 loop road system which would connect these two national parks and would facilitate travel in this area.

The American portion of the highway is partially constructed and surveys have been made of the portion north and west of the Going-to-the-Sun Highway. The completion of the American section of this road is included in the Mission 66 program and completion of the construction is scheduled for 1963. I understand that this work could go ahead of schedule if sufficient funds were allocated.

The only outlet north of the border at the present is a truck road for 60 miles—and passable only during late summer and early fall months—from the Canadian line past the old mining town of Corbin in British Columbia to Canada's surfaced, East-West Highway No. 3 between Crowsnest Pass and Michel.

Development of the Canadian section of the loop road hinges on British Columbia. If the province will permit enlargement of Waterton Lakes National Park or a park-access road on the west, the proposed loop road on the west for Glacier and Waterton will become a reality.

Mr. President, in order to promote the construction of this highway I have submitted a resolution requesting the Secretary of State to negotiate with the Canadian Government on the completion of the loop road linking the Glacier National Park in the United States and the Waterton Lakes National Park in Canada.

Mr. President, I ask unanimous consent that a memorandum prepared by the Senate Foreign Relations Committee on this matter be printed in the RECORD at the conclusion of my remarks.

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

The resolution (S. Res. 293) was referred to the Committee on Foreign Relations, as follows:

Whereas Glacier National Park in the United States is adjacent to Waterton Lakes National Park in Canada; and

Whereas the construction of 3 missing links (2 in the United States and 1 in Canada) in existing highways would provide a loop road linking these 2 parks; and

Whereas such a loop road would increase the accessibility of both national parks and thereby promote the public convenience: Now, therefore, be it

Resolved, That the Secretary of State is requested to bring to the attention of the appropriate officials of the Government of Canada the deep interest of the Senate in the completion of the loop road linking the Glacier National Park in the United States and the Waterton Lakes National Park in Canada.

The memorandum presented by Mr. MANSFIELD is as follows:

MEMORANDUM

APRIL 22, 1958.

To: Senator MANSFIELD.

From: Senate Foreign Relations Committee.

Subject: Glacier National Park Loop Road.

Three segments of construction are involved:

1. The Camas Creek cut-off, a distance of 13.3 miles, which would run from an existing park road at the southwest end of Lake McDonald to the forest highway in Flathead National Forest. The estimated cost is $2.9 million, and it is in the National Park Service's Mission 66 plan as scheduled to start in 1963. This road involves a bridge across the Flathead River, the middle of which forms the western boundary of Glacier National Park. From the river to the forest highway is a distance of approximately 1 mile. For the Park Service to build this portion of the road plus the half of the bridge not in the park, it will be necessary for the Secretary of the Interior to make a determination that this is necessary for access to the park. Officials of the Park Service to whom we talked have no doubt that such a determination will be made at the appropriate time.

2. The Kishinena Creek cut-off, a distance of 3 miles. This is north of the Camas Creek cut-off and runs from the forest highway back across the Flathead River through a corner of Glacier National Park to the Canadian border. The estimated cost is $450,000, and in the Mission 66 plans, construction is scheduled to start in 1964. The same determination would have to be made by the Secretary of the Interior as in the case of the Camas Creek cut-off regarding a segment of approximately 1 mile plus half of another bridge across the Flathead River.

3. The Canadian section running from the United States-Canadian border through the province of British Columbia and into Waterton Lakes National Park, connecting at Akamina Pass with an existing Canadian park road. The distance of the Canadian section is approximately 15 miles in British Columbia plus about 3 miles in Waterton Lakes National Park. There is no estimate of cost available in the National Park Service.

Completion of these 3 sections would provide a loop of approximately 130 miles in length.

The principal difficulty involves a problem of Canadian Federal-Provincial relations in regard to the 15 miles of the Canadian section which is in British Columbia and outside the boundaries of the Waterton Lakes National Park. The Canadian Government is described by officials of the State Department as in favor of the project and willing to go ahead. It cannot do so, however, as long as the area belongs to British Columbia. The Provincial government is said to be considering whether to make the area a Provincial park, in which case it would build the road as a Provincial matter, or to cede the area to the Federal Government. The area is remote from population centers of British Columbia, and some Provincial officials doubt that park development there could be justified from the point of view of British Columbia. The matter is further complicated by the question of mineral rights and the prospect that there may be mineral development on lands through which the proposed right-of-way would run.

Things have been rather at a standstill in Canada while the Federal and Provincial Governments separately considered which should approach the other in regard to proceeding with the project. The until recently unsettled political situation has been another factor making for delay and inertia.

The Department of State last summer sent a standby instruction to the American Embassy in Ottawa to take the matter up again with the Canadian Government when, in the Embassy's judgment, the time was opportune. At our request, the Department is asking the Embassy for its present assessment of the situation.

The officials of the National Park Service with whom we discussed this matter say that, although the two American segments are not now scheduled to start until 1963 and 1964, they could be started sooner if the problem of the Canadian section were settled. The Camas Creek cut-off joins two existing roads within the United States and could conceivably be built regardless of what is done about the Canadian section. It is our impression, however, that the Park Service prefers to approach the project as a whole.

STRENGTHENING OF LAW WITH RESPECT TO BRIBERY AND GRAFT

Mr. WILLIAMS. Mr. President, I introduce, for appropriate reference, a bill to strengthen the law with respect to bribery and graft.

The purpose of this bill is to strengthen the law with respect to bribery and graft. In the light of some of the evidence obtained through Congressional hearings the need for this type of legislation has been clearly demonstrated.

The bill introduced here today is a reproduction of Senate bill 2014, introduced in the 84th Congress. In brief, it will discourage the questionable practice which, on numerous occasions, has been called to our attention by Congressional committees wherein employees who had held high positions either in procurement or in decisionmaking agencies of the Government subsequently obtained rather lucrative positions with the same corporations which they had favored.

This proposed legislation would not prevent the bona fide employment of a Government official by any company with whom he wished to become associated. It simply provides that when such employee accepts a position with a company with whom his agency did business during his period of Government service, the agency with whom he worked would be officially put on notice of his intentions to enter the employment of the company. With the Government properly on notice, the agency involved would have ample opportunity to discover those few cases wherein such employment could be questioned.

This proposed legislation was drawn up with the cooperation of the Honorable Lindsay C. Warren, the former Comptroller General of the United States, and a letter of endorsement by the present Comptroller General, Mr. Joseph Campbell, is being incorporated here today.

Mr. Warren, while serving as Comptroller General, in a letter dated August 18, 1950, and addressed to me, said, and I quote:

The broad subject of Government officers and employees going to work for Government contractors long has been of deep concern to the General Accounting Office. Certainly,

there can be no objection to any legitimate efforts of such people to obtain employment in private industry, or to efforts of private industry to secure the services of qualified employees. But it is equally certain that arrangements of this kind must be consistent with the public interest. I think you will agree that there is inherent in the public service and in dealings with the Government, the requirements for exceptionally high standards of conduct.

The real danger lies in the illicit inducement of Federal personnel by Government contractors, and solicitation by those personnel of an advantage from the contractors. As shown in my reports to the Congress and testimony before its committees, this may take the form of highly remunerative positions, or expensive entertainment, or other things of value, in return for special favors or privileges for the contractors. Often it originates or is implemented by veiled or outright connivance on the part of the Government people involved. Whether consummated or not, such dealings are inimical to the interests of the United States. They are nothing less than plain bribery.

The former Comptroller General then suggested certain amendments to strengthen those sections of the criminal statutes dealing with the bribery of Government officers and employees, and those suggestions are contained in the first part of this bill.

The mere existence of these provisions on the statute books would have a powerful deterrent effect on wrongdoing. The intent and the overt act to defeat the public interest or to defraud the United States by connivance between Government employees and contractors for future employment would be punishable. Yet those whose arrangements are entirely legal and ethical would not be penalized. They would have ample protection to do what the honest businessman does in the everyday course of business. At the same time the Government, through information given to the agencies, would have effective means for checking on the legality of the dealings with special reference to established safeguards for the expenditure of public funds.

In view of the extensive Government procurement and the major decisions which automatically are made by the executives of some of our agencies, I cannot too strongly urge consideration of this measure. I emphasize that this bill will not restrict the bona fide employment of men leaving Government service for private industry; it will only prevent such employment being offered as an inducement for favorable decisions.

I ask unanimous consent that the bill, together with the letter of March 17, 1958, signed by Mr. Campbell, Comptroller General of the United States, endorsing this bill, be incorporated in the RECORD.

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

The bill (S. 3663) to strengthen the law with respect to bribery and graft, introduced by Mr. WILLIAMS, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 201 of title 18 of the United States Code is amended to read as follows:

"SEC. 201. Offer to officer or other person.

"Whoever directly or indirectly promises, offers, or gives, or commits any overt act intended or designed to be or lead to a promise, offer, or gift of, any money, emolument, profit, advantage, benefit, position, employment, opportunity, advancement, or thing of value or makes or tenders any check, order, contract, undertaking, obligation, gratuity, or security for the payment of money or for the delivery or conveyance of anything of value, to any officer or employee or person acting for or on behalf of the United States, or any department or agency thereof, in any official function, under or by authority of any such department or agency or to any officer or person acting for or on behalf of either House of Congress, or of any committee of either House, or both Houses thereof, with intent or design to influence his decision or action on any question, matter, cause, or proceeding which may at any time be pending, or which may by law be brought before him in his official capacity, or in his place of trust or profit, or with intent or design to influence him to commit or aid in committing, or to collude in, or allow any fraud or make opportunity for the commission of any fraud, on the United States, or to induce him to do or omit to do any act in violation of his lawful duty, shall be fined not more than three times the amount of such money or value of such thing or imprisoned not more than 3 years, or both.

"This section shall not apply to violations of section 212 of this title."

SEC. 2. Section 202 of title 18 of the United States Code is amended to read as follows:

"SEC. 202. Acceptance or solicitation by officer or other person.

"Whoever, being an officer or employee of, or person acting for or on behalf of, the United States, in any official capacity, under or by virtue of the authority of any department or agency thereof, or an officer or person acting for or on behalf of either House of Congress, or of any committee of either House, or of both Houses thereof, directly or indirectly asks, solicits, seeks, accepts, or receives, or commits any overt act intended or designed to obtain any money, or any check, order, contract, promise, offer, gift, emolument, profit, advantage, benefit, position, employment, opportunity, advancement, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, with intent or design to have his decision or action on any question, matter, cause, or proceeding which may at any time be pending, or which may by law be brought before him in his official capacity, or his place of trust or profit, influenced thereby, shall be fined not more than three times the amount of such money or value of such thing or imprisoned not more than 3 years or both; and shall forfeit his office or place and be disqualified from holding any office of honor, trust, or profit under the United States.

"This section shall not apply to violations of section 213 of this title."

SEC. 3. Chapter 11 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

"SEC. 224. Certain former officers and employees of the United States required to report private employment.

"Whoever, having been employed in any executive department or independent establishment of the United States, as a civilian officer or employee receiving compensation at a rate in excess of $5,000 per annum or having been a commissioned officer in the uniformed services as defined in section 102 of the Career Compensation Act of 1949, within 2 years after the time when such employment or services in such department or independent establishment of the United States has ceased, shall accept, receive, or enter into any employment, appointment, agency, or service with or for any private individual, firm, company, corporation, or contractor, which, of his knowledge during the period of service of such officer or employee of the United States, transacted business with such executive department or independent establishment, and shall not promptly notify in writing the department or independent establishment concerned, shall be fined not more than $2,000 or imprisoned not more than 6 months, or both."

The letter presented by Mr. WILLIAMS is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 17, 1958.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Your letter of March 4, 1958, acknowledged March 5, requests our comments on S. 2014, 84th Congress, to strengthen the law with respect to bribery and graft.

Sections 1 and 2 of S. 2014 would have amended sections 201 and 202 of title 18 of the United States Code to include certain additional acts among those defined as constituting "bribery" or "graft" as related to officers and employees of the United States. Section 3 of the bill would have added a new section 224 to title 18 to require that certain former officers and employees of the United States report their private employment to the department or agency in which they have served.

In a letter of August 10, 1950, you asked, among other things, for our suggestions relative to the reemployment of Government employees by firms with whom they had negotiated contracts and in reply of August 18 we suggested certain language designed to answer your purpose.

A bill, S. 974, conforming in all essential respects to our suggested language was introduced in the 82d Congress by you (for yourself, Mr. DWORSHAK, and Mr. ECTON). In a report of June 13, 1951, to the chairman, Subcommittee on Improvements in the Federal Criminal Code, United States Senate, we suggested that certain changes be made in the language of the private employment reporting requirements which would have been imposed on S. 974. This bill, S. 2014, conforms in all respects to our suggestions, including the changes in the private employment reporting requirements.

On various occasions we have expressed the view that the bribery statutes should be strengthened. And, in the letter of August 18, 1950, we said that:

"The broad subject of Government officers and employees going to work for Government contractors long has been of deep concern to the General Accounting Office. Certainly there can be no objection to any legitimate efforts of such people to obtain employment in private industry, or to efforts of private industry to secure the services of qualified employees. But it is equally certain that arrangements of this kind must be consistent with the public interest. I think you will agree that there is inherent in the public service, and in dealings with the Government, the requirement for exceptionally high standards of conduct.

"The real danger lies in the illicit inducement of Federal personnel by Government contractors, and solicitation by those personnel of an advantage from the contractors. As shown in my reports to the Congress and testimony before its committees, this may

take the form of highly remunerative positions, or expensive entertainment, or other things of value, in return for special favors or privileges for the contractors. Often it originates or is implemented by veiled or outright connivance on the part of the Government people involved. Whether consummated or not, such dealings are inimical to the interests of the United States. They are nothing less than plain bribery."

The language suggested in the letter was designed to correct that situation. There has been no change in our views in that respect, and hence we would favor the enactment of a bill like S. 2014.

In hearings held June 14, 1951, on S. 974, a question was raised as to why the word "design" was added to the bill as an alternative to the word "intent." In our view the word "design" is not fully synonymous with the word "intent." The word "design" may and usually does mean something more than the word "intent," as ordinarily understood in criminal offenses. It carries with it an idea of a plan, a scheme, a deliberate purpose. The word "intent," on the other hand, does not necessarily carry with it the idea of a deliberate purpose or plan. In an action for conspiracy, the words "design" and "purpose" are synonymous. Hence, in order to give the section the widest possible application, we suggested that the word "design" be included in the bill.

Sections 201 and 202 of title 18 provide, among the penalties for their violation, for a fine of not more than three times the amount of money or thing of value promised, offered, or given, or asked, accepted, or received; and in our letter of August 18, 1950, we did not comment on such penalty. Upon further consideration of the matter, however, we believe that some difficulty may be experienced in fixing the actual value of an emolument, benefit, position, employment, opportunity, or advancement for purposes of computing the fine, and, therefore, it appears that such maximum fine as may be provided by this bill should be stated as a fixed sum.

We trust the foregoing will be sufficient for your purposes.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

ASSISTANCE TO CERTAIN SMALL-BUSINESS CONCERNS

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Michigan [Mr. POTTER], and my senior colleague from New York [Mr. IVES], I introduce a bill to provide assistance to small-business concerns adversely affected by foreign trade and to enable them to make the adjustments made necessary by the foreign-trade policy of the United States.

Mr. President, while extension of the Reciprocal Trade Agreements Act is essential to the growth, development, and prosperity of the United States and of the entire Free World, and I shall fully support it, it is, nevertheless, incumbent upon those of us who most strongly support the extension to exert initiative and leadership in solving the problems of businesses and employees whose economic welfare is adversely affected by increased imports. Mr. President, it is in this spirit today my colleagues and I are introducing the bill.

The answer to the problems of such businesses and employees adversely affected by imports is not to go protectionist; it is to provide concrete assistance which will enable those businesses affected to make a smooth transition into another line which can compete economically and successfully in the open domestic market. Indeed, Mr. President, it is a fact that only about 200,000 to 400,000 employees in the United States are engaged in businesses which are adversely affected by imports, compared to the 4.5 million domestic workers who are engaged in export.

Mr. President, the bill has a number of rather distinctive and new features.

Section 1: Where a finding is made by the Tariff Commission of a substantial injury to an industry under the so-called escape clause of the Trade Agreements Act and where a recommendation has been made to the President which the President fails to approve, thereupon a small-business concern within that industry becomes eligible for loans from the Small Business Administration. Such loans are based upon the disaster loan provisions of the present law—which are substantially easier to obtain than normal small-business loans.

Section 2: The bill further contemplates that small businesses which have been adversely affected by the foreign trade policies of the United States may pool their productive capacities with the consent of the Federal Trade Commission and Attorney General without violating the antitrust laws. This will enable them in some cases to make their own operations more economical and less subject to foreign competition.

Section 3: The Secretary of Commerce, acting through the Office of Area Development, is charged with the general coordination of governmental assistance to these businesses which are so affected.

Section 4: Finally, the bill provides amendments to the Internal Revenue Code of 1954 providing for a rapid amortization, and therefore a tax abatement, as follows:

First. Where the line of business, and hence the capital investment of a company has been hurt by the United States trade policy described above, and where the facilities are not fully depreciated for tax purposes the bill would permit a step-up in the depreciation rate of the existing equipment; the justification being that as trade policies have adversely affected the company, they have had a serious economic effect on the investment of the small business in its capital equipment. It is not illogical that this should be reflected in a tax reduction based upon the economic loss incurred.

Second. The bill also provides for rapid amortization of facilities of a small business which did not exist at the time when the trade policy first affected it, but was acquired subsequently for the purpose of converting the business and developing new and different lines of production or improving old ones in order to cope with the adverse effect of the trade policies. This will, of course, provide an incentive for the small business to take account of the changed condition brought about by the trade policies of the United States and develop other fields of enterprise.

Mr. President, I ask that the bill be appropriately referred, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

The bill (S. 3664) to provide assistance to small-business concerns to facilitate adjustment made necessary by the foreign trade policy of the United States, and for other purposes, introduced by Mr. JAVITS (for himself, Mr. SALTONSTALL, Mr. IVES, and Mr. POTTER), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 207 of the Small Business Act of 1953 is amended by adding at the end thereof a new subsection as follows:

"(c) (1) The administration also may make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as it may determine to be necessary or appropriate to enable individual small-business concerns which have been adversely affected by the foreign trade policies of the United States to adjust to changed economic conditions through plant construction, conversion or expansion (including the acquisition of land), the acquisition of new equipment, facilities, machinery, supplies, or materials, or the liquidation thereof, or as may otherwise be required to meet such changed conditions.

"(2) For purposes of this subsection, a small-business concern shall be considered to have been adversely affected by the foreign trade policies of the United States, if the Administrator finds that—

"(A) it is a member of an industry concerning which the United States Tariff Commission, in a proceeding under section 7 of the Trade Agreements Extension Act of 1951 (the so-called 'escape clause'), has made a recommendation for action by the President to prevent or remedy injury to such industry;

"(B) the President has failed to take such action within the time specified in subsection (c) of such section 7; and

"(C) such small-business concern has actually suffered serious economic injury from increased imports of a product upon which a concession has been granted under a foreign trade agreement.

"(3) No loan under this subsection (including renewals and extension thereof) shall be made for a period or periods exceeding 20 years, or bear interest, on the administration's share of the loan, at a rate in excess of 3 percent per annum.

"(4) A certificate of eligibility shall be issued by the Administrator, upon request, to any small-business concern which meets the requirements of paragraph (2) of this subsection."

(b) Section 204 (b) of such act is amended—

(1) by striking out "$455 million" wherever it appears and inserting in lieu thereof "$555 million";

(2) by inserting ", and (c)" before the period at the end of the fourth sentence; and

(3) by inserting immediately before the last sentence a new sentence as follows: "Not to exceed an aggregate of $100 million shall be outstanding at any one time for the purposes enumerated in section 207 (c)."

SEC. 2. Section 217 (b) of the Small Business Act of 1953 is amended by inserting immediately after the phrase "to the national defense" the phrase "or to the well-being of

small business in an industry which has been adversely affected by the foreign trade policies of the United States."

SEC. 3. The Secretary of Commerce, acting through the Office of Area Development, shall provide technical assistance and advice, upon the request of any small-business concern to which a certificate of eligibility has been issued under section 207 (c) (4) of the Small Business Act of 1953, to aid such concern to adjust, through plant conversion, relocation, or otherwise, to changed economic conditions resulting from the foreign trade policies of the United States.

SEC. 4. (a) Section 167 of the Internal Revenue Code of 1954 (relating to the deduction for depreciation) is amended by redesignating subsection (h) as (i), and by inserting after subsection (g) the following new subsection:

"(h) Small business concerns injured by United States foreign trade policy.—

"(1) Special rule: In the case of property described in paragraph (4) used in a trade or business by a small business concern which, within the meaning of paragraph (2), has been adversely affected by the foreign trade policies of the United States, the reasonable allowance under subsection (a) shall, at the election of the taxpayer, be—

"(A) an amount equal to twice the amount computed under the method of depreciation used in respect to such property for the taxable year preceding the first taxable year in which this subsection applies to such property, or

"(B) an amount computed under the method of depreciation described in subsection (b) (1) and computed, with respect to the adjusted basis of such property on the first day of the first taxable year in which this subsection applies to such property, as if (i) such property had been acquired on such first day, and (ii) such property had a useful life of 5 years.

Nothing in this subsection shall be construed to limit or reduce an allowance otherwise allowable under subsection (a).

"(2) Small business concerns adversely affected by United States foreign trade policy.—For purposes of paragraph (1), a small business concern shall be considered to be adversely affected by the foreign trade policies of the United States only if the Small Business Administration has issued a certificate of eligibility to such concern under section 207 (c) (4) of the Small Business Act of 1953 as a small business concern which meets the requirements of section 207 (c) (2) of such act.

"(3) Taxable years to which applicable: Subject to the provisions of paragraph (5), paragraph (1) shall apply with respect to any property used in a trade or business by a small business concern only for the taxable year in which the Small Business Administration issues the certificate referred to in paragraph (2) to such concern, and for the 4 taxable years succeeding such taxable year.

"(4) Property to which applicable: Paragraph (1) shall apply only to property which is—

"(A) used in its trade or business by a small business concern on the date on which the Small Business Administration issues the certificate referred to in paragraph (2) to such concern; and

"(B) used in the industry described in section 207 (c) (2) (A) of the Small Business Act of 1953 in respect of which such certificate is issued.

"(5) Election.—

"(A) When and how made.—An election to compute the allowance allowed as a deduction by subsection (a) with reference to this subsection shall be made, with respect to any property used in a trade or business by a small business concern, at the time of filing the return for the taxable year in which the Small Business Administration issues the certificate referred to in paragraph (2) to such concern. Such election shall be made in such manner as the Secretary or his delegate shall prescribe. At the time of making such election, the taxpayer shall select the method provided in subparagraph (A) or (B) of paragraph (1) to be used in computing such allowance with respect to such property.

"(B) Effect.—An election under subparagraph (A) shall be effective for the taxable year for which the return in connection with which the election is made is filed and, unless sooner terminated as provided in subparagraph (C), for the 4 taxable years succeeding such taxable year.

"(C) Revocation.—An election under subparagraph (A) may be revoked by the taxpayer at the time of filing his return for any of the 4 taxable years succeeding the taxable year for which the election was made. Such revocation shall be effective for the taxable year for which such return is filed and for succeeding taxable years. Such revocation shall be made in such manner as the Secretary or his delegate shall prescribe."

(b) Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 178. Amortization of certain facilities of small businesses adversely affected by foreign trade policies.

"(a) General rule.—

"(1) Allowance of deduction: In the case of—

"(A) a corporation which is a small business concern which has been adversely affected by the foreign trade policies of the United States, or

"(B) an individual who owns a proprietary interest in an unincorporated small business concern which has been adversely affected by the foreign trade policies of the United States,

there shall be allowed, at the election of the taxpayer, a deduction with respect to the amortization of the adjusted basis (for determining gain) of any conversion facility (as defined in subsection (d)) based on a period of 60 months. The 60-month period shall begin as to any facility, at the election of the taxpayer, with the month following the month in which the facility was completed, or with the succeeding taxable year.

"(2) Amount of deduction: The amortization deduction provided in paragraph (1) shall be an amount, with respect to each month of the amortization period within the taxable year, equal to the adjusted basis of the facility at the end of such month, divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the depreciation deduction with respect to such facility for such month provided by section 167.

"(b) Election of amortization: The election of the taxpayer under subsection (a) to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility was completed shall be made only by a statement to that effect in the return for the taxable year in which the facility was completed. The election of the taxpayer under subsection (a) to take the amortization deduction and to begin such period with the taxable year succeeding such year shall be made only by a statement to that effect in the return for such succeeding taxable year. Notwithstanding the preceding two sentences, the election of the taxpayer under subsection (a) may be made, under such regulations as the Secretary or his delegate may prescribe, before the time prescribed in the applicable sentence.

"(c) Termination of amortization deduction: A taxpayer which has elected under subsection (b) to take the amortization deduction provided in subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction with respect to such facility.

"(d) Definitions: For purposes of this section—

"(1) Conversion facility: The term 'conversion facility' means any facility, land, building, machinery, or equipment, or any part thereof, the construction, reconstruction, erection, installation, or acquisition of which was completed after the date of the enactment of this section, and with respect to which a certificate under subsection (e) has been made. In no event shall an amortization deduction be allowed in respect of any conversion facility for any taxable year unless a certificate in respect thereof under this paragraph shall have been made before the filing of the taxpayer's return for such taxable year.

"(2) Small business concern: The term 'small business concern' means a corporation, partnership, or proprietorship engaged in carrying on a trade or business which meets the criteria of a small business concern set forth in section 203 of the Small Business Act of 1953 and the criteria established by the Small Business Administration under such section.

"(3) Small business concerns adversely affected by the foreign-trade policies of the United States: A small business concern shall be considered to be adversely affected by the foreign trade policies of the United States only if the Small Business Administration has issued a certificate of eligibility to such concern under section 207 (c) (4) of the Small Business Act of 1953 as a small business concern which meets the requirements of section 207 (c) (2) of such act.

"(e) Determination of adjusted basis of conversion facility—

"(1) General rule: For purposes of subsection (a), in determining the adjusted basis of a conversion facility there shall be included only so much of the amount of the adjusted basis of such facility (computed without regard to this section) as is properly attributable to such construction, reconstruction, erection, installation, or acquisition after the date of the enactment of this section as the Small Business Administration has certified as necessary to enable the small business concern either (A) to develop new or different lines of production, or (B) to renovate its productive facilities, and only such portion of such amount as such Administration has certified as attributable to the need of the small business concern to develop new or different lines of production, or to renovate its productive facilities, because of the foreign trade policies of the United States. Such certification shall be under such regulations as may be prescribed from time to time by the Small Business Administration. An application for a certificate must be filed at such time and in such manner as may be prescribed by such Administration under such regulations but in no event shall such certificate have any effect

unless an application therefor is filed before the expiration of 6 months after the beginning of such construction, reconstruction, erection, or installation, or the date of such acquisition.

"(2) Separate facilities; special rule: After the completion or acquisition of any conversion facility with respect to which a certificate under paragraph (1) has been made, any expenditure (attributable to such facility and to the period after such completion or acquisition) which does not represent construction, reconstruction, erection, installation, or acquisition included in such certificate, but with respect to which a separate certificate is made, shall not be applied in adjustment of the basis of such facility, but a separate basis shall be computed therefor pursuant to paragraph (1), as if it were a new and separate conversion facility.

"(f) Depreciation deduction: If the adjusted basis of the conversion facility (computed without regard to subsection (e)) exceeds the adjusted basis computed under subsection (e), the depreciation deduction provided by section 167 shall, despite the provisions of subsection (a) (2) of this section, be allowed with respect to such conversion facility as if the adjusted basis for the purpose of such deduction were an amount equal to the amount of such excess.

"(g) Life tenant and remainderman: In the case of property held by one person for life with remainder to another person, the amortization deduction provided in subsection (a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant.

"(h) Cross reference.—

"For special rule with respect to gain derived from the sale or exchange of property the adjusted basis of which is determined with regard to this section, see section 1238."

(c) The table of sections for such part is amended by adding at the end thereof

"SEC. 178. Amortization of certain facilities of small businesses adversely affected by foreign trade policies."

(d) Section 1238 of the Internal Revenue Code of 1954 (relating to amortization in excess of depreciation) is amended by inserting after "section 168 (relating to amortization deduction of emergency facilities)" the following: "or section 178 (relating to amortization deduction of certain facilities of small businesses adversely affected by foreign trade policies)."

(e) The amendments made by this section shall apply only to taxable years ending after the date of the enactment of this act.

AMENDMENT OF UNITED STATES CODE, RELATING TO THE MAILING OF OBSCENE MATTER TO MINORS

Mr. KEFAUVER. Mr. President, on behalf of myself and the Senator from North Dakota [Mr. LANGER], I introduce, for appropriate reference, a bill designed to strengthen and improve both the criminal and civil Federal statute relating to the interstate traffic of pornographic material.

The bill proposes to amend section 1461, title 18, United States Code Annotated, the basic criminal statute prohibiting the sending of nonmailable matter, which includes, of course, pornographic material, through the United States mail. The first section of this bill would permit prosecution by the Department of Justice for the sending of nonmailable matter through the United States mails, not only at the place where the mail is deposited, as under the existing law, but also at the place where the mail is received. The second provision is designed to protect juveniles from receiving pornographic matter through the mail by providing that any person knowingly sending nonmailable matter to a juvenile can be punished by a $10,000 fine and/or a 10-year prison sentence. The present law provides for a $5,000 fine and/or a 5-year prison term.

It has been estimated that the interstate traffic in pornographic and obscene matter—a great deal of which is sent through the mails—is a $300-million-a-year business in the United States. One west coast pornography operator alone has sent as much as 250,000 mailings of obscene matter per month to all parts of the United States. This person often made as much as $4,000 a day in a million-dollar-a-year business. A large number of pornographic mail-order operators on the west coast have organized a trade association and retained an attorney to determine systematic ways of circumventing the postal laws. Pornography operators purchase standard mailing lists through commercial concerns, which contain the names and addresses of many juveniles.

One of the most effective weapons available to combat and defeat this racket is section 1461, title 18, United States Code Annotated, which provides for criminal prosecution against anyone depositing in the mail nonmailable material. However, this section does not permit prosecutions to be initiated at the place where the nonmailable matter is received. This was settled in *United States* v. *Ross and Tager* (C. C. A. Kans., 205 F. 2d, 619) in which the Circuit Court of Appeals in Kansas ruled that prosecution could only be had in California—the place where the obscene matter was deposited for mailing. This restriction has seriously impaired the ability of the Post Office Department and the Department of Justice to fight the interstate pornography racket. The greatest impact on the community is often felt at the place where the objectionable material is received. It is frequently in the community where the matter is received that the largest number of complaints are made and the greatest impetus to prosecution exists.

A heavy percentage of objectionable material is being deposited in the mails in the Los Angeles area, resulting in the funneling of a large number of prosecutions into one already overcrowded Federal jurisdiction. Many of these cases have been acted on by one judge in the southern California Federal jurisdiction, with the result that his interpretation of the law has become almost a controlling factor on a national footing in the enforcement of section 1461. The proposed change in the law simply implements section 3237 of title 18, United States Code Annotated, which provides for prosecution for material sent through the mail "in any district from, through, or into which such commerce or mail matters move."

The enactment of this amendment will immeasurably strengthen the position of the Department of Justice and the Post Office Department in dealing with the interstate pornography racket.

The strengthening of the criminal statute with respect to the sending of obscene or objectionable matter to juveniles is necessitated by the indiscriminate use of commercial mailing lists by persons in the mail-order pornography business. Potential customers' names are obtained by securing standard mailing lists from several large concerns who are in the business of selling these lists. The Senate Subcommittee to Investigate Juvenile Delinquency has received complaints from parents whose children have been recipients of this material. Some of these juveniles who have received this mail are as young as 9 or 10 years of age.

It was determined in one situation which is typical of the pattern of business in this field, that the pornography dealer secured a large mailing list which had been developed by a map company. Naturally, since many parents have maps sent to children, this list contained the names of many juveniles. The Post Office Department has estimated that out of 4,000 complaints received regarding one concern in the mail-order pornography business, 600 came from parents of the children who had received this obscene material through the mail.

Enlarging the scope of penalty to a possible $10,000 fine and a possible 10-year prison sentence for those sending obscene matter to juveniles should act as a deterrent to those persons who are permitting pornographic material to go through the mail to juveniles. Much of the antisocial conduct of these operators probably cannot be curtailed directly through legislation, since it is the methods they use in conducting their business, combined with the end product they distribute through the mail, which constitute a threat to the community. Nonetheless, the proposed statutes, which increase the penalties when juveniles are involved, is worded in such a manner as to make criminally liable those who irresponsibly use mail order lists to distribute pornographic materials.

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

The bill (S. 3667) to amend section 1461 of title 18 of the United States Code with respect to the mailing or causing the delivery by mail of obscene matter to minors, and for other purposes, introduced by Mr. KEFAUVER (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on the Judiciary.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENTS

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which were ordered to lie on the table, and to be printed.

Mr. ALLOTT submitted amendments, intended to be proposed by him, to Senate bill 2888, supra, which were ordered to lie on the table, and to be printed.

Mr. MUNDT submitted amendments, intended to be proposed by him, to Senate bill 2888, supra, which were ordered to lie on the table, and to be printed.

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

Mr. BENNETT. Mr. President, I submit 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 amendment provides for an extension of time for filing claims for refunds of overpayments of income tax based upon education expenses paid or incurred in 1954.

On April 5 of this year, the Treasury published regulation TD6291 which liberalizes the deductibility of educational expenses of teachers, and presumably other individuals who have incurred certain educational expenses, from income subject to Federal income taxes.

I think Secretary Anderson of the Treasury deserves much praise for acting to remove the distinction previously drawn between self-employed persons and employees, such as teachers. The NEA, which has been instrumental in pointing out the need for such equality of treatment, estimates that between 350,000 and 400,000 teachers go to school each summer and that many more thousands attend evening and Saturday classes during the school year. They do this largely at their own expense to qualify them to better meet the needs of their students. They richly deserved the opportunity of deducting these expenses.

The new regulation is retroactive to 1954, and this provision, coupled with the 3-year statute of limitations, necessitated the filing of an amended form for that year by April 15, 1958. I am concerned by the fact that many teachers were not able to meet this deadline, either because they had not learned of the necessity for filing such a claim or because of the shortness of the period of time in which to file.

Official announcement of the liberalized regulation came in a Treasury Department news release on April 4, which gave teachers barely enough time to revise their tax returns before the April 15 deadline. I am not worried about the teachers being able to claim their deductible expenses for 1957, nor am I concerned about the claims they will be able to make for the years 1956 and 1955 because the statutory period has not run out with respect to these claims, but I am greatly concerned about the claims for refunds on 1954 income, which, because of the 3-year statute of limitations, must have been filed before midnight April 15 of this year.

I made an attempt to alert all of the teachers in my State of the necessity for filing their claim for refund prior to the cutoff date, but I have already received considerable evidence showing that they were in many cases unable to do so within the short 10-day period between the issuance of the regulation and the final filing date for 1954 expenses.

We know these teachers are entitled to claim these expenses for 1954, and I think it only substantial justice that they be given adequate time in which to file it.

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

SMALL BUSINESS CAPITAL ACT OF 1958—ADDITIONAL COSPONSOR OF BILL

Mr. ALLOTT. Mr. President, yesterday the senior Senator from Minnesota [Mr. THYE] introduced the Small Business Capital Act of 1958 to provide long-term credit and equity capital to small business concerns. I joined him in sponsoring the proposal because I recognize the credit needs of our Nation's small-business men.

The Senator from Minnesota [Mr. THYE] who is necessarily absent from the Chamber today, has asked me to bring to the attention of the Senate the wish of the senior Senator from Wisconsin [Mr. WILEY] to join in sponsoring this small-business legislation. The Senator from Wisconsin [Mr. WILEY] was to have been included among those sponsoring the bill, but due to an inadvertent error his name does not appear on the printed bill.

Mr. President, we all recognize the long interest of the Senator from Wisconsin in the welfare of small business, and it pleases me to ask unanimous consent in behalf of the Senator from Minnesota [Mr. THYE] that the name of the Senator from Wisconsin [Mr. WILEY] appear on subsequent printings of S. 3643.

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

REORGANIZATION OF DEPARTMENT OF DEFENSE—ADDITIONAL COSPONSOR OF BILL

Mr. FLANDERS. Mr. President, I ask unanimous consent that my name may be listed as a cosponsor of Senate bill 3649, which is the administration bill for the reorganization of the Defense Department, introduced by the Senator from Massachusetts [Mr. SALTONSTALL] yesterday.

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

SMALL-BUSINESS INVESTMENT ADMINISTRATION ACT OF 1958—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 21, 1958,

The names of Senators PAYNE and STENNIS were added as additional cosponsors of the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes, introduced by Mr. JOHNSON of Texas (for himself and other Senators) on April 21, 1958.

INCREASED ANNUITIES PAYABLE TO CERTAIN ANNUITANTS FROM CIVIL SERVICE RETIREMENT AND DISABILITY FUND—CHANGE OF CONFEREE

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the junior Senator from Wisconsin [Mr. PROXMIRE] be relieved from further service on the committee of conference on the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes, and that the junior Senator from Oregon [Mr. NEUBERGER] be appointed in his place. The reason for this is that the Senator from Wisconsin has been excused from further service on the Committee on Post Office and Civil Service, and is no longer a member of that committee.

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

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

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

By Mr. ERVIN:

Review by him, under heading "The Meaning of States Rights," of book entitled, "States Rights—The Law of the Land," published in the Winston-Salem (N. C.) Journal and Sentinel of April 20, 1958.

By Mr. JACKSON:

Address delivered by him at the 11th Annual Borah Foundation Conference in Moscow, Idaho, March 20, 1958, on the subject, The Old Quest for Peace in the New Age of Science.

A GET-WELL CARD FOR MR. HOOVER

Mr. SMITH of New Jersey. Mr. President, yesterday the New York Herald Tribune echoed the thoughts of citizens throughout the country in expressing editorially its best wishes for the speedy recovery of former President Hoover.

The weekend report on the success of his operation was good news to all of us, and it was heartening to hear that soon he will be able to return to work. It was also typical of Mr. Hoover that, following the operation, his office made known his strong support of President Eisenhower's plan for the reorganization of the Defense Department. It is apparent that not even major surgery can interrupt for more than a few days Mr. Hoover's service to the Nation.

I ask unanimous consent that the Tribune editorial of April 21, entitled "A Get-Well Card for Mr. Hoover," be printed in the body of the RECORD at this point in my remarks.

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

[From the New York Herald Tribune of April 21, 1958]

A GET-WELL CARD FOR MR. HOOVER

Americans of all political faiths and affiliations will extend to Herbert Hoover sincere wishes for a speedy and complete recovery

from his gallbladder operation. At the age of 83 the former President cheerfully and courageously underwent surgery to relieve a long-standing condition. First reports indicate that the operation was a complete success and that Mr. Hoover will soon be back at work.

This is good news indeed, for Mr. Hoover still has work to do. As all know, his services to his country have continued long after his tenure in the Presidency. The Hoover Commission reports, for example, still point the way toward streamlined, efficient governmental procedures.

In recent months, Mr. Hoover has been particularly busy, working on several new books stemming from his wide experience in government and human affairs. As a former President, as a wise counselor, as one of America's most distinguished and useful citizens, Herbert Hoover holds the respect of millions of people throughout the world. They hope he soon will be able to resume his life of activity and service.

THE IMPORTANCE OF FOREIGN AID

Mr. SMITH of New Jersey. Mr. President, the House Foreign Affairs Committee some time this week will probably report the mutual-security bill for fiscal year 1959. With Congressional consideration of this basic factor in our foreign policy drawing near, I should like to call the attention of the Senate to two articles on foreign aid which were written by Mr. C. L. Sulzberger, and were published in the New York Times of January 22 and January 25.

Mr. Sulzberger's articles describe both the policies behind the program and the means adopted to carry it out, and they are an excellent contribution to the coming debate on mutual security.

I ask unanimous consent that are articles by Mr. Sulzberger entitled "Foreign Aid: Why It Is Necessary," and "Foreign Aid: The Crux of the Problem," be printed in the RECORD.

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

[From the New York Times of January 22, 1958]

FOREIGN AFFAIRS: FOREIGN AID, I—WHY IT IS NECESSARY

(By C. L. Sulzberger)

PARIS, January 21.—The fact that foreigners don't vote makes many of our legislators regard aid bills with gingerly distaste. Appropriations to build a dam in Africa or Asia have scant ballot-box appeal.

Yet, during this election year, the President is asking for such purposes over a billion dollars more than was granted by a careful Congress in its last session. Why? Many voices are being raised against the very thought of this.

George Kennan recently said such help can only sow confusion if recipients regard it as payment of some sort of debt from us or as a sign of weakness. He believes foreign aid, as a general practice, cannot be regarded as a very promising device for bolstering our diplomacy in underdeveloped lands, at least over the short range.

There can be no doubt that these arguments will be popular with some Congressmen up for reelection. But the issue is not to be posed in the words chosen by our former Ambassador to Russia. The issue is rather as described by James H. Smith, Jr., head of the International Cooperation Administration, the organization that supervises overseas spending. Smith says:

"One thing we are not trying to do and should not try to do is to buy friends with this program. You cannot buy friends with a program of economic assistance. We are trying to strengthen the economies of this uncommitted area of the world so they can be independent of any foreign domination including even the domination of the United States itself."

RESPECT FOR NEUTRALITY

This is a worthy objective. It is consonant with our traditional policy. We consider that only a nation internally strong can be free. Such freedom does not depend upon alliance with ourselves. We respect neutrality, despite occasional confused homilies by our statesmen.

The Marshall plan had no initial military significance. Yet, when NATO developed out of it because of Soviet pugnacity, one of its principal members was neutral Turkey. Sweden and Switzerland, habitual neutrals, joined the Organization for European Economic Cooperation, which grew from the Marshall plan.

If some fledgling countries do not receive outside succor they face economic distinegration. And in most of them there exists only one well-organized political minority prepared to exploit such chaos. This is the Communist Party.

Therefore, in what Eisenhower calls our enlightened self-interest, logic dictates American assistance. Otherwise two alternatives are posed. Either weak young states will turn to the Soviet bloc for aid, risking political penetration or restrictive trade commitments. Or they may founder.

There is also a philosophical argument in favor of foreign aid. A strong evangelical tradition has influenced American thinking since colonial days. This considers it a disgrace to permit unchallenged poverty. It is mirrored in Smith's plea that we help foreign countries the way you would [support] a new enterprise in your own community.

Smith says: This should not be "done with the finely sharpened pencil of a banker but done with a little extra measure of faith in the future and done with the intent to produce results far in excess of costs both for the United States and the recipient country."

A CHARITABLE OBLIGATION

In a sense, he contends, we have much the same charitable obligation to other peoples that inspires prosperous citizens to give to their own community chest.

Finally we must see that the United States, as a trading nation, depends heavily on foreign markets. The more purchasing power there is in another land, the higher its standard of living, the better competitive chance we may have to share in its commerce. Britain found this out long ago. After the Napoleonic wars London invested heavily on the ravaged Continent in order to restore its business. Ernest Bevin recalled this when sponsoring our Marshall plan.

If we refuse aid and a country turns to the Soviet bloc, we risk being squeezed out by restrictive barter agreements fixed in Moscow. And we increase the chances of war or depression if we lose our trade.

The last great conflict cost the United States $360 billion to fight. Until 1952 the purely economic price of rehabilitation was $29 billion. Surely it is less expensive to pay for rehabilitation first.

The reasons favoring continued and expanded foreign aid are perhaps not entirely easy to explain to the American voter. But Russia understands them. Khrushchev says, "We declare war upon the United States in the peaceful field of trade. The threat to the United States is not the ICBM, but in the field of peaceful production."

To emphasize this point Moscow is sponsoring an effective, well-conceived aid program of its own. It is directly competitive, efficiently administered, and has already registered important gains in a domain we had come to assume was almost wholly ours. Surely it would be folly for us to abdicate before this challenge.

[From the New York Times of January 25, 1958]

FOREIGN AFFAIRS: FOREIGN AID, II—THE CRUX OF THE PROBLEM

(By C. L. Sulzberger)

PARIS, January 24.—In contemplating the rivalry between our own and Soviet aid programs to uncommitted nations we must remember one salient point. This is that, despite Moscow propaganda to the contrary, Russia is ruled not by a Communist but by a state capitalist system. The government and not the individual worker controls all wealth. This can be disposed of most efficiently in the national interest.

Since World War II we have disbursed about 10 times as much as the U. S. S. R. on foreign assistance of all kinds. Each country has spent huge sums to help its allies militarily or to unload accumulated stocks.

We ourselves confuse defense support and purely economic help. If we send rifles to a friend, we charge our taxpayers replacement value rather than actual worth. This boosts listed costs of military support. As Moscow has done in the satellites, Egypt and Syria, we have developed a considerable secondhand market for obsolescent weapons.

We also export immense amounts of surplus commodities under Public Law 480. These pile up at home because they cannot be sold at lower world prices and are therefore bought by Washington. When they are delivered abroad against smaller local currency payments we list them at artificially high values on our books.

We must be careful not to exaggerate the relative proportion of contributions or loans for defense purposes or to help unload stocks. But even in the field of altruistic assistance for underdeveloped lands we find we must spend much more than Moscow. There are several reasons why this is necessary for free enterprise as opposed to state capitalism.

WARY OF SOCIALISM

We are openly wary of helping regimes we regard as socialistic. Our Government doesn't like to undercut our own businessmen. Congress stipulated that the new development fund shall not compete overseas with private investment capital.

Our banking system pays more to borrow money at home than does Russia's. Therefore, the Treasury insists on higher interest rates for loans abroad, in order not to lose. Likewise, when we need experts to administer foreign programs we must await termination of their private contracts. There is no method of conscription for civilian work.

The luxury of freedom requires an expensive approach to foreign aid. The Russians can offer tentative loans they do not necessarily intend to fulfill. If they wish to propagandize a country and suggest help, they wait to see if we will propose a rival program. If we don't, they move in. If we do, they abstain. Thus they can operate with a smaller revolving fund.

They probe our interests economically as they used to do militarily. They have suggested a $25 million credit to our ally Iceland. They are shopping around in Africa in hopes of developing a sympathetic bloc.

As an autocracy, the Soviet Union has a huge pool of trained technicians. A job in Kiev or a job in New Delhi is equally a state job. No draft is needed. Foreign loans do not have to be treated in terms of financial profit. As a matter of fact, even at low interest charges such loans lose no money.

INTEREST ON LOANS

We exact from 3 to 4 percent in dollar repayments and from 4 to 6 percent in local currency repayments. Moscow charges from 2 to 2½ percent because its own internal

borrowing pays on this scale. This makes things easy for Pervukhin, Russia's foreign-aid boss.

As we try to make loan conditions more favorable, the U. S. S. R. does the same. Its Indian loans no longer start repayment from date of equipment delivery. The borrower now is not charged until an enterprise built from such equipment actually starts to produce.

State capitalism permits high-handed flexibility. All this discourages Americans who feel we spend too much for too little political return, George Kennan says: "Moscow is not exactly the bottomless horn of plenty. * * * It is a pity it has never been required to respond all at once to the many expectations directed to it. We ourselves should be the last, one would think, to wish to spare it this test."

The trouble is we can neither abandon the field nor give up our workable but costly free enterprise society. We cannot allow Russia a free hand in economic penetration. We have seen what it means in Egypt and Syria. We have moral obligations to succor poorer peoples. We have mercantile and strategic interests. We cannot permit Soviet efficiency to oust us from a field in which we long predominated.

Congress must ponder this problem. Naturally no democratic, free-enterprise system can compete in every way on equal terms with autocratic state capitalism. Therefore, in the national interest, we should agree, when needed, to relax Federal banking standards and lend money at a loss. And we should make available to the administration a flexible contingency fund to use for emergency purposes not now foreseeable. We cannot plan ahead against a 5-year-plan autocracy merely with annual appropriations.

ACTION OF AMBASSADOR HENRY CABOT LODGE BEFORE UNITED NATIONS SECURITY COUNCIL

Mr. SALTONSTALL. Mr. President, I wish to comment briefly on a notable victory achieved by one of our former colleagues, Ambassador Henry Cabot Lodge, before the United Nations Security Council. It might better be termed a rather striking defeat for yet another of the Russian propaganda attempts.

The Soviet Government obviously felt that it could embarrass the United States by accusing the United States Government before the U. N. of what the Russians termed "provocative flights" by SAC bombers into the Arctic Circle allegedly aimed at the Soviet Union.

After these many years of cold war struggle with the Soviets, we are used to their trumped up charges and their spectacular propaganda sorties. But it is indeed gratifying when one of these attempts backfire and when it is due in no small measure to the able handling of the American Ambassador to the United Nations, Henry Cabot Lodge, formerly my colleague from Massachusetts.

So soundly did Ambassador Lodge refute the charges of the Soviets that they withdrew their resolution calling for the censure of the Strategic Air Command. They did so after several unsuccessful attempts to postpone a vote on the issue, which would have had the effect of prolonging possible propaganda advantages. Ambassador Lodge in turn challenged the Russians to accept the open skies inspection proposed by President Eisenhower. So soundly were the Russians beaten that they unleashed a vindictive verbal attack against Ambassador Lodge personally.

Ambassador Lodge has over the years very ably represented the United States before both the Security Council and the General Assembly of the U. N. He has worked diligently in the interests of the United States and in the interests of world peace. It is indeed gratifying that his able handling of United States interests before the U. N. has thwarted another obvious Russian propaganda move. It is characteristic of the manner in which Mr. Lodge has conducted our affairs before the U. N. over the last 5 years.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a comment?

Mr. SALTONSTALL. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I am very glad to add a word to what the Senator from Massachusetts has said about the wonderful accomplishment of Ambassador Lodge in this particular matter. I noticed the comments in the newspapers about it. As usual, Ambassador Lodge has done fine work in meeting the Russian challenge head on.

Mr. SALTONSTALL. I am glad to have the Senator from New Jersey say that, because I believe it sincerely.

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

Mr. SALTONSTALL. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. I join the Senator in his commendation of the action of Ambassador Lodge at the United Nations. I think he did an excellent job, in a dignified, precise, and well-thought-out manner. I would express the hope that what the Strategic Air Command has been doing for many years in the past will be continued into the future for as long as it is necessary. In my opinion, the Strategic Air Command is, in fact and in effect, the keeper of the peace at the present time, and what it is doing is in the interest of the security of this Nation and of the Free World. I agree with what the Ambassador had to say and am in full accord with his great performance at the United Nations.

Mr. SALTONSTALL. I thank the Senator from Montana. I agree entirely with what he has said about the SAC bombers.

POSSIBLE SUSPENSION OF NUCLEAR TESTING

Mr. SYMINGTON. Mr. President, at this time no question of policy would seem more misunderstood by the American people than the question of nuclear testing.

As a member of the Senate Subcommittee on Disarmament, I believe it is in the interest of the security of the United States that the schedule of nuclear tests planned by this country for this spring be carried out.

In my opinion, the world-wide fallout which will result from these planned tests will not affect either the present, or the future health of the world population.

This is an area in which the scientists do not yet have all the scientific data. But based on the data available, I do not believe that the results of all nuclear tests carried out to date will have any appreciable effect on the present or future health of mankind.

But an all-out nuclear war would certainly be damaging to the health of people all over the world.

Therefore I believe it essential that, at earliest opportunity, the free world reach agreement with the Soviet Union, with Red China, and with all other countries, provided this agreement carries with it a foolproof system of inspection.

The first step to this end might well be such a world agreement for nuclear test suspension as of a certain date.

In the past, the United States has refused to proceed with the Soviet proposal that a test suspension be negotiated, and has stipulated that any test suspension agreement must also include an agreement to cease producing fissionable material for weapons purpose.

In my opinion, this position, as taken by our Government, was a grave mistake.

Cessation of production would really mean little, unless stockpiles could also be checked; and because it is recognized that the latter would be extremely difficult, if not impossible, I believe that our demand to have a suspension of testing depend upon a cessation of production could be construed by the Soviet Union as a decision on our part not to enter into any preliminary disarmament agreement.

I recommend, therefore, that as soon as the scheduled United States tests are completed this year, every effort be made to reach a nuclear test suspension agreement, always provided the terms of the agreement safeguard our national security.

Ultimately this whole matter might well be handled by the United Nations.

In summary, I do not believe that nuclear testing to date has damaged the human race, through such materials as strontium 90 and cesium 137.

But unless the great powers proceed immediately to do everything possible to achieve a first step toward world peace through disarmament, history demonstrates that a continuation of an armaments race can only lead to war—and if such a war becomes a nuclear war, mankind might be destroyed.

As a member of this Disarmament Subcommittee, I pay tribute to the subcommittee's able and hard-working chairman, the junior Senator from Minnesota.

The people of this Nation, and the people of the world, owe Senator HUMPHREY a deep debt of gratitude for the work he has done in this disarmament field.

THE UNITED STATES AND WORLD TRADE

Mr. HOBLITZELL. Mr. President, I ask unanimous consent that an address by Francis E. Simmons, manager of the Washington office of the American Viscose Corp., to the Front Royal Rotary

Club, on our foreign trade policy, be printed in the RECORD.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there objection to the request of the Senator from West Virginia?

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

UNITED STATES AND WORLD TRADE: AMERICAN POLICY AT THE CROSSROADS

(Address by Francis E. Simmons, manager, Washington office, American Viscose Corp., to Front Royal Rotary Club, April 18, 1958)

In addressing this particular subject at this time, I am reminded of an appropriate Scripture: "In the day of prosperity be joyful, but in the day of adversity consider" (Eccl. 7: 14). The circumstances of our economy today make this timely counsel.

These are adverse days, as we are all too well aware. We owe it to ourselves to take time to consider seriously just where we as a Nation stand on the matter of foreign trade policy, to review the road over which we have traveled, and to contemplate what is the best path to follow as we move ahead. I am grateful to the Front Royal Rotary Club for this opportunity to consider this matter with you.

Few major issues have broader scope than our foreign trade policy, and yet manage to influence every level of our economy. Public attention focuses naturally on developments in Washington, but the impact carries right through to Front Royal.

Unfortunately, the clear dimensions of the issue itself have been blurred by some who imply that failure to give the administration additional tariff-cutting powers for 5 more years might throw countless Americans out of work and drive our allies into the arms of communism. I hope, in these few minutes with you today, to help restore this national issue to sensible, realistic proportions.

I want to establish with you beyond question that a refusal by Congress to grant the President further tariff-cutting powers would in no way change the present tariff rate structure and, therefore, would not affect the volume of foreign trade that has been built up or jeopardize any of the jobs that depend on it. I will be obliged to tell you more later as to the jeopardy to other American jobs from imports that have been dumped into the American market at unfair prices.

Since the passage of the Trade Agreements Act in 1934, American tariffs have been pared to the point where the United States stands as one of the lowest tariff countries in the world. Under existing rates, foreign exporters have found no difficulty in constantly increasing their volume of trade with this country, frequently to the distress of certain less adequately protected industries such as textiles, on which American Viscose Corp. is dependent for a substantial part of its market.

TRADE PROGRAM OUTMODED

I hope today to enlist your interest for I am convinced that in the long run, only the active support of informed citizens—in Front Royal and every other American community—will pave the way to a sound, equitable solution to the foreign trade problem.

The adminstration's program for a 5-year extension of the Trade Agreements Act, with further tariff-cutting authority, seems willfully dedicated to the interest of the internationalists without due regard for the effect on American industry. How can American Viscose Corp. or any other American industry that is vulnerable to low-wage import competition afford to consider the future with any assurance while the Federal Government clings stubbornly to a program of the past?

No matter what new window dressing is installed or how many new coats of paint are applied, or the gadgets like peril point and escape clause that have been tacked on for vote appeal, the fact remains that the foreign trade vehicle we are asked to ride is still the model of 1934.

There is no need to remind you of the tremendous changes that have occurred in our national economy and international outlook in the past quarter century. Many completely new industries have come into being since the basic Tariff Act of 1930.

At that time the production of rayon staple, which now has become a major part of our industry and of AVC's Front Royal output, was nothing more than a fond hope. As a result, the tariff protection which was accorded the infant rayon yarn industry was not extended proportionately to staple, which has suffered progressively under the antiquated 1934 Trade Agreements Act and further tariff cuts.

IMPACT OF IMPORT COMPETITION

As a result, 85 million to 170 million pounds of rayon staple (1955–57 range) are delivered annually to American textile mills at prices American manufacturers cannot match and remain in business. Imports last year exceeded the combined output of the American Viscose plants here at Front Royal and at Parkersburg, W. Va. Most of this foreign-made staple was sold here at lower prices than it brought in its own home market, a clear case of the unfair trade practice of "dumping."

This, of course, is only one example of import market invasion. I could cite numerous other instances, such as the loss of 52 percent of the domestic market for hardwood plywood, 60 percent of the domestic market for watches and clocks, and nearly 70 percent of the domestic market for velveteen fabrics.

The plight of the velveteen industry strikes close to home. As recently as 1952, the Crompton-Shenandoah Co. in Waynesboro employed 150 operators in its velveteen-cutting division. By the summer of 1957, after imports had overrun the market, this division was down to 17 workers. Any slight subsequent improvement is completely dependent on the forbearance of Japan.

FAIR COMPETITION UNDER FREE ENTERPRISE

Let me make it clear that we have no quarrel with competition. Healthy, give-and-take competition is part and parcel of the American economy. It has furnished the spark for economic growth and vitality.

But there are two kinds of competition. One involves a match under mutually advantageous ground rules. This is the kind of competition under which America has flourished. The other kind is the predatory variety of competition which we decided long since to prohibit in the United States.

Domestic market practices are regulated by the Robinson-Patman Act to prevent price discrimination; the Fair Labor Standards Act to control hours of work and hourly earnings; antimonopoly laws; and numerous other equalizers in the interest of healthy competition.

Similarly, the tariff structure was intended originally by Congress to equalize conditions of competition, particularly labor costs, between American producers and their foreign competitors. We ask no quarter on technology and manufacturing efficiency, but sweatshop labor outlawed in this country is no more palatable when it originates abroad.

American business is compelled to be ruggedly individualistic under the antimonopoly laws, whereas the combinations, agreements, and restrictive practices of foreign cartels or other groups are well known. We know from experience how difficult it is to enter their markets and how free they are to invade ours.

ANTIDUMPING ACT INEFFECTIVE

I want to emphasize especially the comparison between the Robinson-Patman Act, which abhors price discrimination by domestic sellers, and the Antidumping Act, which seeks to prevent foreign producers from selling to our market at less than they sell in their own market or elsewhere. This type of predatory pricing, known as dumping, is frowned upon generally among the free nations and by the General Agreement on Tariffs and Trade (GATT). Congress attempted to outlaw it in the Antidumping Act of 1921, but unrealistic definitions and resultant court decisions have defeated the purposes of the act.

Let's look at the record. Since January 1, 1934, the Government has handled 198 cases of alleged antidumping violation, with finding for domestic industry in only 8 cases. Speaking of longshots, American manufacturers, seeking to invoke the Antidumping Act, confront odds of 25 to 1.

The American rayon staple industry finds itself among the 190 applicants who tried, and lost. It took its complaint to the Treasury Department in 1954. The Customs Bureau found prima facie evidence of dumping. The Department of Commerce determined that the domestic industry was being injured.

Under the terms of the Antidumping Act of 1921, we expected relief in the form of an antidumping duty, which would simply have brought the price charged by foreign producers to the American market up to the price charged at home. We were denied that relief because foreign producers resorted to a subterfuge that evaded the act. That is why the industry is so concerned for enactment of H. R. 6006 by the present Congress to revise the Antidumping Act. This has been passed by the House of Representatives and is currently pending in the Senate Finance Committee, headed by your esteemed neighbor, Senator BYRD.

As far as the foreign producer is concerned, the windfall profits made possible by a slipshod Antidumping Act are simply icing on the cake, since he already enjoys the advantages of our low-tariff policy and Washington's strong resistance to measures which might draw frowns from foreign governments.

FREE TRADE ATTRACTIVE THEORY, POOR PRACTICE

The avowed goal of the free-trade campaign makes good propaganda for the uninitiated—it sounds so ideal. A world free of tariffs and quotas and other encumbrances to the flow of goods between nations, as told by the Americans for Democratic Action and others, is an inspiring thing to contemplate.

Then another American textile mill or tableware factory is snowed under by imports, and we recognize once more the painful disparity between free-trade idealism and the economic facts of life as they apply to foreign trade in this day and age. Suppose we take a few moments to examine some of these facts.

WHAT THE TRAFFIC WILL BEAR

A favorite argument of the freetraders is the alleged advantage to the consumer from lower prices. That idea is as vain as the freedom and democracy of communism. Experience is all to the contrary. Let me demonstrate that fallacy.

When the domestic industry has been subject to price controls, as during the World War II emergency, competitive imported products have sold at the highest prices the market would support. In 1946, postwar demand for rayon staple encouraged heavy imports. While domestic staple sold at an

OPA price ceiling of 25 cents a pound, imported staple was selling at around 40 cents a pound.

In 1947, when domestic prices rose to an average of 32 cents, foreign staple sold here at about 45 cents. Given a market and ineffective competition from American sources, foreign suppliers charge exactly as much as the traffic will bear with none of the altruistic concern for consumers claimed for them by freetraders.

WAGE DIFFERENTIALS—UNITED STATES AND FOREIGN

Another point at which the free-trade theory bogs down is on wage standards. We commonly regard high wages as an economic asset, placing unmatched purchasing power in the hands of America's consumers and sustaining our high levels of production. In competing with foreign labor, however, the American worker with the world's highest earnings is at a decided disadvantage. That disadvantage carries over to the industries paying those wages.

In our industry, for example, the average hourly wage is about $2. Our chief competitors in West Germany pay their workers less than 50 cents an hour; in Japan, about 20 cents. The American woolen worker averages about $1.60 per hour. His British competitor is paid 50 cents. The Bureau of Labor Statistics comparisons for other industries and countries show the same wide disparity.

PRODUCTIVITY COMPARISONS NARROWING

When this differential in wage costs is mentioned, the freetrader argues: "Yes; you pay high wages, but you also outproduce foreign workers." We could wish this to be an effective offset, but it is increasingly inapplicable. American industry's productivity generally is unexcelled, but in certain lines of manufacturing, including rayon, foreign producers equal and sometimes excel American output. In any event, it would be small comfort to an unemployed American to learn that it takes two foreign workers each drawing 50 cents an hour to produce what he could make at $2 per hour in the same space of time. That foreign labor still would cost only half as much as American labor.

Moreover, the gap between productivity here and abroad is closing much faster than the wage gap. The Organization for European Economic Cooperation, representing 17 nations of Western Europe, reports that from 1950 to 1955 industrial production rose 38 percent, while American output per manhour was increasing only 12 percent. Gains in certain European countries in that period outdistanced our own growth as much as 3 to 1; Italy's, for example, climbing 44 percent, and West Germany's 35 percent.

For the rayon industry, productivity here and in the major foreign producing countries is much the same. The great majority of the vast Japanese capacity, which rivals that of the United States, has been built since World War II with the most modern of machinery and equipment. The same applies to Germany and many of the other European producers. The real point of price competition, therefore, is not on cost of raw materials or efficiency of management but specifically labor costs.

FOREIGN AID DOUBLE-BARRELED THREAT

There is, of course, no good reason why foreign industries should not be developing rapidly. Many of these industries have been subsidized by American foreign aid. Our postwar outlays for foreign aid are approaching $70 billion, and a healthy share of this has been fed into foreign factories and equipment, even to raw materials for producing rayon.

Members of Congress are interested increasingly in diverting more ICA-administered foreign-aid dollars to domestic industry, by purchasing more from our own producers. Spokesmen for both the northern and southern textile industry have been especially vocal.

If the experience of American Viscose Corp. is any guide, the influences of the entire textile industry and its Congressmen will be taxed to wrest any relief from the administration even though Congress has made adequate provisions. Section 510 of the Mutual Security Act provides that "funds * * * may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus * * * which outweigh the economic advantages to the United States of less costly procurement abroad."

The plight of the textile industry and the resultant surplus of labor have been evident for many months, but foreign aid funds supported by our heavy taxes continue to be spent for the benefit of foreign textile industries. Of nearly $100 million paid for fabricated textiles in fiscal year 1957, 93 percent went to offshore or foreign textiles. Nearly 90 percent of the $10 million spent for textile machinery went to offshore suppliers.

In 1956, the International Cooperation Administration, which administers our foreign-aid program, announced invitations for more than $10 million worth of rayon staple and related products, chiefly for South Korea. As our industry at that time was depressed by cutbacks in auto production, textile output, and housing construction, the ICA business appeared most inviting. We soon found it was an empty hope.

We learned that South Korea planned to spend the funds it received from ICA, your tax dollars and mine, to buy Japanese and Italian rayon. Additional millions of dollars were expended for rayon again in 1957 and other lucrative invitations on rayon are pending currently, but it is safe to say that they will not accrue to the benefit of our American industry.

ICA blandly disclaims responsibility for these so-called commercial transactions, since it purports to deal directly with foreign governments which may then place their orders where they choose. This contrasts sharply with the prevailing attitude of other nations, such as France and Great Britain, which decided long ago that foreign aid, like charity, begins at home and that foreign aid funds should be spent originally for their own products.

FOREIGN AID WINS FEW FRIENDS

Despite our open-handed generosity, we can never be sure that our sacrifices will stand us in good stead in a showdown with Russia. A newspaper poll (New York Herald Tribune) of 11 nations, all but one recipients of United States aid, showed that nine of the 11 favored a neutral course if our country goes to war with the Soviets.

Public opinion favoring neutralism ranged from 94 percent in Sweden to 54 percent in Great Britain. In between were Austria, Norway, Belgium, Italy, France, West Germany, and Brazil. Only Australia and the Netherlands indicated a majority willingness to join the fight. The United States has suffered particularly embarrassing disillusionment from its pay-as-you-go goodwill overtures to Nationalist China, Egypt and Saudi Arabia.

WHITHER TRADE AGREEMENTS?

While, on the one hand, we are learning from costly experience that our aid dollars have bought far less than we expected, we are told that we can gird up the solidarity and strength of the free world by extending the Trade Agreements Act of 1934 for the 11th time, and for 5 more years.

This is the proposal which many American industries are bitterly protesting. Most of the controversy centers on the power of the President to reduce our tariffs and enter into trade agreements. Our Constitution, the charter of our democratic self-government, specifically states that Congress shall regulate the Nation's foreign commerce and that treaties with other nations are subject to ratification by two-thirds of the Senate. Administration of the Trade Agreements Act sidesteps both of these mandates.

FOREIGN TRADE EMPLOYMENT

Perhaps the strongest, yet most misleading, argument now making the rounds on behalf of the Trade Agreements Act is that 4½ million American jobs depend on granting the President authority to reduce our tariffs still further. They claim that only a handful, perhaps 100,000, could lose their jobs if all tariffs were removed. With millions already out of work, this would be a potent argument if true, but it is sheer nonsense.

For one thing, we know that imports furnish payment for only two-thirds of our exports. The other third is financed by dollars collected abroad through foreign aid, tourist and GI spending, private investment, and other transactions. Accordingly, one-third of export-dependent jobs is independent of the tariff issue.

Furthermore, we know that one-half of our imports enter tariff-free. These are commodities like coffee, tea, spices, crude rubber, tin, and other materials and products which we need but cannot make or grow for ourselves—and which have no part in the tariff issue. Of the remaining 50 percent of our total imports, about one-half carry only nominal or token duties, thus having little bearing on the tariff question.

Boiled down, this analysis shows, quickly and convincingly, that the sensitive area of our foreign trade represents only 16 jobs out of every 100 claimed as export-dependent. And even these 16 jobs would be affected only if a steep tariff wall were to be raised, a step which no one is proposing.

TENUOUS TIE WITH PEACE

Perhaps the next most popular claim in support of continued tariff reduction is that unless we take the initiative in abolishing trade barriers, we are likely to lose the cold war by default. We've been shrinking tariffs right and left ever since World War II, so that cynics might question why we've been on the short end of most cold war encounters anyway. Has some occult transformation taken place, that we will now be able to obtain with the same mechanism the things that have eluded us in the past? In spite of repeated American protests, our allies are more and more embracing Iron Curtain markets. This trade has almost doubled in the last 6 years and new negotiations are now under way.

The record of totalitarian slave-states should convince us that no amount of tariff tinkering will discourage the Communists from buying what they want, whenever and wherever they can find it. As long as political motivation is their interest, Soviet hucksters will buy with little regard for price, sell with less regard for cost, and swap with no regard for gain other than subversion and infiltration.

Americans would do well to ask themselves: If 24 years of continual tariff cutting, and more than 10 years of costly foreign aid, have failed to thwart the Communist challenge, how can we succeed with the same tactics for 5 more years?

Obviously that course cannot expect to succeed. We can only hope to keep foreign governments and foreign industries smiling in our general direction. If we are willing to settle for that vanity, we must be prepared to see more and more foreign products crowding their way into the American market, and more and more domestic industries and workers struggling

for survival. This experience of the past will harry our future unless we improve the system forthwith.

FLEXIBLE TARIFFS RECOMMENDED

Wouldn't it make more sense to adopt a selective tariff formula to balance the interest of vulnerable domestic producers with the wishes of foreign manufacturers? Isn't it sensible to build up, rather than undercut, our domestic mobilization base in perilous times, while continuing our efforts to strengthen the Free World through truly beneficial two-way trade?

This, in short, is the issue as it awaits the decision of Congress: Whether to reembrace the 24-year-old Trade Agreements Act under a new paint job, or to adopt a new and mutually satisfying program. That is a decision in which we all have a stake, and should, therefore, make our views known to our elected representatives in Congress.

The critical determination on trade agreements is about to be made in the powerful House Ways and Means Committee where your distinguished Representative BURR P. HARRISON is an influential member. Subsequent to House action it will proceed to Senator Byrd's Finance Committee.

To conclude our discussion, as we began, with a penetrating quotation from the Scriptures, Christ admonished his contemporaries: "Ye can discern the face of the sky; but can ye not discern the signs of the times?" (Matt. 16: 3). That, I think, sums up the problem and the course we must take in solving it. Congress today, in adversity, must consider carefully, discern the signs of the times, the changes of the past quarter century and their persuasion for a new United States foreign trade platform.

TENTH ANNIVERSARY OF THE INDEPENDENCE OF ISRAEL

Mr. MARTIN of Pennsylvania. Mr. President, the 10th anniversary of the independence of Israel is being celebrated in every part of the world where free men adhere to the ideals of peace, freedom and justice.

No nation in all world history has ever equaled the progress achieved by the State of Israel in so brief a period of national independence.

In 10 years the heroic struggle and sacrifice of her courageous people have built a stronghold of freedom and advancing civilization in the Holy Land.

The magnificent gains they have made in economic and cultural development have won the respect and admiration of all the Free World. We can look with complete confidence to even greater achievement in the future.

We can be proud that Americans of every faith have aided in this inspiring advance in world progress. We can be proud to recall that the United States Government recognized the brave new nation on the day it was established.

Mr. President, I am happy to join in tribute to the Republic of Israel and to send them renewed assurance of American friendship.

It is my sincere hope that this historic anniversary may bring nearer to fulfillment the aspirations of the people of Israel for stability, security and peace.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SPENDING PROGRAMS AND DEFICITS

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent that I may proceed for not to exceed 15 minutes.

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

Mr. MARTIN of Pennsylvania. Mr. President, I am greatly disturbed by the rapidly expanding programs for the expenditure of public funds and their ultimate effects upon our economy.

The prospects for budget deficits grow directly as expenditure proposals are enacted into law. The inflation of consumer prices continues, month after month, as it has continued for more than 2 years. The end is not yet in sight.

At a recent meeting of the Finance Committee, the senior Senator from Virginia [Mr. BYRD] and others expressed opinions that the deficit for 1959 might reach $7 or $8 billion or more if the present spending trend continues. If a tax cut were enacted the deficit might reach $12 to $15 billion. In all probability many of the spending programs will continue, and may even be accelerated, after 1959, thereby creating deficits for succeeding years as well.

If so, we are headed for serious trouble in the management of our enormous public debt, as well as laying the groundwork for prolonged inflation.

Deficits and inflation are the inevitable results of unwise public and private economic policies. Unless and until we eliminate their causes, our military and economic security will be adversely affected.

I recognize that the launching of the Russian sputnik and the degree of economic recession which has occurred since November have materially changed our defense and economic outlook. Defense activities have been greatly accelerated, and the budgets for 1958 and 1959 indicate our national will to provide adequate strength. Our military position must be invincible.

But it is equally true that our economic strength must in every way be protected and improved to support our military defenses. I am concerned lest we underestimate the importance of our economic responsibilities for the long pull while we rush from consideration and passage of one spending program after another.

Much of the spending seems to be based on some kind of trickle-down theory that we have heard criticized so much in the past. It is argued that if we spend enough, cars will be rolling again off the assembly lines of Michigan. What if people do not respond in just this manner and prefer their present cars to higher-priced, fancy models of 1958? What do we do then? Perhaps we might build up a stockpile and later offer them to foreign countries as surplus products at half price, taking payment in counterpart funds.

I have seen no time table or schedule which in any way relates these increased expenditures to the number of jobs to be created, when these will become available, or where they will be located in reference to the areas of heaviest unemployment. And will the newly created jobs fit the trades and skills of those unemployed? I am fearful that when these spending programs are proved again, as they were in the 1930's, to be a poor solution to unemployment, greater doses of spending will then be demanded.

As a people, we cannot afford the luxury of easy and painless temporary solutions by draining the public purse. These only postpone, enlarge, and intensify the problems we would presently escape.

It is as true now as before sputnik that our greatest internal danger is continued inflation and the destruction of our currency.

During the past 4 months, unemployment has increased from 3,200,000 to 5,200,000. However, the number for March was only slightly higher than for February. If consideration is given to the extremely severe winter and the concentration of unemployment in the heavy and durable goods industries, the remainder of the employment picture appears reasonably good.

I have no desire to minimize the seriousness of unemployment wherever it occurs. It seems to me, however, that no recession has been more publicized nor has any brought forth more programs to cure it. With much of the latter I have serious doubts as to their effectiveness and also their long run results. Will the benefits derived be dearly paid for later by further inflation?

I have heard very little in recent months to the effect that rising prices in the inflationary boom of the past several years had anything to do with our present recession and unemployment. I believe they are very closely related.

From February 1956 to January 1958 the Consumer Price Index has edged upward month by month from 114.6 to 122.3. This means that the consumer's dollar declined in value from 51.8 cents to 48.5 cents, based on the 1939 dollar value. That was a devaluation of 6.3 percent in less than 2 years. There is no indication that this trend has stopped as yet, although the current recession has been with us for more than 5 months.

The price rises reflected a revival of economic activity which began in the latter part of 1954 and assumed boom proportions from 1955 until the fall of 1957. During this period new highs were recorded time after time in employment, gross national product, total personal income, wage income, investment and construction. At the same

time we experienced a tremendous increase in debt, both public and private. Gross debt, in all categories, increased from $600 billion to $800 billion over a 4-year period, the highest rate of increase in any peacetime period. This growth in debt undoubtedly was a major factor in promoting boom and inflationary pressures. It was in excess of savings out of current income and to that extent was equivalent to so much printing press money injected into the economy. It served to support the rising cost of wages, materials, and other costs and to clear the markets of goods and services at their higher prices.

For many months the Federal Reserve authorities sought to dampen the rate of credit expansion in an effort to check the boom and halt the inflation. Within the working limits of monetary policy the Federal Reserve exercised a degree of restraint on the rate of credit growth, which caused interest rates to rise. In due course, the boom spent itself, as they always have in the past, with a slowing down in investment, production, and employment.

Excessive growth in debt, that is, spending future income for today's plants, public works, consumer goods, welfare and other programs, can be carried too far, and I believe it was.

It can happen again.

Besides my concern for sound economic policies on the part of government, I am greatly disturbed by the continued rise of wage costs in American industry and their inflationary effect on prices. Everyone knows of the great advances that have been made to produce more goods with less human effort and the substantial increases in the standard of living that have resulted. However, the growth in productivity has been more than offset by increased costs of production, primarily labor costs, so that instead of lower or stable prices, we have had steadily rising prices. Based on Bureau of Labor Statistics, unit labor costs for all manufacturing industry increased by 27.7 percent from 1947 to 1956. During the same period average hourly earnings increased 60 percent. In other words, increased productivity offset only about half of the increased labor costs, during this period. The remainder had to be made up by higher prices and lower rates of profits—and only higher prices could absorb the bulk of the increases.

Actually the Consumer Price Index covering all consumer goods and services did increase 21.7 percent between 1947 and 1956.

Now I wish to refer to figures covering the past 2 years. According to the President's Economic Report, the index of output per man-hour in manufacturing increased only 1.1 percent in the 2-year period 1955 to 1957. On the other hand, average hourly earnings—excluding overtime—increased from $1.82 to $2.01 or 10 percent. Certainly, such a wide difference between productivity and wage increases must produce inflationary prices. That the wage-push factor has been and continues to be the major contributor to inflation cannot be disputed by any available evidence.

However, it is often charged that excessive profits taken by business is the cause of price increases. A simple review of the growth of wage payments and trend of corporate profits easily disposes of that contention. The total of corporate profits after taxes increased from $18.2 billion in 1947 to $20.6 billion in 1957, and averaged $18.8 billion for that period. In contrast, total compensation of employees increased from $128.8 billion in 1947 to $254.3 billion in 1957. In the meantime, the consumer price index rose over 25.7 percent.

Which is likely to have created rising prices in the foregoing comparison: the $2.4 billion increase in profits or the $125.5 billion increase in compensation of employees?

Studies of productivity, wages, profits and prices in some of the larger, tightly unionized industries, for example, the Steel Industry, reveal even more conclusively and strikingly the wage-push influence upon the price level. The evidence is so unmistakably clear that its continuation can only mean further inflation, resulting in stagnation and ultimate destruction of the private enterprise, profit economy as we have known it.

In conclusion, I believe our present dilemma results from everyone demanding and getting more dollar income than the economy can produce at stable costs and prices. This has been fostered by a volume of total debt greater than the volume of real savings. The excessive debt, of course, has been made possible by an adequate supply of credit even though this was held in considerable restraint by the Federal Reserve Board.

Continuation of the wage-price spiral, extension of excessive debt, and repetition of easy credit to support them, can lead only to further inflation, with its ultimate dislocations in economic activity, resulting in unemployment.

A WORLDWIDE EXCHANGE OF RADIO PROGRAMS

Mr. HUMPHREY. Mr. President, a worldwide exchange of radio programs between American radio stations and the broadcasting systems of Europe, the Far East, and other areas has recently been made possible by a grant of $200,000 from the Ford Foundation to the Broadcasting Foundation of America. For the first time on such a scale, according to BFA, the music, drama, and other expressive utterances of many of the world's people will be brought to America and our corresponding productions sent to them.

The grant will permit BFA to establish a center in New York for the duplication on tape of programs from abroad and for their distribution to American radio stations. It will also aid BFA to lay the basis for the production and sending abroad of radio programs expressing American creative life.

This exchange of the creative productions of many cultures will be a kind of international conversation, free of politics and propaganda. It will provide an aid to the ear of America, a great widening of the range of things heard and appreciated that originate in unfamiliar lands. In turn, it will bring to audiences overseas the best in American music and writing and thought, reflecting the tradition and culture of the American people.

Listening to these programs can give pleasure and knowledge to us and to millions overseas and can bring us into closer understanding with our friends and potential friends throughout the world.

BFA has already made arrangements with the broadcasting systems of 30 nations to prepare programs in English on the music, literature, and art of their countries for American audiences. These countries include: Australia, Austria, Belgium, Canada, China, Denmark, England, Finland, France, Germany, Greece, Haiti, India, Israel, Italy, Japan, Korea, the Netherlands, New Zealand, Nigeria, Norway, Poland, Portugal, South Africa, Spain, Sweden, Switzerland, Turkey, Vietnam, and Yugoslavia.

Seventy-seven radio stations in the country's largest cities are cooperating with BFA and will put these programs on the air as a public service. These stations serve metropolitan areas covering approximately 39 percent of the United States population in 55 cities and 28 States. Most of these stations are independent commercial stations, 10 are those of the Westinghouse Broadcasting Co., and 5 are leading noncommercial stations.

BFA expects to begin distribution here of foreign radio programs in the immediate future.

BFA was formed in 1955 and is a nonprofit, tax-exempt, educational organization. Its board of trustees includes: Mrs. A. Scott Bullitt, owner of station KING and KING-TV, Seattle; Norman Davis, Seattle businessman and former chairman of the board of the Seattle Museum of Fine Arts; Frank N. Freeman, emeritus chairman, department of education, University of California, Berkeley; Henry Morgenthau III, TV projects manager, station WGBH, Boston; Richard Pack, vice president in charge of programs, Westinghouse Broadcasting Corp., New York; George E. Probst, former director of the University of Chicago Roundtable, presently executive director of the Thomas Alva Edison Foundation, Inc., New York; Robert Redfield, professor of anthropology, University of Chicago; George N. Shuster, president of Hunter College, New York; Seymour N. Siegel, director of the Municipal Broadcasting System and WNYC of the city of New York, chairman of the International Advisory Broadcasting Council, and past president of the National Association of Educational Broadcasters; Calvin W. Stillman, economist and professor of social science, University of Chicago; Howard Thurman, dean of the Chapel, Boston University; and Myron Wilson, New York attorney. The acting executive director is Mrs. Chloe Fox.

In addition to the Ford Foundation grant, BFA has received support from the Rockefeller Foundation, the Creole Foundation, the Peter J. Schweitzer

Foundation, and from private contributors.

Under a grant from the Rockefeller Foundation in 1957, BFA completed a study of cultural radio program resources in 29 countries of Europe, the Far East, and other places. It also investigated the interest of American radio stations in scheduling cultural programs from other countries.

Under a grant received from the Creole Foundation in 1957, BFA is now pioneering a study of the possible use of television and radio in education in Venezuela. Beginning May 1, a series of test telecasts into schools in Caracas will be held for a period of 6 weeks. It is expected that the findings and practical demonstrations in which this study will result may show how not only Venezuela but also other comparable countries might improve their educational systems by using television and radio.

ADDRESS DELIVERED BY FORMER PRESIDENT TRUMAN AT THE CAMPAIGN CONFERENCE FOR DEMOCRATIC WOMEN

Mr. HUMPHREY. Mr. President, last evening, the former President of the United States, Mr. Harry S. Truman, addressed a dinner of the 1958 Campaign Conference for Democratic Women, held at the Sheraton Park Hotel in Washington, D. C.

With his characteristic candor and frankness, the former President discussed the monetary, fiscal, and credit policies of the present administration.

I ask unanimous consent that this very provocative, thoughtful, and stimulating address, which challenges the thinking of every American, be printed at this point in the RECORD.

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

SPEECH BY FORMER PRESIDENT OF THE UNITED STATES HARRY S. TRUMAN AT A DINNER OF THE 1958 CAMPAIGN CONFERENCE FOR DEMOCRATIC WOMEN ON MONDAY EVENING, APRIL 21, 1958, AT THE SHERATON PARK HOTEL IN WASHINGTON, D. C.

This conference of yours is a most stimulating affair. Katie tells me that the attendance has exceeded her greatest expectations. There is a tremendous amount of political power in this gathering here tonight, and after this meeting that power and enthusiasm will be distributed all over the country, where it will do the most good in the elections this fall. And make no mistake about it, we are going to win in the elections this fall—we are going to increase the Democratic majorities in the House and the Senate to a point that will be the highest in the last 20 years. But this is all the more reason for working harder than ever before. There will be a lot of districts and Senate seats this year that are normally Republican which will come over to us, if we just apply that last ounce of effort—if we organize the Democrats to get out and vote, and if we get our message across to the other people. That's your job, and I know you are going to do it.

There is a great responsibility awaiting the Democratic Party this fall, as well as a great victory. We will have the responsibility not only of being the opposition party, but also of shaping the policies of the Government. We must formulate policies that will halt the recession and put us back on the road to full prosperity, and restore our shrinking power and influence in foreign affairs. In this time of grave responsibility we are fortunate in our leaders in the House and Senate. You all know SAM RAYBURN, and the good he has done for the country in all his years of service. And now we have his younger colleague, LYNDON JOHNSON, as the leader of the Senate, and I do not believe there has ever been a more able and distinguished Senate leader. He has been guiding the Senate in a way that has never been excelled, and I am proud of him, as I am sure all good Democrats are proud of him.

I have made up my mind to discuss tonight a subject I have been wanting to talk about for a long time. I hope it won't bore you, even if it is a subject that sounds rather dull. I have decided that you ought to be interested in it—that all women ought to be interested in it—because it has to do with money. Women, I am told, have charge of spending the family's money. Some of them even have charge of saving it. That is true in my home. I am the spender, but Mrs. Truman is the one who does the saving. In any case, the women of the country probably have more to say about how the Nation's money is used than the men do—and there are some things about the management of the public money—the handling of the national debt, and the setting of interest rates—that you ought to understand, for they affect every single family in the land.

The Republican administration has been mismanaging the national debt. More than that, this Republican administration has been misusing its power over the money supply of the American people.

The consequences have been most serious. Many of our recent economic troubles have their roots in the way the Republican administration has been mismanaging our money. The serious economic recession that we have today has been caused, in part, by this misuse. To get out of this recession—to restore prosperity for all the people—we must put a stop to these mistaken policies.

The battle between Republicans and Democrats, regarding the use of the people's money, is not new. It goes back to the fight which Andrew Jackson successfully waged against the Whigs—the ancestors of the Republican Party. Old Hickory took the money power away from old man Biddle and the United States Bank and restored it to the Government in Washington, representing the people, where it belonged.

But Andrew Jackson did not win a permanent victory. The great private financial institutions have never given up in their efforts to take the control of Government finances away from the people and to capture, by that means, control of the Government itself. They succeeded in the 1920's. The great depression resulted. Then Franklin Roosevelt came along and returned the financial capital of the United States from Wall Street to Washington. The money changers tried to regain control during my administration. They did not succeed. The framers of the Constitution decided that the power to tax should be in the House of Representatives, and by custom all money bills originate in the House, the legislative branch closest to the people.

In 1953, the great financial interests had still another chance. And they have made hay while the Republican sun was shining. Never before in our history has the Government done more to help these big interests to help themselves to the savings of the people who have no political or financial representation in Washington.

On January 20, 1953, I turned over to the new Republican administration a financial and economic house that was in order. Prosperity was at new peaks, and it was being shared more generously than ever before. Prices were stable, although the economy was expanding rapidly. Unemployment was at minimum levels. Farmers and small-business men were participating fairly in the fruits of our general prosperity. Credit was plentiful enough to meet the needs of the people, and interest rates were reasonably low.

But the new Republican administration called all of this prosperity a mess, and they proceeded to make a real mess of it. Within a few short months, they produced an economic recession. After the 1953-54 recession, they produced a lopsided boom, and never restored full prosperity for all the people. And then, in 1957, this investment boom collapsed, and we have been in an economic recession ever since. In fact, under this Republican administration, for 5½ years, we have been in an economic recession for about half the time.

The famous high-interest money policy is the basic cause of the Republican failure to bring us continuing prosperity. This policy of high interest rates is also called the "tight money" policy. "Tight money" does not mean that the Government is being economical or frugal in spending its own money. It means that the Government is making it harder for its citizens to borrow money at the banks. There is nothing mysterious about the tight money policy. It is simply a way of using the mighty powers of public agencies to redistribute the national income in the wrong direction. It waters the economic tree at the top, and starves it at the roots.

Let us look at the behavior of the Treasury Department under the Republican administration. During the past few years, the Treasury has deliberately jacked up interest on the Government's financing and refinancing all along the line. But this is not all. Generally speaking, it has jacked up interest rates most on the types of obligations bought or held by great financial institutions or wealthy individuals, and raised interest rates least on the obligations bought or held by average American families—for example, certain types of savings bonds. Moreover, the Treasury has juggled around its short-term and long-term issues, and its types of issues, so as to rob the ordinary citizen to pay off political obligations to the gigantic financiers.

It is very revealing to look at the excuses which the Treasury has given for this kind of misuse of the people's money.

First of all, at the Senate Finance Committee hearings last year, the Treasury officials said they had practically nothing to do with the rising interest rates on their own financing. They said that the interest rates were determined by whatever rates the buyer of bonds wanted in a free market. The former Secretary of the Treasury, Mr. George Humphrey, said that the Treasury had no more to do with interest rates than the owner of a small grocery store had to do with the price of bread.

This is absolute nonsense, and Mr. Humphrey knew better. During the previous Democratic administration, we kept interest rates low even during wartime, when the Government had to borrow many times as much as during any later period. We did not let the big banks and insurance companies set the financial policy of the United States Government. It is truly a shocking thing, when a Secretary of the Treasury says that the great Government of the United States has no more power to protect the public interest than the owner of a corner grocery store.

Then, the same high Government officials had the nerve to tell us that it makes no difference how much Federal interest rates go up, because the interest is paid to the whole American people. This is not true. The increased interest payments go to the

big lenders, and not to the little fellow. I wonder how much of these bloated interest payments have gone to the American farmers who have been forced off their farms, or whose outstanding debts have become bigger and bigger relative to their brutally deflated incomes. I wonder how much of these bloated interest payments have accrued to the rising numbers of the unemployed, or to the millions of American families, borrowing more than they are saving, in order to make ends meet in the face of constantly rising prices. Not much, I can assure you.

This Republican claim that rising interest rates benefit everybody just is not true. In fact, rising interest rates definitely injure the little fellow. They benefit the man or the business with huge liquid reserves—by increasing his income from interest. But they raise the cost of everything the average consumer buys on time, from real estate to washing machines. In just a minute, I will explain how this works.

The first thing, however, to point out is that these increased interest payments are an entirely unnecessary burden on the Federal budget. And they constitute a big burden, too—one that we all have to help pay for. Here are some of the facts:

In January 1958, compared with the same month in 1952, the interest rates on the entire public debt were almost 23 percent higher. The interest rates on 3- to 5-year issues were 30 percent higher. And the interest rates on 9- to 12-month issues, which are bought mostly by big investors, were more than 41 percent higher.

Now, what have these tremendous increases in interest rates added to the Federal budget? During the 4 years, 1953–57, these increased interest rates have cost more than $2 billion. By February 1958, the annual rate of interest payment on the national debt was more than $1.2 billion higher than it would have been if the 1952 level of interest rates had been preserved.

But all of this is only the beginning. Our national debt is being constantly refinanced. If all of it is eventually placed on the basis of the most recent interest rates, the increase in cost to the Federal budget and to all American taxpayers would be close to $4 billion per year.

Now, let us get some perspective on what a $4 billion increase in annual interest costs in the Federal budget really would mean. This huge figure is more than twice the amount contained in the President's fiscal 1959 budget for public assistance to those in need. It is more than 2½ times the total amount provided in this budget for the development of our national resources. It is more than 9 times the amount provided for the improvement of housing. It is more than the total amount provided for agriculture and agricultural resources. It is about 4 times the amount provided for health and education combined. It is almost 3 times the total cost of general administration of the whole Government. It is enough to cover the difference between our dangerously inadequate national security program and what that program ought to be. It is about 4 times the amount proposed in the President's new budget for overseas economic and technical development.

Yet the same Republican administration, which says that we cannot afford adequate national security or essential domestic programs, tells us that we need to pay out these interest bonanzas to a privileged few.

All of this, however, is only a small part of the awful effects of this tight money-high interest rate policy. Higher interest rates on Federal borrowings have forced up all types of interest rates—the interest rates paid by the farmer, the small-business man, the veteran, the homeowner, and every family who buys on time an automobile or a TV set, a lawnmower, or a piece of furniture. By the end of 1957, bank rates on short-term business loans were almost 39 percent higher than in 1952. By January 1958, the interest rates paid on State and local bonds were almost 43 percent higher than in 1952. This has injured the building of schools and practically every type of vital domestic improvement financed with State or local public funds.

Today the people of the United States are paying out in public and private interest charges about $4 billion more per year than if interest rates had been held at the 1952 levels. For about 50 million families, this comes to an average of about $80 per family per year. If all outstanding public and private indebtedness were to be refinanced at the current Republican interest rates, the American people would eventually be saddled with about $15 billion per year in additional interest burdens, compared with 1952. This would amount to an average of about $300 per year per family. Shylock was a gentleman compared to our Republican interest-happy Government.

With this interest-payment extravaganza, is it any wonder that, during the years 1953–57, interest income for individuals grew almost twice as fast as labor income, and more than twice as fast as the total personal income of the American people? And during these 4 years, while interest income for individuals grew at an average annual rate of 6 percent, total farm income from all sources declined at an average annual rate of 2.5 percent. All of these figures are in real terms, allowing for price changes. What better example could there be to prove how fast our national income is being redistributed from those who have not to those who have?

The worst of it is that the tight-money travesty is only one illustration of Republican policies. Their tax policies, their budgetary policies, their outrageous farm policies, and almost all of their other policies, have put the squeeze on the people for the benefit of the privileged few. They have directed so much of the national income into the hands of big investors, at the expense of average consumers, that our people have become unable to buy the products of our expanded factories and improved machines. This is why so many plants are now idle, and why so many people are now unemployed. This is why we have been in a state of economic recession about half the time since early 1953.

On April 17, the president of United States Steel, the biggest business in the country, with the possible exceptions of Standard Oil and General Motors, came to that big suburb on the west side of my hometown and stated that big business should pay no graduated income tax and that receivers of dividends should pay no tax on those dividends. I wonder how come he hasn't succeeded in getting that done? He had a Republican Congress and a Republican President for 2 whole years at least. Yet the pricing policy of United States Steel has contributed more to this inflated price situation than that of any other organization. I know something about their methods. I was fighting them for fair wages and finally succeeded in obtaining a 15-cent wage increase which, according to their own figures, would add about $2.50 to $3.50 per ton across the board to the price of steel. But when price controls came off, they raised the price from $14 to $25 a ton, and that is what they have continued to do. Who's taxing who in that maneuver? And who's getting the benefit? Price inflation and the present depression are the results of just such capers as this and the manipulation of the Government's finances. It is all in the same pattern. Fantastic, I say.

The economic recession of today did not descend upon us suddenly, nor did it come by accident. The tight-money policy, designed to make money cost too much, and to deny adequate credit to the ordinary producer and consumer, has represented the Republican failure to understand full prosperity for all. It has reflected the Republican hostility to maximum employment, production, and purchasing power, the great goals of the Employment Act of 1946. It has reflected the Republican fear of an adequate rate of economic expansion, their traditional belief in what they call healthy readjustments, and their attachment to a considerable volume of unemployment.

This is not just what I am saying. It is what the Republican high command itself has been saying. Just a year ago, when the recession was already apparent, this high command said that the inflation was due to "excessive prosperity." And so they continued their efforts to squeeze and contract our economy, instead of helping it to expand. Just a few days ago, the new Secretary of the Treasury said that a real program of economic revival would be dangerous, because it would cause our economy to expand too much. He said that he wanted only a very gentle rate of economic growth.

Well, a gentle rate of growth is all we have had under the Republicans since 1953, and right now it is turning into a very ungentle rate of decline.

For more than 5 years now, these Republican economic policies have been squeezing the farmer. They resulted in a recession that is squeezing the worker out of his job. Their high prices have been squeezing the average family everywhere. Their misguided ideas about economy have been squeezing our national defense and our most vital domestic programs.

The American people cannot and will not continue to be squeezed by Republican tight money and rising prices; Republican recession at home; and Republican retreat in world affairs.

We know our true needs, and we know our power to meet these needs. Our economy is the greatest the world has ever known. Our people have the highest skills. Our free institutions provide incentives and rewards for limitless progress.

We still have a lead over the totalitarians. But we cannot afford to see this lead narrowed day by day. We have done great deeds before, and we shall do them again. We must do them in time to save ourselves, to prosper, and to advance. Our economic health is the source of the strength that we need.

Our people have been patient and tolerant. But they cannot be squeezed much longer. Through their power to select those who govern, they will regain some of their freedom this fall, and complete the job in 1960.

UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, there is no issue at this time demanding more immediate attention than the mounting rolls of the unemployed. As of mid-March unemployment stood at 5.2 million, and unemployment insurance claims since then indicate that the jobless figure is increasing.

In the Washington Post of April 17 there appears an article giving a breakdown by State and occupation of the Nation's jobless. It shows that in Maine and Michigan 14 percent of the workers are unemployed, followed by West Virginia, Kentucky and Montana with 13 percent. In my own State of Minnesota as of March 29, there were 56,689 insured unemployed, or 8.6 percent.

This article reports that in the auto industry 14.5 percent are jobless, com-

pared to 3.1 percent a year ago. For railroads there is 13 percent unemployment, as compared to 2.5 percent last year. In steel jobless totals amount to 13.2 percent, compared to 2.6 percent a year ago. In the construction industry 20 percent are unemployed, as compared to 12.5 percent.

As I have said before, Mr. President, prompt consideration must be given to improving and extending unemployment insurance compensation benefits, which are far from adequate at the present time. I urge passage of S. 3244, the Kennedy-McCarthy bill, of which I am proud to be a sponsor, which would provide 39 weeks of benefits at 50 percent of the unemployed worker's weekly wage.

I ask unanimous consent that this article from the Washington Post be inserted at this point in the RECORD.

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

DISTRICT OF COLUMBIA IDLE LOW IN UNITED STATES—EIGHT STATES BEAR LOAD

The District of Columbia, where Government is the biggest business, is the area least affected by unemployment in this country, it is shown in a survey to determine which States and industries are hurting most from joblessness.

The answers to the questions were pinpointed from Government job data for March. District of Columbia idle in the week ended March 29 totaled 9,796 in insured employment, or 2.1 percent of that work force.

A study of Commerce and Labor Departments job reports shows this:

Three out of five of the Nation's 5,200,000 workers made idle by the recession are in just eight States—New York, Pennsylvania, Massachusetts, New Jersey, Ohio, Illinois, Michigan, and California.

Hardest hit are Maine and Michigan, each with about 14 percent unemployed, followed by West Virginia, Kentucky, and Montana, each with about 13 percent.

NEW YORK LEADS IN IDLE

New York, Pennsylvania, and California, in that order, have the greatest numbers of workers without jobs, but lesser percentages of their work forces idled than some other States such as Michigan and Maine.

Most severely hit of all industries is construction. One out of five construction workers was idle in March, a situation apparently improving somewhat in April with better weather conditions.

The unemployed include 1 out of every 7 workers in transportation equipment manufacturing, which means mainly the auto factories; and 1 out of every 8 workers in the railroad, steel, and mining industries.

Out of every 100 unemployed workers, 36 came out of the factories, 16 out of wholesale or retail trade, 15 from construction, 13 out of service industries, 12 off the railroads and other forms of transportation, communications and public utilities; 5 from the farms, 2 from public administration, and 1 from mining.

AUTO INDUSTRY 14.5 PERCENT

The auto industry had a 14.5 percent unemployment toll in March, as compared with 3.1 percent a year earlier. For construction it was 20 percent this year, as compared with 12.5 percent last year.

For railroads it was 13 percent unemployment this year and 2.5 percent last year. For steel it was 13.2 percent as compared with 2.6 percent.

The Government's latest data confirm findings of an Associated Press survey made in early February—that the bulk of the unemployment can be traced on the map along the east coast from Maine to the Carolinas, along the under side of the Great Lakes over to Michigan, jumping then to the States along the Pacific Coast. This also is the most populous area of the country.

Data on State-by-State unemployment come from the Labor Department's Employment Security Bureau, based on what has happened to workers covered for unemployment insurance.

These figures don't cover farm, domestic, and self-employed workers exempt from unemployment insurance coverage, and for that reason percentages of unemployment indicated may be somewhat overstated for some farm States. But they are the best available.

STATE BREAKDOWNS

State breakdowns—for the week ended March 29, the insured unemployment and rate of idleness among insured workers was as follows:

Alabama 45,617 idle, 8 percent; Arizona 13,179, 6.6 percent; Arkansas 25,376, 10 percent; California 319,845, 8.5 percent; Colorado 15,746, 4.8.

Connecticut 59,765, 7.7; Delaware 6,852, 5.2; District of Columbia 9,796, 2.1; Florida 33,149, 4.2; Georgia 46,812, 6.3.

Idaho 8,280, 7.5; Illinois 176,957, 6.3; Indiana 86,543, 7.6; Iowa 19,158, 4.4; Kansas 20,558, 5.5.

Kentucky 61,070, 12.7; Louisiana 28,198, 4.9; Maine 29,150, 14; Maryland 46,402, 6.3; Massachusetts 121,194, 7.7.

Michigan 271,273, 13.8; Minnesota 56,689, 8.6; Mississippi 24,724, 9.5; Missouri 63,747, 6.4; Montana 15,749, 12.7.

Nebraska 11,728, 5.2; Nevada 6,568, 9.3; New Hampshire 13,881, 9.5; New Jersey 149,416, 9.5; New Mexico 7,652, 4.9.

New York 377,659, 7.4; North Carolina 67,423, 7.8; North Dakota 7,218, 10.6; Ohio 212,453, 8; Oklahoma 26,916, 6.6.

Oregon 35,508, 9.5; Pennsylvania 342,294, 10.5; Rhode Island 27,028, 10.6; South Carolina 22,583, 5.4; South Dakota 3,976, 5.3.

Tennessee 64,043, 9.6; Texas 75,936, 4.2; Utah 11,492, 6; Vermont 6,530, 8.7; Virginia 32,514, 4.5.

Washington 56,667, 8.8; West Virginia 48,758, 12.8; Wisconsin 54,848, 6.4; Wyoming 4,585, 7.1.

THE ECONOMIC SITUATION

Mr. HUMPHREY. Mr. President, for many weeks I have been making it a practice to insert in the CONGRESSIONAL RECORD pertinent articles and statistics on the state of our country's economic health. It is my contention that in order for us to deal intelligently with the recession we must face the facts and not close our eyes to what is happening. The economic indicators in recent months have not been pleasant reading, but this is no reason why they should be ignored.

I regret to say that the latest economic reports are no more encouraging than those of the past several weeks and months.

Industrial production, for example, is reported to have fallen further in March, to bring the total decline since August to 11.7 percent. The gross national product which in the fourth quarter of 1957 dropped at an annual rate of $7.4 billion, declined even more in the first quarter of this year by $8.6 billion.

I ask unanimous consent that an article from the April 20 New York Times entitled "Still Receding," which notes that the recession is already the deepest since World War II, be inserted at this point in the RECORD.

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

STILL RECEDING

Two key economic indicators last week confirmed what many economists and other observers had suspected: this recession has become the deepest since the war.

One indicator was a report on industrial production for March. Based on the 1947–49 average at 100, it showed the month's output was 128, compared with 145 of last August when the downturn began. This was a decline of 11.7 percent. In neither of the two other postwar recessions did this indicator drop more than 10.5 percent from peak to trough.

The other indicator was a report on the gross national product for the first quarter of the year. This is the dollar value of all goods and services. It stood at an annual rate of $424 billion, a drop of $8.6 billion from the $432.6 billion rate in the last quarter of 1957. This compared with the peak rate of $440 billion reached in the third quarter of 1957.

This recession also has provoked much more action and talk about action to check it than either of the previous two. This is the record of action actually taken so far.

Credit: Federal Reserve Board last week further reduced discount rate—rate at which member banks borrow from Federal Reserve—this time to 1¾ percent. It also reduced required amount of reserve funds member banks must keep on hand. Both reductions have effect of encouraging the banks to lend money to businessmen and spur enterprise.

Defense spending: $5.5 billion more in defense contracts scheduled for first half of 1958 than in last half of 1957. Impact unlikely to be felt until late in the year—projects take time to get started.

Housing: Democratic-sponsored $1.8 billion antirecession housing bill enacted. Expected to produce 200,000 new units and 500,000 jobs this year. As further spur, President canceled 2 percent downpayment needed for Veterans' Administration mortgages.

Highways: Democratic bill signed by President last week authorizes $1.8 billion increase in Federal spending for road construction this year, raises 1958 outlay for overall Federal-State program to $5.5 billion.

MEASURES PENDING

Final decisions are still pending on these other antirecession measures.

Public works: Democratic $1.7 billion rivers and harbors bill—this year's pork barrel legislation—bounced back from White House last week. In vetoing measure, Mr. Eisenhower rejected arguments that it would counter recession. The projects, he said, would take too long. The Democratic leadership in Congress has not decided whether to try to override the veto.

Unemployment insurance: On Friday House Ways and Means Committee approved Democratic measure to provide 16 weeks' additional unemployment compensation for those who have exhausted their State benefits. Bill would also extend the program to 1.8 million workers not now covered by system. Program would be financed wholly by Federal Government. President had recommended 50-percent extension in duration of benefits, to be financed by Federal loans which States would repay.

Community works projects: Billion-dollar program of Federal loans to communities for

construction of streets, schools, libraries, water systems, etc., approved last week by Senate, 60 to 26, and sent to House. Administration has vigorously opposed measure.

Out of all this emerges a pattern of stronger demand for action among Democrats than in the administration. The Democratic attitude was demonstrated last night by Senate Majority Leader JOHNSON, who said, "Personally, I don't intend to sit [the recession] out." The Republican view was expressed by Secretary of Commerce Weeks, who spoke of the ballyhoo of manufactured gloom.

As to future action, the leading topic has been the question of tax cuts. President Eisenhower has remained firmly against them—for the moment, anyway. Last week he showed no intent to budge. At his news conference on Wednesday he said he had made himself "crystal clear" on the subject, and that "when I can be convinced that this tax cut will be for the benefit of the United States, why then it will be taken up."

A major factor in the President's opposition to tax cuts now is the administration's concern over the long-range danger of inflation. Tax cuts would add to a heavy Federal deficit, and the economic effect of deficits is inflationary. Some economists say this is precisely what is needed. Others say inflation could be more dangerous than the recession.

ANDERSON'S VIEWS

Robert B. Anderson, addressing an American Society of Newspaper Editors meeting in Washington, emphasized the administration's concern over the deficit outlook. He said the Government would be $3 billion in the red when the present fiscal year ends June 30. This compares with the President's estimate of $400 million in January, before the recession was fully felt. The Secretary also remained firm against tax cuts. The prospect was for a $4 billion decline in receipts at present rates, which with increased spending could mean an $8 billion deficit by the end of fiscal 1959.

Among those who came out in favor of tax cuts last week was former President Truman. As a witness before the House Banking and Currency Committee on Monday, he urged—among other things—a $5 billion tax reduction for middle- and low-income families. He said:

"It is nonsense to argue * * * that we dare not take the steps necessary because to do so would be inflationary."

Support for a tax cut also is contained in a special report to be made public this week by the Rockfeller Brothers Fund—an organization created by the five sons of John D. Rockefeller, Jr., to channel their contributions to humanitarian, charitable and civic affairs. It is understood that the report's discussion of the overall size of such a tax cut hovers around $5 billion.

In Congress the Democrats have been cautious on the matter. They apparently feel that as the majority party in Congress they would bear the onus if tax cuts not only failed to stimulate the economy but put the Government deeper in the red.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the New York Times Economic Indicators for the week ended April 19, and the latest New York Times Business Index for the week ended April 12, be inserted at this point in the RECORD. I call special attention to the fact that the New York Times Business Index dropped another 3 points, from 180 to 177, in the latest week reported.

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

Economic Indicators, week ended Apr. 19, 1958 [1]

	Last week	Prior week	1957
Commodity index (percent)	84.7	84.5	89.1
Money in circulation (in thousands)	$30,733,000	$30,744,000	$30,681,000
Commercial, industrial, agricultural loans (in thousands)	$30,668,000	$30,842,000	$31,376,000
Steel operating rate (percent)	[2] 47.5	48.5	90.4
Steel production (tons)	1,283,000	1,308,000	2,313,000
Motor-vehicle production	91,412	101,759	141,693
Daily oil production (barrels)	6,186,885	6,250,135	7,442,065
Freight car loadings	521,035	516,225	----------
Electric power output, (kilowatt-hours) (in thousands)	11,307,000	11,326,000	11,695,000
Business failures	342	352	308

[1] Statistics for commercial, industrial, agricultural loans, steel, oil, electric power and business failures are for the preceding week and latest available.
[2] Estimated.

Monthly comparisons

	March [1]	Prior month	1957
Industrial production	128	130	145
Employed	62,311,000	61,988,000	63,865,000
Unemployed	5,198,000	5,173,000	2,882,000
	February [1]	**Prior month**	**1957**
Consumer Price Index	122.5	122.3	118.7
Personal income (in thousands)	$341,800,000	$343,600,000	$336,600,000
Exports (in thousands)	$1,344,900	$1,510,900	$1,611,000
Construction contracts (in thousands)	$1,953,422	$2,066,059	$2,161,009
Manufacturers' inventories (in thousands)	$52,500,000	$52,900,000	$52,900,000
Money supply (in thousands)	$132,900,000	$132,100,000	$134,500,000
	January	**Prior month**	**1957**
Imports (in thousands)	$1,095,300	$1,216,000	$1,058,600

[1] Figure shown are subject to revision by source.

Commodity index and Consumer Price Index, based on 1947–49=100, are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1947–49=100. Manufacturers' inventories and personal income, at annual rate, are reported by the Department of Commerce. Construction contracts are reported by the F. W. Dodge Corp. Imports and exports are compiled by the Foreign Trade Division of the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc.

BUSINESS INDEX TAKES SHARP DROP

The New York Times Index of Business Activity in the week ended April 12, fell to 177 from 180 in the preceding week. The figure for the week ended April 13, 1957, was 205.8.

The table below gives the combined index with its components, each of which is adjusted for long-term trends.

	Weeks ended—		
	Apr. 12, 1958	Apr. 5, 1958	Apr. 13, 1957
Combined index	177.0	180.0	205.8
Miscellaneous carloadings	92.6	93.8	115.7
Other carloadings	61.9	61.9	82.6
Steel production	96.1	96.3	171.5
Electric power production	269.9	271.0	295.2
Paperboard production	252.9	277.2	279.9
Lumber production	98.0	96.9	109.3

Mr. HUMPHREY. Mr. President, I also note in the Washington Post of April 16, 1958, an article entitled "First Quarter Loss Foreseen by Chrysler." The article states:

Chrysler Corp. expects its first quarter operation this year to show a loss.

On the same page of that issue of the Washington Post appears an article entitled "GE Profits Drop 23 Percent in Quarter."

The article states:

Earnings of General Electric Co. dropped 23 percent in the first quarter of 1958 on an 8-percent decline in sales.

The results were in sharp contrast with those of the full year 1957, when the giant electrical firm raised earnings 16 percent and sales 6 percent.

Mr. President, in the column entitled "The Week in Finance," in Sunday's New York Times, it is reported that steel production this past week fell to a new 9-year low of only 47.5 percent of capacity, as compared to 90 percent of capacity a year ago. It is also noted that car production continues to slide and layoffs to rise. I ask unanimous consent that this column be inserted at this point in the RECORD.

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

[From the New York Times of April 20, 1958]

MARKET DEFIES THE RECESSION NEWS AND DRIVES UPWARD, LED BY RAILS

(By John G. Forrest)

Despite another rash of unpleasant economic news last week, the stock market did pretty well.

In fact, it scored the widest gains of the month on Monday and Tuesday. There was some profit taking on Wednesday. By Thursday, however, a strong rally in the rails pushed the whole list up.

A Senate subcommittee completed early this month 10 weeks of hearings on the railroads' precarious condition. Senator GEORGE A. SMATHERS, Democrat, of Florida, chairman of the subcommittee, had indicated early Thursday that he would make his report public sometime on Friday. Later, however, his office announced a statement would be made this week.

On Friday the market rose strongly following the Federal Reserve's action in reduc-

ing the discount rate and member bank reserve requirements still further.

OUTPUT OFF 11.7 PERCENT

The bad news was dramatized by the latest figures on industrial production. As measured by the Federal Reserve Board the index fell 2 points to 128 in March (1947–49 equals 100). This represented a decline of 11.7 percent since last August, the sharpest such slide since World War II. It was tangible evidence that this is now the worst of the three postwar recessions.

Certainly Detroit was well aware of the deteriorating economic situation. Automobile production was cut back again and layoffs mounted. New car sales for Chrysler Corp. were down 45 percent for the first quarter, while those of the General Motors Corp. fell 18 percent and Ford Motor Co. 36 percent.

Chrysler confirmed that the company operated in the red in the first 3 months, compared with record earnings last year. L. L. Colbert, president, said bluntly: "There is nothing in the general economic picture that indicates a sharp rise in demand for cars and trucks in the months ahead."

STEEL AT 47.5 PERCENT

The news from Pittsburgh was equally discouraging. Steel production last week fell to a 9-year low for a nonstrike period. Operations were estimated at 47.5 percent of capacity. Nonetheless, there was no indication whatever that any steel producer was seriously considering trimming the base price of steel. Prices of virtually every other important metal have been reduced.

Home building starts in March, it was reported, fell to an annual rate of 880,000—the lowest since 1949. Congressional measures to stimulate housing have yet to take any notable effect, and there are some who doubt that they will. The new housing law that went into effect early this month increased interest rates on veterans' loans from 4½ to 4¾ percent and also provided $300 million for direct loans.

Meanwhile, the administration was faced with the twin problems of curing the recession and avoiding inflation. President Eisenhower signed a $1,800,000,000 highway bill, although with serious misgivings. He vetoed a $1,700,000,000 rivers and harbors measure.

The President still was reluctant to take a decisive step on tax reduction. He indicated that it might be several months before a decision was made one way or another.

TRUMAN ASKS CUT

Not so reluctant was former President Truman. He advocated before the House Banking Committee a $5 billion tax cut at once. Marriner S. Eccles, former Chairman of the Federal Reserve Board, went further. He advocated a $6 billion to $7 billion tax slash, and warned that the recession was becoming increasingly severe.

Many business leaders, however, expressed strong confidence in the long-range outlook. And some expressed the view that the recession might be bottoming out now. That was the opinion of Frederick R. Kappel, president of the American Telephone & Telegraph Co. He said he was hopeful that A. T. & T. would earn as much this year as in 1957, but he added:

"It depends on how the Government and everybody turns to in handling business so that we do not get in any rash of inflation."

Not all the news was gloom and doom. At least one labor negotiation came off successfully. Significantly in the light of key contract talks now going on in several industries, the United Steel Workers and the Pittsburgh Metallurgical Co. reached an agreement forgoing a pay increase for a year.

Mr. HUMPHREY. Mr. President, in conclusion, I call attention to an article from the April 20 New York Times headed "Soviet Advances in Steel Output." This article reports that in March the Soviet Union produced more than 80 percent as much steel as did the United States, despite the fact that we have over twice the steel-producing capacity of the Soviet Union. It is also reported that industrial production in the Soviet Union in the first quarter of 1958 increased 11 percent over the same period of last year, while in the United States industrial production declined by more than 10 percent in the first quarter of this year as compared to the same period of 1957.

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

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

[From the New York Times of April 20, 1958]

SOVIET ADVANCES IN STEEL OUTPUT—MOSCOW REPORTS 5,100,000 TONS IN MARCH, 80 PERCENT OF UNITED STATES PRODUCTION THEN

The Soviet Union produced last month more than 80 percent as much steel as the United States.

Official figures published in Moscow show that the Soviet steel output for March was almost 5,100,000 short tons, as against United States output of 6,254,000 tons. In the first quarter of 1958 Soviet steel output of about 14,600,000 short tons was about 78 percent of the United States figure for the same period, 18,790,235.

The United States has more than twice the steel-producing capacity of the Soviet Union, but recently the United States capacity has been employed at only about half the full volume. The Soviet steel industry is operating at or close to capacity; it increased its production during the first 3 months of this year 7 percent over the same 1957 period. The same comparison for the United States shows a decline of about 40 percent.

MORE INFORMATION AVAILABLE

The latest economic data released by the Central Statistical Administration in Moscow have given analysts of the Soviet economy a new tool for studying its production performance. Taken together with data published last month, it is now possible to compute the Soviet production in March 1958 of many key commodities. Earlier the Soviet Government had made the information public at such infrequent intervals that no monthly data on Soviet production were available.

Some of the Soviet production figures for last month now available are the following, in short tons of 2,000 pounds each, except where otherwise stated:

Pig iron, 3,600,000; iron ore, 8,300,000; coal, 47,100,000; oil, 10 million; cement, 2,500,000; natural gas, 2,400,000,000 cubic meters; shoes, 29,800,000 pairs; motor vehicles, 43,700 units; tractors, 18,400 units; machine tools, 12,400 units; sulfuric acid, 418,000 tons; mineral fertilizers, 1,100,000 tons.

For the first quarter of 1958, the Soviet report said that gross industrial production increased 11 percent over the same period last year, a higher rate than originally planned. The fulfillment of industrial production plans was declared to be general throughout the country, with all regional economic councils reaching their targets.

QUARTERLY OUTPUT

The data that follow show Soviet production of key commodities during the first quarter of 1958, in short tons unless otherwise stated:

Pig iron, 10,500,000; iron ore, 23,200,000; coal, 134 million; oil, 28,900,000; natural gas, 6,800,000 cubic meters; electricity (from major power stations), 50,100,000,000 kilowatt-hours; mineral fertilizers, 3,400,000 tons; sulfuric acid, 1,300,000 tons.

Also tires, 3,500,000 units; machine tools, 33,400 units; tractors, 53,400 units; diesel locomotives, 1,148 units; electrical locomotives, 84 units; motor vehicles, 128,000 units; freight cars, 9,900 units; cement 8,300,000 tons; cotton cloth, 1,400,000,000 meters; leather shoes, 87 million pairs; radios, 1,100,000 units; television sets, 219,000 units; refrigerators, 88,000 units; artificial fibers, 46,000 tons.

Mr. HUMPHREY. Mr. President, I have said that this need not be the situation. It does not make one happy to report that the industrial production of the Soviet Union is going up, while ours is going down. It does not make one happy to report that the steel production of the Soviet Union is approximating that of the United States, despite the fact that we have twice the industrial capacity.

What needs to be done about it is the immediate responsibility of the administration and of Congress. All the talk about the possibility that things will get better is not going to make them better and will not add up to the positive results we want.

I was pleased to note this morning the report that the President and the administration will give favorable consideration again to support of a school construction bill. I hope that is the situation. If it is, I trust the President will submit his recommendation to Congress forthrightly and effectively and dramatically, and that Congress will authorize a broad program of Federal assistance for the purpose of aiding communities with school construction.

This is urgently needed, as is the tax cut which Congress has been talking about for months, about which the administration has been in and out, and about which nothing has been done. It is about time we realize the tremendous waste of resources, the tremendous waste of manpower, the tremendous waste of production, and the tremendous waste in the loss of income, which the economic recession is taking from the American people. The way to end the recession is to have the Government act rather than to procrastinate.

Mr. MANSFIELD. Mr. President, I shall suggest the absence of a quorum; but before doing so, I wish to inform the attachés of the Senate that it will be a live quorum. I suggest that they communicate with Senators and notify them to that effect.

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	Bible	Carlson
Allott	Bricker	Carroll
Anderson	Bridges	Case, N. J.
Barrett	Bush	Case, S. Dak.
Beall	Byrd	Chavez
Bennett	Capehart	Church

Clark	Jackson	O'Mahoney
Cooper	Javits	Pastore
Cotton	Jenner	Payne
Curtis	Johnson, Tex.	Potter
Dirksen	Johnston, S. C.	Proxmire
Douglas	Kefauver	Purtell
Dworshak	Kennedy	Revercomb
Eastland	Kerr	Robertson
Ellender	Knowland	Russell
Ervin	Kuchel	Saltonstall
Flanders	Langer	Schoeppel
Frear	Long	Smathers
Fulbright	Magnuson	Smith, Maine
Goldwater	Malone	Smith, N. J.
Gore	Mansfield	Sparkman
Green	Martin, Iowa	Stennis
Hayden	Martin, Pa.	Symington
Hennings	McClellan	Talmadge
Hickenlooper	McNamara	Thurmond
Hill	Monroney	Watkins
Hoblitzell	Morse	Wiley
Holland	Morton	Williams
Hruska	Mundt	Yarborough
Humphrey	Murray	Young
Ives	Neuberger	

Mr. MANSFIELD. I announce that the Senator from Ohio [Mr. LAUSCHE] is absent because of a death in his family.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The Senator from Minnesota [Mr. THYE] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

TAX CUT FOR THE PEOPLE

Mr. YARBOROUGH. Mr. President, it was just a little more than a month ago, on March 14, that 19 members of the Senate, joined by 3 additional Senators who paired for it, voted for my amendment, authored also by the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] and the very able Senator from Oregon [Mr. MORSE] to give all Americans an income tax cut by raising exemptions from $600 to $800.

At that time, many of those who voted against the move to cut taxes for the people took the position that it was "too early" and that we should "wait and see." I asked then, and I ask again, What are we waiting for? Approximately 6 million men and women are hunting jobs, and cutting taxes will boost purchasing power and immediately make more jobs.

Mr. President, it seems to me that the administration has been unconcerned and curiously reticent to cut taxes for the people of low and moderate income groups. At first I considered this to be simply the customary terrapin tactics of this administration. But frankly I am beginning to wonder if this anti-tax-cut-for-the-people attitude is carefully planned. It begins to appear that there is a very real danger that the first tax cuts will be for corporations and not for people.

I refer, of course, to the fact that corporate and excise tax rates must be extended by June 30, 1958, or they will revert to previously passed lower levels. Either the Congress must pass an extender or the corporate and excise tax rates will be automatically lowered. It is plain to see where administration inaction is leading, in this case. It is leading to another tax cut for big business, while the people are largely ignored. I trust no member of the Senate has forgotten that virtually all of the last tax cut went to big business.

From an antirecession standpoint, and from the view of simple justice, it is clear that the people are entitled to tax relief. We read on every side reports quoting economists and various study groups advocating a tax cut for all the people. The Rockefeller Economic Report favors such a cut, and I read the other day that one of the President's chief economic advisers also favored personal income tax decreases.

Yesterday Mr. Nate White, the business and financial editor of the outstanding newspaper, Christian Science Monitor, pointed out:

> Economic indicators for which the President has been waiting are coming in now. They indicate a broadening, deepening, and multiplying of the recession. The strong factors necessary to indicate an upturn are notably missing.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the following articles:

Tax-Cut Straws Pile Up in United States, from the Christian Science Monitor of April 19.

Rockefeller Study Calls for Tax Cut, from the Washington Post of April 21.

Early Tax Cut Decision Urged, from the Washington Post and Times Herald of April 22, 1958.

I again urge that early consideration be given to my bill to cut taxes for people in the low- and moderate-income tax brackets by raising the personal exemption from $600 a year to $800 a year for every American.

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

[From the Christian Science Monitor of April 19, 1958]

TAX-CUT STRAWS PILE UP IN UNITED STATES

(By Nate White, business and financial editor of the Christian Science Monitor)

BOSTON.—It now seems inescapable that the President and Congress will be compelled to deal with the need for a tax cut as an additional means of ending the recession.

It is not a remedy which anyone likes because it means running the Government in the red for 2 or 3 years. This is not the central question. The Government is going to run in the red anyway. The central question is whether by a tax cut the economy can be restored to full power and thus shorten the period in which the Government will operate in the red.

Economic indicators for which the President has been waiting are coming in now. They indicate a broadening, deepening, and multiplying of the recession. The strong factors necessary to indicate an upturn are notably missing.

Positive factors, of course, are at work. They always have been in the course of this recession. Many businesses are having the best income year ever.

THAT AWFUL SUSPENSE

It must be stressed again that the United States does not have a collectivist economy—an economy of collectivists. This is an economy of individualists. No single business or single individual is under any collective compulsion to do anything. This is the nature of a free economy. Because one business gets into trouble, this is no argument that all businesses should suffer.

One must be aware of and avoid the trap of thinking collectively about problems which are essentially individual in their nature.

Business is as good or as bad as the managerial thinking which goes into it. Many businesses are suffering now from the effects of bad managerial thinking, reflected in poor market research, decidedly wrong production schedules, distinctly poor or negative sales practices—and overpricing.

Since the Government is all of the people, it is important that the people should not be penalized for the bad managerial thinking of a few industries, or for the poor cost position they have got into through wage agreements not sustainable in the marketplace.

A recession is a nice big umbrella for poor business managers to take cover under, blaming it for their business trouble. There would be no recession in their business if proper business decisions had been made.

This is why it is unreasonable to expect the Federal Government to pull these industries out of their troubles.

For instance, no amount of Government action can compel consumers to buy autos or houses or television sets if they are convinced that the prices are too high or that the product is not what they want.

If the consumer doesn't like a product or a price, why should the Government move in either to make him like it or to rescue an industry which made the initial misjudgment of its market or whose product has ceased to meet consumer requirements? If this were the basis of the American economic system, the United States would have socialism instead of a free market.

If this were the kind of system Americans wanted, then Government presumably could also design the types of cars Americans drive.

Why, then, must the tax-cut question be raised this spring? Why not just let the metals industries, including steel (burdened with excessive inventories), automobiles (confronted with a consumer rebellion against styles and prices), and petroleum and railroads "sweat it out"?

The answer lies simply here: That no one in responsible positions of authority can afford to risk the downturn of an entire economy on the "sweating-out" process of such large, individual basic industries as steel, autos, oils, and railroads. The risk of extending the recession to the entire economy must be ended. On the positive side of a tax cut, a need exists to stimulate investment in research into new products and the industrial expansion which will be required by the growing population. Tax relief of upper-bracket income could provide this stimulant.

A further risk exists. It is political. The political party judged by the electorate as responsible for delays in ending the recession will not be returned to office.

[From the Washington Post of April 21, 1958]

ROCKEFELLER STUDY CALLS FOR TAX CUT—PROPOSALS INCLUDE SUPPLEMENTARY AID AND PUBLIC WORKS

NEW YORK, April 20.—A Rockefeller Brothers Fund report called today for a Federal tax cut, short-term public-works projects, and Federal supplements for unemployment insurance to beat the recession.

The report also said that growth potentials in the American economy should double real wages in the next 30 years, making possible a tremendous advance in human welfare.

It forecast for 1967 greater Government expenditures and contributions on all levels so there will be:

"A doubling of expenditures for education.

"Approximate doubling of public expenditures for social insurance and health.

"Approximate doubling of public expenditures for public works, including urban renewal, water supply, and roads."

The report, product of a special-studies project of the Rockefeller Brothers Fund, Inc., is titled: "The Challenge to America: Its Economic and Social Aspects."

It is the second in a series of reports drawn up by experts. Among the members of the project's overall panel are Nelson A. Rockefeller, chairman of the panel; Chester Bowles, former Ambassador to India; Arthur F. Burns, president of the National Bureau of Economic Research; David Sarnoff, chairman of the Radio Corporation of America; and nuclear physicist Edward Teller.

No figure for the amount of the tax cut was mentioned in the report, although a member of the fund's special economic panel publicly has urged a $5 billion reduction.

The report noted that the present recession has been a cause of deep concern, but it said goals must go beyond restoring conditions.

"If we act vigorously," the report said, "the current concern with stimulating demand will prove transient."

MAIN RECOMMENDATIONS

These were some of the main recommendations and findings:

Business should introduce new products, sell aggressively, offer better values.

Of antirecession measures available, a Federal tax reduction can be effective in the shortest time to stimulate jobs. It should affect all taxpayers of all incomes without favoring any special interests and should have no time limit.

It should be regarded as a first step in a permanent tax policy which regularly lowers taxes during recessions and restores them to necessary levels once full employment is regained.

The Government should continue to accelerate already authorized public works projects and initiate programs that can be started quickly and completed within 12 to 18 months.

Temporary Federal supplements to unemployment compensation are necessary.

The unemployment insurance system should be strengthened by extending it to all workers, increasing benefits and lengthening their duration.

Public works plans should be strengthened for use in any future recessions.

ANTI-INFLATION STEPS

To combat inflation, the report urged:

During full employment, Federal receipts should exceed expenditures.

Business and labor should exercise restraint in pricing and wage demands.

Taxes should be reformed so they can be used to combat inflation and recession.

The tax system should be reformed to reinforce growth incentives.

[From the Washington Post and Times Herald of April 22, 1958]

EARLY TAX-CUT DECISION URGED

(By Robert C. Albright)

New pressure for an early tax-cut decision developed at the Capitol yesterday as the war on the recession moved forward on these other Congressional fronts:

The House Ways and Means Committee approved a Democratic-sponsored bill extending unemployment benefit payments an extra 16 weeks, after voting down every attempt to change it. A meeting of the committee was called for 2 p. m. today to formally report out the measure.

The Senate passed by a voice vote and sent to the White House an administration bill authorizing advance spending of some $54.3 million of 1959 fiscal year appropriations by Federal civilian agencies, for needed supplies. The move followed a parallel speedup of military buying.

SEEN DISTURBANCE CAUSE

Speaker SAM RAYBURN, Democrat of Texas, meanwhile, told a Capitol Hill news conference an early decision ought to be made on whether or not to cut taxes. Without committing himself on what course should be taken, RAYBURN said there is a "good deal of disturbance" throughout the country because of uncertainty about taxes.

"As soon as it is determined whether or not we are going to fool with taxes, it ought to be announced," RAYBURN said.

Appearing before the House Banking Committee, Gov. Averill Harriman, of New York, called for an immediate tax cut for the low- and middle-income groups and large and diversified public works spending.

Harriman blamed the slump on ill-advised policies of the administration, and said it could have been avoided had President Eisenhower acted 6 months ago.

The Democratic Governor also urged further relaxation of tight-money policies, saying administration credit moves have been halfhearted and too late. He said unemployment insurance and minimum wage standards should be raised and steps should be taken to protect farmers' income.

Across the Capitol separate bills to reduce taxes were dropped into the hopper by a Democrat and a Republican.

Senate Democratic Whip MIKE MANSFIELD, Montana, introduced legislation to raise individual exemptions on income tax payments from $600 to $800 and to abolish most excise taxes on such items as automobiles and television sets.

MANSFIELD said reductions in excises on durable goods are long overdue, adding: "They were put into effect during the war period; they were considered an emergency measure, and they have been carried forward on a year-to-year basis since."

Senator FRANK CARLSON, Republican, of Kansas, introduced a more limited tax relief measure. CARLSON'S bill would allow a deduction for home improvement or repair expenses when these exceed 3 percent of adjusted gross income of the homeowner, but place a $2,000 ceiling on such relief.

The House Ways and Means Committee approved, by a near party-line vote of 14 to 11, the final draft of the Democratic bill extending unemployment benefit payments an extra 16 weeks to insured and uninsured workers alike.

A number of attempts to modify the measure were rejected by similar ballots, with only 1 or 2 Members breaking party ranks on each side of the aisle.

Among the unsuccessful amendments were two proposals by a Democrat, Representative BURR P. HARRISON, of Virginia, which commanded strong Republican support. One would have substituted public assistance, on a 50–50 Federal-State matching basis, for the Democratic section extending unemployment benefits for the first time to uninsured workers. The other unsuccessful amendment followed the lines of the administration plan, providing for loans rather than grants to the States, but only when agreements had been entered into with the States.

THE LEGAL HORIZONS OF SPACE USE AND EXPLORATION

Mr. MUNDT. Mr. President, at the annual Law Day Dinner at the University of South Dakota on April 19, a most challenging and interesting address was delivered by Charles S. Rhyne, president of the American Bar Association.

In this address, Mr. Rhyne devotes his remarks to consideration of new problems developing from the exploration of outer space and calls attention to the new challenges confronting legal minds as a result of man's conquest of outer space.

Because of the unusual aspects of this address, as well as the cogent and convincing thoughts contained in it, I ask unanimous consent to have it printed in the RECORD.

Mr. CASE of South Dakota subsequently said: Mr. President, I had intended to ask unanimous consent to have printed in the RECORD an address delivered on April 19, 1958, at Vermillion, S. Dak., by Mr. Charles S. Rhyne, president of the American Bar Association, at the Annual Law Day dinner. The consent has been given on request by my colleague—therefore I withhold the request but commend the address to all. The address is of more than usual interest, because it deals with the legal horizons of space use and exploration.

Mr. Rhyne, as president of the American Bar Association, commands attention when he speaks, and his dissertation on the subject of his address is of timely interest.

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

THE LEGAL HORIZONS OF SPACE USE AND EXPLORATION—ADDRESS BY CHARLES S. RHYNE, PRESIDENT, AMERICAN BAR ASSOCIATION, AT ANNUAL LAW DAY DINNER, UNIVERSITY OF SOUTH DAKOTA LAW SCHOOL, VERMILLION, S. DAK., APRIL 19, 1958

I thank you for your gracious invitation to speak to you today. It is always a real pleasure to meet with law students and learn of your reactions to the record which has been made by those of us who already have the responsibility for the legal profession. Soon it will be your profession, your responsibility, and your record. For the legal profession of tomorrow marches on the feet of you whom I address today. As a representative of the American Bar Association, I am pleased to note that you are members of the ALSA. I sincerely hope you will become very active in the work of the organized bar upon entrance into the practice of law. I am convinced that bar work is the foremost service a lawyer can render, either to himself or to the public.

We meet in a common bond—the bond of raderie exists among lawyers everywhere. We legal profession. You will find that a camastrive mightily as adversaries in court, but thereafter we meet together as friends. Older lawyers are always willing, even anxious, to help their younger and less experienced brethren of the bar. Never forget that. Never fail to rely upon and use that great source of strength as you begin and continue your law practice. And as you, too, grow older and more experienced, never fail to give a hand to those who follow you into our great profession.

A common purpose to uphold right and justice prevails among lawyers. Lawyers do not always agree on the means and methods—either procedural or political—for securing

justice, but they dedicate their lives to its attainment.

In speaking of the future, it probably is necessary to first speak of the past. I suppose it is presumptuous for any man to choose his time and his experiences as important in history. The history of this Nation is so replete with triumphs, crises, failures, achievements, greatness, tragedy, and glory that to pick any particular span of years as being more significant than any other might appear foolhardy. But I shall risk the charge of a brazen indifference to the facts of history by claiming that the past 20 years—the 20 years I have practiced law—are as significant as any in the long history of this country. In political labels we have gone from the "New Deal" to "Modern Republicanism"; we have seen a depression ripen into hitherto unknown prosperity and then retrogress to recession; a war to end wars has been followed by a lot of little wars; the airplane and rapid communications have shrunk nations to neighborhoods and made ours a physically indivisible world; we have learned to live with the prospect of the atomic and hydrogen bombs—and of atomic energy for peaceful purposes—and we now have Moscow only 30 seconds from Washington via missile or satellite. These past 20 years of sensational change are unmatched in all history. The base is laid for even greater dramatic changes in the years ahead.

All this, and more, has been part of this 20 years—a time of growth, development, dynamic and rapid change, some maturity, but always the constant movement of progress. This has been my stage for action, and it has been your time, too. As I have lived, and to a small degree participated in the events of the past 20 years, you have lived and been participants also. Your environment has been these unprecedented days of the thirties, the forties, and now the fifties.

This progress has been the responsibility, and the fulfillment, of others. Now it will become your task, too. When you examine and reexamine what has happened and how it has happened, you must inevitably conclude that the lawyer, and our courts, have been among the prime movers in this new growth.

As lawyers, you will inherit this mantle of responsibility and this mantle of history. For as mankind has progressed, there have always been lawyers to call the turn and to march in the parade of progress. The greatness of this Nation is due in no small measure to the devoted influence of lawyers. From its inception to the present zenith of its power, our system of government has been in large part conceived, shaped, and directed by lawyers.

It is well that you who must meet the challenge of the future have been privileged to live during the dynamic era of the past two decades. As witnesses to the tremendous changes and scientific, economic, and social development of this period, you have become accustomed to a whirlwind civilization. Your minds are highly receptive to new ideas, and you are quite willing to speculate as to future developments. This attitude will be not only valuable but requisite for the practicing lawyer of tomorrow.

I would like to examine with you some of the problems which we of the legal profession may justifiedly expect. It is natural that since law changes and adapts itself largely as a result of changing facts and events, there will always be a slight lag between technological progress and the law. But responsibility rests heavily on our profession to exercise our anticipatory capacity to assure that this gap is always as small as possible. In order to do this we must constantly look to the future and devote considerable thought as to how yet nonexistent but foreseeable problems should be handled when they arise.

First, let us look at the immediate future. Many areas of law such as workmen's compensations, torts, conflict of laws, licensing requirements, health and safety regulations, and patents must soon be greatly expanded or revised to allow for the scientific, economic, and social developments of our day. Consider, for example, the tremendous effect which the development of atomic energy will have and is having on the areas of law just named. While even now we can get only glimpses of the new and revolutionary uses of this new energy source, its widespread replacement of current power sources is certain, and its effect on law will be revolutionary. Issues such as liability for various possible accidents in the use of nuclear power are far from clear cut under our present law. Involved liability issues will arise from many new and novel situations such as the spread of radioactive particles from test explosions, or contamination from radioactive waste material dumped into the ocean.

Law to control and regulate atomic energy's peaceful use must be carefully studied and expanded to meet the new needs which are rapidly developing. There are already gaps between Federal and State regulation. Problems involving such subjects as interstate sales and shipment of radioactive materials are already here. Also needed is a practical system of reporting radioactive accidents. A clarification of procedures dealing with the prosecution of patent applications and the control and ownership of patents by the Atomic Energy Commission are very live problems today.

This is enough reference to law and atomic energy to demonstrate that here is a tremendous new field of law which you, the new members of our profession, will largely develop because you must. These novel and unprecedented problems will require unprecedented solutions. It is you who will largely develop the precedents.

Moving a little further into the future let us get into the realm of almost pure speculation—but speculation in which, nevertheless, we have every cause to engage. Let us think about law to govern entirely new fields such as outer space use by guided missiles, satellites, space stations, and international weather control. The late Commissioner John Von Neuman, of the Atomic Energy Commission, predicted that weather control is just around the corner of discovery and that it will merge each Nation's affairs with those of every other, more thoroughly than the threat of nuclear or any other war may already have done and that weather warfare has awful possibilities beyond even nuclear warfare. Rules of law to meet this situation will require tremendous imagination and ingenuity. But progress is response to challenge, and law will be adapted to this need because it must be. The only point I now make is that the rule of law is the best answer here in this as yet unpredictable field of possible international friction.

The entire world was startled and amazed at the recent achievement of earth satellites by the Russians and by our country. And new missile and nuclear advances crowd the headlines of our papers and pour out constantly from TV and radio newscasts. That the horizons and frontiers here are just as unknown or as speculative as those with respect to the earth at the time of Columbus is crystal clear. Though all of us recognize that these advances mark magnificent developments in scientific progress, few of us are able to grasp their real potential in terms of charting the future at this time in the field of law.

The exploration of outer space has added a vast new frontier of unlimited and relatively unknown dimensions. We must have a space program second to none. But the emphasis in such exploration must not be on weapons but on peaceful use. So long as the military control, military use is the guide for development. And such use is too narrow for anything as tremendous as our essential rapid and broad expansion of our space program. That is why I sincerely believe that our program should be under civilian rather than military control. A combination of civilian control and military know-how should be the right formula for success. We must be second to none in space exploration and first always in its peaceful use. And since the anxious eyes of the world are upon our every move, we must demonstrate that fact to the world by our every action in these crucial days.

For the proper perspective for our venture into the future of the law I recall to your minds President Eisenhower's outline on March 26 of our program to insure that we reach the moon as well as be foremost in space exploration and use. Scientifically we will thus meet and exceed the Russian challenge in outer space. But more is involved here than a space race. Strength of man today resides in his mind. We still need to capture the minds of men for our ideas and ideals in space use and exploration. And here is where the law can render a great service. Here is where the use of the rule of law is, I believe, imperative.

Let us take the specific problem of outer space and consider the extent to which present law must be expanded to fit the situations now forecast.

There has been a lot of writing and a lot of litigation concerning the ownership of airspace. Legal theories have ranged in degree from the ancient theory that ownership of property gives complete title indefinitely upward and downward, to the more recent theory that ownership of property includes title to airspace to the extent only that the owner makes actual use of it. Under international law sovereignty in airspace has been recognized. There is therefore much experience and background which have formed an established body of law in the area of airspace rights within the earth's atmosphere. Much of my own legal work has been in this field. I have witnessed a whole new field of aviation law grow within my 20 years at the bar. Though air-control cases are still closely fought, enough basic principle has been established and accepted so that we are now able to predict in most instances how the law should and will be applied.

We must now develop new law to control use of outer-space exploration and discoveries therein. The now familiar body of airspace law for the earthbound does not in truth provide all the answers. If we extend the airspace ownership theory upward and outward indefinitely we encounter physical difficulties. Because of the curved face of the earth the extension would give us an inverted cone which would grow bigger and bigger in relation to the earth as it extended further into space. There would come a point when these cones would overlap and more than one nation would be claiming to own the same airspace. These facts illustrate the impossibility of applying existing airspace ownership sovereignty law to outer-space use. But as in the case of airspace control for the earthbound, law can grow to meet the needs of outer space.

We have learned on the planet Earth that either the law of force or the force of law controls mankind's actions. On the planet Earth, mankind's greatest need is for law to replace weapons as the decision mechanism in settling disputes between nations. As

mankind launches out into the fantastic new frontiers of outer space we must tie to the rule of law as our best hope for a future peaceful existence. If the rule of law controls the use of space a peaceful use theory is assured. If force governs, the first unprincipled dictator to achieve a lead in space use of exploration which gives him dominance of the earth could, indeed, terrify or destroy at his whim. Space use and exploration is thus compounded with possibilities of enormous good or enormous evil. We must lead toward a good end result by adopting policies and plans to achieve that goal. President Eisenhower in his letter of January 12 to Bulganin stated that he was proposing a solution of the most important problem that faces our world today. He then urged that we agree that outer space should be used only for peaceful purposes.

For a moment let us look at some of the problems which arise from the use of outer space. We can start by supposing that the United States were to shoot down sputnik while it is over our territory or that the Russians were to shoot down the Explorers or the Vanguard over Russia. Would we, or they, be exercising a clear legal right? Certainly under settled rules of international law we or they could do so, if outer space is part of our or their sovereign territory. Do we own or have sovereignty over space 560 or 6,500 miles up or out? At least tentative recognition of freedom of use of outer space is indicated in the fact that no protests have been made over the use of that space by the already-launched satellites. But other legal problems also arise. Suppose sputnik does not burn up in space, but falls on Washington, D. C. Is the Soviet Union liable for damages? Our existing law clearly was designed in terms of the earth's atmosphere. Can it be made applicable in determining the jurisdiction of endless space. I sincerely believe that while the rules may of necessity be different, the principles of the rule of law can and must be applied.

We of the legal profession must do as we have always done with new subjects, develop a set of legal rules based upon law principles for outer space use and exploration and all that is discovered there. Law is not only the accumulated wisdom of the centuries, but it is above all a bundle of moral principles approved by experience as insuring fair treatment for all affected thereby. That fundamental is enough as a base for outer space law. We can use the rule of law as our basis and formulate such traffic and other rules as are needed as we go along.

The great need is for debate and discussion. It is in the hope of stimulating these that I now speak. I begin by expressing the view that freedom of use of outer space like freedom of the use of the seas is the most logical legal principle to begin with. But more is involved than this.

Ownership of the moon when man gets there, or ownership of newly discovered planets by the occupying or discovering nations is a very live question for lawyers today. The position of most scholars in the international law field is that even during the early days of discovery mere physical discovery or visual apprehension was not a solid basis for a claim of sovereignty. However this discovery plus some symbolic act or formal claiming ceremony was considered wholly sufficient to establish immediate sovereignty and valid title.

This has not been the position of the United States. In 1942 Secretary of State Charles E. Hughes said: "It is the opinion of the Department that the discovery of lands unknown to civilization, even when coupled with a formal taking of possession, does not support a valid claim of sovereignty unless the discovery is followed by an actual settlement of the discovered country."

That this is our position in practice as well as word is clearly evidenced by the fact that we have never made and have actually denied any claim to Antarctica despite extensive exploration of that territory by Americans. This is certainly the most progressive approach to modern discovery, and the only sensible position to be extended to outer space explorations.

If the policy of making no claim of sovereignty and recognizing none is applied, the race to the moon and to the stars then would be applauded by all mankind, but especially by the often terrified bystanders to the present contest. We who seek to own no people and no people's land should express that as the legal principle we espouse here. All free and all uncommitted peoples would praise us for that stand and we could regain some of our leadership in the world, as our leadership is and always has been based upon moral principle. Surely we will never seek to make slaves of the inhabitants of Mars, or the moon, nor will we use those planets for destructive purposes; so let us say so.

Our galaxy has 40 billion stars, many larger than our sun. We are told that there are at least 40 billion other galaxies. Scientists feel that it is very likely that intelligence other than ours does exist. If so, good relations depend on the establishment of a just and rational basis for intercourse. That basis on our part must be fairness and reason, which means the rule of law.

We have here not only one of the new frontiers of the law but of the world. We must never be anchored to the past, but we should always be willing to be guided by it. Extensive research, study, debate, and cooperative action is necessary to gain insight into these problems and to provide the basis for constructive proposals for changes or expansion in the law to meet the needs here. This work cannot be done entirely and effectively by individuals. We lawyers and our law schools must work together on this and by far the most effective instrument we have for active cooperation is the organized bar.

As we square away to meet the ever-mounting new problems in the law from nuclear energy, outer space exploration and use, and the many new legal problems and questions which are just around the corner, it seems well that we pause to establish a more firm base for the law in our country and in the world. The new frontiers in the conquest of space are exceeded only by the problems in human relationships which flow from our physically indivisible world. Here too the law offers our best hope. The lawyer has always been the technician in man's relationship to man. We who have not yet developed successful machinery to insure peaceful relations among our peoples here on earth must begin to consider the possibility, no matter how remote it may be, of expanding our horizons to encompass not only outer space but relations with other forms of intelligent life on other planets. Perhaps joint effort on law for peaceful control of outer space can pave the path toward legal machinery to insure peace on planet earth.

In our own country many of our most difficult problems flow directly from a breakdown in the law. In such areas as juvenile delinquency the disgraceful situation that exists comes from an ignoring of the law rather than ignorance of the law. Another illustration is the traffic slaughter on the highways which likewise results in large part from law violation because our people do not adequately respect the law. In the international field certain it is that both lack of law, and lack of respect for law, have led directly to armed conflict.

Recently there had been rather shocking reports by surveys of high school and other students which indicate that they know little and care less about the great constitutional liberties of our country and our Government of law thereunder. I fear that this situation extends to the public at large and is not confined to students.

At a time when we do battle daily in a constant propaganda fight with the Kremlin over ideas, ideals, and accomplishments of our system of Government under law as compared with that of the Communist system of an all powerful state, it seems well that we shore up any weaknesses that exist in our system and that we strengthen that system constantly in every possible way.

As John Adams, the second President of the United States as draftsman of the 18th article of the bill of rights of the Massachusetts constitution warned, "A frequent recurrence to the fundamental principles of the constitution is absolutely necessary to preserve the advantages of liberty and to maintain a free government."

By now you students of the law have undoubtedly been advised of the proclamation of the President of the United States designating May 1, 1958, as "Law Day—U. S. A."—a day of national dedication to our great heritage of liberty under law—a unique first national observance of what law has meant in the development of the American Nation and the important part it plays in the daily life of every citizen of our country.

If the rule of law is to be our answer—and I most sincerely believe that it must be—to the control of the use and exploration of outer space, as well as the mechanism of resolving disputes between nations here on the planet Earth, that idea and the ideals embodied therein must be sold to the people of America. In our Republican form of government the end control is crystallized public opinion. We have transferred sovereignty from the ruler to the ruled. Our people can support or change our government of law. "Law Day—U. S. A." If properly observed throughout our Nation could reawaken in our people that respect for law in our own country which is needed to strengthen our government under law as well as create a new appreciation of the rule of law in international affairs. Such appreciation is essential to forward the idea of the use of law to insure and assure the peaceable existence of mankind, regardless of what is in store for us here on earth or in the yet unknown reaches of outer space.

I therefore hope that you as law students, and those of you in this audience who are lawyers, will do everything within your power to make the observance of "Law Day—U. S. A." a most meaningful and significant occasion. In that way we can all make tremendous contributions to the future by helping to make it a future in which the relationship between mankind, regardless of miraculous developments and achievements, will be a happy, peaceful and wonderful association under the rule of law. There is no more important development for the marvelous new world which scientific accomplishments have brought without our ken.

Through the sections and committee of the American Bar Association, vital research is constantly being carried on in an effort to remedy present weaknesses in our legal structure and to build for a better tomorrow.

You are to become a member of a great profession, and you will be come entitled to

its privileges. Certainly, not the least of these privileges is the right to earn a living through the practice of law. But with these privileges you assume the responsibility of service. I urge you not to forsake that obligation, but to devote a portion of your time to serious thought concerning the future of our profession, and the role we must play in changing, adapting and enlarging the law to keep pace with progress in all phases of man's expanding knowledge.

The lot of a young lawyer is seldom an easy one. If you are conscientious, you will be greatly concerned in making sure that you do high caliber work, and that you will be an asset rather than a liability to your profession. You will have to work very hard, and much of your time will be consumed in just earning a living. Because of this situation which faces every young lawyer, I am thankful for the opportunity at the outset of your careers to suggest that you be very careful not to allow the burdens of undertaking a new life to close your eyes permanently to the obligations and duties in the line of public service which you assume by choosing to become a lawyer. For if you do so, you will not only fail in your responsibility as a lawyer to serve the public and your profession, but you will make of your professional life a dry, uninteresting process of eking out a living, and you will deprive yourself of many joys, rewarding experiences, and wonderful friendships which can be yours only by giving of yourself.

There are many ways to serve. Frankly, I feel that immediate participation in organized bar activities, local, national, and international is an essential part of a lawyer's life. Bar work will afford you the opportunity to meet more of your colleagues and do more real good both for yourself and the public than any other form of service endeavor. Because your efforts will be joined with those of thousands of other lawyers, the value of your work is multiplied many times, and you can be proud to know that you are a very vital part of a truly great service organization. I invite your immediate participation in the many activities of the American Bar Association and of your State and local bars, and I unhesitatingly guarantee that for every hour you spend in bar work you will find yourself repaid one hundred fold in happiness, pride of achievement, and by the formation of warm personal friendships which you will treasure more than gold.

The future is yours, I urge you to earn the right to its benefits.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of February 1958. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, FEBRUARY 1958 AND JANUARY 1958, AND PAY, JANUARY 1958 AND DECEMBER 1957

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for February 1958 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In February numbered—	In January numbered—	Increase (+) or decrease (−)	In January was—	In December was—	Increase (+) or decrease (−)
Total [1]	2,321,767	2,319,069	+2,698	$982,558	$953,668	+$28,890
Agencies exclusive of Department of Defense	1,237,811	1,236,178	+1,633	526,087	519,546	+6,541
Department of Defense	1,083,956	1,082,891	+1,065	456,471	434,122	+22,349
Inside continental United States	2,125,214	2,122,423	+2,791			
Outside continental United States	196,553	196,646	−93			
Industrial employment	566,597	565,467	+1,130			
Foreign nationals	226,864	228,090	−1,226	24,501	25,499	−998

[1] Exclusive of foreign nationals shown in the last line of this summary.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1958, and comparison with January 1958, and pay for January 1958, and comparison with December 1957*

Department or agency	Personnel				Pay (in thousands)			
	February	January	Increase	Decrease	January	December	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	84,466	85,249		783	$31,817	$31,144	$673	
Commerce [1]	52,587	52,187	400		25,117	24,039	1,078	
Health, Education, and Welfare	53,620	53,364	256		22,498	22,211	287	
Interior	48,899	48,862	37		22,464	21,573	891	
Justice	30,578	30,523	55		16,020	15,437	583	
Labor	5,822	5,807	15		2,831	2,707	124	
Post Office	535,363	535,421		58	230,226	235,126		$4,900
State [2]	34,497	[3] 34,365	132		13,726	13,457	269	
Treasury	80,103	78,498	1,605		36,089	34,321	1,768	
Executive Office of the President:								
White House Office	408	407	1		240	232	8	
Bureau of the Budget	438	437	1		315	302	13	
Council of Economic Advisers	29	32		3	27	25	2	
Executive Mansion and Grounds	71	71			29	28	1	
National Security Council [4]	64	64			43	41	2	
Office of Defense Mobilization	247	243	4		164	152	12	
President's Advisory Committee on Government Organization	6	6			3	4		1
Independent agencies:								
Advisory Committee on Weather Control						8		8
Airways Modernization Board	56	49	7		35	23	12	
Alexander Hamilton Bicentennial Commission						3		3
American Battle Monuments Commission	530	540		10	91	92		1
Atomic Energy Commission	6,831	6,787	44		4,020	3,700	320	
Board of Governors of the Federal Reserve System	582	579	3		348	313	35	

[1] February figure includes 179 seamen on the rolls of the Maritime Administration and their pay.

[2] February figure includes 12,261 employees of the International Cooperation Administration as compared with 12,176 in January, and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The February figure includes 2,276 of these trust fund employees and the January figure includes 2,271.

[3] Based on the basis of later information.

[4] Exclusive of personnel and pay of the Central Intelligence Agency.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1958, and comparison with January 1958, and pay for January 1958, and comparison with December 1957—Continued*

Department or agency	Personnel				Pay (in thousands)			
	February	January	Increase	Decrease	January	December	Increase	Decrease
Independent agencies—Continued								
Boston National Historic Sites Commission	4	4			$1	$1		
Civil Aeronautics Board	676	672	4		398	376	$22	
Civil Service Commission	4,102	4,107		5	2,020	1,939	81	
Commission of Fine Arts	4	4			2	2		
Corregidor Bataan Memorial Commission	2	2			1	1		
Export-Import Bank of Washington	207	206	1		134	122	12	
Farm Credit Administration	873	875		2	527	479	48	
Federal Civil Defense Administration	1,295	1,295			752	712	40	
Federal Coal Mine Safety Board of Review	7	8		1	5	4	1	
Federal Communications Commission	1,201	1,204		3	682	638	44	
Federal Deposit Insurance Corporation	1,194	1,191	3		780	643	137	
Federal Home Loan Bank Board	816	796	20		401	375	26	
Federal Mediation and Conciliation Service	324	319	5		255	205	50	
Federal Power Commission	706	708		2	416	392	24	
Federal Trade Commission	734	727	7		446	423	23	
Foreign Claims Settlement Commission	89	93		4	57	56	1	
General Accounting Office	5,391	5,399		8	2,875	2,745	130	
General Services Administration [5]	27,522	27,524		2	11,156	10,620	536	
Government Contract Committee	25	24	1		12	10	2	
Government Printing Office	6,370	6,410		40	3,068	2,881	187	
Housing and Home Finance Agency	9,700	9,688	12		5,097	4,861	236	
Indian Claims Commission	17	17			13	12	1	
Interstate Commerce Commission	2,261	2,253	8		1,211	1,136	75	
Jamestown-Williamsburg-Yorktown Celebration Commission	3	3			3	3		
National Advisory Committee for Aeronautics	7,698	7,696	2		4,359	4,134	225	
National Capital Housing Authority	269	268	1		117	111	6	
National Capital Planning Commission	32	31	1		19	18	1	
National Gallery of Art	331	327	4		115	113	2	
National Labor Relations Board	1,123	1,124		1	719	686	33	
National Mediation Board	113	102	11		71	64	7	
National Science Foundation	339	298	41		173	137	36	
Panama Canal	14,857	14,820	37		3,820	3,689	131	
Railroad Retirement Board	2,546	2,522	24		1,043	979	64	
Renegotiation Board	333	332	1		226	221	5	
St. Lawrence Seaway Development Corporation	39	37	2		25	22	3	
Securities and Exchange Commission	845	838	7		489	461	28	
Selective Service System	6,291	6,296		5	1,618	1,593	25	
Small Business Administration	1,329	1,310	19		724	671	53	
Smithsonian Institution	875	853	22		370	350	20	
Soldiers' Home	998	1,007		9	281	272	9	
Subversive Activities Control Board	33	33			25	24	1	
Tariff Commission	217	216	1		132	126	6	
Tax Court of the United States	147	150		3	101	98	3	
Tennessee Valley Authority	14,649	14,674		25	7,579	6,887	692	
Theodore Roosevelt Centennial Commission	9	11		2	3	3		
United States Information Agency	10,975	10,989		14	3,506	3,303	203	
Veterans' Administration	174,438	174,657		219	64,078	61,930	2,148	
Virgin Islands Corporation	605	567	38		79	80		$1
Total, excluding Department of Defense	1,237,811	1,236,178	2,832	1,199	526,087	519,546	11,455	4,914
Net increase, excluding Department of Defense			1,633				6,541	
Department of Defense:								
Office of the Secretary of Defense	1,609	1,600	9		1,058	1,015	43	
Department of the Army	405,652	405,628	24		164,180	156,193	7,987	
Department of the Navy	363,662	364,137		475	162,626	154,956	7,660	
Department of the Air Force	313,033	311,526	1,507		128,607	121,948	6,659	
Total, Department of Defense	1,083,956	1,082,891	1,540	475	456,471	434,122	22,349	
Net increase, Department of Defense			1,065				22,349	
Grand total, including Department of Defense	2,321,767	2,319,069	4,732	1,674	982,558	953,668	33,804	4,914
Net increase, including Department of Defense			2,698				28,890	

[5] Includes 6 employees of the Federal Facilities Corporation.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during February 1958, and comparison with January 1958*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	83,045	83,805		760
Commerce [1]	48,487	48,026	461	
Health, Education, and Welfare	51,858	51,606	252	
Interior	45,884	45,791	93	
Justice	30,049	29,998	51	
Labor	5,662	5,659	3	
Post Office	532,827	532,874		47
State [2]	8,547	[3] 8,534	13	
Treasury	79,088	77,502	1,586	
Executive Office of the President:				
White House Office	408	407	1	
Bureau of the Budget	438	437	1	
Council of Economic Advisors	29	32		3
Executive Mansion and Grounds	71	71		
National Security Council [4]	64	64		
Office of Defense Mobilization	247	243	4	
President's Advisory Committee on Government Organization	6	6		
Independent agencies:				
Airways Modernization Board	56	49	7	
Alexander Hamilton Bicentennial Commission				
American Battle Monuments Commission	21	21		
Atomic Energy Commission	6,803	6,760	43	
Board of Governors of the Federal Reserve System	582	579	3	
Boston National Historic Sites Commission	4	4		
Civil Aeronautics Board	672	668	4	
Civil Service Commission	4,084	4,090		6
Commission of Fine Arts	4	4		
Corregidor-Bataan Memorial Commission	2	2		
Export-Import Bank of Washington	207	206	1	
Farm Credit Administration	863	865		2
Federal Civil Defense Administration	1,295	1,295		
Federal Coal Mine Safety Board of Review	7	8		3
Federal Communications Commission	1,177	1,180		1

[1] February figure includes 179 seamen on the rolls of the Maritime Administration.
[2] February figure includes 1,758 employees of the International Cooperation Administration as compared with 1,763 in January.
[3] Revised on the basis of later information.
[4] Exclusive of personnel of the Central Intelligence Agency.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during February 1958, and comparison with January 1958*—Continued

Department or agency	February	January	Increase	Decrease
Independent agencies—Continued				
Federal Deposit Insurance Corporation	1,193	1,190	3	
Federal Home Loan Bank Board	816	796	20	
Federal Mediation and Conciliation Service	324	319	5	
Federal Power Commission	706	708		2
Federal Trade Commission	734	727	7	
Foreign Claims Settlement Commission	89	93		4
General Accounting Office	5,317	5,326		9
General Services Administration [3]	27,463	27,465		2
Government Contract Committee	25	24	1	
Government Printing Office	6,370	6,410		40
Housing and Home Finance Agency	9,524	9,513	11	
Indian Claims Commission	17	17		
Interstate Commerce Commission	2,261	2,253	8	
Jamestown-Williamsburg-Yorktown Celebration Commission	3	3		
National Advisory Committee for Aeronautics	7,698	7,696	2	
National Capital Housing Authority	269	268	1	
National Capital Planning Commission	32	31	1	
National Gallery of Art	331	327	4	
National Labor Relations Board	1,105	1,106		1
National Mediation Board	113	102	11	
National Science Foundation	339	298	41	
Panama Canal	404	404		
Railroad Retirement Board	2,546	2,522	24	
Renegotiation Board	333	332	1	
St. Lawrence Seaway Development Corporation	39	37	2	
Securities and Exchange Commission	845	838	7	
Selective Service System	6,104	6,111		7
Small Business Administration	1,309	1,289	20	
Smithsonian Institution	869	847	22	
Soldiers' Home	998	1,007		9
Subversive Activities Control Board	33	33		
Tariff Commission	217	216	1	
Tax Court of the United States	147	150		3
Tennessee Valley Authority	14,649	14,674		25
Theodore Roosevelt Centennial Commission	9	11		2
United States Information Agency	2,621	2,646		25
Veterans' Administration	173,228	173,438		210
Virgin Islands Corporation				
Total, excluding Department of Defense	1,171,567	1,170,013	2,715	1,161
Net increase, excluding Department of Defense			1,554	
Department of Defense:				
Office of the Secretary of Defense	1,566	1,558	8	
Department of the Army	345,601	345,243	259	
Department of the Navy	331,980	332,446		466
Department of the Air Force	274,500	273,064	1,436	
Total, Department of Defense	953,647	952,410	1,703	466
Net increase, Department of Defense			1,237	
Grand total, including Department of Defense	2,125,214	2,122,423	4,418	1,627
Net increase, including Department of Defense			2,791	

[3] Includes 6 employees of the Federal Facilities Corporation.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during February 1958, and comparison with January 1958*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,421	1,444		23
Commerce	4,100	4,161		61
Health, Education, and Welfare	1,762	1,758	4	
Interior	3,015	3,071		56
Justice	529	525	4	
Labor	160	148	12	
Post Office	2,536	2,547		11
State [1]	25,950	[2] 25,831	119	
Treasury	1,015	996	19	
Independent agencies:				
American Battle Monuments Commission	509	519		10
Atomic Energy Commission	28	27	1	
Civil Aeronautics Board	4	4		
Civil Service Commission	18	17	1	
Farm Credit Administration	10	10		
Federal Communications Commission	24	24		
Federal Deposit Insurance Corporation	1	1		
General Accounting Office	74	73	1	
General Services Administration	59	59		
Housing and Home Finance Agency	176	175	1	
National Labor Relations Board	18	18		
Panama Canal	14,453	14,416	37	
Independent agencies—Continued				
Selective Service System	187	185	2	
Small Business Administration	20	21		1
Smithsonian Institution	6	6		
United States Information Agency	8,354	8,343	11	
Veterans' Administration	1,210	1,219		9
Virgin Islands Corporation	605	567	38	
Total, excluding Department of Defense	66,244	66,165	250	171
Net increase, excluding Department of Defense			79	
Department of Defense:				
Office of the Secretary of Defense	43	42	1	
Department of the Army	60,051	60,286		235
Department of the Navy	31,682	31,691		9
Department of the Air Force	38,533	38,462	71	
Total, Department of Defense	130,309	130,481	72	244
Net decrease, Department of Defense			172	
Grand total, including Department of Defense	196,553	196,646	322	415
Net decrease, including Department of Defense			93	

[1] February figure includes 10,503 employees of the International Cooperation Administration as compared with 10,413 in January. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The February figure includes 2,276 of these trust fund employees and the January figure includes 2,271.

[2] Revised on the basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during February 1958, and comparison with January 1958*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,151	3,132	19	
Commerce	2,525	2,446	79	
Interior	7,045	6,864	181	
Treasury	5,725	5,714	11	
Independent agencies:				
Atomic Energy Commission	148	151		3
Federal Communications Commission	14	14		
General Services Administration	1,084	1,084		
Government Printing Office	6,370	6,410		40
National Advisory Committee for Aeronautics	7,698	7,696	2	
Panama Canal	7,845	7,850		5
Tennessee Valley Authority	11,847	11,870		23
Virgin Islands Corporation	605	567	38	
Total, excluding Department of Defense	54,057	53,798	330	71
Net increase, excluding Department of Defense			259	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 132,775	[2] 132,704	71	
Outside continental United States	[1] 9,925	[2] 9,962		37
Department of the Navy:				
Inside continental United States	203,578	203,578		
Outside continental United States	5,219	5,199	20	
Department of the Air Force:				
Inside continental United States	155,407	154,626	781	
Outside continental United States	5,636	5,600	36	
Total, Department of Defense	512,540	511,669	908	37
Net increase, Department of Defense			871	
Grand total, including Department of Defense	566,597	565,467	1,238	108
Net increase, including Department of Defense			1,130	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of February 1958 and comparison with January 1958*

Country	Total		Army		Navy		Air Force	
	February	January	February	January	February	January	February	January
Belgium	9	8					9	8
Denmark	1	1					1	1
England	5,447	5,396			36	36	5,411	5,360
France	22,905	22,667	16,265	16,210			6,640	6,457
French Morocco	5,212	5,251	70	80	865	887	4,277	4,284
Germany	87,626	87,316	74,486	73,946	215	365	12,925	13,005
Japan	100,280	102,004	50,206	50,679	17,609	17,731	32,465	33,594
Korea	4,691	4,748	4,691	4,748				
Malta	93	92			93	92		
Netherlands	39	39					39	39
Norway	25	25					5	25
Trinidad	536	543			536	543		
Total	226,864	228,090	145,718	145,663	19,354	19,654	61,792	62,773

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in table I, II, III, and IV.

STATEMENT BY SENATOR HARRY F. BYRD, CHAIRMAN OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, IN CONNECTION WITH THE MONTHLY REPORT ON FEDERAL PERSONNEL AND PAY FOR FEBRUARY 1958

PAYROLL

The regular monthly Federal civilian payroll in January 1958 came within 2 percent of $1 billion, and when United States pay to foreign nationals not on regular rolls is added the total exceeds $1 billion. This was the highest monthly Federal civilian payroll of all times.

These figures for the month of January, as certified by executive agencies to the Joint Committee on Reduction of Nonessential Federal Expenditures, showed the payroll for regular civilian employees totaled $982,558,000, and United States payroll funds for the foreign nationals working under Federal agencies abroad, but not on the regular rolls, totaled $24,122,000.

Payroll for the first 7 months of fiscal year 1958, including United States funds for foreign nationals not on regular rolls totaled $6.7 billion. This was a monthly average of $964 million, since the fiscal year started July 1, 1957.

These payroll figures by months follow:

Payroll

[In millions]

Month	Regular	Foreign nationals not on regular rolls (United States funds)	Total
July	$964	$18	$982
August	936	18	954
September	895	18	913
October	959	27	986
November	898	29	927
December	954	25	979
January 1958	983	24	1,007
7-month total	6,588	158	6,746

EMPLOYEES

Payroll figures in the agency reports are necessarily a month later than employment figures in order that actual expenditures may be reported.

Executive agencies of the Federal Government reported civilian employment in the month of February totaling 2,321,767. This was a net increase of 2,698 as compared with employment reported for the preceding month of January.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1958, which began July 1, 1957, follows:

Month	Employment	Increase	Decrease
July	2,407,651	6,337	
August	2,400,082		7,569
September	2,366,398		33,684
October	2,339,994		26,404
November	2,330,107		9,887
December	2,324,568		5,539
January 1958	2,319,069		5,499
February	2,321,767	2,698	

Total Federal employment in civilian agencies during the month of February was 1,237,811, an increase of 1,633 as compared with the January total of 1,236,178. Total civilian employment in the military agencies in February was 1,083,956, an increase of 1,065 as compared with 1,082,891 in January.

Civilian agencies reporting the larger increases were Treasury Department with 1,605, Commerce Department with 400, and the Department of Health, Education, and Welfare with 256. Civilian agencies reporting the larger decreases were Agriculture Department with 783 and Veterans Administration with 219.

In the Department of Defense increases in civilian employment were reported by the Department of the Air Force with 1,507 and the Department of the Army with 24. The Department of the Navy reported a decrease of 475.

Inside continental United States civilian employment increased 2,791 and outside continental United States civilian employment decreased 93. Industrial employment by Federal agencies in February totaled 566,597, an increase of 1,130.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,321,767 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in United States Government activities abroad, but in addition to these there were 226,864 foreign nationals working for United States military agencies during February who were not counted in the usual personnel reports. The number in January was 228,090. A breakdown of this employment for February follows:

Country	Total	Army	Navy	Air Force
Belgium	9			9
Denmark	1			1
England	5,447		36	5,411
France	22,905	16,265		6,640
French Morocco	5,212	70	865	4,277
Germany	87,626	74,486	215	12,925
Japan	100,280	50,206	17,609	32,465
Korea	4,691	4,691		
Malta	93		93	
Netherlands	39			39
Norway	25			25
Trinidad	536		536	
Total	226,864	145,718	19,354	61,792

STATEMENT OF THE CHAIRMAN OF THE UNITED STATES ATOMIC ENERGY COMMISSION BEFORE THE SUBCOMMITTEE ON DISARMAMENT

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very able statement made by Chairman Lewis L. Strauss of the United States Atomic Energy Commission before the Subcommittee on Disarmament, on April 17.

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

STATEMENT BY CHAIRMAN LEWIS L. STRAUSS, UNITED STATES ATOMIC ENERGY COMMISSION, BEFORE SUBCOMMITTEE ON DISARMAMENT, UNITED STATES SENATE, APRIL 17, 1958

Mr. Chairman, I am happy to be here today in response to your invitation to testify before your committee. On May 31, 1957, you asked that I express my opinion on certain matters of interest to your committee and to do so on an unclassified basis if possible. I replied to these questions by letter in the light of the then current situation and offered to testify before your committee if and when you so desired.

It is your intention, I understand, that to the extent possible the testimony before your subcommittee should be in open session. This seems to me very much in the public interest. I have therefore prepared a statement which does not contain data which is restricted by the Atomic Energy Act. I am, of course, available at your convenience to discuss classified matters in executive session. With your permission therefore, I will present my statement, as follows:

Both as a citizen and as a Government official, I am aware that scientific advances in weaponry have increased, and are increasing, the ability of an aggressor nation to launch

an attack which could be extremely damaging to the United States. Because we are a democracy, we are cast in the role of defenders and cede to totalitarian governments the role of aggressors. There is an enormous distinction in this statement of simple fact. The targets of the attacker are large (i. e., our cities). The targets of the defenders are small (i. e., enemy planes and missiles). The weapons of the defender therefore need to be much more sophisticated in design than those of the aggressor. They must be both more accurate and more numerous than the weapons of the aggressor and, since many would be used over our own or friendly territory, they must be designed to perform their function and to produce the absolute minimum of radioactive debris.

We do not desire to turn back the clock on scientific developments already achieved, and, practically, we cannot. Nor can further Soviet scientific progress be arrested. Consequently, it must be the hope of all thoughtful men that a reliable and effective system can be negotiated for controlling the world's armament—a system which can reduce and finally eliminate the possibility of a third world war. For such a war, unless it can be prevented, will produce casualties in numbers that have been variously estimated, but there is no disagreement that they will be tragically great.

I am convinced that any disarmament agreement, if it is to have a chance of reducing the possibility of disastrous war, must apply equitably to its parties. It must not be such as to impair the defensive and retaliatory power of ourselves and our allies without a convincingly compensating restriction on an aggressor's ability to attack.

To succeed, it must be a plan developed with an honest intent to avoid possible future aggression. History furnishes too many examples of disarmament attempts in the past which have been honored by one power and not the other, and so have resulted in an imbalance of international power. Thus, situations have been produced where the violator has made his attack when he believed the time right and the other side sufficiently weakened and unprepared.

All of us would like to have evidence that the Soviets desire to go forward rapidly and in parallel. Other than words, I am aware of no such evidence. In fact, the solid evidence that is available points the other way—to agreements violated for Soviet advantage. The course of history from the end of World War II to the present moment affords a long record of false propaganda and the use of force to achieve unjust ends. For example, we were accused of using germ warfare in Korea. Indeed, I am told that in many parts of the world this perversion of the truth still remains anchored in the minds of people. But that is only one example of continuous past propaganda to which has been added the latest Russian announcement concerning a cessation of testing. This would apparently be without guaranty, and it followed an extraordinarily elaborate series of tests and embodied a proviso that they could resume tests at their discretion.

We need only remember the subjugation of Eastern European nations, of North Korea, and of Hungary to make us look at our future course with great circumspection. Soviet unwillingness to meet with the Disarmament Subcommittee of the United Nations ought to cast some doubt in our minds upon the sincerity of their expressed desire to reach a disarmament agreement. But the peoples of democracies have short memories, because we are always the victims of our own wishful thinking. We want to live in a peaceful world and we like to assume that this is a goal of everyone else as well.

This, then, leaves the United States and the Free World in a difficult position. We intend to make every effort to achieve progress along the road to disarmament. In the interest of humanity, we regularly participate in negotiation which may lead to such a development. We realize, however, that the initial steps along that road must not be such, that if the agreement is violated, we would find ourselves in a vulnerable position, for then the possibility of war would be enhanced and the threat more disastrous.

With this as a background, I would now pass to certain specific aspects of nuclear disarmament, commenting more fully on these. In these further comments, I would like to explain:

(a) Why, under current conditions, the United States continues nuclear tests.

(b) Why we have contended that to stop the use in weapons of further production of fissionable materials (and the initiation of a program to reduce the existing nuclear weapon stockpiles) ought to be a part of the first step of any disarmament plan.

(c) Whether, in fact, a monitoring system can be developed to insure that unauthorized nuclear tests are not conducted without convincing detection (including identification).

(d) Whether a satisfactory monitoring system can be developed to insure that there is no violation of an agreement against the use of new production for weapons purposes.

Let us take first the matter of why, under current conditions, the United States continues to test.

(a) The essentiality of nuclear weapons in the defense structure of the United States and its allies is established. Many of our friends live along the periphery of a land mass dominated by possible aggressors. The military forces of the Free World, spread over long exterior lines, cannot defend themselves without the aid of nuclear weapons against a possible Communist aggressor who can move rapidly and concentrate at any point on the periphery. Turning from possible local aggression to defense of the United States against surprise attack, nuclear weapons constitute the principal defensive military asset of our arsenal.

(b) Yet, we are now, as you know, in a transition period insofar as nuclear-weapon design is concerned. No longer are weapons systems such that nuclear warheads can be delivered only by large aircraft which require substantial time to reach their objective. Instead, systems are technically possible which permit very rapid delivery of weapons of various sizes and yields and on a major scale. The Soviets have demonstrated that they have, or can have in the future, an ability to deliver a very heavy attack. Our position is to be sure that such an aggression would be deterred by the assurance of retaliation or blunted if it came.

(c) Therefore, in defense of ourselves and our allies, we cannot place our dependence upon obsolete and obsolescent weapons systems or upon nuclear warheads of earlier designs. New systems, to be truly effective, must be light, rugged, and instantly ready. If all types of aggression are to be avoided or countered, the systems and their warheads must be capable of use in all locales and in all environments.

(d) We have made substantial strides in developing the weapons systems we need. Yet with regard to some, particularly those of extremely severe design characteristics, we will need further development and test. This is particularly true with regard to weapons of greatly reduced radioactive fallout. In the interest of civil populations, we are convinced that such weapons are a necessity in all types for both strategic and tactical use. We know now how to make certain of the designs we need, but by no means all. As I have indicated, it will require more development and more tests before we will have this comprehensive arsenal.

(e) The interruption of testing will directly affect our development for there is no substitute for tests in determining whether a nuclear weapon or even a conventional weapon will perform as anticipated.

Here, may I underline one point in regard to cessation of testing. A cessation or moratorium on testing will not in itself be a step toward reducing existing armaments. On the contrary, in our case, it is a step which will interrupt the development of defensive systems, which we know can be developed in time and which we need. It is a very fateful step, therefore, and one which I have believed should only be taken in conjunction with other and more significant disarmament arrangements. It is a step to be taken only when we can have assurance acceptable to prudent men, that the Soviet will not violate the agreement. It is a step to be taken, therefore, only if both parties are willing to allow the inspection necessary to reduce to the utmost the possibility of clandestine violation. And I repeat that it is a step which when taken will freeze our defensive research.

I would like to turn now to the second of the specific matters—why we have contended to date that any first-step disarmament proposal should include a cut-off of the use of further production of fissionable material in weapons, and the initiation of an orderly, gradual transfer of earlier-produced fissionable materials to peaceful purposes:

(a) I believe the answer to this question follows naturally from my earlier comment relative to a test cessation or moratorium. As I have stated on other occasions, a test cessation as such does nothing to reduce the existing weapon stockpiles. Furthermore, and importantly, it does nothing to curtail the improvement of an aggressor's delivery systems. A future aggressor can go right ahead perfecting the missile on which the warhead rides and the reliability and guidance of this device.

(b) On the other hand, a new positive step in disarmament would be initiated by the cessation of the buildup of the weapons stockpiles. If coupled with the initiation of the return to other uses of already stockpiled fissionable material, it would be the beginning, though only the beginning, of a restriction on nuclear armaments. It would be a recognition by both the Soviets and ourselves that we were willing to reverse the trend of building ever larger nuclear weapons stockpiles. It could be a real and substantial start toward disarmament.

As for the third matter, I would like to comment briefly on whether a monitoring system could be developed to insure that unauthorized tests, if conducted, were detected, identified, and proven as nuclear tests of a specific nation. I understand that you have had executive testimony in this regard. Perhaps I can make certain remarks in this open session which may be helpful to wider public understanding of this difficult and most important problem.

(a) I believe that with regard to tests conducted on, above, or under the surface in the territory of a specific nation, a properly designed monitoring system can detect those of larger yield. The monitoring system required, however, if that yield of detectability is to extend down to smaller shots, will be complex. In any land mass such as the United States or Soviet Russia, it would require a large number of stations, sited and operated as the observers deem necessary. More importantly, too, if suspected detonations are to be identified as nuclear detonations and proven as such, the right of immediate access to any suspected area must be allowed. Even then, there will be no assurance that all nuclear detonations can be identified as such. It is my understanding that even with a very elaborate inspection system including the right to visit suspected underground explosion sites, there still remains a real possibility that successful clandestine tests sufficiently large in yield to contribute materially to a weapons-development program could be carried out by a determined violator.

(b) Then, too, if a Nation tested in an area where a proper detection net was not installed, the proving of the violation might be most difficult if not impossible.

As a final matter, I would like to comment on the problem of establishing a satisfactory system of safeguards for monitoring an agreement to devote all future production of fissionable materials to peaceful uses.

(a) I know you have received detail comments in this regard from Dr. Spofford G. English of the AEC staff. He has pointed out that a system of accountability and physical security for inspection and control of materials, if made in a known large production facility will require, for example, an inspection force of approximately 500 men for the case of a plutonium production plant consisting of a number of large reactors and their associated fuel fabrication and chemical processing facilities. The manpower required will vary somewhat depending on the size and character of each. It is believed, however, that such a system will give a high degree of assurance of suspecting diversions of as little as 1 percent of the plant's throughput over a period of a year. The total force required for inspecting a country would depend on the total number and kind of facilities to be inspected and would have to include teams for inspecting to assure that no clandestine plants were in operation. It must be borne in mind that no system we can think of can guarantee 100 percent assurance against diversion.

(b) Here, as in a test moratorium, any inspection system, if to have any chance of being effective, must permit the monitors to visit freely and rapidly any area they suspect. It must permit the monitors entry into, understanding of, and continual observance where necessary of the plants and their operation. Without such access, clandestine and undetected operation of production plants could go forward.

(c) In summary, then, I believe a monitoring system capable of achieving a reasonable degree of success is a possibility. It would require a major outlay of means but that is of little consequence where the stakes are so great. It would require that both parties permit full access to all plants and personnel concerned, and rapid and immediate access to areas wherever the party could engage in the production of material.

It is my understanding that you desired the opening testimony to be as brief as possible in the interest of allowing time for questioning and discussion. I have therefor directed this statement to the relationship of nuclear restrictions to an over-all disarmament plan and to certain strongly-held ideas of my own. I am available and will continue to be available to questions in open or closed session in further elaboration of any points of concern to you.

REGULATION OF EXPORTS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1456, S. 3093.

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

The LEGISLATIVE CLERK. A bill (S. 3093) to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

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 suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PRINTING OF COMMITTEE PRINT "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES" AS A SENATE DOCUMENT

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print "Recruiting and Training for the Foreign Service of the United States" as a Senate document.

REGULATION OF EXPORTS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of Calendar No. 1456, Senate bill 3093, to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, the Export Control Act of 1949 authorizes the President to control exports from the United States on the basis of standards relating to national security, foreign policy, and domestic shortages. This authority is, and has for some time been, delegated to the Secretary of Commerce, who exercises it in consultation with other interested agencies.

Under present law, this authority will expire on June 30 of this year. Senate bill 3093 would extend the authority to June 30, 1960. This continued authority would, however, continue to be subject to the power of the Congress to terminate the act by concurrent resolution.

This extension was recommended by the President in his budget message and in his economic report. On January 20, 1958, the Secretary of Commerce forwarded a letter of justification, together with a proposed bill which would accomplish this result. Favorable reports were received from the Department of State, the Department of Defense, and the Treasury Department. The Treasury Department reported no objection to the proposed extension. Hearings were held on March 13, and favorable testimony was received from the Department of State and the Department of Commerce. No objection to this proposed legislation has been made known to the committee.

The Department of Commerce has been reporting regularly, every quarter, to the President and to the Congress, on its operations under the act, in accordance with the law. The most recent report—that for the fourth quarter of 1957—contains a review of the United States export controls since they were first authorized on July 2, 1940.

The controls now being exercised by the Department of Commerce are based generally on either security or short supply. The security controls prevent the export of strategic commodities from the United States to the Soviet bloc and prohibit exports from the United States to Communist Korea. A continuous review of these controls is carried on; and they are revised from time to time, depending on the circumstances existing both here and abroad. For example, during 1957, the restrictions on exports to Poland were somewhat relaxed, in the light of this country's policy of increased trade with Poland.

Strategic commodities are still, however, carefully controlled.

Short-supply controls are now applied to only half a dozen commodity groups; and even in those cases the controls are designed primarily to keep the Commerce Department currently informed of the amount of exports, rather than to restrict the quantities.

I am informed that Senate bill 3093 was unanimously reported by the committee. Inasmuch as the authority will expire on June 30, I hope the Senate will take favorable action on the bill.

Mr. JAVITS. Mr. President, I was going to ask the distinguished Senator from Texas a question about the bill, but I find that the question is answered by the bill itself. Therefore, I do not need to ask the question.

Mr. President, obviously the bill provides for an extension for 2 years, without any other amendment of the Export Control Act.

The bill is an extremely valuable piece of proposed legislation. I was in the House of Representatives when it was drafted in the Committee on Foreign Affairs. The bill enables the United States to have flexibility to engage in this kind of restriction, and at the same time to make the needed agreements with our allies and the rest of the world, as the world situation allows.

I hope very much that the bill will be passed.

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

There being no objection, the Senate resumed the consideration of the bill (S. 3093) to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

The PRESIDING OFFICER. The bill is open to amendment.

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

The bill (S. 3093) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 12 of the Export Control Act of 1949 (63 Stat. 7), as amended, is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its

reading clerks, announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the Armed Forces to accept and wear decorations conferred by the Philippine Government; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

The message also announced that the House insisted upon its amendments to the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, 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. MURRAY, Mr. MORRISON, Mr. DAVIS of Tennessee, Mr. REES of Kansas, and Mr. CORBETT were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

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

S. 864. An act to provide for the transfer of certain lands to the State of Minnesota;

S. 1118. An act to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes;

S. 2037. An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; and

S. 3120. An act to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

THE 1958 ANNUAL MEETING OF THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

Mr. WILEY. Mr. President, in a little over 2 weeks there will convene in our Nation's Capital the 1958 annual meeting of the President's Committee on Employment of the Physically Handicapped. I have been pleased to receive details on this meeting from Gen. Melvin J. Maas, the able Chairman of the President's Committee.

Down through the years, it has been my pleasure on many occasions to salute the accomplishments of the President's Committee, as well as to point up the continuing problems which it faces in seeking its high objectives.

WISCONSIN YOUNGSTER TAKES SECOND PLACE IN ESSAY CONTEST

One particular phase which it has been my pleasure to bring further to public attention is the splendid nationwide school essay contest sponsored by the Committee.

This year's second place national award winner, who wrote on the subject How Hiring the Handicapped Helps You and Me, is young Mr. Wayne Stanley Gardner, of rural route 1, in Granton, in my State. To Wayne, to his teachers, and to his fellow students at Granton High School, I convey my congratulations, not only on this particular achievement, but also on their participation.

But my principal purpose in speaking today is not simply to extend well-deserved congratulations to General Maas and his associates in all the activities of the Committee. My main goal is to point up very frankly the challenge still ahead.

I know that at the annual meeting to be held at the departmental auditorium, the experts will present many rewarding statements on each of their respective, assigned fields. I am delighted that so outstanding an array of public officials and leading private citizens has been assembled for this purpose by the President's Committee. I congratulate each of these leaders on their participation.

MUCH REMAINS TO BE DONE

For my own part, today I simply wish to state that, despite all the wonderful progress which has been made, all thinking people will agree that we have a long, long way yet to go before attaining proper and full employment of the physically handicapped.

I cannot commend too highly the business and labor organizations throughout the land—the United States Chamber of Commerce, the National Association of Manufacturers, and the AFL–CIO—which have enabled us to achieve what we have already attained. Just recently, at Marquette University, there was held an important meeting which spotlighted much of the fine progress which has been made by labor and management. Yet, the hard fact of the matter is that we cannot afford to be self-content.

CURRENT ECONOMIC DIFFICULTY DOES POSE A PROBLEM

The current economic difficulties facing our Nation do pose a problem to both many able-bodied and many handicapped workers. Let us keep this difficulty in proper perspective. Let us not distort it or magnify it.

I am glad to say that the Bureau of Employment Statistics shows that actually, while placements of the handicapped during, for instance, the first 2 months of 1958, have fallen, as we might expect, as compared with those for the comparable period in 1957, they have fallen percentagewise less for the handicapped than for the ablebodied. In other words, the handicapped are still being employed, and in goodly numbers. Their placements are holding up better, percentagewise, despite the slipback, than even those for the ablebodied.

In any event, let us always remember men's ability—not their disability.

This great, dynamic Nation is going to snap out of its present difficulty. We have had adjustments before. That is the free-enterprise system at work—constantly adjusting to supply and demand.

AMERICA IS GROWING VITALLY

This Natıcn is constantly growing. As our very competent Secretary of Labor, Jim Mitchell, has stated, in the next 7 years alone, we are going to need as many as 10 million more workers in our labor force. Already our labor force is over the 70-million mark. Our job is to use both the able bodied and the handicapped in that labor force. But we cannot, as I have said, be self-satisfied.

BACKLOG OF UNEMPLOYED HANDICAPPED

We do have a considerable backlog of handicapped who have not yet been employed. And each year, many injuries unfortunately add to the total.

On this point, I was most interested to read the well-documented testimony before the House Appropriations Subcommittee which heard from Miss Mary E. Switzer, the hard-working Director of the Federal Office of Vocational Rehabilitation.

On her particular phase of this problem, she pointed out the welcome fact that the total number of disabled people who have been served publicly has increased to 238,000. And last year, the total number of persons rehabilitated into useful employment by public rehabilitation agencies reached a record high of 71,679.

As much as we rejoice in that figure, the fact is, unfortunately, that it is still only a small fraction of the vast number of folks who must still be rehabilitated.

On page 275 of the hearing, there was inserted a table showing the list of disabled persons regarded as in need of vocational rehabilitation, as compared with the number of those served by various State agencies in the fiscal year 1957. The overall number regarded as in need is an estimated 2 million. The number of disabled persons served was 234,000—meaning that 11.7 percent of the persons in need were actually served.

Translated into figures in my own State, that meant that approximately 45,000 are in need. Yet, even in a farsighted State with as splendid a rehabilitation program as the Badger State, only 4,974 were served.

These few statistics do not tell the full story, for much is done by the handicapped all by themselves and on a private basis.

In any event, obviously there are budget limitations at Federal and State levels. We cannot always do as much as we would want to do. Yet, I submit that we can, and should, do still more.

In this age of technology, we cannot afford to allow to lie fallow the talents and abilities of a single human being who can contribute to our national strength. Hiring the handicapped is good national policy. It is good business. It is good for tax-revenue purposes. From a human standpoint, we cannot allow individuals to rust, so to speak; to sit around relatively idly, feeling forgotten, neglected, unwanted.

OUR PARTICULAR DEBT TO DISABLED VETERANS

If this observation applies to any group in our population, as it certainly does, then it definitely applies to one particular group, above all, and that is the Nation's disabled ex-servicemen.

In carrying out the Congress' and the Chief Executive's mandate, the Veterans' Administration has done a remarkable job, in cooperation with employers, labor, the great veterans organizations of the United States, and other Federal agencies. Yet, I know of no one who would not agree that still more must be done for our handicapped heroes.

It is not simply a matter of getting any job for a handicapped veteran. To employ a man of great skill and sensitivity at a task far below his potential does not begin to really tap his talents. So, it is important that he be helped to get the right job, at the right salary, with a real sense of dignity, of self-respect, and accomplishment.

This, then, is my theme today: We have come a long way; we can take well-deserved pride in our achievement; but we still have a long way to go.

I send to the desk two items which illustrate my point.

TWO ITEMS ILLUSTRATE PAST, PRESENT, FUTURE

The first is a preview of the excellent program of the 1958 annual meeting of the President's Committee.

The second is an illustration of what I am talking about, particularly in terms of the nation's veterans. It is taken from the publication of one particular group which certainly knows well the needs of our ex-servicemen. I refer to the Military Order of the Purple Heart. On page 13 of the March–April issue of Purple Heart is contained an article describing a wonderful plant which has done a heartwarming employment job—in this instance, for epileptics.

The only point of regret, as we contemplate this grand achievement, is that it—Epi-Hab—is the only such enterprise in the United States for broad-scale use of the abilities of epileptics. Yet, these men and women represent a great reservoir of unused talent and ability.

Epi-Hab is a successful pilot plant. It is a living demonstration of what can be done for them and for others, by them and by others, on a sound, practical, business basis.

As a guide to the future, I send to the desk, therefore, the text of the May 8–9 program and the article from the magazine of the Order of the Purple Heart. I ask unanimous consent that both be printed in the RECORD at this point.

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

PREVIEW—1958 ANNUAL MEETING, PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED, MAY 8 AND 9, 1958, WASHINGTON, D. C.—ADVANCE PROGRAM

THURSDAY MORNING, MAY 8

(Departmental Auditorium, Constitution Avenue, between 12th and 14th Streets, Earl Bunting, Vice Chairman, President's Committee, presiding)

8:30: Registration.

9:30: Musical selections: United States Navy Band.

10: Invocation: Maj. Gen. Charles I. Carpenter, Chief of Chaplains, United States Air Force.

Introductions—Rollcall of States.

Welcome: Maj. Gen. Melvin J. Maas, USMCR retired, Chairman, President's Committee.

Greetings: Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare; Hon. James T. O'Connell, Under Secretary of Labor.

11: Address: "Security Through Service," Gen. Alfred M. Gruenther, president, American National Red Cross.

11:30: Introduction of the President: Hon. Sinclair Weeks, Secretary of Commerce.

Address by the President of the United States, "Productive Ability Is Our Future Security."

Presentation of awards by the President: National essay contest winners; President's Trophy for the handicapped American of the year.

12:15: Lunch recess.

THURSDAY AFTERNOON, MAY 8

(Departmental Auditorium)

2: Address: "Importance of Utilization of All Manpower in Space Age," Dr. John P. Hagen, Director, Project Vanguard, Naval Research Laboratory.

2:30: Panel discussion: "How I Did It": Physically handicapped participants: chairman, Hon. Charles E. Potter, United States Senator; members, Robert G. Allman, Philadelphia, Pa.; Mrs. Grace Cleaves, Falls Church, Va.; George Elleson, Bay City, Mich.; Irvin F. Hummon, Jr., M. D., Chicago Ill. Discussion moderator: Mrs. Esther Van Wagoner Tufty, Tufty News Service.

Floor discussion.

5: Reception, Washington Room, Hotel Washington, dutch treat.

FRIDAY MORNING, MAY 9

(Departmental Auditorium)

Earl Bunting, Vice Chairman, President's Committee presiding.

8:30: Registration.

9:15: Report of the executive committee, Earl Bunting, vice chairman.

9:30: Address: "Is Second-Injury Legislation the Answer?" L. W. Binger, manager, personnel services, Minnesota Mining & Manufacturing Co.

10: Panel discussion: "Overcoming Basic Obstacles at the Hiring Level," chairman, Edward K. Foster, vice president, Bendix Aviation Corp.; members, "Translating Policy Into Practice," Gerald D. Bradley, personnel manager, the Garrett Corp.; "Realistic Medical Evaluations," John N. Gallivan, M. D., medical director, United Aircraft Corp.; "Dispelling Compensation Myths," Justin Johnson, special projects representative, Hughes Aircraft Co.; "Meeting Seniority Problems," George Brown, assistant to the president, AFL–CIO.

Floor discussion.

FRIDAY AFTERNOON, MAY 9

(Hall of Nations, Hotel Washington)

12:30: International luncheon.

Toastmaster: Hon. Jennings Randolph, assistant to president, Capital Airlines, Inc.

Invocation: Most Reverend Philip M. Hannan, auxiliary bishop of Washington.

Presentation of awards by the chairman: Citation for meritorious service, Donald V. Wilson, secretary general, International Society for the Welfare of Cripples.

Blinded Veterans Association Employer award, Hon. Sumner Whittier, Administrator of Veterans' Affairs.

Address: "People-to-People and International Understanding," Hon. George V. Allen, Director, United States Information Agency.

Benediction: Rabbi David H. Panitz, Adas Israel Congregation.

2:30: Meeting of State chairmen and secretaries.

4:30: Adjournment.

[From the Purple Heart]

HIRING OF EPILEPTICS PROVES SUCCESSFUL

WASHINGTON, D. C.—An industrial plant manned entirely by epileptics has just been granted a 20 percent reduction in its accident insurance rates because of its outstanding safety record.

The 2-year-old plant, Epi-Hab in Los Angeles, the only one of its kind in the United States, employs about 50 workers with various forms and degrees of epilepsy. It manufactures aircraft parts and electronic components.

In a letter to Epi-Hab, its insurance company wrote:

"In reviewing your accident experience for the past 2 years we find that your safety record far surpasses that of other industries having the same operations as are conducted by your company."

BEGINS AS EXPERIMENT

Epi-Hab began in 1950 as an experiment of Dr. Frank Risch, chief of the epilepsy rehabilitation service of the Veterans Administration Center in Los Angeles. He found that 75 percent of the veterans with epilepsy were unemployed and he wanted to see whether something could be done about it.

Originally, Dr. Risch recalled, Epi-Hab was an "experimental workshop" for epileptic veterans, "to determine what effect steady, gainful employment would have on control of seizures." In addition, he said, "We wanted to rehabilitate the epileptic economically—to prove to him and to the community that the affliction is not a 'taint'."

The experiment worked. Two years ago Epi-Hab came of age as an independent industrial firm, employing both veterans and nonveterans, and vying for business the same as any other private enterprise. In the beginning, however, it did receive grants from the United States Office of Vocational Rehabilitation and from private individuals.

RATES NOT HIGHER

Dr. Risch, who continues to donate his time as the firms' project director, noted some employers "excuse themselves from giving work to epileptics on the grounds that insurance rates are higher for them, and that their seizures make them accident prone."

In contradiction of this common belief, Dr. Risch stated, "Our own experience has proven that both these objections are greatly exaggerated. A record of seizures from our shop shows most of the attacks occurred during the first few weeks of employment. There seems to be a progressive decrease in seizure frequency and intensity as they gain confidence in themselves."

Seizures are dealt with casually at Epi-Hab. A worker is placed on a cot right in the shop, and is encourage to go back to work as soon as the seizure is over. Time lost from work averages 32 minutes per seizure.

Other statistics compiled by the firm reveal the average income of employees before they started to work was $300 a year. At present, it is more than $3,000 a year. During the past 2 years, Epi-Hab employees have paid a total of $40,000 in income taxes.

"The ultimate goal is to get these people into private industry," Dr. Risch said. "We have a waiting list of about 300 who want to go to work here."

As a result of its success, Epi-Hab is opening similar industrial plants in Long Island, N. Y., and Phoenix, Ariz.

PETROLEUM—A KEY INTERNATIONAL RESOURCE OF THE UNITED STATES AND THE FREE WORLD AGAINST THE SOVIET MENACE

Mr. WILEY. Mr. President, as a member of the Senate Committee on Foreign Relations, I have many times stressed the tremendous significance of the resource of international petroleum supply to the United States and to the

rest of the Free World. I have been pleased to compliment the enterprising oil companies of the United States for their resourcefulness and their initiative in exploring for new oil supplies not only in the United States, but in virtually every corner of the world.

Today, no less than 190 American companies are engaged in international petroleum activities. This number includes some 74 large or sizable publicly owned corporations, with no less than 2½ million stockholders. These, and other facts, were pointed out in a most illuminating study which was made by Mr. Leonard M. Fanning, editor of World Petroleum Policies.

CLEAR GULF OIL CORP. REPORT

Mr. Fanning's study was conveyed by the president of the Gulf Oil Corp., Mr. William K. Whiteford, in a letter which I was pleased to receive earlier this week. This report is one of the clearest expositions of the dynamic changes in the oil industry which I have seen in a long time. One may not agree with all of the observations in it; but the facts which it sets forth are painstakingly documented in a series of tables, and most of the conclusions seem commonsense and inescapable.

The fact of the matter is that the center of gravity of world oil production has shifted from the United States largely to the Middle East. The Mideast contains no less than 71 percent of Free-World reserves.

SOVIETS EAGER TO STIR UP MIDEAST

It is small wonder why the Soviet Union, therefore, is so intent on stirring up trouble in the Middle East. The fact of the matter is, furthermore, that the petroleum of the Middle East is especially significant to free Europe. The further fact is that the oil of Canada and of our good neighbor, Venezuela, is vital to the United States.

A still further fact is that, despite the temporary surplus in United States domestic oil production, the long-range growth curve of petroleum demand in our country is largely upward. That means that we have no alternative but to plan for substantial imports in the future, and on a sound basis.

I don't presume to be an expert in what is, after all, an exceedingly complex industry. But I do know that American free enterprise, in pioneering and opening up vast new oil reserves abroad, is serving the best interests of the people of the United States.

UNITED STATES FOREIGN POLICY REQUIRES FRIENDLY RELATIONS

It is to our national interest that we be on friendly relations with all of the countries which produce oil in sizable quantities. Of course, petroleum is but one factor in our relationships with those countries. There are many other considerations, as well. But I certainly would not want us to forget that factor, or to minimize it.

I send to the desk the text of the impressive summary, as sent by the Gulf Oil Corp. I ask unanimous consent that it be printed at this point in the body of the RECORD.

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

THE SHIFT OF WORLD PETROLEUM POWER AWAY FROM THE UNITED STATES

Petroleum is the world's most-sought-after and vital energy source. Our living standard, our security, our prestige among nations, our very lives depend upon an adequate supply.

Despite the bowing-in of nuclear energy and the recently reported harnessing of H-bomb power envisioning "fuel for a billion years," make no mistake: The world will need petroleum in ever-mounting volume for many years to come.

Will we have enough oil for our peacetime requirements for defense and for emergencies?

Will the American consumer continue to be supplied with petroleum products at reasonable prices, or will he be forced to pay skyrocket prices?

Warning signals are flying.

SHIFT IN THE CENTER OF GRAVITY

A complete transformation in the world of petroleum has occurred during the last 2 decades, with implications vital to the United States and to the Free World.

Few realize these happenings, these changes, their meaning.

Twenty years ago if you pointed off the center of gravity of world oil production on the map, it would be in the United States. Today it has left our continent. In 1935, the United States produced 68 percent of the Free World's oil; in 1957, only 47 percent.

More striking still, the center of gravity of world oil reserves has moved from this continent plumb into the Middle East. United States reserves in 1938 made up 59 percent of Free World reserves; now they are only 14 percent. The Middle East alone accounts for 71 percent of Free World reserves.

The United States had 72 percent of the total Free World crude oil refining capacity in 1935; today it has 52 percent, while Western Europe has increased its refining capacity from 6 percent to 16 percent.

There has been a significant shift in the center of gravity of world petroleum consumption. We ourselves consumed 68 percent of Free World oil in 1945; in 1957, 54 percent.

Yet our increase in consumption between these years has been enormous—at the rate of 79 percent. But Europe's consumption has gone up 292 percent. The consumption of the entire Free World outside the United States has risen 219 percent.

These are high points of the great transformation in world oil of the last 2 decades.

AMERICAN OIL INITIATIVE ABROAD PAYS OFF

This could have been a most disastrous transformation for the United States. Suppose those great reserves abroad had been developed wholly by foreign interests. As it was, most credit goes to American initiative. And, be it said, American commercial initiative, strongly backed by the State Department.

After World War I, the Government was plenty scared about the United States running out of oil. "Go out and find the oil," was its mandate to American oil companies.

A State Department memorandum by Charles Rayner, State Department adviser, dated February 10, 1944, says: "The period from 1918 to about 1924 was characterized by widespread pessimism about future oil supplies in the continental United States and in nearby Latin American producing areas. * * * Consequently American oil interests began to look abroad for sources of crude oil and in so doing found themselves in need of the diplomatic support of their Government. * * * Examination of the record will show that the activity of the Department of State was prompt and firm * * * (for a more detailed documentation of the activity of the Department during this period reference should be made to the State Department publication entitled 'Oil Concessions in Foreign Countries,' 68th Cong., 1st sess., Doc. No. 97.)"

The world search, the world struggle for oil, was on in earnest.

This was not simply a struggle between titans. It wasn't a case of Royal Dutch-Shell, Anglo-Iranian (British Petroleum) and Campagnie Francaise des Petroles (all sincerely backed not only by their governments' diplomacy but by their governments' stock participation) lining up against each other and against Standard Oil. There were few American oil companies of any stature that did not join the search of the early twenties.

It is to be noted that in doing so none abandoned their search at home. But when a flock of new domestic fields came in, many abandoned their expensive foreign operations. It was a matter of cost, of supply. And don't forget demand. Demand didn't falter until the depression. But demand, at that time, could be met nearer at home, at less cost.

However, several of the larger American companies which had pioneered abroad, continued the costly search into the 1930's. Notable strikes were made in Saudi Arabia and Kuwait. Conceivably, they might have been made by foreign companies without American participation.

If they had, the position of the United States in relation to production and reserves would, today, be bleak, indeed. As it is, because of our oil investments abroad, we have increased our ownership in foreign reserves from 35 percent in 1938 to 57 percent.

In other words, thanks to American enterprise, we have largely restored our ownership in reserves although today that ownership is substantially located in other countries.

DRAIN OF TWO WORLD WARS

As in World War I, the irreplaceable reserves of the United States were drawn upon heavily to supply the wartime demand of the Second World War.

For the second time in a world crisis, the American industry came through for the cause of free men. It was able to do so not only because of its then preponderant reserves but because of the concentration of refineries in North America.

At what cost the United States was forced to supply the bulk of the monumental petroleum demands of two world wars has yet to be determined.

After World War II, our State Department did not say in so many words, "Go out and find oil," as it had after World War I, but it (and the military services) strongly commended and backed American efforts abroad. State Department Adviser Rayner (in his statement of February 10, 1944), said:

"Since about 1934, the curve of new discoveries in the continental United States (excluding additions to and extensions of known fields) began to turn sharply downward. While the aggregate proven reserves on successive year-end dates were greater in each successive year, the annual increment to reserves was a diminishing one. This downward trend in United States oil supplies has been aggravated by World War II with its tremendous drain upon United States supplies. The Department of State has, therefore, taken the position that the public interest of the United States requires maximum conservation of domestic and nearby reserves and large-scale expansion of holdings in foreign oil reserves by United States nationals. It has, therefore, actively supported the efforts of United States petroleum interests to secure and to consolidate concessions abroad."

The fact must be faced, that the United States was unable to cope with (nor was it desirable that it should) the pyramiding de-

mand of foreign countries that followed the Second World War.

In fact, it was unable to supply its own mounting demands.

POSTWAR CHANGE

Fortunately for the Free World, during the postwar years Middle East reserves were greatly expanded year after year. A bankrupt, battle-devastated Europe could rebuild on petroleum energy sources.

Petroleum has been called the keystone of the Marshall plan.

A basic provision of that program was that oil should be supplied from the Middle East in preference to the United States and Venezuela (that the United States should be relieved as much as possible of the drain).

Another was to finance refinery rehabilitation and expansion in the 16 participating European nations.

Within an incredibly few years Europe was on its feet again. Most authorities credit Europe's phenomenal rise from the ashes of war and impending bankruptcy to the Marshall plan.

Bear in mind this was a United States Government program.

A bankrupt Europe would have fallen to Soviet Russia. Who can doubt it? There is no overestimating the importance of Marshall plan results and the contribution by petroleum, in large part made possible by the initiative of American oil companies abroad.

The Free World was saved.

RESULTS NOT ONLY VITAL TO EUROPE BUT TO UNITED STATES

The results of American foreign operations were not only vital to Europe but to the United States. Except for foreign oil, the United States would have suffered a shortage far greater than that threatened after World War I when the Government said, "Go out and find the oil."

In 1948 for the first time the United States became a net importer of oil.

Was this at the sacrifice of American activities? Not at all. For years after the war one of the most intensive drilling programs in the history of the Nation was carried on, with drilling completions increasing year after year, except for 1951 and 1957. At the same time large oil companies operating abroad increased their activities at home as well as abroad.

Western Canada opened up following the Leduc discovery well in Alberta, February 1947. There was a surge of American companies to Canada and of United States investment in Canadian companies.

But this is only part of the picture. The resurgence of American activity abroad was worldwide.

Many underdeveloped nations put out the welcome mat for foreign investors by way of passing new petroleum laws or asking bids on new prospective oil acreage. Their desire was for petroleum revenue to bolster their economies and to attain higher living standards for their people.

ONE HUNDRED NINETY AMERICAN COMPANIES IN OIL EXPLORATION OR PRODUCTION ABROAD

According to a study just completed by the author for World Petroleum Policies, when World War II ended there were only 28 American companies active in oil exploration or production abroad. They were in 78 foreign countries, and accounted for 218 separate foreign national operations. Today 190 companies are similarly active in 91 foreign countries and have 598 separate foreign operations.

This shows that 162 companies, 13 countries and 380 oil search or producing operations have been added in the interim.

Furthermore, the surge of activity abroad has been on an accelerated scale in recent years with 110 companies, 45 countries and 214 operations added between 1951 and February 1, 1958.

MOST ARE ALSO UNITED STATES PRODUCERS

Most companies in foreign activities are also domestic producers.

Only 68 of the 190 companies covered in the survey reported no United States exploration and/or production. A breakdown of the 122 active also in the United States shows 38 in under 5 States; 33 in from 5 to 10 States; 45 in from 11 to 20 States, and 6 in over 20 States.

Altogether, companies in foreign operations also are active in 41 States.

REPRESENT CROSS SECTION OF AMERICAN OIL INDUSTRY

The 190 companies, so-called, comprise a complete cross section of the American oil producing industry.

They embrace 74 large or sizable publicly owned corporations, 100 small companies (either with few stockholders or closed family concerns), and 16 partnerships and individuals.

HAVE TWO AND A HALF MILLION STOCKHOLDERS SPREAD ALL OVER UNITED STATES

In the aggregate the 74 companies have 2,516,797 stockholders. Of course, there is an undeterminable duplication in the number of stockholders who might hold shares in more than one company.

But so sizable a figure cannot but be indicative of the great body of Americans who have invested their earnings and savings in the petroleum industry, part of whose earnings and dividends or prospective earnings and dividends come directly from foreign operations.

This great army of 2½ million investors has grown from an estimated 877,500 stockholders reported by 11 companies in foreign operations before 1945.

The investors are spread all over the country. The shares of the companies are traded on the New York, Middle West, and Pacific coast stock exchanges.

REPORT HALF MILLION DOMESTIC EMPLOYEES

Of the 190 companies, partnerships and individuals, 116 reported a total of 547,647 domestic employees, part of whose earnings or prospective future earnings must come from the foreign as well as the domestic operations of their employers.

Sixty companies reported a total of 305,387 employees abroad including foreign nationals. There are over 10,000 United States citizens employed by American oil companies abroad.

IT IS NO LONGER THE "FIVE INTERNATIONALS"

This survey shows, of course, that not just the so-called "international" American oil companies—the "five internationals"—but that 190 American companies have international activities and interests.

Often referred to as the "five internationals" are Gulf Oil Corp., Socony Mobil Oil Co., Standard Oil Company of California, Standard Oil Co. (New Jersey) and the Texas Co. All have domestic production. They are active in 29 States. They are active in 68 foreign countries. They engage in 120 foreign national operations. Their stockholders aggregate 999,091.

Subtracting these 5 companies, the remaining 185 companies covered by the survey are shown to be active in 40 States. They are active in 70 foreign countries. They engage in 478 foreign national operations. Their stockholders aggregate 1,697,820.

Thus it is seen how very substantial the interest is today among stockholders and employees of oil companies other than the so-called five inernationals in foreign operations.

LARGER COMPANIES ABROAD

Of the 115 companies reporting on domestic employees, 22 employ over 5,000 domestically; 15 from 1,000 to 5,000.

SMALL COMPANIES ABROAD

Conspicuous in the surge of American activity abroad are small companies or partnerships and individuals as revealed by the fact that 12 reported only from 1 to 10 employees; 28 from 10 to 100 employees.

Another 38 employ from 100 to 1,000.

HEADQUARTERS ALL OVER THE UNITED STATES

The companies engaged in foreign operations are headquartered all over the United States. The survey shows 20 States claiming headquarters. Naturally the preponderance is in the principal oil producing States. A sampling of cities would show headquarters of many of the companies to be in such cities as New York, Philadelphia, Pittsburgh, Cleveland, Chicago, Tulsa, Oklahoma City, Dallas, Houston, Los Angeles, and San Francisco.

GREATEST ACTIVITY IN COUNTRIES INVITING FOREIGN PARTICIPATION

The names of the 190 companies, partnerships, and individuals covered by the survey and their national foreign operations by area are given in table 13 and by countries in table 14. Only companies whose addresses are verified are included. A summary of these operations by areas is given in table 15, and by countries in table 16.

Forty-five companies hold concessions in the European-Mediterranean area and Africa; 46 in the Middle East, Far East and Oceania; 170 companies in the North American, South American and Central American area.

It will be noted that among the countries showing greatest activities in their respective areas are those which recently have enacted or revised their petroleum laws so as to invite foreign participation or have opened up new areas for bidding to foreign capital.

Among these countries are France, Libya, Turkey, Iran (consortium), Kuwait, Neutral Zone of Kuwait-Saudi Arabia, Australia, Philippine Islands, Canada, Cuba, Bolivia, Guatemala, Honduras, Paraguay, Peru, and Venezuela.

AN INDUSTRIAL METAMORPHOSIS

From the above it can be seen that an industrial metamorphosis has taken place before our very eyes. The American oil industry is not a domestic industry per se. It has gone international.

Why?

Among the reasons are the shifting of the "center of gravity" in the matter of world production and reserves; the promise—indeed, pressure—of pyramiding world consumption; the increased difficulty in finding domestic crude; and the rising cost of domestic operations.

DOMESTIC OIL HARDER TO FIND

In 1955, 31,138 wells drilled for oil in the United States were listed as successful completions, compared with 19,733 wells in 1940. Significantly, about 50 percent of the 1955 producers came from fields over 16 years old, while in 1940 only 18 percent came from fields over 16 years old.

Obviously, you just can't keep getting out that much oil—50 percent—from fields that old.

This is more significant when it is recognized that in the period 1950–55 there were 5 times as many exploratory wells drilled as in the period 1935–40. This fivefold increase in exploratory drilling apparently generated slightly fewer locations to drill.

The evidence that newer fields, though diligently drilled, are smaller than old fields of the past alone would tend sooner or later to discourage drilling activity.

NO RECENT MAJOR FIELD DISCOVERIES

Not since 1953 has a major oilfield (100 million barrels or over) been discovered in the United States. During the 6 years 1950–55 an average of 1.17 major fields per year was found; during the 4-year prewar period 1938–41 the average was 3.75 per year.

Mother Nature, a prominent geologist recently said, was "generous, but not lavish, when she bestowed upon our country its

hydrocarbon resources." They were hidden in innumerable little deposits. But only occasionally did a big accumulation develop.

In all of the tremendous geological effort to date in the United States, only 24 fields with estimated ultimate reserves in excess of 500 million barrels each have been found. By way of comparison, the average reserve of each of the 35 fields in the Middle East is about 4 billion barrels.

The fact is, most United States oil country has been explored. It is no longer looked upon as a young one with unlimited potential. Abroad, we have barely scratched the surface. In the Middle East, for example, oilmen have proved up more reserves with 1,500 wells than United States producers have discovered with more than a million.

There were 544,420 producing oil wells in the United States at the beginning of 1957. Also, as of the same date, the National Stripper Wells Survey of the Interstate Oil Compact Commission reports a total number of stripper wells as 370,489. In other words, 68.1 percent of the total wells producing at the beginning of 1957 were strippers, producing less than 10 barrels a day.

Quite possibly the recent decline in domestic drilling activity was due to these domestic discouragements.

Only by such systems as water flooding or gas—or air-injection—or fracturing (secondary recovery) are many of our fields and thousands of our wells kept producing.

All these methods are expensive.

It is estimated that 170 million barrels of 7 percent of our total production in 1956 was dependent on water flood secondary recovery methods alone.

THE RISK AND THE COST

In the United States, the astonishing number of 1,663,000 wells have been drilled for oil since 1859. The record shows however that one out of every four wells was dry.

With some 55,000 wells drilled annually today, even with the benefit of highly developed scientific aids such as geophysical devices, the records is one dry out of every two and a half wells.

In purely exploratory operations (or wildcat drilling, as it is known in the industry), only one out of nine wells drilled strikes oil.

The deepest well ever drilled for oil up to 1909 was 5,660 feet. In 1924 the record was 7,319 feet. In 1933, 10,585 feet was reached. Not until 1938 was a well drilled deeper than 15,000 feet.

Today a well drilled over 15,000 feet is not considered unusual and many reach sands 20,000 feet deep. Indeed, world's-deepest-well records of over 22,000 feet are constantly being broken.

Deeper drilling is costly. In 1925 drilling an 8,000 foot well cost about $28,000. A wildcat well today may run anywhere from $100,000 to over a half million dollars.

Much is being done on (and much is being said of the potential yield from) our tidelands. Drilling and equipping a well offshore costs eight or nine times as much as on land.

GREATER DOMESTIC COSTS SLOW WILDCATTING

Our increasing number of stripper wells means more operations to get a given volume out. This, together with deeper drilling and the greater percentage of secondary recovery methods, all are factors tending to increase the cost of finding and producing a barrel of oil.

The farther that goes, the greater the disparity between the cost of domestic as against foreign production.

Cost is making it more and more difficult for domestic oil to compete with foreign oil.

The fact that oil has become harder and harder to find in the United States has had its inevitable result.

Searchers tend to concentrate more and more on proven territory. They want to cut their risks.

The overall result is fewer wells drilled.

But, unfortunately, under the conditions of tremendous current and potential demand encountered until recently, the cost of acquiring leases and drilling sites in proven territory is pushed up and up with bonus payments going to record highs.

For example, record high bonus bids were made on the four tracts at the sale of Navaho Indian Reservation (Utah) leases, December 10, 1957.

One company bid $1,034,000, or $4,308 per acre, on 1 tract and $305,244, or $1,907 per acre, on a second tract.

Louisiana's first offshore sale (August 1945) disposed of 129,000 acres at a bonus of $4.92 per acre. In 1955, $5,192,000 was paid for a 2,500-acre tract, or $2,076 per acre. The last Federal lease sale (July 1955) brought in $100 million for 252,000 acres, or an average bonus of close to $400 an acre. Offshore leases during 1956 averaged $570 an acre.

NOT JUST A DOMESTIC PHENOMENON

This trend to go after a sure thing (the compulsion is the greater because in the oil industry there's no such thing as a sure thing) isn't just a domestic phenomenon.

The trend is as visible abroad as at home.

Venezuela granted concessions last year on some 2 million acres of prospective oil lands, some of which were semiproved. For these, 40 companies, mostly from the United States, paid bonuses amounting to $700 million, or $350 an acre.

FEWER WELLS ABROAD YET PRODUCING CAPACITY SOARS

In comparison with foreign countries, known and likely territory in the United States literally has been perforated with holes in sievelike profusion. Our annual drilling campaign in 1957 totaled 53,350 new completions, compared with an estimated 9,431 for the rest of the Free World.

Nevertheless, our 1957 figures represent the first substantial halt in the progressive increase of annual well completions in recent years, comparing with 58,418 completions in 1956.

On the other hand, foreign well completions have mounted uninterruptedly. The 9,431 for 1957 compare with 8,563 for 1956, an increase of 10 percent. And compared with the 3,399 completions abroad in 1949, the 1957 figures represent an increase of 178 percent.

But the significance of the comparison of our drilling campaign with those of other nations is not confined to our recent retrogression and the steady jump abroad. The figures (taken in conjunction with the fact that free foreign production has risen 79 percent and reserves 246 percent within the span 1949–57) are eloquent of the fact that productive capacity abroad has surged far ahead of the United States on from one-twelfth to one-sixth as many wells drilled annually.

Surely the above comprises evidence to justify the conclusion that American producers who during the last decade have gone abroad in search of oil had sound reasons for doing so, namely, (1) hard-to-find and costly domestic production; (2) shift of center of gravity of reserves to foreign countries; and (3) desire to participate and profit by the expanding and great potential markets in foreign lands.

WHERE THE AMERICAN PUBLIC COMES IN

What a difference a couple of decades has made.

In 1938 we had 59 percent of Free World oil reserves. Today we have less than 14 percent. At the same time, today our domestic consumption of petroleum products is enormous, 54 percent of the Free World total.

A couple of decades ago we had our own needs fully taken care of. We knew there was lots of undiscovered oil in the United States. We knew that we could put this oil on the books at reasonable costs.

You might say that we were "running the show."

Now it's different. We don't run the show.

Back before World War II, the public's attitude toward oil supply was somewhat complacent—and understandably so.

Today, with the situation not only different but continuing to change, our public attitude has to change, too.

We can't postpone facing up to the problem of where we're going to get petroleum to supply demand not only of today but into the foreseeable future.

Our reserves in terms of years' supply at current consumption rates have been dwindling for some time. But recently the rate of decrease has accelerated. Comparing 1920 and 1940 there was a decline from 16 years of supply to only 14 years. But 1950 showed 12 years of supply, and the end of 1957, 11 years. In fact, in 1957 for the first time since 1943, the barrels of reserves actually decreased.

If the present negative trends continue in domestic oil finding, the only hedge against them is to rely on our imports. If we could find enough at home even at greater cost to always take care of demand, the question of paying the price to have our own supply might be in order.

But this isn't in the cards. Present indications are that we can't even do that (even if the American people would approve of paying the higher prices that must inevitably result from over-restriction of imports).

HAVE TO RELY ON IMPORTS

So we have no choice but to rely on our imports to the necessary extent.

If we aren't careful, if we impose arduous tariffs and burdensome restraints on imports we'll get the higher costs without the adequate supply. If this should occur, we shall be compelled to rely even more heavily on imports.

HIGHER PRICES FROM OVER-RESTRICTION

Moreover, the higher domestic prices would be a signal for foreign governments to demand higher shares and higher prices.

There can be no doubt on this point.

Unfortunately, in contractual dealings with governments (companies in foreign operations have no other choice than to deal with governments), political pressures vie with the economic. In all these countries, the governments are keen in their business dealings and extremely jealous of the national interest.

These considerations, the pressures of economic nationalism, as affecting the position of American companies abroad are most pertinent to the public understanding of the problem.

HIGH STAKES

At stake, also, is foreign trade and investment from which the public derives profit.

In 1956 United States foreign investments totaled $22.1 billion. Petroleum led all categories with $7.2 billion, or 33 percent. In 1940 petroleum investment abroad was $1.3 billion.

Wherever Americans go in foreign countries, other American goods go; not only American-made oil supplies but groceries and a host of articles estimated to expand our foreign trade by hundreds of millions. American oil-well supply companies alone in 1956 exported $156 million worth of equipment.

A study of United States purchases by oil-rich Venezuela where we have a billion-dollar investment in petroleum shows that country bought an estimated $1.15 billion worth of United States goods and services in 1956.

Venezuela's policy of investing oil income for economic and social development and for general diversification of the economy has meant business for our manufacturers,

farmers, and exporters. Twenty-nine States shared in this trade to a notable degree.

United States exports to the Middle East in 1956 were $591 million, imports from the Middle East into the United States (including oil) were only $413 million.

Anything detrimental to the continued well-being and encouragement of foreign petroleum investment would hurt not alone those directly investing and working in the oil business, but everybody.

Moreover, any blow struck at the American oil industry abroad will swiftly rebound to the advantage of strong competitors.

But retaliatory action could be directed against vulnerable American companies operating in foreign oil-producing countries which are hurt. In all these nations the government owns the subsoil, the spirit of nationalism is high and can be explosive and intransigent.

If we have to compete in the world supply arena and in world markets, we have to take an international look at this matter and scan broad horizons with a telescope, rather than confine our study to microscopic domestic considerations.

WON'T WE NEED OUR FRIENDS ABROAD?

At stake, too, are more than trade considerations.

Petroleum investment abroad is a proven dynamic source of benefit to foreign countries. American oil companies abroad have been referred to as a "private point 4." Petroleum investment helps underdeveloped nations help themselves, which is the keystone of our foreign-aid policy.

At stake is our prestige abroad, and also the question of whether we will keep our friends.

Already import restrictions have stirred unfavorable reaction among our friends and allies.

Canada and Venezuela talk of retaliation.

Canadians say that if we won't take their oil they shouldn't take our goods. Canada is our most important export market.

"It would be unfortunate, wasteful, and surely unnecessary to find the United States and Canada committing themselves to restrictive practices, which would be uneconomic and harmful rather than helpful to effective cooperation should an emergency arise," an official Canadian note said.

Practically the same view has been voiced by Venezuela, our No. 1 Latin American market.

Back in the 1930's the public didn't have to be so concerned over foreign policy as it does today with Soviet Russia pressing for world communism.

Soviet Russia's economic offensive insofar as petroleum is concerned must not be underestimated. Into Egypt, Syria, China, Argentina, Brazil, Uruguay—to mention only a few authenticated accounts of new countries she adds continuously—she is shipping or offering to ship oil machinery and petroleum technicians.

More than that, wherever American oil companies are working abroad Russian propaganda is working. The Soviet Government themed its congratulations to the new regime in Venezuela on an appeal to nationalism which would throw foreign oil imperialists out of the country.

DON'T BE FOOLED BY A TEMPORARY OVERSUPPLY

Because of forced-draft United States production to take care of the Suez Canal crisis, followed by an unexpected slowing up of domestic consumption, the petroleum industry has a temporary oversupply.

Instead of an expected normal increase of 5 percent, it is estimated consumption last year will show no gain or possibly a slight decrease.

Because of this situation, there is danger of forgetting the forecasts so recently and unanimously advanced by the experts. These show mounting United States and Free World demand. The Chase Manhattan Bank estimated that United States demand will rise from 8.8 million barrels a day in 1956 to 14.3 million barrels in 1966, an increase of 63 percent.

There's no reason to doubt the ultimate accuracy of these forecasts.

So huge is the United States volumetric demand for petroleum products that an increase of only 3 percent in 1958 demand would mean an added quarter of a million barrels a day.

WE CAN'T AFFORD TO BE WRONG

The American public has an interest in the fact that if we pursue the wrong course we will deplete our oil-productive capacity and put ourselves at the mercy of foreign supply.

The public no longer can take a disinterested attitude on the theory that supporting our foreign oil business abroad is supporting a few international oil companies. For now represented is a large and growing segment of the industry.

Public interest can no longer lag on the theory that we'll always be self-sufficient. The evidence is that we're not going to be.

You can be sure that when oil becomes scarce price will become high. Involved is the American standard of living. All industry and all consumers are dependent upon reasonably priced energy for their efficiency and comfort.

This gives the public a vital reason to be interested in foreign oil.

It is in the public interest to maintain American interests in foreign production and reserves.

It is in the public interest to see that oil continues to be effective in our foreign relations and to encourage foreign nations to remain friendly.

It is in the public interest to be aware of and to back these 190 units of industry in their worldwide search for oil. For never was there greater need for diversification of sources.

Certainly it is not in the public interest to shut off imports.

It is not in the public interest to close the door in the faces of our friends.

It is not in the public interest to put American oil operators of every size and category at a handicap in their competition with foreign competitors.

It is not in the public interest to indulge in complacency with respect to our future supply.

SUPPORT BY SENATOR KEFAUVER OF AMENDMENT OF FEDERAL AIRPORT ACT

Mr. KEFAUVER. Mr. President, I should like to add my support to S. 3502 to amend the Federal Airport Act. This bill would extend the provisions of the act for 5 more years and increase the obligational authority of the Civil Aeronautics Administration from $63 million to $100 million. It would further provide a discretionary fund of $75 million to be used by the Secretary of Commerce during fiscal year 1959.

This program has been an unusually successful one, providing assistance to municipalities throughout the country in their efforts to improve their economic standing. Living in an age in which air transportation and travel is a virtual necessity, the Federal Government has an obligation to provide assistance to the local communities as they strive to share in the blessings of air travel and contribute their goods and ideas to other parts of the country. These cities are eager to match Federal money in this program, and indeed have obligated considerable funds already expecting the Federal Government to continue this program. It would be unforgiveable if we failed to recognize these efforts by extending the Federal Airport Act.

I am happy to find that there is included in this legislation authorization for an increase of $75 million to be used in the next fiscal year. This represents again the clear awareness by the Senate of the seriousness of the present recession. This added money will inject funds into the economy which will create jobs and help to stimulate all segments of the Nation's economic system. There are projects ready to begin and they await only the matching funds provided by the Federal Government.

I ask unanimous consent that telegrams and letters I have received relating to the bill be printed in the body of the RECORD following my remarks.

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

GREENEVILLE, TENN., *April 5, 1958.*

Senator ESTES KEFAUVER,
Washington, D. C.:

We solicit your support of Senate bill 3502.

EARL SMITH,
Mayor.
S. W. DOTY,
County Judge.
CHARLEY MAYS,
President, Greeneville Chamber of Commerce.
JOE BELEWY,
Chairman, Greeneville, Greene County Airport Commission.

CROSSVILLE, TENN., *April 5, 1958.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

We respectfully request your support of Senate bill 3502, providing additional airport funds and extension of Federal-aid program 4 years. Crossville and Cumberland County investing $50,000 in Federal-State-city project to extend and pave Crossville Municipal Airport.

Many thanks.

CITY OF CROSSVILLE,
RALPH B. HALL,
Mayor.

JACKSON, TENN., *April 4, 1958.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Respectfully urge your support of Senate bill 3502 as such bill is a great benefit to aviation generally and especially to aviation in the smaller cities such as Jackson. We endorse this bill.

RUSSELL RICE
(For the Jackson Madison County Airport Committee.)

HUMBOLDT, TENN., *April 4, 1958.*

Hon. ESTES KEFAUVER,
United States Senate:

We all hope you support Senate bill 3502. We need help for our airport.

L. D. NOWELL, Jr.,
Mayor.

LEXINGTON, TENN., *April 4, 1958.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.:

Urge passage of Senate bill 3502.

JACK A. HAY,
Mayor, Town of Lexington.

NASHVILLE, TENN., *April 3, 1958.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Additional $4,300,000 in Federal aid airport funds urgently needed for matching local sponsor funds in Tennessee for airport construction during fiscal 1959. Your active support in the early passage of S. 3502 is solicited.

JAMES E. MARTIN,
Director, Tennessee Aeronautics Commission.

GREENEVILLE, TENN., *April 7, 1958.*
Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Your support of Senate bill 3502 will be greatly appreciated.

W. H. GRAHAM,
Executive Vice President, Magnavox Company of Tennessee.

TRENTON AGRICULTURAL & INDUSTRIAL CORP.,
Trenton, Tenn., April 4, 1958.
Hon. ESTES KEFAUVER,
United States Senate, Senate Office Building, Washington, D. C.

DEAR SIR: It is my understanding Senate bill 3502 will come to a vote very shortly after the Easter holidays. This bill provides for Federal funds for airport construction.

For the past 3 years I have been serving as president of the Trenton Agricultural and Industrial Corp., which endeavors to bring new industry into our town. I have interviewed many industrialists in an effort to interest them in coming to Trenton, and most of these people whom I have seen have asked if there is an airport in Trenton. Although these people would prefer a town which was served by a commercial airline, they express considerable interest in towns which have an airport for the landing of small private planes.

Trenton does not have such an airport, and I know definitely of one industry which would not give us consideration in their plans for expansion because of the lack of this facility. Last summer this plant was finally located in eastern Arkansas in a town which had a small airport.

Trenton has made application for the construction of a small airport using Federal funds, and I would appreciate your giving every consideration in voting for this bill, as I believe it would help us get an airport in Trenton and thus increase our chances of getting needed industry.

Yours very truly,
MARION T. LONG, *President.*

SAVANNAH, TENN., *April 3, 1958.*
Hon. ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR ESTES: We received a telegram this afternoon from James E. Martin, executive director of the Tennessee Bureau of Aeronautics, with reference to bill No. 3502, giving additional funds in the amount of $75 million for airport construction. This bill is to be brought out at any time.

I certainly hope that you are in position to support this bill as we have our application on file for approximately $140,000 for an airport here which is almost compulsory for us to have due to some heavy industry that we feel almost sure is coming here.

Yours truly,
BOB GUINN,
Vice Mayor.

MEMPHIS, TENN., *April 3, 1958.*
Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR ESTES: Please support bill S. 3502, or some similar bill to provide emergency airport aid and extend the Federal Airport Aid Act.

As you know, we have a big airport project here in Memphis under way and we need money to complete it.

Best regards.

Yours truly,
EDMUND ORGILL, *Mayor.*

REDUCTION OF FEDERAL RESERVE DISCOUNT RATES

Mr. KEFAUVER. Mr. President, many of us have been saying for some time that the tight-money policy of the Federal Reserve System is not the way to fight present-day inflation—which is not the normal kind. Today's inflation is created by administered prices, and those industries are not affected appreciably by the high interest rates. Small businesses, builders, and the like are adversely affected—but they are not responsible for the inflationary trend.

I am glad to see that the Federal Reserve discount rates have been reduced. There is no reason, now, why all banks and financial institutions should hold up the prime rates.

I was glad to see that the Guaranty Trust Company of New York and some others reduced their prime rates yesterday from 4 to 3½ percent. I hope that other banks and other lenders of money will follow this lead. This kind of action will encourage small business and builders, and they, in turn, will stimulate our lagging business conditions.

APPOINTMENT OF ADDITIONAL JUDGE FOR JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 1102, H. R. 7785, an act to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 7785) to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia.

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 must leave the floor. Before doing so, I should like to make a brief statement. Yesterday I met briefly with three members of the Citizens' Advisory Committee for the Juvenile Court, Mrs. Grattan Doyle, Dr. Addison Duval, of St. Elizabeths, and Rabbi Balfour Brickner, who called on me to urge that this proposed legislation be scheduled.

I have conferred with the members of the committee in connection with the bill and with those who have expressed interest in it. The minority leader has cleared it for action. I should like to inform Members that the Senate will consider it during the day, hear all points of view, and finally dispose of it.

Mr. CLARK. Mr. President, this bill would provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia. The need for such a judge was clearly established in the testimony heard by the Judiciary Subcommittee of the Senate District of Columbia Committee. That testimony indicated that the workload of the court had increased from a total number of 9,069 cases in 1951 to 17,916 cases in 1957. The crushing load of those cases has up to this time been carried by one judge, making it literally impossible for adequate consideration to be given to the important work of the Juvenile Court in the District, which, as Members of the Senate know, has jurisdiction over all misdemeanors and crimes by juveniles 18 years of age and under, and also has a substantial additional adult jurisdiction.

Mr. FREAR. Mr. President, will the Senator yield for a question?

Mr. CLARK. I yield.

Mr. FREAR. When the Senator mentions the numbers he has stated, does he refer to numbers of cases or hearings?

Mr. CLARK. I am talking of the total number of proceedings before the court, which can be broken down into hearings, cases——

Mr. FREAR. As I understand the Senator, the number does not include cases only.

Mr. CLARK. If the Senator wants to put it in terms of court hearings, they are cases.

Mr. FREAR. I think there is a difference. I will ask my good friend from Pennsylvania if he does not agree that there is a difference.

Mr. CLARK. I am sorry. I cannot hear what the Senator said.

Mr. FREAR. Does not the Senator think there is a difference between a hearing and a case?

Mr. CLARK. Of course there is. The Senator from Delaware asked a question with respect to the number of cases which had been heard by the court during the last few years. Let me restate the situation. In 1951 there was a total of 9,069 court hearings before the juvenile court. By 1957 that number had increased to 17,916, or almost double.

It is quite appropriate to say, as the Senator from Delaware has said, that a court hearing before a juvenile court is not the same as a contested case, either civil or criminal. Nevertheless, the important human rights of each individual called before the court must be given adequate and fair consideration. Whether they are cases or mere hearings, the net result is the same; namely that the court has an absolutely backbreaking caseload which one judge cannot possibly handle. That is one reason why the pending bill is before the Senate for approval.

Mr. FREAR. Does the Senator object to having questions propounded now, or would he prefer to have them asked later?

Mr. CLARK. I should very much appreciate it if my good friend, the Senator from Delaware, would let me complete a brief statement, and then I shall be happy to yield to the Senator for a more general discussion.

Mr. FREAR. I thank the Senator.

Mr. CLARK. Mr. President, the qualifications for the judge which the bill calls for are that he should have been a member of the bar of the District of Columbia for at least 5 years immediately preceding the appointment, a resident of the District of Columbia or of the metropolitan area surrounding the District for at least 5 years immediately preceding the appointment, and have a knowledge of social problems and procedures and an understanding of child psychology. There are various technical provisions in the bill.

The compensation called for, to be paid to the new judge, is $18,000. The total cost of the legislation would be $30,465.

Extensive hearings were held before the Judiciary Subcommittee of the Committee on the District of Columbia. The bill was supported by all the witnesses who appeared, including the Chief Judge of the Municipal Court for the District, the District Commissioners, the Bar Association, the present Juvenile Court judge, and a large number of civic organizations and welfare organizations in the District which interest themselves in the work of the juvenile court.

I think, Mr. President, for present purposes that will give an adequate outline of the purpose of the bill. I am now happy to yield to my friend from Delaware, whom I believe has some questions to ask.

Mr. FREAR. Mr. President, at a later time I shall desire the floor in my own right to address myself to the proposed legislation. In the meantime, however, I should like to follow up the questions asked of the Senator from Pennsylvania a moment ago, and I should like to propound a few further questions.

I believe the Senator stated that in 1951 there were cases for court hearing, both juvenile and adult, in the total amount of 9,069, which increased in 1957 to 17,916.

Mr. CLARK. The Senator is correct.

Mr. FREAR. I shall give a breakdown of those figures to the Senator and ask the Senator if the breakdown is correct.

In 1951, new cases filed numbered 2,450. The court hearings, juvenile, were 4,334; and court hearings, adult, were 4,735; which makes a total of 9,069.

Mr. CLARK. The Senator is correct.

Mr. FREAR. The comparable figures for 1957 are: New cases, 3,414. Juvenile court hearings, 8,173; adult court hearings, 9,743; making a total of 17,916.

Mr. CLARK. The Senator is correct.

Mr. FREAR. May I ask the Senator if he is familiar with the figures for 1955 and 1956, respectively?

Mr. CLARK. Yes. I have the figures.

Mr. FREAR. Would the Senator mind stating the figures?

Mr. CLARK. I should be happy to. I take it the Senator wants all four categories.

In 1955, there were 4,412 complaints. There were 3,273 petitions issued, which is synonymous with new cases filed.

Mr. FREAR. Yes.

Mr. CLARK. There were 6,530 juvenile court hearings and 7,365 adult court hearings, or a total of 13,895.

Mr. FREAR. Yes.

Mr. CLARK. I think the Senator also wanted figures for one other year.

Mr. FREAR. For 1956.

Mr. CLARK. In 1956 the figures are these: Complaints, 4,551. Petitions issued, i. e., new cases filed, 3,674. Court hearings, juvenile, 7,453, and court hearings, adult, 8,690; total 16,143.

Mr. FREAR. I am very glad to have those figures. I shall now ask the Senator, when did the present judge take office?

Mr. CLARK. I think the Senator from Delaware probably has that date in mind better than I. My recollection is that the present judge took office some time during the early part of the first session of the 85th Congress.

Mr. FREAR. I think it was approximately May 1, 1957.

Mr. CLARK. That is in accordance with my own recollection. I remember we had the nomination before the committee last year.

Mr. FREAR. The figures which have been given me by the Senator from Pennsylvania for 1955 and 1956, as compared with the figures the Senator previously gave me for 1957, present a vastly different picture than is presented when one compares the figures of 1951 with the figures of 1957 related to the increase in workload.

Mr. CLARK. The Senator is correct. I think I can anticipate the road down which my good friend is about to travel. I would be quite in agreement with him, and I hope he will be in agreement with me when I state that it was perfectly outrageous not to bring the bill in with administration support no later than 1953. The two judges in the Juvenile Court of the District of Columbia have been needed for at least the last 5 years. I think perhaps the Congress and certainly the Commissioners and the administration going back to 1953 are to blame. Possibly we can blame it all on our friends on the other side of the aisle. I think there has been a great dereliction in the meeting of a public responsibility, by having such a crushing caseload handled so long with only one judge. To my mind it is really a very bad thing. We are far behind the times now in providing the second judge. Personally, I am inclined to think we need three judges.

Mr. FREAR. May I ask the Senator if he thinks the preceding judge was overworked, when the caseload was rather current most of the time, as contrasted to the situation now under the present judge?

Mr. CLARK. I would say to my friend from Delaware, I do not want to cast any aspersions of any sort about any member of the judiciary, either past or present. My own experience as mayor of a great city leads me to feel that the juvenile court procedures in pretty nearly all of the large cities of the country are lacking in compassion, the cases are rushed through in a hurry, and are handled in such a way that the human interests involved are not given adequate consideration. Although it perhaps is true the caseload was current before—I am not too familiar with that item—if it is true, again not casting any reflection on any individual, I would hazard a guess that the people who came before the court were not getting the attention to which they were entitled.

Mr. MORSE. Mr. President, will the Senator yield for a question at that point?

Mr. CLARK. I yield to the Senator from Oregon.

Mr. MORSE. The Senator just made the point which I rose to comment on. It seems to me, as we discuss the cold statistics this afternoon as to the caseload for the past several years in the juvenile court, we may be missing the very point we ought to be paying attention to. The question is not how many cases the judges have handled for the last 8, 9, or 10 years. It seems to me the problem which confronts us is whether we have been providing the judicial service in this department which has permitted the judges to devote enough time to individual cases in their effort to rehabilitate the boys and girls who have already indicated they are on their way toward criminality.

Mr. CLARK. I am in complete accord with my friend from Oregon, who, as usual, has put his finger right on the heart of the matter.

Mr. MORSE. When we talk about a judge handling many hundreds of cases, I ask the questions: How did the judge handle the cases? What were the results? What is the record as to repeaters? How many boys and girls "went straight" under that kind of a heavy caseload?

When I think of the appointments we in the Congress make and the money we spend for this and that, I believe we are now considering one place where we could well spend money much in excess of what the additional judge will cost. In fact, when the Senator from Pennsylvania says he thinks 3 judges are necessary, I am not sure even 3 judges happen to be enough, if we really want to do a job for the boys and girls and have a juvenile judge who is really going to try to use the functions of the office to stop the boys and girls from continuing on the wrong path.

Mr. CLARK. I thank my friend from Oregon for his very pertinent comments.

We spend much time on the floor of the Senate—and a great deal of time and effort is spent by the press, radio, and television groups in our great cities and elsewhere—discussing the problem of juvenile delinquency.

The present occupant of the chair, the distinguished Senator from Tennessee [Mr. KEFAUVER], has been one of the most forthright workers for measures to improve ways and means of dealing with the unfortunate American problem which every large city in the country and many of our rural areas face.

I hazard the observation that a qualified and competent judge of a juvenile court can make a better contribution toward the solution of the problem of juvenile delinquency than anything any Member of this body could dream up—and at less cost to the taxpayer.

Mr. MORSE. Let us not forget Ben Lindsey.

Mr. CLARK. Mr. President, does the Senator from Delaware wish to make some further observations?

Mr. FREAR. Mr. President, I believe that the Senator from Oregon [Mr. MORSE] and the Senator from Pennsylvania [Mr. CLARK] have thrown further light on the subject by their approach to it. I cannot disagree with them. However, support for the bill is based upon the factor of the caseload, and not humanitarian considerations. I know that the Senator from Pennsylvania has been mayor of the great City of Brotherly Love. For his information, the present judge of the juvenile court has visited his fair city and has observed the operations of the juvenile court there. I give credit to Judge Ketcham for placing himself in a position to learn what is going on in other cities, so as to improve the operation of his court.

Mr. CLARK. If the Senator will permit me to interrupt, he will recall that he and I were two members of the committee who were not extremely enthusiastic about confirmation of the nomination of the incumbent judge of the juvenile court. However, I think we should say in all fairness that since he took office he has been doing his best to familiarize himself with that field, and the law, with respect to which he had no previous competence. It is my understanding that he is doing a very good job.

Mr. FREAR. At the appropriate time I shall ask unanimous consent to have printed in the RECORD certain letters in which I am sure the Senator from Pennsylvania will be interested.

Mr. CLARK. Mr. President, that completes my preliminary statement with respect to the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. FREAR. Mr. President, I desire to take only a very few minutes to address myself to the pending bill, H. R. 7785, which relates to the appointment of an additional judge for the juvenile court of the District of Columbia.

My views, as well as my previously expressed opposition toward confirmation of the nomination of Judge Oram W. Ketcham, now presiding in that capacity, are well known.

My opposition to Judge Ketcham was based entirely upon my conviction that we were subjecting ourselves and the citizens of the District of Columbia, especially those who would be required to come before the court, to certain hazards by placing upon the bench of this specialized court any person not possessing the required specialized qualifications.

On May 1, 1957, just prior to the Senate vote confirming the nomination of Judge Ketcham, having been informed that legislation to provide an additional judge was being drafted, I stated that certain sections of the legislation would be so worded as to protect Judge Ketcham in respect to the requirements of law related to residency and tenure in office.

However, although there followed some expressions of denial, on May 27, just 26 calendar days later, H. R. 7785 was introduced in the House, and its counterpart, S. 2154, was introduced in the Senate, not only embodying the provisions I previously mentioned, but also proposing to grant authority to the judge to remove from civil-service protection certain present employees of the court.

As I have previously stated, the position of juvenile court judge is one of the most important in any community, and certainly the selection of a person for this post in the District of Columbia is worthy of our most serious consideration.

I do not suggest that action be taken to remove from the proposed legislation any language which may have been designed to protect Judge Ketcham.

In fact, anything I may say in further presenting my views toward this legislation will have no bearing upon or relation to the appointment of Judge Ketcham, other than that he shall be permitted to serve his full term in office.

However, I reserve the right to place in the RECORD certain information concerning his stewardship as judge of the District juvenile court, whereby it can be shown to Members of the Senate that a very careful study must be given to conditions now confronting this court.

I shall also attempt to describe the manner in which certain provisions of the proposed legislation would further curtail, rather than expedite, its operation.

Mr. President, on two previous occasions I attempted to bring to the attention of the Senate the seriousness of the problem which now confronts the juvenile court of the District of Columbia.

I have even been accused of stalling to prevent the appointment of an additional judge through the enactment of this bill.

Although I question the wisdom of appointing an additional judge to the bench of this court under present requirements of law as they relate to qualification and experience, I have never denied the need for an additional judge who would more adequately fulfill the requisite qualifications for a judgeship, as stated on page 83 of the Standards for Specialized Courts dealing with children, issued by the Children's Bureau of the United States Department of Health, Education, and Welfare.

Although I have previously placed these desired qualifications in the RECORD, I again invite the attention of Senators to the minimum requirements as determined by this Government agency.

They are to be found under the title "The Judge," and are as follows:

THE JUDGE

Selection of a competent judge who can give leadership to the court specializing in children's cases is of the greatest importance, particularly in view of the wide discretion conferred on him by law.

In selecting the judge of the specialized court, certain personal attributes must be considered as well as training and experience. In order to be fully qualified for this work the judge should have been admitted to the bar in the State where he is to serve and have had some experience in the practice of law.

Also, he should be:

1. Deeply concerned about the rights of people.

2. Keenly interested in the problems of children and families.

3. Sufficiently aware of the findings and processes of modern psychology, the science which treats of the mind, psychiatry, and social work, that he can give due weight to the findings of these sciences and professions.

4. Able to evaluate evidence and situations objectively, uninfluenced by his own personal concepts of child care.

5. Eager to learn.

6. A good administrator, able to delegate administrative responsibility.

7. Able to conduct hearings in a kindly manner and to talk to children and adults sympathetically and on their level of understanding without loss of the essential dignity of the court.

Mr. President, in this, as in any other juvenile court, each case presents a peculiar problem, and the handling of them on a day-to-day basis requires a broad knowledge and understanding of social factors involved, and a sound application af appropriate corrective measures.

They must of necessity be evaluated in terms of individual and community needs, as well as available resources. Obviously, as we have already seen, one not well grounded in experience and equipped with a practical working knowledge cannot cope with the volume and complexity of these situations.

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

Mr. FREAR. I yield.

Mr. CLARK. I commend the distinguished Senator from Delaware for the statement he has just made with respect to the qualifications necessary for a good juvenile court judge.

I hope the statement will become a part of the legislative history of the bill, and that when the appointing power comes to act, the appointee will be required to meet the qualifications the Senator has mentioned. I know that my friend from Delaware is in accord with my view. We hope that it will not be necessary to make another fight in the committee to prevent the appointment of a judge who does not meet such qualifications.

If the Senator from Delaware will permit me to do so, I should like to read into the RECORD at this point a statement which appears in the committee report on the pending bill. It reads:

The committee in favorably reporting this bill feels very strongly that the appointing authority, in selecting a juvenile court judge, should be governed by a strict interpretation of the qualification standards set forth in the bill, to the end that the nominee shall fully meet all of the requirements.

The committee makes this statement because of its deep concern for the welfare of the children coming within the jurisdiction of this court, and feels that comprehensive knowledge of the social problems of the area, as well as a thorough understanding of child and adolescent psychology are most important attributes in this position.

I am sure it must be clear that it is the intention of the Senators who have addressed themselves to the bill today, as well as of the members of the committee, that to be appointed to this position one must be more than a lawyer.

Mr. FREAR. Mr. President, I am deeply appreciative of the remarks of the Senator from Pennsylvania. Certainly we have no difference of opinion on that point. On a previous occasion, when remarks were made regarding the

additional judgeship, some of those qualifications were also put into the RECORD.

A juvenile court is a highly specialized operation, requiring the most skilled and experienced leadership available.

It is my personal opinion, and it is shared in by many interested and informed individuals and community groups, that, because of the specialized nature of the work, consideration of an appointee should be nonpartisan and based solely upon qualification and experience.

Mr. President, at this point I ask unanimous consent to have appear in the RECORD a letter which I addressed to Judge Ketcham under date of March 13, 1958, and his reply under date of March 17, 1958, which I believe shows rather conclusively that Judge Ketcham is interested in improving the operation of the court, as well as in improving his knowledge regarding juveniles who come before him.

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

MARCH 13, 1958.

The Honorable ORMAN W. KETCHAM,
Juvenile Court, Washington, D. C.

DEAR JUDGE KETCHAM: I have your letter of March 7 requesting written confirmation of my request for a report on two aspects of the juvenile court.

First in connection with your recent visits to other juvenile courts, the number of days that these trips consumed. I have understood that you felt it desirable to see other juvenile courts in operation in order to be guided in formulating improved methods of operation of your own court.

Second, I believe it would be of interest to many Members of the Congress and to residents of the District of Columbia to know the number of days you have actually spent on the bench since taking your oath of office.

It is my hope that the informal nature of my request for above information, which was made by telephone, did not inconvenience you. This method was proposed as being more expeditious than through the medium of a written communication. Certainly you are at liberty to reply to this request or ignore it.

I shall continue to follow the activities of your court with great interest.

Sincerely yours,

J. ALLEN FREAR, Jr.

JUVENILE COURT,
Washington, D. C., March 17, 1958.

The Honorable J. ALLEN FREAR, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR FREAR: In response to your letter of March 13, I have checked my personal calendar and diary to ascertain the information which you request.

By my calculation, in the 10 months between May 15, 1957, and last Friday, March 14, 1958, there were 208 business days. Court cases were scheduled for hearing on 202 of these days. I spent 11 business days visiting 7 cities; namely, Baltimore, Cleveland, New York, Philadelphia, Pittsburgh, Toledo, and Wilmington. The court's calendar was handled by a substitute judge on 9 of these days; on 2 of the days, no calendar was scheduled. Of the remaining 197 business days, I was on the bench 181 days and was at court with no calendar scheduled on 4 other days. Substitute judges sat for me on the other 12 days while I attended the annual conference of the National Council of Juvenile Court Judges for 3 days, appeared before the Senate and House District of Columbia Committees on 2 half days, was sick 1 day, and took 7 days' annual leave. I hope that this information will answer your questions.

Since you suggest that this information may also be of interest to the residents of the District, I am taking the liberty of sending a copy of this letter to the president of the Board of Commissioners, Robert E. McLaughlin.

Sincerely yours,

ORMAN W. KETCHAM.

Mr. FREAR. Mr. President, the selection of any person as judge of a juvenile court should be on the fundamental principle that he has the highest degree of qualification and experience in the work which would necessarily devolve upon him.

The selection of any person as judge of a juvenile court with a lesser degree of qualification and experience would inevitably result in a slowing down of procedures and a less effective operation of the court for at least a year, and perhaps much longer.

Much of the court's prestige will be lost and individuals coming before the court, and the community alike, will suffer.

The residency requirement for juvenile judges in the District of Columbia, prescribed by Congress in 1949, appears no longer to be a factor in the selection of a juvenile court judge for the District of Columbia.

That the 1949 act was intended as a supplement to the 1938 act is clear from the fact that the 1949 act did not include any provisions as to other qualifications, oath, salary, and so forth, already included in the 1938 act, but, rather, included only such additional provisions as were deemed necessary to correct a dire circumstance.

The other provisions of the 1938 act, except for the appointment of successors thereunder, remained unchanged.

It may be significant to note that the 1942 act, relating to appointment of judges to the municipal court, had a residency requirement similar to that contained in the 1949 act, relating to the juvenile court, and that another bill passed by the Senate in 1949, relating to the juvenile court judgeship, contained a residency requirement, though somewhat broader than the subject act.

It is reasonable to conclude from these facts and the expressed provision in the 1949 act, that Congress considered residency an important factor in the eligibility of appointees to both the juvenile and municipal court benches.

Further, it cannot be reasonable to argue that Congress would establish a residency requirement for a single appointee and, thereafter, hold such requirement inapplicable to subsequent appointees.

It seems clear that the present position of juvenile judge for the District of Columbia is one created by the 1949 act, and that this is the position to which Mr. Ketcham was nominated and that, as a nonresident, should have been ineligible.

Of course, I have previously stated, and still firmly believe, residency in the District of Columbia at the time of appointment is a statutory requirement and perhaps a desirable qualification.

In the appointment of Judge Ketcham we have seen the results of this inexperience, and, to my mind, a lack of certain necessary qualifications which have today resulted in a backlog of the cases and a diminution in the revenue presently being collected on support orders and, at least, temporary loss of prestige which the court had acquired under the previous capable and experienced judge.

Perhaps I would be more inclined to sympathize with the position in which Judge Ketcham now finds himself, had he, upon taking over his position as judge of this court, spent long hours in attempting to keep abreast of the case workload, rather than curtailing his time on the bench, together with greatly decreasing the number of cases he scheduled each day, and, thereby, creating the backlog as it now exists.

Mr. President, there is no use deceiving ourselves, an additional judge of this juvenile court, working the same hours and hearing the same number of cases now scheduled each day by Judge Ketcham, would not keep abreast of the present case workload.

Therefore, it is my candid opinion, that very soon we may be asked to enact legislation for the appointment of another judge, or to extend the personnel through appropriation in such number as to make the court an agency within itself.

I am somewhat inclined to believe the latter method is most desired by those who have the responsibility of this court.

In a letter to Mr. David P. Herman, Assistant Budget Officer for the District of Columbia, under date of August 19, 1957, Judge Ketcham, in an attempt to justify his request for a substantial increase in the budget for the 1959 fiscal year for the juvenile court, had this to say:

> The juvenile court is at the heart of all community programs in the field of juvenile delinquency. It is the initiator of ideas and policy, the leaven in the mass, and the focal point for community attitudes. This is true in all cities: in Washington, the Federal City, it seems to me, we need a juvenile court which can and does give maximum service and is a model for the Nation.
>
> Our request is for an increase of $213,845; $150,845 of this amount is for general increase, while $63,000 is contingent upon the expected passage of a bill providing for the appointment of a second judge to the juvenile court. Of the $213,845 requested, $40,382 is for capital funds of a nonrecurring nature, leaving a recurring increase of $173,463 from this year's base of $487,700.
>
> The requested increases are chiefly to permit employment of additional personnel urgently needed to carry out the work of the court. For example, $88,405 of the requested general increase and $41,630 of the increase contingent upon the second judgeship—or a total of more than $130,000 of the proposed increase is for personal services. A total of 27 new positions, not including a second judge, are requested.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a list of the 27 positions, in fact, 28, including the additional judge provided in this proposed legislation.

The PRESIDING OFFICER (Mr. CARROLL in the chair). Is there objection?

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

21 requested positions, fiscal 1959

1 GS–8, law clerk	$4,970
1 GS–10, court reporter	5,915
1 GS–10, assignment clerk	5,910
1 GS–8, assistant assignment clerk	4,970
1 GS–5, secretary to clerk of the court	3,670
1 GS–6, cash accounting clerk	4,080
2 GS–5, cash accounting clerks	3,670
3 GS–7, case investigators (Department of Social Work)	4,525
1 GS–9, case supervisor (Department of Social Work)	5,440
2 GS–4, clerk stenographers	3,415
1 GS–5, property assistant	3,670
2 GS–3, file clerks	3,175
1 GS–4, switchboard operator	3,415
1 GS–9, statistical analyst	5,440
1 GS–4, information clerk	3,415
1 GS–4, file clerk	3,415
Total	88,405
Furniture and equipment for additional equipment for additional personnel	42,765
Additional personnel for second judge:	
1 judge	18,000
1 GS–7, court clerk	4,525
1 GS–7, secretary to judge	4,525
1 GS–6, secretary to administrative officer	4,080
1 GS–5, summons clerk	3,670
1 GS–4, bailiff	3,415
1 GS–4, docket clerk	3,415
Total	41,630
Group insurance	147
Retirement	2,706
Grand total	44,483

Mr. FREAR. Mr. President, I continue to read from the letter:

It is estimated that the workload of the court in fiscal 1959 will be 3,900 new cases filed and 20,000 hearings—up to 60 percent and 120 percent, respectively, from 1951.

Digressing for a moment from Judge Ketcham's letter, I direct the attention of the Senate to the estimated workload for fiscal year 1959. I again quote:

Three thousand nine hundred new cases and twenty thousand hearings—up to 60 percent and 120 percent, respectively, from 1951.

Just why Judge Ketcham compares his estimated workload for 1959 with 1951 can be easily ascertained when the annual report of the juvenile court of the District of Columbia for 1955–56, which I inserted in the CONGRESSIONAL RECORD on May 1, 1957, reveals a less favorable comparison when it is noted that 16,143 hearings were held in 1956 as against the estimated 20,000 for 1959. New cases in 1956 were 3,674, while in 1957 the number was 3,414, a decrease of 260 new cases. Comparing 1956 figures against the 1959 estimated number of new cases, Judge Ketcham anticipates an increase of only 226, even though the record shows a decrease in the 1957 and the 1958 figures over that of 1956.

Returning to Judge Ketcham's letter to Mr. Herman, he continues:

This budget increase request would provide a total of 113 staff members for the juvenile court, an increase over the 1951 staff of about 55 percent.

Mr. President, I ask unanimous consent to have placed in the RECORD a comparison of the workload, personnel, and budget of the District juvenile court for fiscal years 1951–59, inclusive.

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

Juvenile court—Comparison of workload, personnel, and budget (fiscal years 1951–59, inclusive)

	1951	1952	1953	1954	1955	1956	1957	1958	1959
New cases filed	2,450	2,650	3,142	3,464	3,273	3,674	3,414	[1] 3,650	[1] 3,900
Court hearings:									
(a) Juvenile	4,334	5,289	6,818	7,969	6,530	7,453	8,173	[1] 8,500	[1] 8,800
(b) Adult	4,735	4,644	5,337	6,876	7,365	8,690	9,743	[1] 10,500	[1] 11,200
Total	9,069	9,933	12,155	14,845	13,895	16,143	17,916	[1] 19,000	[1] 20,000
Authorized personnel	72	73	72	72	74	80	81	86	[2] 113
Appropriations:									
(a) Personal services	$283,000	$293,000	$299,000	$296,000	$314,000	$367,000	$384,000	$416,000	[2] $547,000
(b) Other funds	31,000	31,000	32,000	32,000	33,000	40,000	44,000	[3] 71,000	[2] 114,000
Total	314,000	324,000	331,000	327,000	347,000	407,000	428,000	487,000	661,000

[1] Estimated.
[2] Requested.
[3] Includes $26,000 contribution to retirement fund (11).

Mr. FREAR. Mr. President, it would seem that we have a request for additional personnel and appropriations far above the percentage ratio of estimated new cases and hearings for fiscal 1959.

At this point I want to be fair by saying that it has recently come to my attention that there may be some downward revision of the amounts of moneys requested for fiscal 1959. However, the amounts which I have placed in the RECORD do coincide with those mentioned in Judge Ketcham's letter to Mr. Herman.

Another interesting item in the 1955–56 annual report, in which Judge Ketcham seems reluctant to mention any comparative figures to the amount of moneys collected by the court under his administration, is that the report reveals a total of $785,105.85 collected in 1956, an increase of $185,388.64 over the 1954–55 fiscal year.

While I have no record of the amount of money collected since May 1, 1957, the date Judge Ketcham assumed office, I am informed that collections under support orders have decreased sharply. In fact, I am advised that during the month of August 1957 there was some $17,000 less collected than during the month of August 1956 under his predecessor.

Mr. President, not only will the cost of the additional personnel requested, with its need for increased appropriations, bear heavily upon the District; this decrease in the amounts of moneys collected under support orders will reflect itself in additional burdens on the Welfare Department and ultimately on the taxpayer.

On March 3 of this year I introduced S. 3390, to provide for the appointment of an additional judge of the juvenile court for the District of Columbia, which was referred to the Senate Committee on the District of Columbia.

This bill embodies certain provisions which, if enacted, I feel would materially aid in establishing criteria by which the Senate of the United States would require to be met by this additional appointee judge and those who may be selected in years to come.

I had hoped that the Senate Committee on the District of Columbia, through its Subcommittee on Judiciary, would afford individuals and groups the opportunity to present their views toward the present situation confronting the District of Columbia juvenile court, and, perhaps, substantiate my views that the present court would have been more capably operated had the present encumbent possessed the requisite qualifications, heretofore stated.

I had hoped also that the Joint Committee on Washington Metropolitan Problems would be sufficiently cognizant of the accute situation presently confronting this court, and would take it upon itself to investigate the juvenile court and its operations, with the view of recommending proper legislation necessary to provide an efficient juvenile court for the District of Columbia, even to the extent of recognizing the need for an additional judge well qualified in juvenile court procedures.

Mr. President, my hopes in this direction are not accomplished. Therefore, I feel it to be my duty to offer three amendments, which I believe will strengthen the present code, and will require a higher degree of experience and qualifications on the part of anyone to be selected as an additional judge under the provisions of H. R. 7785.

Mr. President, is the bill now open to amendment?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. FREAR. Mr. President, I call up my amendment to H. R. 7785 identified as "3–3–58–A."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The Chief Clerk read as follows:

On page 4, line 15, it is proposed to strike out "(a)."

On page 4, line 16, beginning with the first comma, strike out all through "court" on line 20.

Mr. FREAR. Mr. President, this is a very simple amendment.

The PRESIDING OFFICER. Does the Senator from Delaware desire to have his amendments considered en bloc?

Mr. FREAR. I prefer that they be considered separately.

Mr. CLARK. But the Senator does not have any objection to the amendments "A" being considered en bloc, does

he; in other words, all of amendment "A"?

Mr. FREAR. Oh, no. I mentioned three amendments. I thought the Chair meant all three amendments. I prefer that each amendment by designation be considered separately, but the one designated "A" may be considered in its entirety.

This is a very simple amendment. It can be very quickly explained, and I doubt that much time need be taken for its consideration.

There has been considerable concern because section 4 of the pending bill provides the court the power to appoint a clerk and a deputy clerk who shall hold office at the pleasure of the court.

This section of the bill would remove 2 employees from the protection of civil service and would endow the court with power to appoint 2 others to replace them.

If the case workload has increased to the extent that exists today, would it not, by the same token, be possible that the operation of the court would be further curtailed by the replacement of these experienced employees by two others who would not be experienced?

Mr. President, with the enactment of H. R. 7785, the chief judge would, no doubt, be chargeable with the business of the court, so why should two important positions be removed from civil service protection and the court be made the hiring authority? Mr. President, was it intended that, under section 4, one judge would have the patronage of a new clerk, and the other the appointment of a deputy clerk?

I feel that the efficiency of operation in the juvenile court requires the continuation of the present statutory requirement of qualification for all positions, including the clerk and deputy clerk thus to be eliminated.

Mr. President, I ask for the consideration of my amendment.

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

Mr. FREAR. I yield.

Mr. CLARK. The chairman of the Committee on the District of Columbia, the distinguished Senator from Nevada [Mr. BIBLE], who is on the floor, and I have conferred with the other members of the Committee on the District of Columbia. We shall be happy to accept the amendment designated "3–3–58–A," offered by the distinguished Senator from Delaware.

The reason why the amendment was not made within the committee was that some of us had hoped last year that in the closing days of the 1st session of the 85th Congress the House bill could be passed, and an additional judge, who, as we thought, was urgently needed to pick up the very heavy caseload, appointed and put to work during the summer recess. We therefore were a little less critical than we might otherwise have been of the House version of the bill, and we did not insist on the amendment.

But I think we all feel the amendment offered by the Senator from Delaware is sound. The distinguished Senator from South Carolina [Mr. JOHNSTON], the chairman of the Committee on Post Office and Civil Service, has asked me to state on his behalf that he, too, supports the amendment and is very hopeful the Senate will agree to it.

Mr. FREAR. Do I correctly understand that the chairman of the Committee on the District of Columbia is willing to accept the amendment?

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

Mr. FREAR. I yield.

Mr. BIBLE. I heartily concur in the remarks just made by the distinguished Senator from Pennsylvania, the chairman of the Subcommittee on the Judiciary. The matter has been discussed with the other members of the committee, and also with the Senator from South Carolina. We are perfectly happy to accept the amendment.

Mr. FREAR. I am grateful to the chairman of the committee.

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

The amendment was agreed to.

Mr. FREAR. Mr. President, I call up my amendment designated "3–3–58–B" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 4, between lines 24 and 25, it is proposed to insert the following new section:

SEC. 6. The Juvenile Court Act of the District of Columbia is amended by adding at the end thereof the following new section:

"SEC. 45. The chief judge or the acting judge of the juvenile court shall submit to the Attorney General of the United States and to the Chairman of the Board of Commissioners of the District of Columbia a detailed quarterly report of the work of the court, such report to be made within 30 days of the end of the quarter, and to include the number of juvenile and adult cases heard, the number of juvenile and adult cases calendared, the number of juvenile and adult complaints filed, the number of juvenile cases closed without court hearing, moneys collected for fines and support of legitimate and illegitimate family members, and such other information as may reflect the court's operation and volume of work. A copy of such report shall be kept in the office of the clerk of the court and be subject to public inspection during the regular hours that the court shall be open for business."

On page 4, line 25, strike out "SEC. 6" and insert in lieu thereof "SEC. 7."

Mr. FREAR. Mr. President, this also is a very simple amendment, and I believe it is noncontroversial.

The amendment would require the chief judge, or the acting chief judge, of the juvenile court of the District of Columbia, to submit to the Attorney General of the United States and to the Chairman of the Board of Commissioners of the District of Columbia, a detailed quarterly report on the work of the court, such report to be made 30 days after the end of the quarter, and to include a statement of the number of juvenile and adult cases heard, the number of juvenile and adult cases on the calendar, the number of juvenile and adult complaints filed, the number of juvenile cases closed without court hearing, the moneys collected for fines and support of legitimate or illegitimate family members, and such other information as may reflect the court's operation and volume of work.

My amendment further provides that a copy of such report shall be kept in the office of the clerk of the court, and shall be subject to public inspection during the regular hours when the court is open for business.

Judge Ketcham's predecessor did, in recent years, although it was not a legislative requirement, draft and issue annually a report of the court's operation.

Mr. President, it is my understanding that almost all other courts and agencies within the District of Columbia are required to make such reports. So I see no reason why the juvenile court of the District of Columbia should not, also, be required to do so, inasmuch as it is now about to become a two-judge court.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. BIBLE. Mr. President, will the Senator from Delaware yield for several questions and for an observation?

Mr. FREAR. Yes; preferably for an observation. [Laughter.]

Mr. BIBLE. Mr. President, I am sure the questions will simply be clarifying ones.

I wonder whether the Senator from Delaware will indicate how he arrived at the proposal for quarterly reports. Are the reports of this court now made quarterly?

Mr. FREAR. I think the object was to have the records kept more current.

Mr. BIBLE. Are the reports of the municipal court for the District of Columbia made quarterly?

Mr. FREAR. I understand that is the case.

Mr. BIBLE. So that portion of the amendment is patterned after the present procedure for reports by the municipal court of the District of Columbia; is it?

Mr. FREAR. Yes.

Mr. BIBLE. And under the provisions of the amendment, the reports of the Juvenile Court are to be made on a quarterly basis, are they?

Mr. FREAR. Yes.

Mr. BIBLE. Mr. President, the Senator from Pennsylvania [Mr. CLARK] has discussed this matter with me, and we have discussed it with other members of the committee. If my memory serves me correctly, I do not believe this particular amendment was made at the time the bill was before the committee.

I see no objection to the amendment; I think we can agree to it.

I suggest that on page 1 of the amendment, in line 8, the word "Chairman" be stricken and the word "President" be substituted, as a modification of the amendment. I think the person concerned is the President of the Board of Commissioners of the District of Columbia.

Mr. FREAR. Mr. President, I am glad to accept that modification of my amendment; I am sure the modification is a worthy one.

The PRESIDING OFFICER. The Senator from Delaware has a right to modify his own amendment.

Mr. FREAR. Mr. President, I modify my amendment accordingly.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment submitted by the Senator from Delaware.

The amendment, as modified, was agreed to as follows:

On page 4, between lines 24 and 25, insert the following new section:

"SEC. 6. The Juvenile Court Act of the District of Columbia is amended by adding at the end thereof the following new section:

"'SEC. 45. The chief judge or the acting chief judge of the juvenile court shall submit to the Attorney General of the United States and to the President of the Board of Commissioners of the District of Columbia a detailed quarterly report of the work of the court, such report to be made within 30 days of the end of the quarter, and to include the number of juvenile and adult cases heard, the number of juvenile and adult cases calendared, the number of juvenile and adult complaints filed, the number of juvenile cases closed without court hearing, moneys collected for fines and support of legitimate and illegitimate family members, and such other information as may reflect the court's operation and volume of work. A copy of such report shall be kept in the office of the clerk of the court and be subject to public inspection during the regular hours that the court shall be open for business.'"

On page 4, line 25, strike out "SEC. 6" and insert in lieu thereof "SEC. 7."

Mr. FREAR. Mr. President, I call up my amendment which is identified as "3-3-58-C," and ask that it be stated. It is my last amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, in line 3, beginning with the comma, it is proposed to strike out all through the period on line 8, and to insert in lieu thereof the following:

(1) have been a member of the bar of the District of Columbia for a period of 5 years immediately preceding his appointment and have had (A) 5 years of trial experience before the courts during such period, or (B) previous judicial experience, (2) have been a resident of the District of Columbia for at least 5 years immediately preceding his appointment, (3) have a broad knowledge of social problems and procedures and an understanding of child psychology, and (4) have had actual experience in working with local social problems and youth problems of the District of Columbia.

On page 2, in line 2, beginning with the word "For", it is proposed to strike out all through the period on line 24.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. FREAR. Mr. President, varied opinions have developed because of an amendment adopted by Congress in 1949, when it was necessary to enact temporary legislation to permit the appointment of a single juvenile judge to replace the then mentally ill judge.

Because Congress had no constitutional power to terminate the appointment of the ill judge, it authorized the creation of a temporary additional or second judge. Once the emergency was dealt with, future judges were to be appointed under the existing permanent legislation providing for the appointment, qualifications, oath, and salary of a juvenile court judge.

I believe the RECORD will show that the 1949 amendment merely attempted to take care of a very dire emergency situation, and was intended only as an emergency measure, in order that a person could be appointed and placed upon the bench at a time when a judge was very badly needed.

It is my understanding, and was so stated at that time, that the proposed 1949 act would not make any change with respect to qualifications; but even this did not satisfy certain Members of the Senate.

Without further debate the bill was amended, on the floor of the Senate, to require that even the temporary appointee provided for in the bill must be a resident of the District of Columbia.

Therefore, Mr. President, I believe it has been clearly determined that the basic legislation which originally established the juvenile court of the District of Columbia clearly stated that any person considered as an appointee to the juvenile court for the District of Columbia must reside in the District.

By its floor amendment, Congress also clearly declared its intent that the judge of the District of Columbia juvenile court must be a resident of the District of Columbia at the time of his appointment.

I feel certain other requirements must also be adhered to, if we are to authorize the selection for the juvenile court of a judge having knowledge of all the many facets pertaining to a juvenile court.

Mr. President, I request the adoption of my amendment.

Mr. CLARK. Mr. President, with great reluctance the committee is unwilling to accept the final amendment submitted by our good friend, the Senator from Delaware.

It is the view of the committee that the committee bill—which in essence is House bill 7785—adequately states the necessary qualifications for a judge of the juvenile court of the District of Columbia, and that the restrictions proposed by the amendment of the Senator from Delaware would unduly limit the choice of the one empowered to appoint a qualified person to that position.

More specifically, it is not believed by the committee that five years of trial experience before the courts, during the period in which the appointee has been a member of the bar of the District of Columbia, is really essential. Many a good juvenile court judge has not been a trial judge. Civil court trial experience is quite different from juvenile court work; and, Mr. President, in my judgment as a member of the bar, the average civil court lawyer is not particularly well qualified to be a juvenile court judge, and would not be rendered more so merely as a result of having tried a number of cases in the civil courts.

Similarly, a lawyer with criminal-court trial experience—even one with a good deal of criminal court experience—is not particularly well qualified to be a juvenile court judge just because of the fact that he has tried a number of cases before a criminal-court jury.

Furthermore, the committee would object quite strenuously to the proposed requirement for previous judicial experience. It would be almost impossible to find a person with previous judicial experience who would be willing to accept appointment to this court of strictly limited jurisdiction. If I had the appointive power, I believe I would be quite unhappy with such a restriction, even though it is proposed only in alternative form.

Perhaps the part of the amendment to which the committee takes the greatest exception is the one requiring residence in the District of Columbia for at least 5 years immediately preceding the appointment. Modern urban life and the juvenile court problems which are created in a large metropolitan area such as Washington, D. C., call for the appointment to the juvenile court of a judge of the widest possible experience. Unhappily, in many areas, many of the ablest and brightest members of the bar have fled from the core of the central city to the surrounding suburbs, perhaps because of success in their chosen career, and because, in many instances, of better living conditions there.

Generally speaking, it is the judgment of the committee that it would be a great mistake to remove that great reserve of brains which has gone out of the District of Columbia into Maryland and Virginia from being a source of appointment to the juvenile court.

To state it somewhat less obscurely, it is the judgment of the committee that lawyers living in the greater Washington metropolitan area should be available for appointment to the court, in order that the field from which the appointing authority can select may be expanded.

With respect to the third qualification in the proposed amendment, it is identical with the present language of the committee bill, except that the adjective "broad" has been added in the amendment of the Senator from Delaware, so that his amendment reads that the appointee must have a broad knowledge of social problems and procedures and an understanding of child psychology. It seems the thought is adequately conveyed in the present committee bill, H. R. 7785.

The final qualification of actual experience of working with local social problems and youth problems of the District of Columbia would be fine if it did not again unduly restrict the choice of the appointing power.

The time, unhappily, may well come when it would not be possible to find an individual having qualifications because of such onerous restrictions.

I suggest that the legislative history we have already made today with respect to the qualifications of any appointee to the juvenile court would give adequate protection and adequate notice to the appointing power of the kind of individual who should get the position. It would perhaps be a guidepost both to the President, and to the Senate when it comes to confirming the nomination of the appointee. I should dislike to impose more onerous restrictions on qualifications for appointment to the court.

In view of the explanation, and in view of what I consider to be a very fine legislative history which the Senator from

Delaware has made this afternoon, I hope he will agree to withdraw his amendment and go along with the other members of the committee in relying on the qualifications as set forth in the bill.

Mr. FREAR. I am pretty well convinced that the Senator from Pennsylvania has made a good case for himself. I should like to ask him a question or two, if I may be permitted.

I gathered the Senator did not disagree with the fourth item in my amendment so long as persons with such qualifications were available within the District of Columbia, but the Senator was fearful that at some time in the future there might not be qualified persons in the District of Columbia who could become judges, and he therefore would not want to restrict the qualifications of future appointees. Is that correct?

Mr. CLARK. That is my fear, yes. My experience has been that it really is difficult to get qualified persons in this field.

A qualification that an appointee must have had actual experience in working with local social problems and youth problems of the District of Columbia is a desirable qualification; but we might find that an individual had moved to Washington, had been a member of the bar for 5 years, but had moved out of the Washington city limits, and was qualified in every other respect except that. I am in sympathy with the objective. I speak as a former executive when I say I am afraid that legislative restrictions on appointing powers are not desirable. I fear such restrictions would make it impossible to appoint qualified individuals who did not happen to have that particular qualification.

Mr. FREAR. The Senator does not mean that the appointing power would not follow the statute, does he?

Mr. CLARK. No; but I am fearful that such a provision would exclude really qualified individuals. I hope the Senator will go along with the rest of the members of the committee and not press for the amendment, in view of the cooperation he has received in respect to his two other amendments which have strengthened the bill.

Mr. FREAR. There is nothing I would rather do than agree to the request of the chairman of the full committee and the chairman of the subcommittee, but I have a very considerable feeling about the matter. As the Senator from Pennsylvania has stated, the legislative history has been put into the RECORD, and I feel much better about it now than I did earlier. I wish I could accede to the request of the Senator from Pennsylvania, but, under the conditions, I know he will not put a black mark against our mutual friendship if I am unable to grant his request.

Mr. CLARK. Disagreement is the essence of the life of the Senate. I am sorry the Senator cannot concur in the request, but I understand his reasons.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment of the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. It is proposed on page 2, line 3, after the word "years", to strike out "immediately preceding his appointment."

Mr. KENNEDY. Mr. President, the current law provides only that an appointee be a member of the bar, preferably of the District of Columbia. The new bill provides that the appointee must be a member of the bar of the District of Columbia and a resident of the District of Columbia or its metropolitan area, and that these conditions must have been in effect for at least 5 years immediately preceding the appointment.

The additional requirements are reasonable except for the condition that 5 years of residence must immediately precede the appointment. There are many qualified members of the bar who are acquainted with conditions in the District, as is suggested by the requirement, but who, because of the nature of residency in the District of Columbia, may move away from the District for 4 or 5 months during a prolonged absence due to another job or another way of life.

My amendment takes out the word "immediately", but still retains the requirement of 5 years of residence.

Mr. BIBLE. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. I yield.

Mr. BIBLE. Exactly what does the amendment do? We do not have a printed amendment, and I am not clear as to what the amendment does.

Mr. KENNEDY. My amendment strikes out the word "immediately" on page 2, line 3, of H. R. 7785, so that the 5-year requirement remains in the bill, but the word "immediately" is dropped.

Mr. BIBLE. Will the Senator from Massachusetts yield further?

Mr. KENNEDY. Yes.

Mr. BIBLE. The Senator from Massachusetts has discussed this amendment with both the distinguished chairman of the Judiciary Subcommittee and me. We have no objection to the amendment, and are happy to accept it.

Mr. KENNEDY. I appreciate that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. FREAR in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

Mr. BIBLE. Mr. President, needless to say I am very happy about the final passage of this very important, worthwhile, and needed legislation for the District of Columbia. I should like to commend my able and distinguished friend from Pennsylvania [Mr. CLARK] for his work, zeal, and diligence as to this particular juvenile court bill. I should also like to commend the present occupant of the chair [Mr. FREAR] for his fairness. Although our viewpoints may have differed a little here and there along the legislative path, the Senator from Delaware has always been understanding and helpful about bringing the bill to the Senate for final passage without delay.

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

Mr. BIBLE. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. I want to thank my friend from Nevada for his kind remarks. I merely point out for the RECORD that the Senator from Nevada is the chairman of the committee and he is responsible in large part for the unanimity with which we were able to get the bill passed. I am only grateful for having had an opportunity to work under the direction of the Senator from Nevada in connection with the bill.

Mr. BIBLE. I thank the Senator from Pennsylvania.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PRINTING OF COMMITTEE PRINT "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES" AS A SENATE DOCUMENT

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1447, Senate Resolution 281.

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

The LEGISLATIVE CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print Recruitment and Training for the Foreign Service of the United States, as a Senate document.

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 resolution.

The PRESIDING OFFICER. The resolution is open to amendment. If there be any amendment to be proposed, the question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the committee print, Recruitment and Training for the Foreign Service of the United States, prepared as a staff study for the Committee on Foreign Relations, be printed as a Senate document, and that 1,000 additional copies be printed for the use of the Committee on Foreign Relations.

EXCHANGE OF CERTAIN LANDS AT BLACK CANYON OF THE GUNNISON NATIONAL MONUMENT, COLO.

Mr. BIBLE. Mr. President, I ask unanimous consent for the present consideration of House bill 5984. I am advised that this bill is identical with Calendar No. 1434, Senate bill 1697.

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

The LEGISLATIVE CLERK. A bill (H. R. 5984) to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes.

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

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

Mr. BIBLE. Mr. President, the bill, if enacted, would enable the Department of the Interior to acquire private inholdings within the Gunnison National Monument which are blocking plans for development in the area.

A recent Government resurvey of lands within the Gunnison National Monument has demonstrated the existence of errors in a plat based on an 1884 survey. Through the land exchanges authorized by this bill, the Government would acquire a privately owned tract which would permit the development of suitable roads, a headquarters, campgrounds, and other visitor-use facilities. Development of these features is impossible until the tract of land in question is brought into Federal ownership.

The contemplated exchanges would be on a basis of equal value. The land to be exchanged by the Government will subsequently be excluded from the exterior boundaries of the monument, thus fully achieving the desired consolidation of Federal holdings in this area.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CARLSON. Mr. President, I am not familiar with this bill. I have no personal interest in it. However, when we begin to transfer property, I know that the Senator from Oregon [Mr. MORSE] is interested. I should like to ask if the Senator from Nevada knows whether or not this bill complies with the so-called Morse formula.

Mr. BIBLE. I am very happy to have the Senator from Kansas ask that question. The bill has been discussed with the Senator from Oregon. I am well aware of his interest in the so-called Morse formula. He states that he has no objection to the bill.

Mr. CARLSON. I thank the Senator. I have no objection.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

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

Mr. BIBLE. Mr. President, I ask that Calendar No. 1434, Senate bill 1697, be indefinitely postponed.

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

BOARD OF TRUSTEES OF THE POSTAL SAVINGS SYSTEM

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1460, Senate bill 2033.

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

The LEGISLATIVE CLERK. A bill (S. 2033) to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury.

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 bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BIBLE. Mr. President, S. 2033 is designed to revise the membership of the Board of Trustees of the Postal Savings System.

Membership on the board now consists of the Postmaster General, the Secretary of the Treasury, and the Attorney General. The bill would reduce the membership to include only the Postmaster General and the Secretary of the Treasury.

The Post Office Department in requesting the change reported that, whatever the reason for designating the Attorney General as a member of the Board of Trustees at the time the Postal Savings System was established, that reason no longer pertains. The Post Office Department was joined by the Attorney General and the Secretary of the Treasury in urging early enactment of the measure.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Be it enacted, etc., That the second sentence of the first section of the act entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes," approved June 25, 1910 (36 Stat. 814), as amended (39 U. S. C. 751), is hereby further amended by striking out "the Secretary of the Treasury, and the Attorney General," and inserting in lieu thereof "and the Secretary of the Treasury."

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BIBLE. Mr. President, I do not know whether, before the quorum call, I moved to lay before the Senate Calendar No. 1424, H. R. 7930.

The PRESIDING OFFICER. There is no business pending before the Senate.

LONGEVITY STEP INCREASES OF POSTAL FIELD SERVICE EMPLOYEES

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1424, H. R. 7930.

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

The LEGISLATIVE CLERK. A bill (H. R. 7930) to correct certain inequities with automatic step-increase anniversary dates and longevity step increases of postal field service employees.

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 bill, which had been reported from the Committee on Post Office and Civil Service with amendments on page 5, after line 4, to insert:

SEC. 4. (a) Section 802 (a) of the Classification Act of 1949, as amended (5 U. S. C. 1132), is amended by inserting after the word "position" where it appears in clause (1) and where it appears for the first time in clause (2) the words "in the legislative, judicial, or executive branch", and by inserting before the semicolon at the end of clause (4) the following: "in any position subject to this act following service in any position in the legislative, judicial, or executive branch."

(b) Such section is further amended by adding at the end thereof a new subsection as follows:

"(c) Any employee in the legislative branch whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, and who has completed 2 or more years of service as such an employee, may upon appointment to a position subject to the Classification Act of 1949 have his initial rate of compensation fixed at the minimum rate of the appropriate grade, or at any step of such grade that does not exceed the highest previous rate of compensation received by him during such service in the legislative branch."

(c) The amendments made by this section shall take effect as of January 1, 1958.

And, on page 6, after line 2, to insert:

SEC. 5. Section 2 (b) of the act entitled "An act extending the classified executive civil service of the United States", approved November 26, 1940, as amended (5 U. S. C. 631b (b)), is amended by striking out "any person who shall have served for 4 years as a secretary, clerk, or assistant clerk to a Senator, Representative, Delegate, or Resident Commissioner, or as a clerk or assistant clerk to a standing committee of the Senate or House of Representatives or as a clerical employee of the Senate or House of Representatives" and inserting in lieu thereof the following: "any person who shall have completed 2 or more years of service as an employee in the legislative branch in a position the compensation for which is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives."

Mr. JOHNSTON of South Carolina. Mr. President, the bill was reported unanimously, as I recall, by the Committee on Post Office and Civil Service. Since it was reported, the Senator from Kansas [Mr. CARLSON] wishes to offer an amendment. I shall accept the amendment; then I shall make a statement about the bill.

Mr. CARLSON. Mr. President, I offer an amendment on page 6, line 13, to

strike out "two" and insert in lieu thereof "three."

I offer the amendment for the reason that employees in the executive branch of the Government are required to serve the traditional period of 3 years before they may become permanent civil-service employees. The bill would have permitted legislative employees to serve only 2 years in order to acquire permanent status.

The amendment, if agreed to—and the chairman has been kind enough to say that he will accept it—will provide for legislative employees on the same basis as employees of the executive branch.

The PRESIDING OFFICER. The amendment of the Senator from Kansas is to the committee amendment and is, therefore, in order. The clerk will state the amendment of the Senator from Kansas to the committee amendment.

The LEGISLATIVE CLERK. On page 6, line 13, it is proposed to strike out "two" and insert in lieu thereof "three."

Mr. JOHNSTON of South Carolina. As the chairman of the committee, I accept the amendment of the Senator from Kansas. The reason why 2 years was placed in the bill was that in the House, when a Representative did not run or was defeated after serving 2 years, the employees of the Representative were left up in the air, so to speak. The bill does not affect the Senate, except in a few cases when death might occur or when a person was appointed a Senator for an unexpired term. So far as the 6-year tenure is concerned, the bill does not affect Senate employees, as can be seen. But the Senator from Kansas desires to provide the 3-year period for the legislative branch as is the case in the executive branch. I do not object to the amendment, and will accept it.

The purpose of the bill, as passed in the House, is to correct two separate, but related, inequities resulting from the conversion of certain employees to the pay schedules under the Postal Field Service Compensation Act of 1955 from the general schedule of the Classification Act.

The Postal Pay Act of 1955 provides for the crediting, for periodic step increases under the act, only prior service in the Post Office Department, with one exception which relates to custodial employees of the Department of the Treasury who also serve the Post Office Department. After the act was passed, it was learned that the restriction would penalize a small group of employees somewhat similiarly situated. These employees were on the payroll of the General Accounting Office but were engaged exclusively in the performance of accounting functions of the Post Office Department. After the 1955 act passed, the accounting function in which they were engaged and employed was transferred to the Post Office Department. This action, in view of the restriction in the Postal Pay Act, has resulted in their losing time for automatic advancement in pay. This result was not intended. H. R. 7930 corrects this inadvertence.

COMMITTEE AMENDMENT

The committee amendment adds section 4 and 5 to the House approved bill. These sections are designed to solve two separate problems, one or both of which arise occasionally in connection with the transfer of an employee from the judicial or legislative branch to a position in the executive branch.

EXPLANATION OF COMMITTEE AMENDMENT

Section 801 of the Classification Act provides that all new appointments shall be made at the minimum rate of the appropriate grade.

Section 802 provides, however, that in the case of a transfer from one position to another, the basic compensation of the employee shall be governed by regulations of the Civil Service Commission.

The Comptroller General has ruled that the movement of an employee from the legislative branch to the executive branch is not a transfer and, therefore, his attachment to the executive branch results from a new appointment.

Under this ruling, the employee is compelled to start at the minimum rate of the appropriate grade of the position even though he was receiving a higher salary in the judicial or legislative branches, notwithstanding the fact that the agency, as a matter of equity, would like to fix his pay at a higher step rate than the minimum rate.

Section 4 removes this impediment so that when such employees move to the executive branch they can be treated the same as other Federal employees under the Civil Service Commission's regulations.

Section 5 relates to the acquisition of status. The so-called Ramspeck Act of 1949 established a basis for judicial and legislative employees to acquire status, a necessary prerequisite for employment in the executive branch. Certain positions now existing were not in existence at that time and thus were not specified in the act. As a result, the occupants of such positions have no way of establishing eligibility for status as does the occupants of positions that were specifically named. Section 5 amends the Ramspect Act so that it will apply uniformly to all judicial and legislative employees.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas to a committee amendment.

The amendment to the committee amendment was agreed to.

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

The amendment, as amended, was agreed to.

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

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

EVA S. WINDER

Mr. BIBLE. Mr. President, I move the Senate proceed to the consideration of Calendar No. 1453, S. 488.

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

The LEGISLATIVE CLERK. A bill (S. 488) for the relief of Eva S. Winder.

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 bill, which had been reported from the Committee on the Judiciary with an amendment in line 8, after the year "1946", to strike out "No interest shall be allowed on the refund claimed for the year 1945 for any period of time after June 18, 1952, and on the refund claimed for the year 1946 for any period of time after July 2, 1952." and insert "No interest shall be allowed on the refunds claimed herein for any period of time", so as to make the bill read:

Be it enacted, etc., That, notwithstanding section 3774 (b) of the Internal Revenue Code of 1939, the Secretary of the Treasury shall consider, and allow if otherwise allowable, the claims filed on March 9, 1948, by Eva S. Winder, of Deming, N. Mex., for refunds of overpayments of her income taxes for the years 1945 and 1946. No interest shall be allowed on the refunds claimed herein for any period of time.

Mr. BIBLE. Mr. President, the purpose of the proposed legislation, as amended, is to provide that notwithstanding section 3774 (b) of the Internal Revenue Code of 1939, the Secretary of the Treasury shall consider, and allow if otherwise allowable, the claims filed on March 9, 1948, by Eva S. Winder, of Deming, N. Mex., for the refund of overpayments of her income taxes for the years 1945 and 1946.

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

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

CASEY JIMENEZ

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1454, S. 1879.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1879) for the relief of Casey Jimenez.

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 bill which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the word "Act," to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to

pay, out of any money in the Treasury not otherwise appropriated, to Casey Jimenez, of Tucumcari, N. Mex., a veteran of World War II, the sum of $1,292, representing the amount expended by the said Casey Jimenez for an emergency operation after he had been refused admittance to the veterans hospital in Amarillo, Tex., and for medical and hospital expenses incurred incident to such operation: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

The amendment was agreed to.

Mr. BIBLE. Mr. President, the purpose of the proposed legislation, as amended, is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to Casey Jimenez, of Tucumcari, N. Mex., a veteran of World War II, the sum of $1,292, representing the amount expended by the said Casey Jimenez for an emergency operation after he had been refused admittance to the veterans hospital in Amarillo, Tex., and for medical and hospital expenses incurred incident to such operation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

REDUCTION IN INSURANCE OF PERSONS OVER AGE 65

Mr. JOHNSTON of South Carolina. Mr. President, I wonder if there is any Senator present who objects to the bill presently before the Senate?

The PRESIDING OFFICER. There is no bill before the Senate.

Mr. JOHNSTON of South Carolina. I move that the Senate take up Calendar No. 709, Senate bill 2127, for consideration at this time.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2127) to amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954 relating to the reduction in amounts of insurance of persons over the age of 65.

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

Mr. JOHNSTON of South Carolina. Mr. President, out of courtesy to Members who may not know the bill is to be considered at this time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The question is on agreeing to the motion of the Senator from South Carolina [Mr. JOHNSTON] to proceed to the consideration of the bill (S. 2127).

The motion was agreed to, and the Senate proceeded to consider the bill (S. 2127) to amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954, relating to the reduction in amounts of insurance of persons over the age of 65, which had been reported from the Committee on Post Office and Civil Service, with an amendment, on page 2, after line 2, to insert:

SEC. 2. The amendment made by this act shall take effect as of August 17, 1954, except that it shall not be applicable in any case in which the employee's death or retirement occurred prior to the date of enactment of this act.

So as to make the bill read:

Be it enacted, etc., That so much of section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954, as amended, as precedes the proviso is amended to read as follows:

"(d) Each of such amounts of insurance shall be reduced by 1 percent thereof at the end of each full calendar month following the date the employee attains age 65, subject to minimum amounts prescribed by the Commission, but not less than 50 percent of the insurance in force immediately preceding the first reduction provided herein."

SEC. 2. The amendment made by this act shall take effect as of August 17, 1954, except that it shall not be applicable in any case in which the employee's death or retirement occurred prior to the date of enactment of this act.

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

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I offer the amendments to the bill which are at the desk, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 3, after "That", it is proposed to insert "(a)".

On page 2, line 3, strike out "SEC. 2." and insert "(b)".

On page 2, line 3, strike out "Act" and insert "section".

At the end of the bill add the following:

SEC. 2. Section 5 (a) of such act is amended by striking out "25 cents" and inserting in lieu thereof "32 cents".

SEC. 3. (a) Section 6 of such act is amended by striking out "fifteen" wherever it appears in such section and inserting in lieu thereof "twelve".

(b) The amendment made by this section shall be effective only in the case of employees who retire on or after the date of enactment of this act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina that the amendments be considered en bloc? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from South Carolina [Mr. JOHNSTON] en bloc.

The amendments were agreed to en bloc.

Mr. JOHNSTON of South Carolina. Mr. President, as Senators will recall, the bill was reported last year and was then sent back to the committee. The last amendments adopted, of course, were approved by the full committee.

Mr. President, the purpose of S. 2127 is to amend the Federal Employees' Group Life Insurance Act of 1954 so as to modify both the rate and the extent of the reduction that now is made in the face value of a policy when the insured reaches the age of 65.

Present law provides for a monthly reduction of 2 percent commencing with the first month after age 65 until the policy has been reduced to 25 percent of its face value.

For example, an employee whose salary is between $4,000 and $5,000 would have a policy with a face value of $5,000. However, upon attainment of age 65, his policy would be reduced by 2 percent a month until it was reduced to 25 percent of its value, or $1,250.

S. 2127 proposes to cut the rate of reduction to 1 percent a month and, also, to cease reducing entirely when the value of the policy has been reduced to 50 percent.

I think no one questions the purpose of the bill or objects to it on the basis of merit. However, when the bill came up last year, there was some question concerning its cost.

The Civil Service Commission estimated that enactment of the bill would result in increasing disbursements from the insurance reserve fund by a small amount currently, with a gradual growth to some $7 million by 1960 and $32 million by 1975. As Senators will recall, when the report was received objection was raised. The bill was reconsidered by the committee. The amendment sets forth the increased amount which will be paid.

Since that time, the committee has given the question of cost rather extensive consideration. Also, the Civil Service Commission has studied the matter. The committee studies indicate that the cost of the measure will amount to about 10 cents per pay period per thousand dollars of insurance. The Commission

thinks the cost may run to about 12½ cents. As can be seen, the estimates are not far apart.

In order to meet the additional cost involved, the committee amendment to S. 2127 will raise the premiums by 10½ cents per thousand per pay period. Seven cents of this amount will be passed on to the employees and 3½ cents to the Government. That is in keeping with the present situation under which the employee pays ⅔ of the premium and the Government pays ⅓.

From a dollar standpoint, this means that in the future employees will pay an additional $20 million and the Government an additional $10 million annually for the increased protection which will be provided.

The amendment makes one additional small change in the insurance program. Existing law provides that an employee's insurance is continued upon retirement provided the employee has 15 years or more of service. This requirement is being reduced to 12 years in order to extend the benefit on a more realistic basis.

I ask that the Senate pass the bill, as now amended.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Be it enacted, etc., That (a) so much of section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954, as amended, as precedes the proviso is amended to read as follows:

"(d) Each of such amounts of insurance shall be reduced by 1 percent thereof at the end of each full calendar month following the date the employee attains age 65, subject to minimum amounts prescribed by the Commission, but not less than 50 percent of the insurance in force immediately preceding the first reduction provided herein."

(b) The amendment made by this section shall take effect as of August 17, 1954, except that it shall not be applicable in any case in which the employee's death or retirement occurred prior to the date of enactment of this act.

SEC. 2. Section 5 (a) of such act is amended by striking out "25 cents" and inserting in lieu thereof "32 cents".

SEC. 3. (a) Section 6 of such act is amended by striking out "fifteen" wherever it appears in such section and inserting in lieu thereof "twelve".

(b) The amendment made by this section shall be effective only in the case of employees who retire on or after the date of enactment of this act.

THE NEED FOR LABOR LEGISLATION

Mr. MUNDT. Mr. President, I have noted with pleasure that the majority leader of the Senate has announced that it is intended to proceed with the consideration of labor legislation in the early days of the developing session of the Senate.

I believe that the hearings which are underway in the Select Committee on Improper Activities in the Labor or Management Field have made it abundantly clear that this session of the Senate would be grossly negligent of its duty should it fail to consider labor legislation. The Senate will have spent approximately $1 million in providing for this investigation. Eight Members of the Senate have been devoting approximately 30 hours a week to this problem for a great many weeks. We have submitted an interim report. We have heard a great many witnesses. We have received more than 100,000 communications asking that action be taken in various fields of labor activity. Eighty percent of the communications have come from rank-and-file members of labor unions themselves.

We have disclosed various types of improper activities in the area of certain unions, involving the breakdown of democratic processes in unions; involving personal intimidation and destruction of property; involving gross corruption, misuse of funds, and actual thievery of money collected by compulsion from union members as a part of the assessment they must pay to hold jobs in order to enable them to earn a living for their families in this great free Republic of ours.

Those and certain other vices have been disclosed, which are crying for correction. Consequently I was pleased to learn that the Committee on Labor and Public Welfare is to place before us Senate bill 2888, and that the majority leader is scheduling it for action.

It seems to me that it would be a great waste of public funds to conduct such an investigation over the long processes of 2 years and have nothing result except some newspaper headlines. The purpose of our committee is to discover what type of corrective legislation is needed, and to pass along recommendations to the respective legislative committees of the Senate and House. That we have done. I am pleased that we are to have an opportunity, as Members of the United States Senate, to devote our time, our talents, and our efforts to trying to write appropriate legislation in the fields in which it is so abundantly clear that the rank-and-file union members require such legislation in order to protect their dignity, their democratic functions, their vested interests, and their rights as free men and women of America.

In that connection, I now send to the desk a series of amendments which I expect to offer to Senate bill 2888, and ask that they be printed for the information of the Senate and lie on the table until that happy day when the United States Senate is given an opportunity to stand up and be counted, as to whether we are to bow to the demands of certain arrogant labor leaders, or whether, as responsible representatives in Congress, we are to pass the type of legislation required to maintain the freedom of the free labor union movement in America.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1351, H. R. 3604.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 3604) to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

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

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

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

FREE IMPORTATION OF ARTICLES FOR EXHIBITION PURPOSES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1462, H. R. 11019.

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

The LEGISLATIVE CLERK. A bill (H. R. 11019) to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes.

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

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

Mr. HUMPHREY. Mr. President, I have offered an amendment designated "4–21–58–O" which I ask to have read. I believe the amendment has been cleared favorably by both the majority and the minority leaderships.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 7. Any article which is imported from a foreign country for the purpose of exhibition at the International Trade Exhibition to be held at St. Paul, Minn., from May 7, 1958, to May 18, 1958, inclusive, by

the Minnesota Centennial Festival of Nations, or for use in constructing, installing, or maintaining foreign exhibits at the International Trade Exhibition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe. Each provision of sections 1 to 6, inclusive, of this act shall apply with respect to the International Trade Exhibition and all rights and privileges extended by such sections and all duties and obligations imposed thereby and each and every requirement thereof shall extend to the Minnesota Centennial Festival of Nations, which shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the authority of this section.

Amend the title so as to read: "An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes."

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

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, the amendment was offered on behalf of my colleague, the senior Senator from Minnesota [Mr. THYE] and myself, and will be of great help to the Minnesota Centennial.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. The pending business is Calendar No. 1351, H. R. 3604.

Mr. MANSFIELD. I thank the Chair.

NATIONAL ECONOMIC PROBLEMS

Mr. HUMPHREY. Mr. President, earlier this afternoon I placed in the RECORD statistical material relating to the Nation's economy, which I believe should be of interest to Members of the Senate and to the general citizenry. I have been doing this regularly for one purpose, namely, to arouse the Government to action on the economic problems confronting the Nation. It appears to me that unless Congress and the administration move very positively in trying to alleviate economic conditions, the recession which we are now experiencing may well be with us for many months and may take a heavy toll in waste of both manpower and resources.

The Wall Street Journal for April 15, 1958, published an article entitled "Soviet Economic Growth Rate Twice That of the United States, Presidential Aide Says." The article reports Dr. Gabriel Hauge, economic aide to the President, as saying that the average rate of growth in the Soviet economy since 1950 has been between 6 and 7 percent, roughly twice that of the United States.

On the very same page of the Wall Street Journal it is reported that industrial production in the United States is now 12 percent below that of last August.

Mr. President, I believe that the statement made by Mr. Gabriel Hauge is of such importance that very Member of Congress and all other officials of the Government should ponder its meaning.

The Soviet has made quite clear, through its current leadership, that the war it is waging against the United States and its allies is an economic war as well as a political and cultural attack. Yesterday, Nikita Khrushchev, speaking at the Polish Embassy, in Moscow, in the presence of the United States Ambassador, the Honorable Llewellyn Thompson, stated in rather folksy manner that the Soviet Union was out to win on the economic front, and thereby to win the struggle for world domination. Then Khrushchev turned to the United States Ambassador, shook his finger at him, and said that, once the Communists had won, they would reeducate the American capitalists. Khrushchev had previously referred to the experience in Communist China. In this instance, Nikita Khrushchev, the first Minister of the Soviet Union, stated that the Communist Chinese had, as he said, "reeducated" the Chinese capitalists.

Mr. President, we Americans know what happened in China. I suppose one might say that Nikita Khrushchev exaggerates and overemphasizes what he and his country intend to do. But I submit that, to date, the record of Soviet achievement in the field of military power and in the field of economic growth and expansion, particularly of capital goods, is not one to be lightly taken or cast aside.

The trouble with all these Soviet arguments is that they have a certain amount of merit, at least in terms of what the Soviets have been able to demonstrate in regard to the world power struggle.

If the administration is not moved by the suffering of countless Americans who are joining the ranks of the unemployed, one would think it would at least be concerned that the Soviet Union is, with frightening speed, catching up with the United States in economic strength.

While the Soviet economy expanded last year by an estimated 10 percent, our own economy, when measured in terms of gross national product, registered a gain of less than 1 percent, and our industrial production made no gain whatsoever.

Mr. President, I have just quoted from 1957 statistical tables. All the economic data available makes it quite certain that 1958 will show not only that we have come to a dead stop, but that we are now actually losing ground.

Mr. President, no one sign could be more disturbing to thoughtful people than the decline in the American economy at this particular juncture of world affairs. I would remind my colleagues that for years the Soviet Union and its leaders have been stating that the Communist victory would come when American and Western capitalism began to falter, when recession and depression gripped the so-called free economies. I also would remind my colleagues that we do not need to permit that to happen. We are the masters of our own destiny; we are capable of reversing these trends; we know how. If there is any one thing that is lacking today, it is the will to do so, rather than a lack of knowledge on the subject.

Today, our Nation is still the most powerful on the face of the earth. It is still the richest. We have the largest skilled labor force, the greatest number of talented professional and scientific people, and the greatest industrial plant the world has ever known. It is more efficient and more up to date than any other industrial facility in the world.

We have the greatest transportation system; we have one of the soundest financial systems. We have everything required for long-term world leadership, if only the throttle of our economy were set at full speed ahead, rather than at slow speed, or even at cruising speed.

What this country needs is an awareness of the signs of weakness here and there in the economy, and then some remedial action to strengthen the areas of weakness, plus effective, determined, consistent, vigorous leadership.

I would remind my fellow Americans that a comfortable, tired, overly cautious, timid America will not be long in possession of world leadership, when America is competing with a vigorous, ambitious, hungry, determined Soviet Union and its leaders.

Something else which disturbs me is that our country is not being true to its own heritage. Today there is in high places in our country—both in government and in industry—a kind of softness and a sort of complacency that do not smack of the old, pioneer spirit. Actually, the words we hear from the Soviet—words regarding the opening up of vast, new areas for cultivation, the expansion of new industries, and the development of river and power resources—make one wonder whether the Soviets have stolen some of our enthusiasm for getting jobs done.

Yesterday I had an experience which will live for a long time in my memory. The Ambassador of the United States to a far-off place told a consultative subcommittee of the Foreign Relations Committee that in working out an agreement with a particular country for a civil-aviation project, under which the United States would assist that country

to develop a reasonable, modern, aviation system, 18 months had passed, after the agreement was signed, before the International Cooperation Administration had finally determined to whom to let the contract—not the contract for construction of the buildings and the runways of an airport, but merely the contract for the design of the buildings—18 months of fiddling around with redtape. If there is anything that is un-American, Mr. President, if there is anything that is unrepresentative of the vitality of the American people and their desire to get things done, it is such monkeyshine business—18 months to find an architect.

Mr. President, in 18 months the airport and runways should have been built, and planes should have been flying at the airfield. That would be the American way. But, instead, our officials have been shuffling papers.

I know of no surer way to come in second in a 2-man race than for 1 of the participants to keep lacing his shoes at the starting line, until the race is two-thirds over. But that is about what has happened in far too many instances, insofar as some of our officials are concerned; and it is happening right now on the economic front.

In the executive branch of the Government, there is an attitude of "Wait; let's see; let's take another look." Or, as the distinguished majority leader has said, the executive branch of the Government wants to "peek around the corner, to see what it can see." Our majority leader is of the opinion, and so am I, that we should go around the corner and do what we should do, before it is too late. This is no time for economic peekaboo. This is the time for an economic offensive, and to get that offensive under way before it is too costly.

All the economic data available makes it quite certain, as I said earlier, that 1958 will show we have not only come to a dead stop in our economic growth, but we are actually losing ground.

Mr. President, as of mid-March unemployment stood at 5.2 million, the highest total since before World War II. And since mid-March initial unemployment insurance claims have been mounting. In the week ended April 5 initial claims totaled 502,000—a rise of 79,000 over the week before. And the number of workers on a part-time basis due to economic reasons rose in mid-March to 2,290,000 compared to 2,084,000 a month earlier. The rate of insured unemployment according to latest figures is at a record 8.0 percent and there is no indication it will lessen in the near future.

We are going to be called on, here in the Senate, as well as in the other body, to approve a foreign-aid program. Such a program, I trust, will be approved. There will be some who will want to sharply trim and reduce it. Many amendments will be offered. I hope some amendments will be adopted; for example, one that will separate the military from the economic, which separation is long overdue, as well as amendments which will permit our Government to enter into regional arrangements for regional economic development. This is needed.

I trust there will be amendments which will underscore the importance of economic assistance on a pure economic basis rather than as a part of a military program. Regardless of what may happen to this bill, I hope a bill of significant proportions will finally be adopted by the Congress.

There will also be a program before the Senate for the extension of reciprocal trade agreements. I hope it will be one for 5 years, which is the President's recommendation; but efforts will be made to weaken the reciprocal trade program. Efforts will be made to defeat it. Some powerful arguments will be offered against it, arguments to the effect that reciprocal trade adds to unemployment, arguments to the effect that reciprocal trade is injurious to some American industries. Evidence will be rallied to prove these points. Of course, there will be those of us who will point out, in contradiction to those arguments, that reciprocal trade also provides jobs; that America enjoys a balance of trade of $7 billion under reciprocal trade. We will point out that under reciprocal trade many more jobs are created than are lost.

I shall offer an amendment to the reciprocal trade bill providing for what we call trade adjustment features, so that if an industry is injured because of a national reciprocal trade policy, so that if workers are displaced or communities suffer economic injury because of a national trade policy, the Federal Government will assist those communities, will help those workers in retraining and in unemployment compensation, and will aid the industries with generous loans and fast tax writeoffs for new industrial plants and capacity.

I believe if we are going to have a national trade policy based upon reciprocal relationships, we must also have national trade adjustment features in the bill to spread the burden for those who have been injured because of a national policy.

Be that as it may, Mr. President, what I really want to put to Congress is the proposition that if the economic recession continues unabated, if farm income continues to fall, if more than 5 million workers are without jobs, if another two and a half million have only part-time work, if steel production is running at 50 percent of capacity, if carloadings continue to be 20 percent lower than they were last year, if Federal revenues fall off because of the decline in business activity—if all those things happen and continue to happen in the months to come, and the Congress of the United States and the executive branch do not move dramatically and effectively to stop the unemployment to check the economic recession, and to turn it around and start our economy up the hill again, I predict the trade program and the foreign aid program will look like a country rooster that has been run over by a tractor—without feathers, and slightly flattened out.

The best and the sure way for the executive branch of the Government to gain acceptance of and approval of its trade and foreign aid programs is to start to take an active interest in aiding the American economy and the American people. If those who are at 1600 Pennsylvania Avenue and in Cabinet posts, and if heads of departments of Government, and if those of us here in Congress do not take effective action quickly to provide job opportunities for those who want work, to stimulate the economy so our industrial plant will be working at full capacity, there is going to be plenty of difficulty in either House of the Congress in passing an effective and truly meaningful reciprocal trade or mutual security program.

I warn the administration as a friend of the program. I have not been a critic of the program. I have voted for mutual security right down the line, as a loyal follower of it. I have voted for reciprocal trade, and I shall continue to do so. But it takes a majority of the Members of the House and of the Senate to pass either of those measures. I do not want to see either of them passed as empty shells. I want both mutual security and foreign trade measures to have body as well as form.

I repeat my friendly admonition, and I hope helpful one, that the President of the United States and his administration had better be recommending to this Congress an effective program of action, putting their strength and influence behind such a program, or the reciprocal trade and the foreign aid bills will be in peril. If anyone does not believe that statement, let him visit around the corridors of the Congress. It is about time someone spoke out loud about it, because it is a poorly kept secret. Everyone seems to know what is going on except mother. In this instance everyone seems to know what is going on except the President and his intimate advisers, because if they believe the American people are going to be more generous to the people in what is called the northern tier countries of the Baghdad Pact, than they are to the people of the United States, then the President and his advisers are wrong. If money is to be loaned to people all over the world at 3 percent interest, while those at home in the United States are charged 3½ percent, then it does not make much sense to anybody, much less our constituents. I am rather surprised that the Congress of the United States would exact a higher rate of interest from a GI for a housing loan than it would from a foreign government 5,000 miles away. And that is exactly what we are doing. We passed legislation in the Congress which compels our own American farmers to pay higher rates of interest upon loans for farm improvement than foreign governments must pay upon loans for development in their nations.

I hope Senators will not misunderstand me. I am in favor of economic loans for other countries, and I am in favor of having them made at reasonable rates of interest. But I am also in favor of reasonable rates of interest and loans for our own people. I have never been able to yet see why, if the Federal Government can loan money to somebody in Italy, the Federal Government cannot loan money to somebody in Missouri or

in Minnesota. Rather than to be selective about a country, I have never been able to see why, if the Federal Government can loan money to help independent business in Western Europe, in Southeast Asia, in Africa, or in Latin America, the Federal Government cannot loan money directly to help independent business in our own country.

I am merely trying to say that if we want an effective foreign policy overseas we have to have two things. First of all, the foreign policy must be acceptable to the people for whose benefit it is directed; it must be acceptable to those in other places in far-off lands. And it must also be acceptable to our own people here at home.

Mr. President, as I have indicated, as of mid-March unemployment stood at 5.2 million, the highest total since before World War II. And since mid-March initial unemployment insurance claims have been mounting. In the week ended April 5 initial claims totaled 502,000—a rise of 79,000 over the week before. And the number of workers on a part-time basis due to economic reasons rose in mid-March to 2,290,000 compared to 2,084,000 a month earlier. The rate of insured unemployment according to latest figures is at a record 8.0 percent and there is no indication it will lessen in the near future.

The latest figures show that the gross national product fell in the last quarter of 1957 by a seasonally adjusted annual rate of $7.4 billion and there is little doubt but that the figures for the first quarter of this year will show a similar drop.

Industrial production fell two points in March making a total drop since August of 12 percent.

Automobile production in the first 3 months was down 31 percent from a year before, and in March production was 38 percent below March of 1957. And automobile production this present quarter is to be cut even further.

Steel production is off by more than 40 percent from a year ago, operating at roughly 48 percent of capacity—47.5 percent—the lowest level since 1949.

Expenditures on plants and equipment in the first quarter of this year were almost $3 billion (seasonally adjusted annual rate) below the same period of last year and estimates for the current quarter indicate a decline of $4.5 billion (annual rate) from the same period in 1957; anticipated outlays for 1958 are 13 percent below 1957, which is a drop of more than $4 billion.

The New York Times Weekly Index of Business Activity showed a drop to 180.0 for the week ended April 5 as compared to 184.6 in the preceding week and 205.6 a year before.

Freight carloadings during the week ended April 12 were 23 percent below a year ago, the 34th straight week in which carloadings trailed a year earlier.

Retail sales for week ended April 12 were 16 percent below a year ago, whereas sales should normally have declined only 6 percent due to a later Easter in 1957, according to the Federal Reserve Board.

Private housing starts so far this year show no improvement over last year, which was the poorest since 1949. In fact, in February and March housing starts were the lowest for those months since 1949.

In March personal income dropped $300 million—annual rate—which makes a total drop since August of almost $6 billion—annual rate. Income in the form of wages and salaries fell in March by $1.1 billion—annual rate—to make a total drop since August of more than $8 billion—annual rate.

Manufacturers' new orders in February were $1.1 billion less than in January and $4.3 billion under a year ago. Unfilled orders of manufacturers declined $1.3 billion in February and were down $15.9 billion from a year before.

Business failures in the latest week totaled 352, compared to 231 a year ago.

This is already the longest recession in our country since the great depression of over 25 years ago.

And yet there is calm on the banks of the Potomac. I guess that is because the cherry blossoms came in late this year. We are running behind schedule all over. Washington is simply out of gear. I can tell Senators Washington is surely out of tune with the economic realities. This is a recession which we cannot any longer afford to tolerate. Politically and morally we should not tolerate it, and economically we simply cannot afford it.

I sometimes wonder where those voices are in Congress which always speak of worry about the waste of Government funds and the waste of our Government. What about the waste of our manpower, which is unused? Where are the voices to speak about that? What about the amount of waste of resources and manpower and plant capacity which this country has suffered since last October, which would have paid for 2 full years of foreign economic aid?

The amount of waste which this country of ours has suffered since last October would have built all the classrooms America will need from now until 1975, and every mother and father in the Gallery could have his or her sons and daughters in schools which were modern, which were up to date, and which were fireproof. The children would not have to be crowded into classrooms at 35 or 40 or 45 for every teacher, but instead we could have a school facilities program which would be the wonder of the world.

We could lay down hundreds and thousands of miles of concrete pavement, four lanes wide, for the waste we have already suffered—the loss due to unemployment, due to the failure to invest, due to lack of confidence, due to the "dilly-dallying" of this Government.

Make no mistake about it, the Government has the responsibility for economic growth. We cannot have a Government of the United States saying on the one hand that we need a foreign aid program in order to stimulate the economies of other countries, but at the same time we do not need an American aid program to stimulate our own economy. If we are willing to spend vast sums of money predicated on the proposition that foreign economic aid—grants and loans from the United States—will build the prosperity of other countries and will provide jobs for workers in other countries, I ask any reasonable minded citizen if the same will not apply to America, if the Government will go to work at it?

I remind the Senate that in February the President said things would be better in March, yet they were not any better. Things were worse. I remind the Senate that in March the President said he thought we had reached the low point, yet in April it was even lower. And I remind the Senate that despite all the wishful thinking of the Secretary of Commerce in one of his recent political utterances—when he pointed the finger at the Democrats to say, "They are just talking about a recession, that is all; they are just talking about a recession," and that things were now going to be much better—things are not much better.

The Secretary is much like the fellow who upon seeing a fireman getting ready to put out a fire, and hearing somebody down the street say, "There is a fire. There is a fire" starts condemning the person who is saying that there is a fire, rather than helping to put out the fire.

We cannot wish away trouble. I can say, Mr. President, that the American economy is not one which is going to be talked into trouble, and we cannot talk it out of trouble. Action is required.

Our economy got into trouble because of premeditated plans. This administration decided to choke off some of the economic oxygen which was required for an expanding economy; namely, credit. The administration did so through the Treasury Department and through the friendly cooperation of the Federal Reserve System. The credit was choked off. Interest rates were raised. Consumers pay much more for the goods that they need. The cost of living is going up every month. Finally, there simply was not enough vitality left or enough of the economic oxygen called the availability of cash and credit to keep the body politic and the body economic of the American economic system in full vigor.

Fortunately there was a great deal of built-in strength, and this built-in strength has been standing us in good stead. But even the strongest person cannot forever withstand the process of attrition, when the supply of food and oxygen is reduced or cut off. So it is with the strongest economy. Once it starts to weaken, it requires more than normal amounts of energy-giving substance to put it back on its feet. It requires extra help. To use the analogy of the food about which I have been speaking, it requires some economic vitamins.

Also it requires the competent voice of the good family doctor to tell us that we will get well if we follow his prescription.

This is a recession which we can no longer tolerate. The damage to our economy, both on the domestic front and in international relations, if we permit this recession to live on and grow wider and deeper, cannot be overemphasized. The time has come when we must utilize all means at our disposal to bring the recession to a halt, and to get the economy back on the road to recovery, not yesterday, but today. The sorry state of

today's economy is no mere accident. As I have said, it is rather the end result of a drift in the economy which has been going on under this administration since it came into office in 1953.

This Senator stood on this floor in the month of March 1953—and anyone who is interested can check the RECORD—and warned that certain things were about to come to pass. I heard the Secretary of Agriculture say that farm prices could well come down; and within the same month the Secretary of the Treasury advocated an increase in interest rates. Within 30 days the Secretary of Agriculture, speaking in St. Paul, Minn., openly advocated that farm prices could well be brought down, and the Secretary of the Treasury, Mr. George Humphrey, in Washington, in the early part of the month of March 1953, advocated an increase in interest rates.

This United States Senator, along with others, said, "This is the beginning of a process in the American economy that will lead to trouble."

One does not have to be a graduate of any business college to know that when we see the cost of living going up, farm income coming down, personal indebtedness rising, bank profits skyrocketing, and the cost of money, in the form of interest, sharply increasing, we can safely predict that the Nation's economy will be in trouble, just as surely as a mother, when she sees certain physical developments in her child, can predict that the little one is about to have measles, chickenpox, flu, or some other common malady.

One does not have to be a learned economist to know that when we abuse and misuse the economic system, we are headed for trouble.

I repeat that the plan was clear and premeditated, that the Nation's economy was to be subjected to a rise in interest rates and the tightening of credit, together with a lowering of the prices of raw materials, while at the same time we witnessed a rise in the cost of living.

In order for this economy to remain strong and healthy, there must be a continued real growth, in order to make full use of our resources. This administration never has planned for economic growth.

During the period 1947–53 this growth rate averaged 4.7 percent a year. But during the 1953–57 period, the rate of growth averaged only 2.7 percent a year. And in 1957, as I have already noted, the growth rate was less than 1 percent. In the fourth quarter of 1957 the economy actually began to decline and this decline is still continuing as the figures I have given show.

This economic decline measured in terms of the lag between full production and actual production is reaching staggering proportions. Whereas the production gap in the years 1947 through 1952 averaged $5 billion a year, it increased to a yearly average of $15.7 billion in the years 1953 through 1956, and rose to over $27 billion in 1957 with the production lag in the fourth quarter of last year estimated at an annual rate of more than $32 billion.

One of the problems in our country today, with the rise in our population, is that there has been no real systematic planning for strengthening the base of the American economy. The result is that today cities have outgrown their water systems. Cities and suburban areas have outgrown their sewerage and sanitary systems. Today America's highway system is 25 years behind the times.

Today America's school system is 20 years behind the requirements of a modern educational plant. Why? Because this administration shuns the words "plan" and "planning," as though they were subversive.

I submit that it is as important to plan for the structural needs of a community and of community life as it is to plan a life-insurance program, or a family budget.

But we have been contenting ourselves with reading the headlines about prosperity—prosperity for whom? We read that some of the large companies made more money than they had ever made before. But we did not notice, in the fine print, that the farmers were going into debt more than ever before.

We were reading that the large insurance companies had increased their assets by billions of dollars, but we did not read, or apparently did not pay attention to the fact, that for years the small business has been suffering and has been feeling the effects of favoritism toward big business and monopoly.

We have had a kind of economic brainwashing. Many people began to think that they were a fundamental and integral part of the great boom, only to wake up and learn that they had no jobs, only to find out that their unemployment compensation was exhausted, only to find out, in many communities of America, that the cities were bonded up to the legal limits.

Many of us are now beginning to wake up to the fact that when we were being told how prosperous we were, our economy was actually stagnant, in terms of economic growth, while the Soviet Union was gaining 7, 8, or 10 percent a year.

According to the propagandists, 1957 was one of the most prosperous years America has ever enjoyed. This Senator says that 1957 was a bad year, in this sense: In 1957 our economy grew at a rate of less than 1 percent, while population went up slightly more than 3½ million; when we should have been surging, when we should have been building 1,400,000 or 1,500,000 homes, we built 1 million. When we should have been building at least 90,000 classrooms, we built 50,000. When we should have been building twice as many hospital-bed facilities, we barely kept pace with the inadequacy of yesterday.

Then we were told in the headlines that General Motors made $900 million. So what? They cannot sell their cars now. We were told that General Electric made many millions of dollars. So what? It dropped 23 percent in profits in this quarter.

Oh, the mighty can fall too. I predict, Mr. President, that if big business continues to lose money, or if its profits are reduced, as the present indications seem to show, that the administration will get busy. It is possible to have 6 million or 7 million people unemployed. They are just the ordinary people. Such a condition is called a necessary adjustment. However, if there is a little bit more of the Chrysler Corp., for example, losing money, or if General Electric should continue to have its profits drop 23 percent, or General Motors continues to have its inventories backed up with automobiles that cannot be sold, then the word will finally seep up that it is time for the Government to take some action.

That is what some people mean when they talk about a tax bill. I predict that if big business decides that it cannot get itself out of the present jam, it will come to Washington and advocate a tax reduction along the lines it wishes. I further predict that the administration will then present such proposals to Congress. I also predict that some of the sharpest critics of those of us who have wanted the administration to act, will be in Washington, with clarion voices and banners unfurled and trumpets blowing, asking for Congress to take action to relieve their troubles and to relieve the grave economic conditions.

The way to help business is to help little people, who cannot help themselves. The way to help the American economy is not to think in terms of the problems of the economy, but to think in terms of the people, who comprise it.

The administration is so accustomed to thinking in terms of problems and statistics, it forgets the human element, the people.

I hope that we on this side of the aisle will never forget that our responsibility is to the people; that economic systems are made to serve the people, and that the people are not made to serve the system. Perhaps we need to be reminded of that fact. In the Soviet Union the people are required to serve the state. The state is dominant. The state dominates the people. The people are the slaves of the state, and are required to serve the political system. Let it never be said that in America we get so involved with the system that we forget the people.

The best way to prove that we mean business is by helping the people. By helping the people, we help the economic system.

If our country is to prosper and be strong it is necessary that we fully utilize our increasing productive capacity and our growing work force. But this administration has failed to grasp this fundamental fact that for our economy to prosper we must have continued growth.

Under this administration we have seen policies intended to hold down the economy and to deter needed growth. Examples are the administration's deflationary farm policy; its tax program to aid the wealthy under the trickle-down theory; its cutting back on sorely needed public investments, and its tight money policy.

To put it quite bluntly, the administration has confused the interests of big business with the interest and welfare of the Nation. Although present administration leaders are less candid than

former Secretary of Defense, Charles Wilson, I am convinced that they really believe that what is good for General Motors is good for the country.

And this philosophy explains the basic cause of our present economic dilemma and the decline in the rate of growth that has taken place since 1953.

The Nation's economy cannot remain healthy when an administration bases its policies and actions upon what is going to benefit only a special segment of the people—in this case big business and the large financial institutions.

The administration has devoted its time and its energies to giving greater assistance, benefits, and special treatment to those who actually do not need it while the real needs of the people have been brushed aside.

And what are these real needs of which I speak? They are in the fields of education, health, housing, urban redevelopment, natural resources.

And in all of these fields the administration has dragged its feet and given reasons why we cannot have adequate programs.

Federal outlays for all domestic programs which amounted to 7.01 percent of our total national economic activity in the period 1947 through 1952 have declined to 6.05 percent in fiscal 1958, and in the 1959 budget such outlays were cut back even below 1958's budget.

Mr. President, can there be denial of the need for more adequate school facilities and for higher-paid teaching staffs?

Can anyone say that we have adequate health facilities in the form of hospitals, clinics, and medical-research centers?

Can anyone argue that we are meeting the housing needs of the country, and that our slum clearance and urban-renewal programs are adequate in scope?

Does anyone maintain that we have developed our natural resources to as great a degree as possible and feasible?

Does anyone believe that the vast recreation areas which belong to all the people have been developed so that they may be fully utilized?

The fact of the matter is that we have fallen far short of the mark in these fields.

Our country did not become the greatest industrial nation in the history of the world by timid and cautious men who were afraid to dream and afraid of what the future held.

America became a great country because we had people who said, "We can do this," not people who said, "Wait. Let us take another look. Let us hold back."

It is time that we move promptly and boldly, to stop this recession and restore the growth of the economy.

I frankly am tired of hearing the administration's objections to every positive proposal to restore the economy.

We recently passed a bill to give the housing industry a sorely needed shot in the arm, but the President signed it only reluctantly and expressed his disappointment that we did not increase the GI interest rates even more. At the very time that interest rates are dropping.

Good grief. The President expressed his disappointment that we did not increase the interest rates even more.

We passed a bill to halt the decline in farm price supports, and the President vetoed that.

We passed a rivers and harbors bill and the President vetoed that also.

It is quite apparent that we cannot look to the administration for guidance or even for support. The job of restoring the economy falls upon our shoulders.

The immediate task before us is to halt this recession. In my opinion, three steps must be taken and taken promptly:

No. 1: As I have noted above, unemployment is the highest since before World War II and it is still increasing. The number of insured unemployed now amounts to 8 percent—the highest percentage since 1939 when records were started. Already this year over 500,000 workers have exhausted their insurance benefits.

It is imperative that we extend the period of paying unemployment compensation benefits. We cannot sit by while hundreds of thousands of jobless see their inadequate benefits run out.

I am proud to be a cosponsor of the Kennedy-McCarthy bill (S. 3244) which would provide 39 weeks of benefits and increase payments to 50 percent of a worker's weekly wage with a maximum benefit of two-thirds of the average weekly wage in the State.

No. 2: In order to help restore purchasing power, an immediate tax cut is in order. Such a tax should be designed primarily for low- and middle-income families whose purchasing powers in large measure affects the course of the economy. In my opinion such a cut in income taxes should amount to at least $5 billion.

I also favor an end to the 3 percent freight tax, and a reduction in excise taxes. To give hard-pressed small-business concerns a measure of tax relief, I urge passage of S. 3194 which I am cosponsoring with Senator SPARKMAN and others.

No. 3: The Federal Reserve Board should further ease the money supply and encourage lower interest rates. To date the Board has been far too cautious in reversing its tight-money policies. While I am pleased that the discount rate and reserve requirements are being reduced, this alone is not enough.

One of the ways to do it is for the Federal Government to borrow money at low interest rates, if the banking structure of this country does not cooperate in the private lending field, and make that money available for loans for purposes of business activity and individual need.

I am hopeful that the private banks will not make it necessary to do that. We have a great banking system in America. I am afraid, however, that at times it too may become the victim of the pattern of high interest and hard money and tight credit, which is a pattern that is not conducive to a vibrant, expanding, healthy, growing economy.

That is the kind of pattern we get in tired, wornout, old countries, not in a young and vigorous one.

To increase the money supply and to lower interest rates, thereby making it easier for business, home buyers, and others to obtain funds, the Open Market Committee of the Federal Reserve System should purchase in substantial amounts Government securities.

In addition to improved unemployment insurance programs, tax relief, and an easing of credit, public outlays should be expanded. This should be undertaken not only to give a boost to our sagging economy, as I have said earlier, but also with a view in mind of the long-term needs of the country.

Our needs are immense, and we must make full use of our productive capacity and labor force to provide adequate national security, educational facilities, housing, urban renewal, resource development, and farm restoration.

In terms of the immediate recession, with spending and income falling at a significant rate, it is absolutely necessary that this decline be offset, at least in part, by greater public outlays. In terms of the long-range future, it is imperative that we plan and build now to meet the increasing needs of a steadily mounting population.

We are in a most serious recession today because of an administration which has based its economic policies on a philosophy of scarcity rather than abundance. We face a deficit this year of more than a billion dollars, and many times that amount in fiscal 1959, oddly enough because of an administration which has thought in terms of balanced budgets rather than in terms of the needs of the people.

The administration has demonstrated that it does not understand the real cause of the recession and that it is unaware of the lag in our economic growth in the past several years.

I say this, Mr. President, because no word has come from the high places in Government to tell the American people that our economy has been slowing down, even during the years when business made fantastic profits. Whenever the Government wants to point out in its propaganda policy that things are well, it points to the profits of big industry and big finance. It points out, for example, that last year the gross national product was almost $4 billion more than it was the year before. Why was that so? Not because of the increased amount of goods, services, and production which are necessary for a growing economy, but because of inflation.

I can recall, just a few months ago, people coming to me from my home State of Minnesota and telling me that they had to wait weeks to get steel, when the steel plants were operating at low capacity. That is the kind of built-in red-tape we find in industry.

Here we see the paradoxical situation of the economy in decline and prices on the rise. The very people who talk the loudest about a free market, the very ones who told the Minnesota farmers that they should be on the free market, have not reduced the price of their automobiles one nickel, even though their inventories are jammed full and they cannot find space to store the cars. The price of steel has not come down 5 cents;

yet the steel industry is operating at 48 percent of capacity.

Still those people want the producers of raw materials to produce on the free market, so that when they have a little surplus, they see the price go down to the bottom of the pit. Believe me, the manufacturers and processors in these, if not monopolies, at least oligopolies, which is simply a technical term for a kind of convenient paternity of would-be monopolies in the same arena—these oligopolies maintain their prices at the expense of the public. They maintain prices so high that some of them can make a profit even when they are producing at 50 percent of capacity. Yet we have the gall to tell Western Europeans to break up their cartels. I suggest we tell our own people to start producing at prices which people can afford to pay.

The administration's "wait and see" attitude can no longer be tolerated. Congress, as the representatives of the people, must make it clear that we are vitally concerned and that we expect from the administration more than veto messages and bland peptalks. Even the peptalks are getting stale. There has not been a new slogan for months. The administration has even run out of buncombe. The administration has been short on constructive ideas ever since the atoms-for-peace proposal. Now they have exhausted even the bag of phony tricks. Even the political and economic soothing sirup is in short supply. So I suggest that if they have run out of soothing sirup, buncombe, and slogans, they get down to a program. It may be painful; it will be an unusual experience; but even this administration is not too old to learn to try. I am confident that the American people will be tolerant if the administration is a bit clumsy.

Regrettably, in Congress, in order that any kind of proposal may be passed, it is necessary to have bipartisan support. I submit that the recession is not partisan. The strange thing about a recession is that when people go broke, they are never asked, "What party were you affiliated with before you went broke?" I doubt that very many persons who have been laid off, in any factory or other place of employment that I know of, have been asked, "Are you a card-carrying Democrat or a card-carrying Republican?"

Another thing: Whenever a mortgage is foreclosed, it does not make any difference what one's political affiliation is. What is asked is, "What is your collateral? What is your earning power?"

So I appeal to my colleagues to forget their partisanship and get down to the business of taking care of the economic growth and the recovery of the Nation.

The time has long since passed for mere words and reflections. We need to take action to restore our economic growth and vitality. While we cannot force the administration to end its do-nothing policy, we can at least enact legislation such as I have outlined today, designed to halt the recession and to restore the rate of economic growth which is necessary. We can cajole and try to persuade the administration.

We can call upon the American people to lift their voices in behalf of sound, constructive, and comprehensive policies before it is too late; before proposals are advanced which go far beyond what you and I, Mr. President, term prudent judgment.

I do not want to have to live in a period of history when, as I read in the newspapers, the Soviet Union is beginning to outstrip us, and I know that that does not need to be. It seems to me as if some persons are almost determined to throw away the ball game; to give the opposition a half dozen touchdowns; simply because we are too lazy to get on the field, even though the game is under way. We cannot win the football game by sitting in the locker room, listening to the coach give peptalks, particularly when the coach is tired, particularly when he does not have anything new to say, and particularly if the team has lost some faith in him.

There is only one way to win the game, and that is to go out on the field and not to underestimate the opposition, to use every play we have ever been taught, and to think of a couple of new ones. At least, we must try.

I say to my colleagues that the great American constituency will walk out on the players unless the players demonstrate that they are capable of putting in a full day's work and can give a good accounting of themselves on the gridiron of American politics. There will be a day of reckoning. There will be a day of political judgment. That day is fast approaching. For some, it will come in the State primaries; for others it will occur in November.

In light of what has happened in recent years, I am somewhat comforted because the victory has gone elsewhere.

Mr. President, I offer the hand of cooperation to Members of the Senate in working out an effective program. I have offered my own proposals for legislation. It would be very consoling and helpful if, somewhere along the line, the President of the United States and the members of the Cabinet would simply say, "Let's go. We have looked and waited long enough."

We have stopped, looked, and listened. That is good caution. Sooner or later we must cross the tracks. I think the time to cross the tracks is long overdue.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 22, 1958, he presented to the President of the United States the following enrolled bills:

S. 864. An act to provide for the transfer of certain lands in the State of Minnesota;

S. 1118. An act to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes;

S. 2037. An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuman project and Boulder Dam by the Bureau of Reclamation; and

S. 3120. An act to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

ADJOURNMENT

Mr. KNOWLAND. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 14 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, April 23, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 22, 1958:

IN THE MARINE CORPS

Maj. Albert F. Schoepper, United States Marine Corps, for permanent appointment to the grade of lieutenant colonel.

1st Lt. Dale L. Harpham, United States Marine Corps, for permanent appointment to the grade of captain.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 22, 1958:

UNITED NATIONS

Kingsley Davis, of New York, to be the representative of the United States of America on the Population Commission of the Economic and Social Council of the United Nations.

Dr. Althea K. Hottel, of Pennsylvania, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Walter Howe, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

Whiting Willauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

ROUTINE APPOINTMENTS

The following-named Foreign Service officers for promotion to the office indicated:

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Jacob D. Beam, of New Jersey.
C. Burke Elbrick, of Kentucky.
Bernard Gufler, of Washington.
G. Lewis Jones, of the District of Columbia.
Robert Newbegin, of New Hampshire.
J. Graham Parsons, of New York.
William P. Snow, of Maine.
Tyler Thompson, of Maine.
William C. Trimble, of Maryland.
Henry S. Villard, of New York.
Charles W. Yost, of New York.

The following-named persons, now Foreign Service officers of class 1 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Garret G. Ackerson, Jr., of New Jersey.
Ware Adams, of Rhode Island.
W. Park Armstrong, Jr., of New Jersey.

Rollin S. Atwood, of Maryland.
Walworth Barbour, of Massachusetts.
Leland Barrows, of Kansas.
Frederic P. Bartlett, of New York.
Samuel D. Berger, of New York.
Niles W. Bond, of Massachusetts.
Elmer H. Bourgerie, of Maryland.
Daniel M. Braddock, of Michigan.
Aaron S. Brown, of New Hampshire.
Winthrop G. Brown, of the District of Columbia.
Charles R. Burrows, of Ohio.
Homer M. Byington, Jr., of Connecticut.
Henry A. Byroade, of Indiana.
William P. Cochran, Jr., of Pennsylvania.
Howard Rex Cottam, of Utah.
John K. Emmerson, of Colorado.
Carlos C. Hall, of Arizona.
William O. Hall, of Oregon.
Outerbridge Horsey, of the District of Columbia.
Frederick Jandrey, of Wisconsin.
Howard P. Jones, of Maryland.
Foy D. Kohler, of Ohio.
William S. B. Lacy, of Virginia.
Robert McClintock, of California.
Thomas C. Mann, of Texas.
Edwin M. Martin, of Maryland.
Graham A. Martin, of Florida.
George A. Morgan, of the District of Columbia.
Brewster H. Morris, of Pennsylvania.
Frederick E. Nolting, Jr., of Virginia.
Joseph B. Phillips, of Virginia.
Harold M. Randall, of Iowa.
Hayden Raynor, of the District of Columbia.
William M. Rountree, of Maryland.
William Sanders, of Virginia.
Durward V. Sandifer, of Illinois.
Livingston Satterthwaite, of the District of Columbia.
Walter K. Scott, of Maryland.
Philip D. Sprouse, of Tennessee.
Henry J. Tasca, of Pennsylvania.
Robert P. Terrill, of California.
Ben H. Thibodeaux, of Louisiana.
Ray L. Thurston, of Missouri.
Benson E. L. Timmons III, of the District of Columbia.
William R. Tyler, of the District of Columbia.
David W. Wainhouse, of Massachusetts.
Woodruff Wallner, of New Hampshire.
Joe D. Walstrom, of Missouri.
Woodbury Willoughby, of Florida.
George H. Winters, of Texas.
Glenn G. Wolfe, of West Virginia.

Robert E. Wilson, of Arizona, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Harrison Lewis, of California.
William D. Moreland, Jr., of Oregon.

The following-named Foreign Service officers for promotion from class 4 to class 3:

Joseph B. Alexander, of Virginia.
James J. Blake, of New York.
William D. Brewer, of Connecticut.
Anthony Cuomo, of California.
Hermann F. Eilts, of Pennsylvania.
Harold M. Granata, of New York.
Philip C. Habib, of California.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Sherman F. Euler, of Indiana.
David D. Hoyt, of Florida.
Stephen Peters, of Virginia.

John C. Amott, of New Jersey, for promotion from Foreign Service officer of class 5 to class 4.

The following-named Foreign Service officers for promotion from class 6 to class 5 and to be also consuls of the United States of America:

C. Arthur Borg, of New York.
J. Stewart Cottman, Jr., of Maryland.
Allen P. McNeill, Jr., of California.

The following-named persons for appointment as Foreign Service officers of class 5, consuls, and secretaries in the diplomatic service of the United States of America:

Zachary P. Geaneas, of New York.
Henry Hunt McKee, of the District of Columbia.

The following-named Foreign Service officers for promotion from class 7 to class 6:

Paul L. Aylward, Jr., of Kansas.
Brady G. Barr, of the District of Columbia.
Eugene H. Bird, of Oregon.
Paul F. Canney, of Massachusetts.
Robert G. Cox, of New Mexico.
Edwin G. Croswell, of Ohio.
Harold T. Ellis, of California.
Gordon A. Klett, of California.
John D. Tinny, of Florida.
Robert E. White, of Massachusetts.
Joseph Basile, of New Jersey, for appointment as a Foreign Service officer of class 6, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 8 to class 7:

John P. Blane, of Alabama.
Michael Calingaert, of the District of Columbia.
Jack M. Carle, of Colorado.
Theodore B. Dobbs, of Virginia.
George B. Lambrakis, of New York.
Gerald Floyd Linderman, of Ohio.
Miss Elaine Diana Smith, of Illinois.
Thurston F. Teele, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Stephen M. Carney, of the District of Columbia.
Robert A. Lincoln, of California.
Miss Josephine Pasquini, of Michigan.
Howard R. Simpson, of California.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Robert G. Caldwell, Jr., of Virginia.
Robert H. Cunningham, of Ohio.
Renze L. Hoeksema, of Michigan.
Orval B. Hopkins, of Maryland.
Griffith Jones, of Connecticut.
Deric O'Bryan, of New Mexico.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Richard W. Hale, of Florida.
Anthony L. Sileo, of Connecticut.
Paul E. A. Van Marx, of Connecticut.
John R. Vought, of New York.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Richard A. Cleveland, of Pennsylvania.
Darwin J. Flakoll, of Virginia.
Roger Goiran, of Maryland.
Edward L. McAllister, of Virginia.
Richard L. Ruffner, Jr., of Virginia.
Barney B. Taylor, of Michigan.
Robert Taylor, of Florida.
John A. Unumb, of Minnesota.
Raymond Villemarette, of Louisiana.
Dan S. Wages, of California.

UNITED STATES COAST GUARD

APPOINTMENTS IN THE UNITED STATES COAST GUARD

To be Commandant of the United States Coast Guard, with the rank of vice admiral, term of 4 years, effective June 1, 1958

Vice Adm. Alfred C. Richmond

To be Assistant Commandant of the United States Coast Guard, with the rank of rear admiral, term of 4 years, effective June 1, 1958

Rear Adm. James A. Hirshfield

The following-named persons to the rank indicated in the United States Coast Guard:

To be chief warrant officers

Richard F. Eiden, chief warrant officer, W–4.
John S. Cameron, Jr., chief warrant officer, W–3.
William A. Mauch, chief warrant officer, W–3.
Keith H. Jorgenson, chief warrant officer, W–2.

To be commander

Russell A. Screnberg

To be lieutenant commander

Bertrand S. Dean

To be lieutenants (junior grade)

David B. Flanagan
Henry Haugen
Gary B. Erekson
Joel R. Swanson
Ralph F. Slater
David L. Green
Martin J. Kaiser
Allan Landry
Francis D. Forbes
Thomas S. Latham
Theodore G. Brown, Jr.
Charles B. Glass
Donald D. Anderson
Edward H. Carus, Jr.
James J. Dunlop
William N. Spence
Ira L. Krams
Kenneth W. Forslund
Joseph F. Fallon
Irvin W. Lindemuth
James E. Ferguson
Joseph L. Coburn, Jr.
Richard Nielsen, Jr.
Arthur F. Champagne, Jr.
Richard Rounsevelle
Leon T. Dankiewicz
Robert L. Cook
Carmen J. Biondin
Bobby F. Hillingsworth
Lee Jordan
Charles A. Biondo
Howard M. Veillette
Arthur F. Gerken
Richard N. Abrahams
Charles F. McFadden
Howard B. Thorsen
Robert E. Larson
Jimmie D. Woods
John W. Sheedy
Charles Leddy
Edward W. Murphy
Thomas C. Lutton
John J. Dirschel, Jr.
Joseph N. Andrassy
George E. Walton
Norman R. West
William J. Bickford
Henry Suski
Richard L. Brown
Robert L. Welsh, Jr.
Frederick F. Herzberg, Jr.
Herbert H. H. Kothe
Stephen J. Dasovich
Donald L. Gordon
Daniel B. Charter, Jr.
Robert L. Johanson
Alan D. Breed
Daniel C. Olson, Jr.
Charles W. Fead
Kenneth R. Depperman
Ira F. Thompson
Carlos A. Garcia
Ralph W. Eustis
Thomas J. McKay III
Edward F. Lewis
Edmund J. Spillane, Jr.
John B. Jones-Bateman, Jr.
Donald C. Cunningham
Robert H. Overton III
Kenneth D. Aibritton
John M. Duke, Jr.

Ensigns

Ernest Boyd Acklin, Jr.
Louis Joseph Albert
John Cooper Armacost
Robert Frank Bennett
George Thomas Bergman
Cecil Sherman Berry
Ronald Glenn Bitner
Ransom Keith Boyce
Frederick Francis Burgess, Jr.
Ralph Hubbard Burr III
Charles Edward Clarke, Jr.
John Michael Commerton
George William Conrad
James Herbert Costich
Peter Jon Cronk
Thomas Rossie Cummings
Douglas Gilfillan Currier
Alan George Dahms
Carl Paul Denney, Jr.
Philip John Dolan, Jr.
Wayne George Douglass
Robert Francis Dugan
John Edward Footit
Robert Wayne Gauthier
Marshall Edward Gilbert
Edward Vincent Grace
Terry Robert Grant

Carl Aubrey Gruel
Frank Reichard Grundman
Charles Jayhue Helpingstine
Rex Earl Henderson
Christopher Michael Holland
John Curtis Ikens
Ira Bernard Jacobson
Robert Bruce Jamieson
Emlyn Lewis Jones, Jr.
Wallace Francis Kelley
Neil Forrest Kendall
Thomas Robert Klein
Alexander Robb Larzelere
Everett John Lecourt, Jr.
James Danehy Martin
Richard Gordon Matheson
George Peter Mitchell
Gerald Karl Mohlenbrok
Thomas Stephen Monnone
David Alan Naus
Robert Theodore Nelson
Michael Joseph O'Brien
Robert Smith Palmer, Jr.
Alfred Franklin Parker
William Alden Parker
Walter Edward Peterson, Jr.
Bert Thomas Potter
Henry Calhoun Rayburn
Ronald Duncan Rosie
Kenneth Melvin Roughgarden
Thomas Richard Schiller
Robert Martin Schissler
Francis Ferreira Silvia
Melvin LeRoy Sites
Stevens Humphreys Smith
Howard Edson Snow
John Charles Spence
James Owen Sullivan
Richard Alan Sutherland
Larry Edwin Telfer
Robert Stephen Tuneski
Jon Clifford Uithol
Roger Oscar Walther
Robert Edwin Warakomsky
James Watt
Robert John Watterson
John Robert Wells, Jr.
David Albert White
Robert Caldwell Williams
Stuart Alan Yoffe

UNITED STATES DISTRICT JUDGES

Edwin D. Steel, Jr., of Delaware, to be United States district judge for the district of Delaware.

Mendon Morrill, of New Jersey, to be United States district judge for the district of New Jersey.

UNITED STATES ATTORNEYS

William T. Plummer, of Alaska, to be United States attorney for the division No. 3, district of Alaska, term of 4 years.

Jack D. H. Hays, of Arizona, to be United States attorney for the district of Arizona, term of 4 years.

Harlington Wood, Jr., of Illinois, to be United States attorney for the southern district of Illinois, term of 4 years.

J. Leonard Walker, of Kentucky, to be United States attorney for the western district of Kentucky, term of 4 years.

Thomas Ramage Ethridge, of Mississippi, to be United States attorney for the northern district of Mississippi, term of 4 years.

Robert E. Hauberg, of Mississippi, to be United States attorney for the southern district of Mississippi, term of 4 years.

Maurice Paul Bois, of New Hampshire, to be United States attorney for the district of New Hampshire, term of 4 years.

Theodore F. Bowes, of New York, to be United States attorney for the northern district of New York, term of 4 years.

James E. Holshouser, of North Carolina, to be United States attorney for the middle district of North Carolina, term of 4 years.

Sumner Canary, of Ohio, to be United States attorney for the northern district of Ohio, term of 4 years.

Clarence Edwin Luckey, of Oregon, to be United States attorney for the district of Oregon, term of 4 years.

Daniel H. Jenkins, of Pennsylvania, to be United States attorney for the middle district of Pennsylvania, term of 4 years.

Louis Gorman Whitcomb, of Vermont, to be United States attorney for the district of Vermont, term of 4 years.

Duncan Wilmer Daugherty, of West Virginia, to be United States attorney for the southern district of West Virginia, term of 4 years.

George Edward Rapp, of Wisconsin, to be United States attorney for the western district of Wisconsin, term of 4 years.

UNITED STATES MARSHALS

Claire A. Wilder, of Alaska, to be United States marshal for division No. 1, district of Alaska, term of 4 years.

Fred S Williamson, of Alaska, to be United States marshal for division No. 3, district of Alaska, term of 4 years.

Albert Fuller Dorsh, Jr., of Alaska, to be United States marshal for divsion No. 4, district of Alaska, term of 4 years.

Eugene Levi Kemper, of Kansas, to be United States marshal for the district of Kansas, term of 4 years.

Rupert Hugo Newcomb, of Mississippi, to be United States marshal for the southern district of Mississippi, term of 4 years.

Louis O. Aleksich, of Montana, to be United States marshal for the district of Montana, term of 4 years.

William Raab, of Nebraska, to be United States marshal for the district of Nebraska, term of 4 years.

Cedric E. Stewart, of Nevada, to be United States marshal for the district of Nevada, term of 4 years.

Joseph Stockinger, of New York, to be United States marshal for the eastern district of New York, term of 4 years.

J. Bradbury German, Jr., of New York, to be United States marshal for the northern district of New York, term of 4 years.

George M. Glasser, of New York, to be United States marshal for the western district of New York, term of 4 years.

B. Ray Cohoon, of North Carolina, to be United States marshal for the eastern district of North Carolina, term of 4 years.

Dewey Howard Perry, of Vermont, to be United States marshal for the district of Vermont, term of 4 years.

Ray H. Schoonover, of Wisconsin, to be United States marshal for the western district of Wisconsin, term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 22, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Daniel 6:10: *Daniel kneeled upon his knees three times a day and prayed, the windows in his chamber being open toward Jerusalem.*

Almighty God, may we enter upon this new day, refreshed in body and spirit, and ready to accept the challenge of the most arduous task and the heaviest responsibility.

Inspire us daily to open the windows of our souls toward Thee and may our whole life be filled with the splendor of Thy presence and peace and a sense of Thy divine grace and glory.

Grant that we may cultivate a larger capacity for all that is noblest and best and may we never be tempted to lower the lofty standards of life which Thou hast ordained, for we know that nothing less than the highest will every satisfy our souls.

Hear us for the sake of our blessed Lord. 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 has passed without amendment a joint resolution of the House of the following title:

H. J. Res. 588. Joint resolution, making advance procurement appropriations for the fiscal year 1958, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11767. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG, Mr. MUNDT, and Mr. DWORSHAK to be the conferees on the part of the Senate.

TEMPORARY UNEMPLOYMENT BENEFITS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tomorrow, Wednesday, April 23, to file the report, including any minority views, on the bill H. R. 12065, to authorize temporary unemployment benefits for individuals who exhaust their Federal rights under existing compensation laws, and for individuals who were employed in noncovered employment.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PERMISSION TO SELECT COMMITTEE ON ASTRONAUTICS TO SIT DURING SESSION OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Select Committee on Astronautics and Space Exploration may be permitted to sit during general debate in the House for the remainder of the week.

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman tell us what is the subject this afternoon?

Mr. McCORMACK. Of the select committee?

Mr. MARTIN. Yes.

Mr. McCORMACK. We are still in outer space.

Mr. MARTIN. I realize the subtleties of the gentleman's statement, but I am

interested in knowing who is going to be there.

Mr. McCORMACK. We have had Dr. Vryden this morning. I cannot give the gentleman the names now, but there are 3 or 4 other witnesses.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, true stories are the best. Daily newspaper economic articles show the good sense and quiet confidence of American people, often in revealing contrast to the fear and timidity displayed by some in Washington.

Yesterday, on San Jacinto Day, a day of courage to Texans, Texas newspapers announced the Dallas prosperity campaign kickoff, the theme "Look up, think up, work for, and keep prosperity." Six hundred business executives, encouraged by President Eisenhower and Governor Daniel, joined to remind Dallas, Tex., and the Nation that we must think positively and work hard for prosperity.

A recognition of today's economic facts proclaims the technological revolution facing us, bringing new products, higher living standards, and bigger business. The American free-enterprise economic system joins ideals of freedom with hardheaded cash sales. We must recognize and capitalize on these truths of free enterprise.

Texas basically is not unlike the rest of the Nation, economically, excusing a little prideful boasting. Most newspapers report the same confidence evident in other areas, for anyone to see.

People will buy but they want value. Remember the people hurt in the rush of the Pittsburgh department store sale—or the heavy sports attendance—including parimutuel betting, a sure sign of good times—or the sporting equipment sales, or the high savings.

Complete information on the Dallas prosperity campaign is on your desks, and I shall report further to you. I hope this campaign may provide ideas useful in other areas, just as we are benefiting from ideas borrowed from your districts. Armed with the knowledge of economic facts and the will to think and work toward prosperity, Dallas has, in the words of the prosperity committee, "no intention of losing sight of the big forest because of the few trees."

LEAVE OF ABSENCE

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent that leave of absence be granted me on account of official business as a member of the Board of Visitors of the Air Force Academy beginning tomorrow and ending on Sunday.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

INCREASING CIVIL SERVICE RETIREMENT ANNUITIES

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes, with House amendments thereto, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURRAY, MORRISON, DAVIS of Georgia, REES of Kansas, and CORBETT.

ADVERTISEMENTS OF MAIL ROUTES

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9240) to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out "20" and insert "30."

Page 2, line 5, after "period." insert "The advertisement shall be conspicuously posted in each post office to be served under the contract."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MURRAY. 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 Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, H. R. 9240, which passed the House on August 28, 1957, provides for revision of certain provisions of law relating to the advertisements of mail routes. The purpose of this bill is to simplify and clarify the laws relating to the advertising for bids for star-route contracts. This bill would authorize the Post Office Department to advertise individual bids with publication restricted to local areas. This will eliminate the confusion and excessive expenses now involved in the group advertising. It will also greatly encourage local bidding, as by law bidders are restricted to residents of the county or counties involved, and in the case of corporations, to those doing business in the county or in neighboring counties.

The bill passed by the Senate is identical to the House bill except for two minor changes.

Section 2 of the House bill provides that where advertising of star routes is required by law, the route shall be advertised for bids for at least 20 days except where public exigencies require a shorter period. The Senate amendment requires such advertising for a period of at least 30 days except where public exigencies require a shorter period.

Second, this section, as passed by the House, contains no provision regarding the posting of such advertisements. The Senate amendment requires that such advertisement for bids shall be conspicuously posted.

The bill, as passed by the House and Senate, is noncontroversial and is of advantage to the Government and to the public. It will not result in increased expenditures but it would reduce administrative costs.

AUTHORIZATION TO WEAR DECORATIONS CONFERRED BY PHILIPPINE GOVERNMENT

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8437) to amend the act of August 3, 1956, to authorize certain personnel of the Armed Forces to accept and wear decorations conferred by the Philippine Government, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, after "amended", insert "(a) by striking out the words 'Armed Forces' and inserting in lieu thereof 'Uniformed Services' and, (b)."

Page 1, line 6, strike out "Armed Forces" and insert "Uniformed Services."

Page 3, after line 13, insert:

"(9) Following that part of section 1 captioned 'Air Force' add a new paragraph, as follows:

" 'COAST AND GEODETIC SURVEY

" 'Captain Charles Pierce, 1030, Legion of Honor, degree of commander.' "

Amend the title so as to read: "An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand that this simply provides for one additional individual?

Mr. BROOKS of Louisiana. That is correct. That man is from the Coast Guard.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ACCIDENTS INVOLVING MILITARY PLANES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am so glad that the gentleman brought to the attention of the House the terrible airplane accident that happened in the West. I have repeatedly spoken of the fact that apparently our military planes are not properly policed. There is something terribly wrong. With all of the Air Force planes flying under one department, I fear you will find the department that is to be selected for that purpose has had more airplane accidents than the other departments. We ought to have a complete investigation of the number of deaths that have occurred in each department and all accidents and a special investigation of sabotage. We have been very careless I fear in not having more searching investigations of military accidents. I was told by a newspaperman who looked up the record, of air accidents in the military, that they so far exceeded the number of civilian accidents on land, that he felt the investigations of civilian air accidents were handled far better and that he considered the situation extremely dangerous. We are responsible for the lives of all these pilots. I do not know whether it is improper policing or improper training of pilots or sabotage but there is something radically wrong. Their lives, I feel, are on our heads.

CALL OF THE HOUSE

Mr. McGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Anderson, Mont.	Fino	Powell
Auchincloss	Glenn	Preston
Ayres	Grant	Quie
Barden	Gray	Radwan
Baumhart	Green, Oreg.	Rains
Blatnik	Griffiths	Reed
Bolling	Harden	Riley
Brownson	Hays, Ark.	Robeson, Va.
Buckley	Hoffman	Robsion, Ky.
Burdick	Holt	Roosevelt
Byrd	Hosmer	Scott, Pa.
Cannon	James	Shelley
Christopher	Jenkins	Shuford
Clark	Lennon	Spence
Coudert	Lesinski	Staggers
Cretella	McGovern	Teague, Tex.
Davis, Tenn.	Macdonald	Teller
Dawson, Ill.	Machrowicz	Willis
Dies	Madden	Wilson, Ind.
Diggs	May	Withrow
Dingell	Miller, N. Y.	Young
Eberharter	Mitchell	
	Patman	

The SPEAKER. On this rollcall 358 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMEND NAVY RATION STATUTE TO PROVIDE FOR SERVING OLEOMARGARINE OR MARGARINE

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 465 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 912) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois, [Mr. ALLEN], and pending that I yield myself such time as I may require.

Mr. Speaker, if my colleagues will bear with me for just a couple of minutes, I will try to get through with my part on this rule. If I may have the attention of the gentleman from South Carolina, [Mr. RIVERS], the author of the bill, I would like to explain the rule and the bill very briefly.

Mr. Speaker, this is an open rule. It provides for 1 hour of general debate after which the 5-minute rule for amendments will be in order. This bill, I understand, is highly controversial, but this bill should not be controversial at all. It is about the simplest matter that has been brought up in this House, certainly in this session.

Mr. Speaker, all this bill does is to grant to a segment of our armed services, to wit: the Navy, the privilege—get that—the privilege of serving oleomargarine. That is the Navy. It does not direct the Navy to serve oleomargarine. It simply says that the Navy may serve oleomargarine. In other words, it puts the Navy in the same category with the balance of the armed services. That is all in the world it does.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the distinguished Chairman of the Committee on Interstate and Foreign Commerce.

Mr. HARRIS. I was wondering if the Navy was prohibited from serving oleomargarine now?

Mr. COLMER. It is my understanding of the law that it is prohibited.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my friend from Iowa.

Mr. GROSS. Has the Supreme Court ever ruled on that?

Mr. COLMER. Not that I know of, may I say to my friend from Iowa. But since that "legislative" body does not believe in segregation, I am sure it would approve.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman.

Mr. O'KONSKI. Does the gentleman know of any man in the Navy who has ever requested that oleomargarine be served?

Mr. COLMER. No; but I know of an instance where an admiral was asked if a man demanded that, what would happen to him; and this admiral replied in substance that he might find himself in the brig either on that or some other charge. Not because there is anything wrong about asking for it or its being served, but simply because the admiral did not want to get into any controversy on that matter.

Mr. Speaker, can you think of anything more simple than this? Why should the Navy, of all the armed services, be denied the privilege of serving oleomargarine when it would appear to me that if any of the services were going to serve it, it should be the Navy because of its long periods of service at sea, and so forth.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Mr. Speaker, I am amazed to hear the gentleman speak of oleomargarine being served as a privilege. I never looked upon it as that. I think the Navy here again only shows its good taste in insisting on having butter as long as it is possible to obtain it. And I am sure the gentleman will agree that it is quite possible to obtain butter in our country.

Mr. COLMER. I thank the gentlewoman from New York for her observation. I take it that it is reasonable to deduce from her statement that the gentlewoman represents a district wherein dairy products predominate as against oleomargarine.

Mrs. ST. GEORGE. The gentleman is quite right; it is one of the most beautiful districts in the United States.

Mr. COLMER. I am quite sure in the final analysis when all of the discussion has been had and when the record will have been made, both by those who favor the dairy industry and those who look with favor on the oleomargarine industry that there is not going to be a great deal of difference, as I say, in the final analysis, because if I may be permitted to say so in all candor and in all frankness, the passage of this bill or the defeat of this bill is not going to destroy either the oleomargarine industry or the dairy industry.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. FULTON. I think the question might arise as to whether there is any

cottonseed oil in oleomargarine, and I am sure the gentleman from Pennsylvania [Mr. GAVIN] and I might be interested if there is any Pennsylvania crude oil in it.

Mr. COLMER. The gentleman from Pennsylvania, possibly, knows more about that in his district than I do. But, let me say this, that there is a great deal of soybean oil that goes into oleomargarine. The fact of the matter is that statistics will bear out the statement that there is more soybean oil used than there is cottonseed and, therefore, it is not confined to my particular section so far as that phase of the matter is concerned. But, just let me say this to you finally because, as I say, this is not going to disrupt the economy of any segment of our country. You know we have a word around here that has been pretty much kicked around in the last few years—it is an ugly word—it is a word—they call it discrimination. I know that you people from the dairy land, and I have seen you vote here—I know that you do not believe in discrimination. I know that you feel that this great arm of our armed service, the Navy, should have the same privilege that is enjoyed by the other segments of our armed services. When all is said and done, and when all the speeches are made on both sides, and when the record is made, and maybe they will serve some good purpose when you get home in the primaries and next fall—but, on the other hand, if your people really knew what was involved in this thing, I suspect that they would not appreciate the time that has been taken in your making speeches on this as much as you think they do. The rule and the bill should be adopted.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, the bill which we have before us today is indeed bad legislation in this 2d session of the 85th Congress. It is bad legislation because we as taxpayers of the United States and the people that we represent back in each of our 435 Congressional Districts own several million pounds of butter. This butter is being stored by the Commodity Credit Corporation today. Certainly this butter should be used before the Defense Department starts purchasing substitutes.

It has often been said that "the ways of government are sometimes strange." Certainly that is the case here today as we give consideration to this bill in the House of Representatives. On one side of the Potomac we are today urging the Pentagon to go out and purchase a substitute product, and on the other side of the Potomac we are, under the 1949 Agricultural Support Act continuing to tell the United States Department of Agriculture to buy butter which is produced in surplus.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. May I finish my statement.

Mr. RIVERS. The gentleman mentioned my name.

Mr. LAIRD. I will be happy to yield to the gentleman when I conclude my statement.

I have an amendment, which I will offer at the proper time, which adds a second section to this bill. The amendment provides that during any period when surplus butter stocks are available to the armed services through the Commodity Credit Corporation no oleomargarine or margarine shall be acquired for the use of the armed services. It provides for an exception to acquire limited supplies of substitutes for use in special overseas areas upon certification that the use of butter in such areas would be impracticable.

This amendment merely provides that the stocks of butter which are currently owned by our Government will be used by all of the branches of the Defense Department, and will be used when that product is in surplus. We require the USDA under permanent legislation, the 1949 dairy price-support law, to purchase butter when it is in surplus. This very year the Commodity Credit Corporation has purchased butter. This butter is made available throughout the United States on various welfare programs, school-lunch programs, and has been shipped outside the continental United States in giveaway programs.

It seems to me that when our Government already owns stocks of butter that the Defense Department should not be allowed to use the taxpayers' dollars to buy an inferior product.

Section 202 of the Agricultural Act of 1949, as amended by the 83d Congress, provided that the Defense Department could have any surplus butter over their normal requirements at competitive prices by purchase from the Commodity Credit Corporation.

In January 1953, when I first came to Congress representing a district in central Wisconsin, I took it upon myself to inquire about the purchases made by the Department of Defense in that month. Commodity Credit Corporation was purchasing butter under the support program in January of 1953. I questioned the Defense Department about the amount of substitutes that they had purchased in that same month of January 1953. I found that the Defense Department purchased 3,010,000 pounds of substitutes in that particular month, compared with 1,065,000 pounds of butter. In other words, at the time when the Commodity Credit Corporation was purchasing millions of pounds of butter for storage, our Defense Department was purchasing three times as much substitutes as they were purchasing butter. How silly can we be in properly using the taxpayers' dollars?

I ask unanimous consent to insert lists of the purchases which were made in this particular period of butter and oleomargarine by the Department of Defense and other correspondence relating thereto.

The SPEAKER. Is there objection?

DEPARTMENT OF THE ARMY,
OFFICE OF THE QUARTERMASTER GENERAL,
Washington, D. C., February 24, 1953.

Hon. MELVIN R. LAIRD,
House of Representatives.

DEAR MR. LAIRD: This is to confirm telephonic information submitted to you on February 17, 1953, by Col. Bruce E. Kendall, this office, relative to your inquiry on the total amount of butter and oleomargarine purchased by the armed services for the years 1950, 1951, and 1952, and for the month of January 1953.

[In pounds]

Period	Butter	Oleomargarine
1950	32,900,000	10,500,000
1951	50,000,000	22,000,000
1952	37,800,000	34,400,000
January 1953	1,065,000	3,010,000

As stated in the above referenced conversation, butter purchases for the month of January 1953 show an appreciable decline as compared to January 1952, for example. This is partially a result of stocks on hand being utilized during this month. A better comparison can be gained, therefore, by using the annual figures.

Sincerely yours,

WM. J. MCDONALD,
Colonel, QMC, Executive Officer.

Mr. LAIRD. Mr. Speaker, since 1954, when section 202 of the Agricultural Act of 1949 was amended by this Congress, directing the Defense Department to make use of stocks of butter which were in the hands of the Commodity Credit Corporation, certainly there is a much different story that has unfolded. The Laird amendment in the 2d session of the 83d Congress required the Defense Department to regularly report to the Congress on the use of CCC butter and dairy products.

Here is a report on the open market purchases of butter and the substitutes since 1951:

DEPARTMENT OF THE ARMY,
OFFICE OF THE QUARTERMASTER GENERAL,
Washington, D. C., February 2, 1955.

Hon. MELVIN R. LAIRD,
House of Representatives.

DEAR MR. LAIRD: I have received your letter of January 25, 1955, requesting information regarding total purchases of butter and margarine for the armed services during the years 1953 and 1954.

Prior to 1953 the Army purchased both butter and margarine for Army and Air Force use depending upon local troop preference. In 1953 pursuant to an agreement with the Commodity Credit Corporation the Quartermaster Corps, Department of the Army, which is responsible for the central purchase of subsistence for the armed services, began obtaining Commodity Credit Corporation butter for troop issue for the Army and Air Force in lieu of margarine. This butter was for both domestic and overseas requirements, with the exception of those areas lacking refrigeration facilities where canned margarine was issued because a suitable canned butter was not available. Since the Department of the Navy is prohibited by law from using oleomargarine for troop feeding, it did not participate in the use of surplus butter procured under the 1953 agreement. Normal military requirements for butter for all services continued to be met by the purchase of butter in the United States on the open market except for some overseas requirements. However,

since October 31, 1954, pursuant to an agreement between the Quartermaster General and the Commodity Credit Corporation, under the authority of Public Law 690, 83d Congress (the Agricultural Act of 1954), butter, in addition to the quantities usually procured in the normal channels of trade, is being obtained from the Commodity Credit Corporation, without reimbursement, for use by the Army, Air Force, Navy, and Marine Corps.

Although substantial quantities of butter were procured in the United States for overseas use, the European and Far East Commands were purchasing a portion of their resale and troop issue requirements of butter in their respective areas when readily available, pursuant to authorization granted under the provisions of the Department of Defense Appropriation Act, which permitted the purchase of perishable foods from overseas sources by establishments located outside the United States for the use of personnel attached thereto. About October 1, 1954, instructions were issued to those commands to discontinue, upon completion of existing contracts, the procurement of butter from foreign sources for troop issue in their areas. Overseas commands now are permitted to purchase butter from local sources only for resale to authorized commissary patrons. Since October 1, 1954, butter has been obtained from the Commodity Credit Corporation at world market prices for troop issue in Europe and the Far East.

Purchases of butter and margarine by the Quartermaster Corps for the armed services during 1953 and 1954 were as follows:

BUTTER

[In pounds]

Sources	Calendar year 1953	Calendar year 1954
Domestic open market	27,500,000	32,400,000
Domestic CCC	[1] 15,000,000	[2] 22,000,000
Overseas	13,240,000	10,160,000

MARGARINE

Domestic open market	19,600,000	[3] 2,700,000

[1] Purchased in lieu of margarine for supply to Army and Air Force troops in continental United States and overseas.

[2] Figure includes 18,400,000 pounds obtained in lieu of margarine prior to November 1954 and 3,600,000 pound purchased at world market prices for troop issue in Europe and the Far East in lieu f foreign purchases. Although complete figures are not yet available for butter received from CCC under Public Law 690, 83d Cong., it is estimated that during the period Nov. 1, 1954, through Jan. 24, 1955, 10,400,000 pounds (not included in this figure) have been so obtained.

[3] This quantity represents purchases by brand name for sale to authorized commissary patrons. No purchases were made for troop issue purposes.

I appreciate your interest in this matter and if I can be of further service please do not hesitate to call upon me.

Respectfully yours,

RAY J. LAUX,
Colonel, QMC, Executive Officer.

DEPARTMENT OF THE ARMY,
OFFICE OF THE QUARTERMASTER GENERAL,
Washington, D. C., February 6, 1958.

Hon. MELVIN R. LAIRD,
House of Representatives.

DEAR MR. LAIRD: Pursuant to telephone conversation February 3 between Miss Scanlon of your office, and Mr. George A. Baxter of this office, enclosed is a summary of military purchases of butter and margarine for the years 1951 through 1957.

Respectfully,

THOMAS B. EVANS,
Brigadier General, USA, Deputy Assistant Quartermaster General for Operations.

United States open-market purchases for armed services

BUTTER

Year	For Army and Air Force: Pounds	For Army and Air Force: Estimated cost	For Army and Air Force: Approximate average cost per pound	For Navy and Marine Corps: Pounds	For Navy and Marine Corps: Estimated cost	For Navy and Marine Corps: Approximate average cost per pound
1951	33,370,572	$23,936,474	$0.72	17,994,419	$12,614,505	$0.70
1952	16,660,787	12,402,310	.74	21,149,660	15,916,970	.75
1953	10,875,111	7,635,115	.70	16,715,006	11,263,719	.67
1954	32,400,000	20,934,518	.64	15,629,202	10,098,952	.65
1955	11,738,129	6,714,931	.57	14,170,593	8,767,541	.62
1956	13,756,314	8,646,395	.63	14,195,790	9,978,103	.70
1957	(1)	(1)	(1)	(1)	(1)	(1)

MARGARINE

Year	For Army and Air Force: Pounds	For Army and Air Force: Estimated cost	For Army and Air Force: Approximate average cost per pound	For Navy and Marine Corps: Pounds	For Navy and Marine Corps: Estimated cost	For Navy and Marine Corps: Approximate average cost per pound
1951	21,026,234	$4,879,165	$0.23	240,202	$55,516	$0.23
1952	34,114,101	5,729,338	.17	338,767	72,293	.21
1953	19,114,648	3,377,808	.18	340,570	76,652	.23
1954	2,700,000	845,063	.22	193,718	61,649	.25
1955	205,879	39,985	.19	281,462	49,845	.18
1956	1,712,875	293,779	.17	223,996	40,290	.18
1957	(1)	(1)	(1)	(1)	(1)	(1)

[1] 11 months, breakdown not available:

	Butter	Margarine
Total pounds	26,070,000	5,964,000
Estimated cost	$16,527,996	$1,047,384
Approximate average cost per pound	$0.63	$0.17

NOTE.—Effective 1957, breakdown by military service no longer available due to establishment of one common procurement and supply under Single Manager Agency.

This information should reveal what the oleomargarine people are hitting at in this particular legislation.

We find as to the amount of butter purchased by the Army and the Air Force in 1957, that they purchased a total in the neighborhood of 28 million pounds as compared with a 12-month purchase by those 2 branches of the armed services of about 7 million pounds of substitutes. The Navy in 1956 purchased a total of 14,195,000 pounds of butter compared with 223,000 pounds of oleomargarine.

This change has been brought about by the amendment to section 202 of the Agricultural Act of 1945 as amended by the 2d session of the 83d Congress. These were important amendments, because we directed the Defense Department to make use of the stocks of butter which were currently owned by the Commodity Credit Corporation, and certainly there is no better place for it to be used than by the armed services. That is what the authors of this bill are really hitting at; they are trying to nullify the 1954 action of this Congress which has increased use of butter by our men in the military services.

This Congress in an agriculture appropriation bill which we passed 4 short weeks ago, reimbursed the Commodity Credit Corporation for certain losses on its dairy purchase program. To now seek to go ahead and give the Defense Department an open invitation to purchase in the open market a cheap substitute product when we already have butter owned by another agency of this Government is something I cannot understand.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman have at hand the exact wording of the amendment which he will propose to this bill?

Mr. LAIRD. Yes; I do.

Mr. KEATING. Is it long, or would it be improper to have it read to us now?

Mr. LAIRD. It is very short. It reads:

Add the following new section:

"SEC. 2. During any period when surplus butter stocks are available to the armed services through the Commodity Credit Corporation no oleomargarine or margarine shall be acquired for use by the armed services or any branch or department thereof, except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impractical."

Mr. KEATING. In other words, as I understand the purpose of the gentleman's amendment it would be that, if this butter is available, as it is now in Government warehouses, they should use that before going out on the open market to buy.

Mr. LAIRD. The purpose of this amendment is to use butter in the Defense Department. If butter is being purchased with taxpayers' dollars by the Commodity Credit Corporation, then the Defense Department should use butter. We should not be buying substitutes while we have it in storage or surplus.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, the gentleman from Mississippi [Mr. COLMER], suggested that many of our people may not be too grateful for the time we are consuming in debating this subject, and in that I agree with him. I cannot for the life of me, Mr. Speaker, understand the justification for bringing legislation of this nature before the Congress at this time and spending our time on it in view of some of the really great problems that confront the Congress. We have operated under the present law for a good long time, since 1933. It has not created any great difficulties. We have lived with it in time of war, we have lived with it in time of peace.

Why do we face today such an emergency that we have to spend time on this particular legislation? Even, Mr. Speaker, if we were to assume, which I will not concede, that the present law did create some difficulties, this is a most inappropriate time, it would seem to me, to consider taking this action. With the Government almost daily purchasing surplus butter and putting it into Government warehouses under the agricultural price-support program, it is inconceivable to me that we should be considering legislation which will reduce the market for butter. The price-support level of butter has just been reduced, causing, as we all know, further distress to the dairy industry. Yet, instead of this Congress spending its time seeking out new markets for butter, we have presented to us today legislation which reduces the market for butter.

Mr. Speaker, how silly can we get?

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Speaker, I think the gentleman from Wisconsin is absolutely correct in his statement. Why should we squander time on a bill which certainly is against the best interests of agriculture.

Mr. SCUDDER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from California.

Mr. SCUDDER. The gentleman has made a very fine statement. Owing to the fact that we have one of the most important agricultural products hurt by this legislation when we are only trying to protect the byproduct of another industry, it is asinine to me to pass legislation of this sort. I think we should support the true farmers of our country in this regard.

Mr. BYRNES of Wisconsin. I thank the gentleman.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from New York.

Mr. KEATING. I commend the gentleman for his fine, sensible statement. Has there been any attempt at computing what this bill would actually cost the Government, and I mean by that the amount of butter that might otherwise be used if we did not pass this legislation?

Mr. BYRNES of Wisconsin. No. I do not believe you can estimate very accurately because so much is left to the judgment of the commanding officers of the Navy as to whether they will make the substitution. I cannot understand why anybody should insist that our Navy personnel use substitutes. It would seem to me they would use the best product available and particularly since the Government has it in its own warehouses. Why under any circumstances suggest that they use substitutes?

Mr. KEATING. The effect of this legislation is to say: You shall go out and buy something to serve in place of something that the Government now owns.

Mr. BYRNES of Wisconsin. A superior product which we already own. It is crazy.

Mr. KEATING. It does not make sense to me.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, I want to associate myself with both of the gentlemen from Wisconsin who spoke against the pending bill and who spoke in favor of an amendment that will be offered by the gentleman from Wisconsin.

As a member of the Subcommittee on Appropriations for Agriculture some week or two ago we brought a bill to this House to reimburse the Commodity Credit Corporation to the extent of $975 million, a little short of a billion dollars, that we took in losses in an effort to shore up the market and to try to bring a greater degree of prosperity to the farmers of America. The dairy farmer has been hard hit for a number of years. Here is a chance to give them some relief as well as all the taxpayers. Now, here we have legislation that would change the basic law with reference to dairy products and to agriculture; and even though we have great stocks of butter that we can legally sell, and the Congress has advised the Defense Department to buy butter for the men in the services, we have here a proposition to change the law and the tradition that we have been following and go into the open market and buy margarine rather than supply the men in the armed services with the butter that we now own. The Members of this House know that we have been trying to reduce the surpluses in dairy products. I am advised, and I think most of the Members of the House know, that we will have a greater supply of dairy products, including butter, that will have to be purchased by the taxpayers and stored, under the law, in the coming year than we have in the past year. I ask you in the name of common sense and good judgment is it wise or good business, to buy an inferior food and go into the market and spend money that we need to keep so badly to get a substitute for butter to sell to the military forces of this country? To me it simply does not make sense and is not responsible legislation.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The departmental report signed by E. C. Stephan, rear admiral, United States Navy, for the Secretary of the Navy, on page 3 of the report says:

> It is believed that enactment of this legislation would result in considerable savings to the Government.

In view of what the admiral said, how would that be possible?

Mr. VURSELL. It would not be possible, regardless of what the report says. We have butter in great abundance. If we hold it too long it will become rancid. We will be selling it at a great loss. But, when it is in good shape for human consumption and we, the taxpayers, own it, then we should sell it to the military. The facts are that if you could take a poll of all the men in the services today as to whether they would rather have good, pure American butter served to them rather than oleomargarine, it would be almost unanimous in favor of butter. And, why not let them have it?

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Wisconsin.

Mr. LAIRD. In answer to the question which was raised a few minutes ago by the gentleman from Oklahoma, I would like to state that I doubt whether Admiral Stephan even knows that we have an agricultural support program under which we are requiring the USDA to purchase butter. I doubt if he realizes that on the day he signed his report there was butter in the hands of the Commodity Credit Corporation. It seems that oftentimes the Defense Department, in the hearings that we have conducted before the Appropriations Committee, has not been too good even about their own housekeeping as far as materials and as far as food products are concerned. I am amazed at the kind of report that was submitted by the Navy.

Mr. VURSELL. The gentleman is absolutely right.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I wish to compliment the gentleman upon his speech relative to this matter. Does not the gentleman agree with me that this sort of legislation will simply have a further depressing effect on the dairy industry throughout the United States of America.

Mr. VURSELL. It will do an injury to the dairy farmers, it will further penalize them when we ought to be trying to do something to help them and the taxpayers as well.

Mr. COLMER. Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON. Mr. Speaker, I am opposed to the rule and to the bill.

The Ninth District of Wisconsin, which I have the honor to represent in Congress, is one of the most productive dairy areas in the United States. Many plants serve fluid milk markets which include the Twin Cities and Chicago. Our manufacturing plants, all of which manufacture dairy products from fresh milk gathered from the farms, produce all the major dairy products such as butter, cheeses, nonfat dry milk, dry whole milk, and others in large volume.

This bill is apparently designed to amend the basic Navy ration statute to permit the use of oleomargarine in the Navy ration as well as butter. The law is permissive, not mandatory, in this regard. There is nothing in the bill which would limit the purchase of oleomargarine below the full amount of the prescribed ration.

In report No. 690, 85th Congress, 1st session, it is noted that H. R. 912 would place the Navy and Marine Corps in the same position as the other armed services and passage of the bill, approved by the Navy Department, is recommended by the committee.

The report also includes a letter from a Navy officer which claims that certain economies might be achieved due to the purchase of oleo as well as butter. However, I believe it can be shown that saving the Navy money by allowing it to purchase some oleo instead of butter will probably cost the Federal Government more than the present program of feeding Navy and Marine servicemen the more desirable, highly nutritious, natural spread for their bread.

In order to be fully accurate in reporting alleged savings it would be necessary for the Navy to furnish information on how much butter would be furnished given levels of personnel, how much oleomargarine would be substituted in place of butter, and the difference in price between butter and the cheap spread.

In registering my opposition to this bill, I wish to call the following facts to your attention:

First. The Commodity Credit Corporation, United States Department of Agriculture, has for some years conducted a price support operation for the producer of manufacturing milk and butterfat. In conducting such price support program for manufacturing milk and butterfat, the price support is established and effectuated by the Commodity Credit Corporation standing ready to purchase, at announced prices, all butter, cheddar cheese, and nonfat dry milk which manufacturers cannot sell to their commercial customers at the announced prices.

Mr. COLMER. Mr. Speaker, will the gentleman from Wisconsin yield very briefly?

Mr. JOHNSON. I am glad to yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Speaker, I wish the gentleman would give us some justification, if he has any, why the Navy should be denied the same privilege that the other armed services, the Army and the Air Force now have?

Mr. JOHNSON. I should like to state to the gentleman from Mississippi that I was not in Congress at the time that the Air Force and the Army were allowed the use of oleo.

But, I did tell the House that if I were making any recommendations for making it uniform, I would change the law so that there would not be any oleo used in any of the Armed Forces. Does that answer the gentleman's question?

Mr. COLMER. No. I think the gentleman would have gone further, since our friend is a special pleader for his dairy industry, if he had his way there would not be any oleomargarine at all.

Mr. JOHNSON. That is right.

Mr. SCUDDER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON. I yield.

Mr. SCUDDER. Is it not also true that if this white manufactured substance that has been colored to look like butter were not colored, they would not have any use of it whatever in the service?

Mr. JOHNSON. I agree with the gentleman.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON. I yield.

Mr. MARSHALL. I dislike to interrupt the gentleman because he is making a very worthwhile statement, as he always does. However, I am prompted to make this comment and that is that the other services have much occasion to get out where they get their shoes dirty and because of the type of service in the Navy, the Navy certainly does not have any need for boot grease as do some of the other branches of the services. That may be part of the reason.

Mr. JOHNSON. I thank my friend from Minnesota.

The volumes of price support purchases by the CCC have been at relatively high levels in recent years. For the marketing years ending March 31, 1955, 1956, 1957, and 1958, purchases of butter were: 210.5 million pounds, 177.6 million pounds, 154.4 million pounds, and 215 million pounds, respectively. Purchases of cheese for the comparable periods were 153.3 million pounds, 157.4 million pounds, 197.2 million pounds, and 251 million pounds. Purchases of nonfat dry milk during the same periods were 523 million pounds, 623.8 million pounds, 798.5 million pounds and 831 million pounds.

For the period April 1, 1952 through March 31, 1957, approximately 1.3 billion pounds of butter, 1.25 billion pounds of cheese, and 3.6 billion pounds of nonfat dry milk have been taken out of the market by the CCC under the price support program for manufacturing milk and butterfat.

As of April 2, 1958, the CCC had on hand 63,611,600 pounds of uncommitted stocks of butter. Naturally, commodities purchased by the CCC are disposed of in a number of channels provided by Congress. Uses of the several commodities include commercial export sales at prices deemed competitive with lower world price levels, domestic and foreign relief donations, and transfers to the armed forces through the United States Army.

Under present statutes and procedures, butter is sold to the Army for use overseas at the export price of 39 cents a pound f. a. s. Also, with respect to butter utilization in Army camps and establishments in this country, the Army buys its normal use level from private sources. If it desires to use more butter, the CCC donates additional butter to the Army for such extra use in this country. Such utilization of CCC butter stocks by the Army has been of material assistance in keeping the inventories of Government dairy products at lower levels than would otherwise have been the case. With respect to additional use here in this country, it has permitted the use at no added cost of large quantities of butter at considerably improved levels of diet for our service personnel.

For the marketing years ending March 31, 1955, 1956, and 1957, the CCC transferred to the Army 39.1 million pounds, 32.8 million pounds, and 23.9 million pounds of butter, respectively. Transfers of cheese and nonfat dry milk have not reached very high levels, amounting to about 2 million pounds of cheese per year on the average, and between 100,000 and 300,000 pounds of nonfat dry milk.

Unfortunately we do not have the figures showing how much of the butter transferred to the Army is actually used by the Navy. As we understand the matter, the Army purchases most of the butter for the other branches of the armed services, and no doubt the other services, including the Navy, have used some of the butter transferred to the Army by the CCC from United States-owned stocks.

While it may be true that, so far as the budget of the Navy is concerned, permitting the use of oleomargarine in the Navy ration might be a saving of money from that budget, it is also true that, from the overall budget of this Government point of view, there would be no saving. The butter that is replaced by oleomargarine if this bill should become law would no doubt be purchased by the CCC under the price-support program, since purchase of oleo by the Navy would take away part of the current domestic market for our butter. Actually, the probable result would be that just that much more CCC butter would be given away abroad, and our Navy personnel would have less butter to eat due to substitution of oleomargarine, with no net saving to the United States Government.

In view of all these facts and considerations, we oppose the passage of H. R. 912. We think the bill would not result in any improvement in Navy rations—as a matter of fact, it is our view that the ration would be harmed by this bill, no money will be saved by the Government, although it may be that as far as the Navy Department budget is concerned, there would be some saving shown, and there seems to us to be little reason, with butter in such heavy surplus and the subject of heavy price support purchases by the CCC, for a part of the normal commercial market for our butter to be eliminated by this bill and replaced with oleomargarine.

We believe there is a great deal of misinformation throughout the country as

to which areas benefit most from the production and use of oleomargarine. Many people are under the impression that oleomargarine is manufactured from cottonseed oil. For the benefit of the Congress, we would like to state that on the basis of figures we have at the present time, most oleomargarine is made from soybean oil—not cottonseed oil. Department of Agriculture statistics for 1956 show that 67.8 percent of the total oil used in making oleo was soybean oil while only 25.3 percent was cottonseed oil.

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, the gentleman from Wisconsin [Mr. BYRNES] made a comment relative to this legislation, "How silly can we get?"

Mr. Speaker, I am truly amazed that this proposal should even be brought before us. These walls have echoed for weeks with speeches in behalf of dairy farmers whose price supports were being reduced by the Secretary of Agriculture. First, we heard the criticism of the proposed reduction. Then, we heard speeches in behalf of bills introduced to void the announced reduction. Finally, we debated the resolution to freeze price supports at the 1957 level.

After all that, we listened to various speakers castigate Secretary Benson and the President for the veto of the freeze resolution. Now, we hear pleas for action to override the veto.

After all this, I repeat that I am really amazed to see this measure come before us to strike one more blow against the Nation's dairy farmers.

I was one of the authors of the bills to reverse the Secretary on his program of lower support prices for dairy. I voted for the freeze resolution, and I also voted against the motion to recommit which would have stripped the resolution of everything but the dairy protection. I fully intend to vote to override the veto if given an opportunity to do so.

Until the measure before us came up, I had begun to believe that the Congress was at long last uniting to do something for American agriculture. I had begun to hope that the unfortunate divisions within the house of agriculture were coming to an end, and that we would see no more of the unhappy efforts of one commodity group to gain advantage at the expense of another.

Personally, I have never been party to any of these selfish efforts. I have supported farm legislation for the South just as readily and just as vigorously as I did for the North and the Midwest. I remember not many years ago joining my colleagues from the South in the fight to save peanuts as a basic commodity. Just last year, I took the floor to plea for support for the Poage amendment to the corn bill we had before us because I wanted to help the South with its feed grain problems.

Never, Mr. Speaker, in my 20 years in this House, have I lent my voice or my vote to any legislative effort which would help one segment of agriculture at the expense of another. More than that, I have always supported good farm legislation without regard to the fact that the bills before us meant nothing to farmers in my area.

Now, today, we see a measure brought before us which would possibly help—and relatively little at that—one group of commodities at the expense of another. Everyone agrees that our dairy industry is in very difficult conditions economically, and yet we see this proposal being seriously considered and we know that it will destroy an important market for butter.

Why, Mr. Speaker, do I oppose the rule? Simply because I know the economic facts about both butter and margarine. Butter has a very limited market. It has very limited uses, and all the research in the world will not open up any new outlets for butter. But what about margarine? This product, made from vegetable oils which are equally important to American agriculture, has already invaded the butter market and has competitively destroyed many a dairy farmer. This is not at all necessary, and anyone familiar with the subject knows it.

Vegetable oils have many outlets and many uses. They are marketed for human consumption and for industrial use. They have a great and varied market here at home, and there is an expanding market abroad. Butter is extremely difficult to store, while the oils may be safely and cheaply stored over long periods of time. Butter must be refrigerated in storage and transit, while the oils may be stored and moved in bulk with no special handling required.

Time does not permit more than brief reference to the many reasonable arguments against this proposal, Mr. Speaker, but I do hope the House demonstrates its usual sense of responsibility and votes down the rule.

I do not think any reasonable person wants to hurt the dairy industry, and I certainly hope that no colleague of mine would even seriously consider denying our service men and women the little pat of butter. They are entitled to the best we can offer, and I do not think we should force upon them a substitute for a quality product like butter.

My district is one of the great soybean-producing districts of our Nation. Goodness knows, I want to do all I can to develop and expand markets for vegetable oils and vegetable-oil products. But, Mr. Speaker, I never have and I will not now try to accomplish something for one segment of agriculture at the expense of another. We are opening up new markets and uses for oils, and I am all for that. But we should defeat this rule and, by all means, keep from damaging further our great dairy industry.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. JONES of Missouri. How are we going to get an opportunity to act on the amendment which is proposed by the gentleman from Wisconsin [Mr. LAIRD] if we do not pass the rule and get to the bill?

Mr. H. CARL ANDERSEN. The bill will result in lower consumption of butter, regardless of what amendments might be adopted.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. I think most of the Members of the House are aware of the fact that I come from an industrial city, a great city of about 550,000 people, consumers in the main. But I say to you that this is a most dismaying moment. One of the greatest economic factors of the great State of Minnesota is the dairy industry. During these days when we are trying to recover from the recession, I have heard Member after Member rise here in the well to debate the agricultural situation and several bills which are providing some relief and some aid to the farm population of this country. In my opinion, here is a good place to exhibit that sympathy for our dairy farmers. I know we will all be campaigning for the farm vote, but what are we doing here today to justify us for that vote? In the first place, we just got through with a series of cuts in the dairy price supports. Particularly is it difficult for the dairy farmer to carry on much longer under the provisions with which we are destroying or in this case actually giving away his market.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WIER. I yield.

Mr. JONES of Missouri. Is the gentleman also aware that Minnesota is the second largest producer of soybean oil in the Nation? Two million six hundred and ninety-seven thousand pounds of soybean oil went to the manufacturers of margarine.

Mr. WIER. I am well aware of that, because I have one county in my district that raises a large volume of soybeans, and I have to take this position to try and save our dairy industry. I am defending a major industry in our State, I hope.

Mr. JONES of Missouri. Did the gentleman know that some people prefer margarine to butter?

Mr. WIER. I answered that when I said that I represent about 500,000 consumers in Minneapolis.

Mr. JONES of Missouri. And they like margarine too, do they not?

Mr. WIER. Some, yes; but I am going to support the amendment which will be offered by the gentleman from Wisconsin, and if that does not pass I am going to vote against this bill.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Speaker, is it not apparent what we are getting into if we adopt this rule? It is the old margarine-versus-butter war that has waged in the State legislatures and on the floor of this Congress for years. I wonder if we are really going to

accomplish anything by rehashing that battle that has left so much bitterness in its wake in the past. To adopt this rule is to further divide us, unnecessarily. Missouri is an excellent example. Here within a few minutes of time, we have a Member from southwest Missouri where dairying is the primary farm operation and the distinguished Member from the southeastern part of Missouri where cotton and soybeans are the primary farm commodities, taking opposite positions in this debate. Actually, though, if this were a butter versus margarine proposition, Missouri has settled that question. The decision has been made. By act of the State legislature margarine is now a recognized commodity on the grocers' shelves in Missouri. The war is over, but much bitterness remains.

To me the issue here is not margarine versus butter, and the relative merits of each. If you will check into the record, I think you will find that the amount of either butter or margaine involved in this legislation is an infinitesimal part of the total supply that is marketed each year. Neither butter producers nor soybean and cotton producers will be enriched or impoverished by permitting the Navy to buy margarine.

The overriding factor in this debate is this: Nothing irritates a taxpayer like bringing into one door of the Government a new product at a new price while, at another door, the Government shovels out perfectly good products that are said to be in surplus at about 10 cents on the dollar. The Government has butter—lots of it—some $50 million worth in CCC storage.

I think that by administrative order the President of the United States and the Secretary of Defense ought to get together with the Department of Agriculture and the Commodity Credit Corporation and see if they cannot find some way to use more of the butter that is now in stockpile and make use of it to fill American needs. Must all surplus butter be sent overseas, and sold at discounts plus transportation costs? That to me is the big factor in this proposition.

Pending such administrative action, the Congress is using poor judgment to encourage any agency of Government to buy an alternative product when the taxpayers have money invested in some 60 to 80 million pounds of butter.

Let's defeat this rule and talk about this when the Government no longer holds surplus butter.

Mr. COLMER. Mr. Speaker, I understand the gentleman from Illinois has no further speakers, and that I have 9 minutes remaining.

The SPEAKER. That is correct.

Mr. COLMER. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. KILDAY] to conclude the debate.

Mr. KILDAY. Mr. Speaker, this bill has been reported by the Committee on the Armed Services, and I have been designated to present it.

I am not concerned with the production or sale of either margarine or butter.

I agree that it is quite unusual that this legislation should have to come to the floor. I suppose some of our guests in the gallery are wondering just what on earth has happened to law in the United States that it should be necessary for the Congress of the United States to be considering a provision of this kind.

As I said earlier, I am interested in neither margarine nor butter; I am interested in the United States Government.

The purpose of this bill is to relieve the Navy of a serious administrative difficulty insofar as butter is concerned. I sincerely trust, and I believe that the House is willing to give us an opportunity to explain what the situation is as it affects the United States Navy. It is one of the very interesting little historical facts in the United States with reference to the Navy.

We have heard many songs and stories with reference to the dangers encountered by the men who go down to the sea in ships. But the wind and the waves are not the only dangers encountered by the men who go down to the sea in ships; as a matter of fact, one of the ancient dangers was that of diet, scurvy, and beri-beri, as a result of eating preserved foods and the lack of fresh vegetables, and things of that kind. If you let us consider this bill then we can explain all this to you. It all started back in 1905 when Theodore Roosevelt became President of the United States. He had been Assistant Secretary of the Navy. That was the era of the great white fleet when President Roosevelt did everything to promote the Navy and sent the ships on a trip around the world.

President Roosevelt at that time did everything within his power to promote the power, the influence and the prestige of the United States Navy. In order to make it attractive as an outstanding example of what would be provided at sea, he secured the passage of a law through the United States Congress which set out just exactly what a sailor was to be fed each day. The Navy Ration Act was passed in order to set out in detail what should be fed to the sailors of the United States Navy.

If you will look at page 4 of the report you will find the quotation of that law as it stands today. It has been amended a few times but never, of course, as to margarine because that was a little bit too hot. Amendments permitted fruit concentrates instead of fresh fruit or fruit juices and it goes on to say:

> The Navy ration issued to each person entitled thereto shall consist of the following daily allowance or provisions: 8 ounces of biscuit or 12 ounces of soft bread or 12 ounces of flour; 12 ounces of preserved meat or 14 ounces of salt or smoked meat or 20 ounces of fresh meat or fresh fish or poultry; 12 ounces of dried vegetables or 18 ounces of canned vegetables or 44 ounces of fresh vegetables; 4 ounces of dried fruit or 10 ounces of canned fruit or 6 ounces of preserved fruit or 16 ounces of fresh fruit or 6 ounces of canned fruit or vegetable juices or 1 ounce of powdered fruit juices, or six-tenths of an ounce of concentrated fruit juices; 2 ounces of cocoa or 2 ounces of coffee or one-half ounce of tea; 4 ounces of evaporated milk or 1 ounce of powdered milk or one-half pint of fresh milk, together with 1.6 ounces of butter—

What we are talking about here today is that 1.6 ounces of butter to be issued directly to the members of the United States Navy.

What happens? There are times when refrigeration is not adequate aboard a ship to take with them all of the butter that is going to be needed on a cruise. As a result, they do not get butter, they get no substitute; they simply go without a spread.

There are areas in the world into which fresh butter cannot be taken. It just will not stand up, they tell me. The gentleman from Massachusetts [Mr. BATES] is sitting here. He was a former officer of the Supply Corps of the Navy. During the hearings he pointed out there was some sort of butter with a certain additive to make it stand up and of all of the crimes and penalties inflicted upon man the use of that kind of butter was probably the worst.

Mr. Speaker, this is not going to affect the sale of butter in the United States. It is simply going to provide an alternative for the Navy to be in a position to provide a spread. We ask you to adopt this rule. Let us explain this thing so that we can go into the questions which have been raised here.

Mr. LAIRD. Mr. Speaker will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Is the gentleman making the point that the Navy cannot carry butter in sufficient quantities to last over a long period of time?

Mr. KILDAY. I am told that on occasion that does happen.

Mr. LAIRD. I happen to have been a supply officer responsible for feeding naval personnel during World War II. We were in the China Sea for almost 90 days and we never went without butter.

Mr. KILDAY. Maybe the gentleman can enlighten us on that type of canned butter I was trying to describe a while ago. Was that the type of butter used at that time?

Mr. LAIRD. We had that butter but it was not even necessary for us to use all of it.

Mr. KILDAY. You see, there are questions involved here, Mr. Speaker, which justify granting of the rule in order that we may debate this subject on the floor of the House.

It is a strange thing that our law has gotten into this condition. It was never intended in adopting the Navy Ration Act that there would be any preferences between butter and margarine. It was adopted at a time when there was a sincere effort or attempt made to provide a balanced ration for the Navy to avoid the hardships and perils which went with going down to the sea in ships. But times have changed, we have moved on, so that we either give this alternative to the Navy or in instances they go without a spread.

There have been amendments suggested from both sides of the aisle.

I say, adopt the rule; let us debate the bill, consider the amendments, and then either vote it up or down. This proposition has been pending here for many years, and it is not going to be settled until we face it squarely and get it settled once and for all.

It is true that the Army and the Air Force have no difficulty with this, but it comes the other way around. It is not that they are granted any privilege. I am not talking about any privilege involved in eating margarine. I wish my weight was such that I could eat either one or the other, but unfortunately that is not true. But, if we get the rule here, then we will be in a position to debate these matters. There is no ration law for the Army and the Air Force. There is no provision of law as to what a soldier or airman shall be fed. There is only a provision of law as to what a sailor and a marine shall be fed. It comes under this Navy Ration Act.

Now, please adopt the rule and let the Navy present its case.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 51, noes 48.

Mr. H. CARL ANDERSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 232, nays 130, not voting 66, as follows:

[Roll No. 43]

YEAS—232

Abbitt	Colmer	Gathings
Abernethy	Corbett	Gavin
Adair	Cramer	Glenn
Addonizio	Curtis, Mo.	Gordon
Albert	Dague	Gray
Alexander	Davis, Ga.	Griffin
Allen, Calif.	Delaney	Griffiths
Andrews	Dellay	Gubser
Anfuso	Dent	Hale
Arends	Devereux	Haley
Ashley	Dingell	Halleck
Ashmore	Dollinger	Hardy
Aspinall	Donohue	Harris
Barrett	Dorn, N. Y.	Harrison, Va.
Bass, N. H.	Dorn, S. C.	Harvey
Bates	Dowdy	Haskell
Beamer	Doyle	Hébert
Beckworth	Durham	Hemphill
Belcher	Dwyer	Herlong
Bennett, Fla.	Eberharter	Heselton
Blitch	Edmondson	Hess
Boland	Elliott	Hillings
Bolton	Engle	Holifield
Bonner	Everett	Holland
Boykin	Fallon	Holtzman
Boyle	Farbstein	Huddleston
Brooks, La.	Feighan	Ikard
Brooks, Tex.	Fenton	Jackson
Broomfield	Fisher	Jarman
Brown, Ga.	Flood	Jennings
Burleson	Flynt	Jonas
Byrne, Ill.	Fogarty	Jones, Ala.
Byrne, Pa.	Forand	Jones, Mo.
Canfield	Forrester	Karsten
Carnahan	Fountain	Kean
Celler	Frazier	Kearns
Chiperfield	Frelinghuysen	Kelly, N. Y.
Church	Friedel	Keogh
Clark	Fulton	Kilday
Coffin	Garmatz	Kilgore
Collier	Gary	King
Kirwan	Nicholson	Scrivner
Kitchin	Nimtz	Seely-Brown
Kluczynski	Norrell	Selden
Lafore	O'Brien, Ill.	Sheehan
Landrum	O'Brien, N. Y.	Sheppard
Lankford	O'Hara, Ill.	Sheeley
Latham	O'Neill	Sieminski
Lesinski	Osmers	Sikes
Libonati	Passman	Siler
Lipscomb	Patman	Smith, Calif.
McCormack	Patterson	Smith, Miss.
McDonough	Pelly	Springer
McMillan	Perkins	Sullivan
McVey	Philbin	Thomas
Machrowicz	Pilcher	Thompson, Tex.
Mack, Ill.	Pillion	Thornberry
Magnuson	Poage	Tollefson
Mahon	Porter	Udall
Mailliard	Preston	Ullman
Martin	Price	Vanik
Matthews	Rabaut	Van Zandt
Merrow	Ray	Vinson
Michel	Rhodes, Ariz.	Vorys
Miller, Calif.	Rhodes, Pa.	Wainwright
Mills	Rivers	Watts
Minshall	Roberts	Whitener
Mitchell	Rodino	Whitten
Moore	Rogers, Colo.	Wigglesworth
Morano	Rogers, Fla.	Williams, Miss.
Morgan	Rogers, Tex.	Wilson, Calif.
Morris	Rooney	Winstead
Moss	Rutherford	Wolverton
Moulder	Sadlak	Wright
Multer	Santangelo	Yates
Mumma	Saylor	Younger
Murray	Scherer	Zelenko
Natcher	Scott, N. C.	

NAYS—130

Alger	Dooley	Miller, Nebr.
Allen, Ill.	Evins	Montoya
Andersen, H. Carl	Ford	Neal
	George	Norblad
Anderson, Mont.	Gregory	O'Hara, Minn.
	Gross	O'Konski
Avery	Gwinn	Ostertag
Bailey	Hagen	Pfost
Baker	Harrison, Nebr.	Poff
Baldwin	Hays, Ohio	Polk
Baring	Healey	Prouty
Bass, Tenn.	Henderson	Quie
Becker.	Hiestand	Rees, Kans.
Bennett, Mich.	Hill	Reuss
Bentley	Hoeven	Riehlman
Berry	Holmes	Robison, N. Y.
Betts	Horan	Rogers, Mass.
Bosch	Hull	St. George
Bow	Hyde	Saund
Bray	Jensen	Schenck
Breeding	Johansen	Schwengel
Brown, Mo.	Johnson	Scudder
Brown, Ohio	Judd	Simpson, Ill.
Broyhill	Kearney	Sisk
Budge	Keating	Smith, Kans.
Bush	Kee	Smith, Va.
Byrnes, Wis.	Kilburn	Stauffer
Carrigg	Knox	Taber
Cederberg	Knutson	Talle
Chamberlain	Krueger	Teague, Calif.
Chelf	Laird	Tewes
Chenoweth	Lane	Thomson, Wyo.
Christopher	LeCompte	Trimble
Clevenger	Loser	Tuck
Coad	McCulloch	Utt
Cunningham, Iowa	McFall	Van Pelt
	McGregor	Vursell
Cunningham, Nebr.	McIntire	Weaver
	McIntosh	Westland
Curtin	Mack, Wash.	Wharton
Dawson, Utah	Marshall	Widnall
Dennison	Mason	Wier
Denton	Meader	Williams, N. Y.
Derounian	Metcalf	Zablocki
Dixon	Miller, Md.	

NOT VOTING—66

Auchincloss	Fascell	Morrison
Ayres	Fino	Powell
Barden	Granahan	Radwan
Baumhart	Grant	Rains
Blatnik	Green, Oreg.	Reece, Tenn.
Boggs	Green, Pa.	Reed
Bolling	Harden	Riley
Brownson	Hays, Ark.	Robeson, Va.
Buckley	Hoffman	Robsion, Ky.
Burdick	Holt	Roosevelt
Byrd	Hosmer	Scott, Pa.
Cannon	James	Shuford
Cooley	Jenkins	Simpson, Pa.
Coudert	Lennon	Spence
Cretella	McCarthy	Staggers
Curtis, Mass.	McGovern	Steed
Davis, Tenn.	Macdonald	Taylor
Dawson, Ill.	Madden	Teague, Tex.
Dies	May	Teller
Diggs	Miller, N. Y.	Thompson, La.
Thompson, N. J.	Willis	Withrow
Walter	Wilson, Ind.	Young

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. May for, with Mr. McCarthy against.

Mr. Cooley for, with Mr. Staggers against.

Mr. Coudert for, with Mr. Withrow against.

Mrs. Harden for, with Mr. Taylor against.

Mr. Brownson for, with Mr. Reed of New York against.

Mr. Wilson of Indiana for, with Mr. Burdick against.

Mr. Buckley for, with Mr. Blatnik against.

Mrs. Granahan for, with Mr. McGovern against.

Mr. Green of Pennsylvania for, with Mr. Byrd against.

Mr. Thompson of New Jersey for, with Mr. Hays of Arkansas against.

Until further notice:

Mr. Morrison with Mr. Simpson of Pennsylvania.

Mr. Thompson of Louisiana with Mr. Fino.

Mr. Roosevelt with Mr. Auchincloss.

Mr. Boggs with Mr. Hoffman.

Mr. Bolling with Mr. Cretella.

Mr. Macdonald with Mr. Miller of New York.

Mr. Powell with Mr. Radwan.

Mr. Rains with Mr. Scott of Pennsylvania.

Mrs. Green of Oregon with Mr. Jenkins.

Mr. Grant with Mr. Reece of Tennessee.

Mr. Dies with Mr. Curtis of Massachusetts.

Mr. Dawson of Illinois with Mr. James.

Mr. Lennon with Mr. Holt.

Mr. Teller, with Mr. Ayres.

Mr. Riley with Mr. Robsion of Kentucky.

Mr. Young with Mr. Baumhart.

Mr. BAKER and Mr. BROYHILL changed their votes from "yea" to "nay."

Mr. MAILLIARD changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

SMALL BUSINESS CAPITAL ACT OF 1958

Mr. TALLE. Mr. Speaker, yesterday I introduced a bill, H. R. 12057, pertaining to small business and the Small Business Administration. I ask unanimous consent that I be permitted to insert a section-by-section analysis of the bill and also a summary statement at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SECTIONAL ANALYSIS OF SMALL BUSINESS ACT OF 1958

TITLE I. TITLE, POLICY, PURPOSE, AND DEFINITIONS

Section 101: The act will be cited as the "Small Business Capital Act of 1958."

Section 102: The policy of Congress is to provide small business with a source of equity capital and to insure maximum participation of private financing.

Section 103: Congress finds that small business needs equity capital, that private and State development corporations are in need of financial assistance and should be encouraged, and the purpose of this act is to provide the same.

Section 104: Defines State, Small Business Act, Administrator, and Administration.

TITLE II. AUTHORIZATION OF FUNDS

Section 201: The limit of the revolving fund established under section 204 (b) of the Small Business Act is raised by $220 million, from $530 million to $750 million. The

amount available for SBA business loans, loans to development corporations, and loans to investment associations is $525 million; $125 million remains available for disaster loans and $100 million for procurement contracts and subletting.

TITLE III. SECURED LOANS TO PRIVATE (LOCAL) OR STATE DEVELOPMENT CREDIT CORPORATIONS

Section 301: SBA is empowered to make direct or participation loans to private or State development credit corporations, to assist small-business concerns in plant construction, conversion, or expansion, including the acquisition of land. Such power is limited as follows:

1. Assistance must not be otherwise available and the loans must be secured. It must be shown that a participation is not available and an immediate participation cannot be taken unless a deferred participation is not available. In deferred participations, SBA's participation cannot exceed 90 percent of the loan balance at disbursement.

2. A loan cannot cause a transfer or relocation of an industry which effects a significant reduction in employment in any other area, or provide a local subsidy to encourage any relocation, or assist any relocation which is not for a sound business purpose.

3. The proceeds of each loan must be used to assist an identifiable small-business concern and for a sound business purpose.

4. The limit for each loan to each identifiable small-business concern is $250,000.

5. The borrower (the development corporation) must meet criteria established by SBA, including the extent of participation or paid-in capital to be used in each instance.

6. Loans, including extensions or renewals, may be made for 10 years, except that the loan may have a maturity of 10 years plus an additional period to complete construction, provided that SBA may extend the maturity of or renew a loan beyond the period stated for additional periods not to exceed 10 years, if it aids liquidation. Interest cannot exceed 6 percent.

TITLE IV. LOANS TO STATE DEVELOPMENT CREDIT CORPORATIONS EVIDENCED BY DEBENTURES

Section 401: SBA can make loans to State development credit corporations, subject to the following limitations:

1. Proceeds of loans must be used to assist small-business concerns, in accordance with regulations of SBA.

2. A loan cannot cause directly or indirectly a transfer or relocation of an industry which effects a significant reduction in employment in any other area; or provide a local subsidy to encourage any relocation; or assist a relocation not for a sound business purpose.

3. Loans, including extensions or renewals, can be made for 10 years plus additional time to complete construction, provided that SBA may extend the maturity or renew beyond the period stated for additional periods not exceeding 10 years if it aids liquidation. Interest cannot exceed 6 percent.

4. Funds borrowed by the development corporation from all sources, including SBA loans, cannot exceed four times the paid-in capital and surplus of such corporation.

5. SBA loans to each development corporation cannot exceed the total of amount borrowed by the corporation from all other sources.

6. To the extent feasible, SBA funds must be given the highest priority given any other funds borrowed by the development corporation.

TITLE V. LOANS TO SMALL BUSINESS INVESTMENT ASSOCIATIONS ESTABLISHED TO MAKE EQUITY-TYPE FINANCING AVAILABLE TO SMALL-BUSINESS CONCERNS

Section 501: SBA can make loans to small business investment associations, chartered under State law or (in the absence of State authority) by SBA, which are established to provide funds for small-business concerns upon the following conditions:

1. The qualifications and activities of the associations must meet criteria established by SBA which will include:

(a) A minimum paid-in capital of $100,000.

(b) A minimum of 10 shareholders.

(c) Approval of the charter by SBA; and financial reporting, auditing, and examination, as required by SBA.

(d) The association must be authorized to advance funds to small-business concerns only through loans evidenced by convertible debentures; convertible, at the option of the association or a holder in due course, into stock of the concern at sound book value determined when the debenture is issued.

(e) The association can invest only in small-business concerns within the criteria established by SBA. The maximum investment cannot exceed 20 percent of the association's paid-in capital and surplus, or $250,000, whichever is less.

(f) The investment of an association in stock of small-business concerns acquired by conversion of debentures cannot exceed the total of the association's paid-in capital and surplus except with the approval of the Administrator.

(g) The association must require each small-business concern borrowing funds from the association which were provided by SBA, to purchase stock of the association equal to 5 percent of the association loan.

2. Loans to investment associations by SBA shall be subject to the following requirements:

(a) The total loans made by SBA at any one time in any one investment association cannot exceed two times the paid-in capital and surplus of the association.

(b) Loans can be amortized or unamortized; bear interest not in excess of 6 percent; and can mature up to 10 years, provided that SBA can extend or renew for additional periods not in excess of 10 years if it aids liquidation.

3. A loan cannot: cause a transfer or relocation of an industry which effects a significant reduction in employment in any other area; or provides a local subsidy to encourage relocation; or assist any relocation which is not for a sound business purpose.

4. An association cannot assist a small-business concern if the assistance is otherwise available from private sources.

5. SBA is authorized to prescribe regulations governing the operation of small business investment associations and to prevent violations of such regulations or requirements of the act.

TITLE VI. SMALL BUSINESS INVESTMENT ASSOCIATION

Section 601: SBA can charter a small business investment association to operate under this act. Not less than 10 persons must subscribe the articles of incorporation.

SBA approves the articles and issues a permit to begin business.

TITLE VII. EXEMPTION FROM SECURITIES AND INVESTMENT COMPANY ACTS

Section 701: Provides an exception from the Securities Act of 1933 for small business investment associations; and makes clear that such associations are not subject to the provisions of the Investment Company Act of 1940.

TITLE VIII. AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

Section 801: Any individual or corporation is allowed an ordinary (rather than capital) loss derived from a sale or exchange of stock in a small business investment association as described in title V above. Also, a small business investment association receives an ordinary loss on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to title V above. Further, a dividends-received deduction equal to 100 percent (rather than 85 percent) of dividends received by a small business investment association, is allowed.

TITLE IX. REPEAL OF SECTION 13B OF THE FEDERAL RESERVE ACT

Section 901: Authority of the Federal Reserve Banks to make working capital loans to business concerns is repealed effective 1 year after date of enactment of this act. A savings provision protects transactions being carried out. Section 13b funds will be returned to the Treasury.

STATEMENT ACCOMPANYING DRAFT BILL: SMALL BUSINESS CAPITAL ACT OF 1958

Many small business concerns do not have ready access to all the long-term credit and equity capital which they may need.

The Small Business Capital Act of 1958 is designed to provide additional long-term credit and equity capital through the medium of Small Business Administration loans to local private development corporations, State development credit corporations and private small business investment associations established to provide equity-type capital to small concerns.

The bill is designed to utilize to the maximum extent feasible presently existing private, State and Federal organizations equipped to carry out the aims of this legislation.

Title I of the bill recites the policy of Congress to foster the growth, independence and stability of small business in this country and to provide additional sources of equity capital for such concerns, with the admonition that such policy must be carried out in a manner which will insure the maximum participation of private sources. Recognition is given to the fact that local and State development organizations should be encouraged and that they need supplemental financial assistance.

Title II recommends an initial appropriation of $220 million to carry the Federal end of the program. No experience exists in this particular area of small business financing which would provide a basis for an accurate estimate of the amount which in fact may be required for this program. However, based upon the financial requirements of small business in other areas of financing and based upon rough estimates as to the need for equity capital, such amount is believed to be within the necessary and reasonable bounds.

At this point, it is appropriate to consider the administrative setup required to carry out the program. As indicated, action in this field of financing must be viewed in the light of a pilot project, recognizing the possibility of future change in operating structure, as well as activity. For this reason an existing Federal agency equipped to do the job should be employed, to insure prompt action and a minimum of initial expense. Congress created the Small Business Administration for the specific purpose of providing financial and other assistance to small business in this country. It has established a commendable record and is the logical instrumentality to conduct the program set forth in the draft bill.

Title III of the bill authorizes SBA to make secured, direct, or participation loans to private or State development corporations to assist an identifiable small-business concern in connection with plant construction, conversion, or expansion. The SBA loan cannot be made if the development corporation can obtain assistance elsewhere. Such loan cannot relocate a small-business concern and cause a reduction in employment in the general area from which the concern is moving. Nor can the proceeds of such loans be used by development corporations to provide and subsidize facilities for a small-business concern to induce relocation. The

SBA loans are limited to $250,000 for each identifiable small-business concern; can run for 10 years plus the period to complete construction, conversion, or expansion, and can be extended or renewed for 10-year periods to aid liquidation. Interest on the SBA loan to the development corporation cannot exceed 6 percent.

This segment of the program should encourage the formation of local and State development corporations. Such organizations have a direct and personal interest in the welfare and development of the community served by the small-business concerns they help, which assures a substantial and lasting aid to such concerns from such source. Ultimately, private funds should provide all the capital for operating such development corporations.

The Government is protected with collateral for such loans; and the development corporations must not only meet criteria established by SBA but must contribute funds in ventures to the extent required by SBA.

Title IV empowers SBA to make loans to State development corporations evidenced by debentures or any other obligations. This permits an unsecured loan. Statutory safeguards protect the Government funds. The development corporation can use the proceeds of such loans only to assist small-business concerns under regulations promulgated by SBA. Provisions regarding relocation, maturities, and interest, similar to those discussed above, are included under this tile. A development corporation receiving assistance from SBA under this title must limit its total borrowings to four times its paid-in capital and surplus; to preserve its stability. Federal funds are available under this title only on a matching basis, that is, the total of SBA loans to a particular development corporation will never exceed the amount borrowed by the development corporation from any other source. This assures a mutual risk with private capital which can be expected to come from a local source which will no doubt employ prudence as to the soundness of the development corporation itself and the capacity and qualifications of the management thereof. A further protection to Federal funds disbursed under this title is the right in SBA to require that its funds receive equal priority with other funds borrowed by the development corporation.

Title IV thus provides the support which should mushroom State development corporations to aid small business concerns which enjoy a financial position justifying financial aid without the necessity of emphasis on collateral security. This can include equity financing.

Title V provides the incentive to establish private organizations to supply equity capital to small business concerns. SBA can make loans to SBA or State-chartered small-business investment associations, evidenced by debentures or other obligations. Such associations must be established to provide funds to small-business concerns only through loans evidenced by debentures of such small-business concerns, convertible at the option of the holder thereof into stock of the small-business concern at the sound book value of such stock determined at the time of the issuance of the debenture. The debentures of such small-business concerns will never be converted by SBA and hence, while Federal funds for equity capital to small-business concerns are made available, nevertheless, the Government itself will never become the proprietor of small-business concerns, through stock ownership or otherwise. Such control remains in private hands.

Investment associations must meet any criteria established by SBA which must include a minimum private capitalization of $100,000, financial reporting to and auditing by SBA, and investments by such associations only in small-business concerns which meet standards established by SBA. The maximum investment by an investment association in a small-business concern cannot exceed 20 percent of the association's paid-in capital and surplus or $250,000, whichever is less. Stock of small-business concerns acquired by an investment association through conversion of debentures, cannot exceed the paid-in capital and surplus of the investment association, without the approval of the SBA Administrator. Small-business concerns helped by investment associations must purchase stock of such associations in an amount equal to 5 percent of the loan received from the association.

SBA can lend to any one investment association up to two times the paid-in capital and surplus of such association. The SBA loan can be an unamortized, unsecured debenture loan. Interest cannot exceed 6 percent. Maturities can run for 10 years with extensions or renewals of 10 years to aid liquidation.

SBA loans to investment associations carry the same restriction with respect to relocation of a business, as indicated above under titles III and IV.

A small-business investment association chartered by SBA, or operating under title V, cannot give financial assistance to a small-business concern if such assistance is available from private sources.

SBA will exercise close supervision and control over the operations of such small-business investment associations, through regulations and examinations. Associations which violate the act, or said regulation, subject themselves to forfeiture of benefits and franchise. However, before an association chartered by the SBA can be dissolved, noncompliance must be determined by a court. SBA can enjoin violations of the act or its regulations by court action.

Title VI authorizes SBA to charter a small-business investment association to operate under the act.

Title VII provides an exemption from the Securities Act for small-business investment associations and makes clear the fact that such associations are not subject to the provisions of the Investment Company Act of 1940.

The exemption from the Securities Act is justified on the grounds that such associations conduct business and operate on a basis no different than the type of organizations already exempt under section 3a of such act; and, further, such associations will be subject to close control and supervision by this Administration pursuant to authority granted by Congress.

Basically, such small-business investment associations will conduct a banking business and will acquire obligations or securities of small-business concerns for investment and banking purposes, and not for the purposes (principally resale) which institutions subject to the Investment Company Act of 1940 would acquire the same. While small-business investment associations may on occasion resell or pledge securities acquired from small-business concerns, the primary or basic purpose or activity of such associations is investment in small concerns as contrasted with an underwriting or resale function. Further, such associations will and must be subject to regulations and supervision by SBA in order to accomplish the purposes of the bill. Such regulation and supervision will include control of capitalization, charter provisions, auditing, and financial reporting. Also, the bill provides limitations and criteria with respect to financial assistance by such associations to small-business concerns, and such concerns must meet qualifications and standards established by SBA.

Companies covered by the Investment Company Act of 1940 are subject to regulation and supervision similar in character but inconsistent with the requirement and purpose of regulation and supervision contained in the subject bill. The objectives of the Investment Company Act and the draft bill are not the same; and the activities of a company covered by the Investment Act and one covered by the draft bill are not the same.

For instance, the Investment Company Act controls the investment policies, borrowing and issuance of senior securities, as well as capitalization and the submission of reports to the Commission of companies thereunder, on a basis and approach different from that contained in the subject bill. It would be impossible for the investment associations referred to in the draft bill to meet the criteria established under the Investment Company Act and still carry out the functions required of such associations under the subject bill. Thus the exemption provided is mandatory.

Title VIII relates to amendments to the Internal Revenue Code of 1954. Three changes are made in the tax provisions which would otherwise apply to small-business investment associations and their stockholders.

An ordinary loss is allowed to any individual or corporation or other taxpayer derived from a sale or exchange of stock in a small-business investment association as defined in the draft bill. This ordinary loss treatment is also permitted if the stock should become worthless. Without this, stock in small-business investment associations would generally constitute a capital asset.

Small-business investment associations are allowed an ordinary loss on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to the provisions of the subject bill. Generally, convertible debentures held by corporations constitute capital assets and any loss from their sale would be a capital loss. The more beneficial ordinary loss treatment is provided.

A dividends-received deduction equal to 100 percent of dividends received by a small-business investment association is permitted. In other words, in lieu of the rule applicable generally to dividends received by corporations, that is, an allowance of an 85 percent dividends-received deduction, a 100 percent dividends-received deduction is permitted, equivalent generally to a complete exclusion of dividends from gross income of small-business investment associations. This 100 percent dividends received deduction is limited to dividends derived from stock of small-business concerns only since small-business investment associations will not invest in other types of stock.

Title IX repeals section 13b of the Federal Reserve Act 1 year after enactment of the bill; and requires the Federal Reserve banks, within 60 days after enactment, to pay to the Government the amount which the Secretary of the Treasury has heretofore paid to such banks under said Federal Reserve Act.

AMEND NAVY RATION STATUTE TO PROVIDE FOR SERVING OLEOMARGARINE OR MARGARINE

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 912) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 912, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 10 minutes.

Mr. KILDAY. Mr. Chairman, of course I spoke on this subject just a few minutes ago in the consideration of a rule and it will probably be necessary for me to repeat some of the things which I stated at that time. However, we have a bigger audience at this time and I trust it will be new to the majority.

Mr. Chairman, this is a very simple bill. It provides for an amendment to the Navy ration statute by striking out the period after the word "butter" and inserting in lieu thereof the following "or oleomargarine or margarine."

Here is the situation. Back in 1902 or prior thereto the Congress passed the Navy ration statute. As I stated a while ago in the consideration of the rule, the hazards of the sea were not only wind and waves; one of the greatest hazards of the sea in older times arose from the matter of diet, the fact that the crews suffered from scurvy, beriberi, and those other diseases, produced by a diet of preserves, salted or smoked meats, and without the use of dairy products and fresh vegetables. So that there was a very serious danger to those who went down to the sea in ships from inadequacy of diet as well as from the wind and waves.

In 1902 Theodore Roosevelt was President of the United States. He had been Assistant Secretary of the Navy. During his administration came the era of the Great White Fleet, when the fleet of the United States Navy was promoted and everything done to provide for it in all of its ramifications and in all of its departments. The occasion when the fleet cruised around the world was one of the great occasions in naval history. At that time, in order to improve the standing and the status of the Navy as well as the welfare of the men in the Navy, the Congress passed the Navy Ration Act. It was intended to provide a balanced ration for the men of the Navy.

If you will turn to page 4 of the report you will find that we have quoted the provision of the existing law:

> The Navy ration issued to each person entitled thereto shall consist of the following daily allowance or provisions: Eight ounces of biscuit or 12 ounces of soft bread or 12 ounces of flour; 12 ounces of preserved meat or 14 ounces of salt or smoked meat or 20 ounces of fresh meat or fresh fish or poultry; 12 ounces of dried vegetables or 18 ounces of canned vegetables or 44 ounces of fresh vegetables.

It goes on until it provides:

> Four ounces of evaporated milk or 1 ounce of powdered milk or one-half pint of fresh milk, together with 1 and six-tenths ounces of butter.

Now, because of the presence in the Navy Ration Act of the word "butter," the Navy is prohibited from purchasing or serving any substitute for butter. Of course, this Ration Act was adopted at the time when substitutes were not readily available, and certainly not of the quality that they are today. This does not involve the question of the promotion of oleomargarine as against butter. Of course, I appreciate the fact that those gentlemen who represent dairy areas must make the point here in opposition to oleo, but the fight between oleo and butter has no legitimate place in this little bill.

Mr. Chairman, this bill is for the purpose of eliminating from the law a provision which makes administration quite difficult for the Navy. There are times and places when the Navy is not able to supply butter. If it should happen that there is no adequate refrigeration aboard ship because of the length of the voyage, then they will run out of butter, and there is no substitute and the members of the Navy simply get no spread.

In testifying on the bill before the committee, a representative of the Navy said:

> Should the bill be enacted, oleomargarine or margarine would be used by the Navy where adequate refrigeration facilities are not available—that is, general messes at advance bases, expeditionary force vessels, and extended operations in foreign waters and away from normal supply channels, field maneuvers, and other instances where there are inadequate refrigeration facilities and no source of supply for butter.

That is simply all that this bill does. We cannot see how it would have any material effect upon the dairy industry in any manner whatsoever. If the Department does not provide butter in the areas where it is not available, or if they cannot carry an adequate supply aboard ship, it will not mean that there is any more butter to be purchased. It simply means that the men in the Navy go without any spread.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Wisconsin.

Mr. JOHNSON. I intend to offer an amendment when the proper time comes which reads "When the Secretary of Agriculture certifies that there is no butter in surplus."

Mr. KILDAY. In surplus?

Mr. JOHNSON. No butter in surplus supply. Would the gentleman have an objection to that amendment?

Mr. KILDAY. Mr. Chairman, of course, I will meet all amendments when they come up, but may I point this out: I have just stated that the purpose of this bill is to relieve the Department of the Navy from administrative difficulties. I would like to know how the supply officer aboard ship in a foreign port or in some small port in the United States or a large one, for that matter, is going to know whether there is surplus butter in the United States. Will the gentleman help me with that? How is this lieutenant or lieutenant commander supply officer aboard ship going to determine whether within the whole United States there is a surplus of butter?

Mr. JOHNSON. I am talking about the Commodity Credit Corporation: When the Secretary would certify that there is no butter in surplus with the Commodity Credit Corporation.

Mr. KILDAY. Of course, at that level there would be no difficulty, and I do not think there is any difficulty there today. I do not have any doubt but that the officers who are supplying the commodities for the Navy are going to buy the best that is available and the most desirable that is available.

Let me point this out: I have never known of a time in the years I have been here when we have found that the military departments were too anxious to economize or to conserve the public funds. So I do not think we need worry that any supply officer or the head of any large naval procurement agency is going to be too anxious to purchase margarine to feed his men, the men of the Navy, because he might save some money by so doing. I doubt if this will make one particle of difference in the overall supply of butter or oleo for the forces of the Navy. It will only be used in those instances such as the Navy witnesses mentioned, on expeditionary bases, general messes in advanced areas, and places of that kind.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I wonder if the distinguished gentleman from Texas would not agree that when we do have butter available, in the hands of the Commodity Credit Corporation, that we should try to use that butter first?

Mr. KILDAY. I certainly agree to that. I have no doubt that is going to be done where butter can be refrigerated and carried aboard ship. I do not have any doubt in the world but the vast majority of the spread purchased for the men of the Navy is going to be butter, and that the vast majority of it, when surpluses are available, will come from the Commodity Credit Corporation, because then it could be purchased by officials of the Navy at a price advantage, or at least at a competitive price.

Mr. LAIRD. Mr. Chairman, would the gentleman have any objection to putting into law exactly what he has just said? This amendment that I have provides an exception.

Mr. KILDAY. I heard the gentleman's amendment; he read it twice during the debate on the rule. I listened very carefully. But it is one thing to agree to the principle announced there and it is another thing to attempt to operate under that principle. How are you going to have every supply officer in the United States Navy informed when there is a surplus supply of butter in the United States?

Mr. LAIRD. All a supply officer has to do is to certify that the use of butter in such an area would be impractical. That is all he has to do, and as a former naval supply officer, I do not think that is too much to ask.

Mr. KILDAY. Mr. Chairman, I must reiterate that the sole, the only purpose of this little bill—and I think it is the little things that cause us trouble, not the big ones. We passed a pay bill for the armed services the other day involving $668 million and we did not have this much debate on that whole bill. Now we are talking about a little old piddling amount of margarine and we run into more difficulty than we had

with the entire pay bill involving almost three-quarters of a billion dollars.

Mr. Chairman, I sincerely trust that this bill will be passed and we will be rid of the oleo question for awhile.

Mr. ARENDS. Mr. Chairman, I yield 7 minutes to the gentleman from Vermont [Mr. PROUTY].

Mr. PROUTY. Mr. Chairman I am very much opposed to H. R. 912. The dairy farmer has been hard hit by a number of problems over the past few years and he has his hands full right now trying to adjust to the recent drop in dairy price supports.

What kind of a deal are we giving him if we help to dry up his markets by encouraging the use of oleomargarine by the Navy Department? However it may be categorized, or in whatever fancy language it may be clothed, I want no part of it.

It is argued that the proposed legislation would put the Navy on an equal basis with the other military departments in regard to the discretionary use of margarine in lieu of butter. If equality is all we are after, then let's amend the bill to give the Army and Air Force man the same statutory guaranty the Navy man has now—a ration of butter every day. Or, to put it another way, why not equalize upward instead of downward?

The requirement that the Navy rations include butter has been traditional for decades as has been the belief that military personnel should have the best in the way of food to keep morale at a high level.

It is argued also in support of the bill that it will result in economies. If this is true, and I seriously doubt it, they will most certainly be the "rob Peter to pay Paul" variety.

At the present time, the Federal Government is purchasing butter under the price support program and any decrease in the consumption of butter by the Navy would be reflected in additional purchases by the Government under the price support program. The use of substitutes by the Navy would, therefore, not result in savings to the taxpayer but would more likely hike his tax burden by increasing the costs of the Federal Government.

During the calendar years 1955, 1956, and 1957 the Commodity Credit Corporation transferred for the use of our military departments 33.9 million pounds, 23.2 million pounds, and 20.6 million pounds of butter, respectively.

Exact figures are not available but it is estimated that from 10 to 20 percent of butter used by the Navy came from the Commodity Credit Corporation at a fraction of the money it would take to purchase a similar amount of oleomargarine which sells at about 22 cents a pound.

The bill under consideration is not in the interest of our Navy enlisted men. Now Congress guarantees them a serving of butter every day but if this proposal becomes law they may have to eat oleomargarine whether they like it or not. Nor is the bill in the interest of the taxpayer—because if the Navy purchases oleomargarine, another Government agency will have to turn around and buy the butter which has been replaced.

The recent reduction of Government price supports on dairy products will cut dairy farmer income about $200 million in the current marketing year. In the face of this loss an arbitrary reduction in butter consumption is utterly unjustifiable and would only add to the cost of supporting milk prices by the Department of Agriculture.

The legislation before us has been stopped time and time again because it is unsound. It deserves no better fate today and I urge most earnestly that it be rejected by an overwhelming vote.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. I yield.

Mr. H. CARL ANDERSEN. I wish to commend the gentleman from Vermont for fighting today in behalf of the dairy farmers. To my way of thinking, I can see no effect of this bill other than that it will result in lower consumption of butter. Does the gentleman not agree with me?

Mr. PROUTY. I agree with you absolutely.

Mr. H. CARL ANDERSEN. In the appropriation bill for agriculture, which recently passed the House, I believe there was something like $20 million or more which my committee brought to the House floor—for what purpose? For the purpose of finding new uses for agricultural commodities and here we are going entirely against what we were trying to do in that particular bill.

Mr. PROUTY. Without any question the gentleman is correct. Any friend of the dairy farmer will oppose this bill. It will contract an important market for butter and, in addition, cost the American taxpayer a lot of money.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. I yield.

Mr. HILL. I should like to say to the gentleman that I support his position on this legislation. I just asked at the desk if there were any hearings and there were none available at this moment.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. HILL. The gentleman from Vermont has the time, and I would like to finish my question.

Mr. KILDAY. I just want to tell the gentleman where the hearings are.

Mr. HILL. I know where they are, too. You should have had them here ahead of time. I would like to know who in the Navy and who in the administration is backing this legislation. I have not had one single word—not a single word that the Navy is interested in having this bill. They might like to have it taken off the statutes, but what kind of effort have they made to ask any of us to support this legislation.

Mr. PROUTY. I know of no effort by any responsible individual within the Navy to promote this legislation.

Mr. HILL. Have you heard of anyone advocating this legislation at this particular time?

Mr. PROUTY. Not in the Department of the Navy.

Mr. HILL. I hope the bill is defeated.

Mr. PROUTY. I thank the gentleman very much, and I appreciate his comments.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. I yield.

Mrs. ST. GEORGE. I wish to commend the gentleman for his stand on this legislation. I would like to ask the gentleman if he does not think it somewhat astonishing that we are now being told that the problem is the preservation and keeping of butter at sea. When it was possible to do it in 1902, and we apparently had no complaints, why is it such a difficult problem in 1958?

Mr. PROUTY. I think that is just an excuse. Certainly the refrigeration facilities we have now make it entirely possible to ship and preserve butter anywhere.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. BATES. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I am not going to take the entire 5 minutes, as I spoke earlier on this bill when the rule was under consideration. However, I think that this argument we have had during the past hour has not focused the attention of the membership upon the real problem which we face today. That problem is whether we are going to place the stamp of approval on the Defense Department purchasing one product when the United States Department of Agriculture, under another law, is purchasing butter.

The only person who is really hurt by that type of activity is the person who just finished filing his income-tax returns on April 15. We have several million pounds of butter which are available today, in the hands of the Commodity Credit Corporation, and it seems to be just good business sense to use this butter before going out and purchasing a substitute product in the open market. I cannot comprehend how this Congress can go along today, and not use the butter we already own. Why purchase another inferior product for use by the Navy. It seems to me that we must adopt the amendment which I outlined earlier this afternoon. It provides that as long as the Commodity Credit Corporation has butter available the Navy shall not purchase substitutes but must use butter exclusively. It further provides that upon certification as to the impracticability of being able to secure butter at overseas bases, or because of refrigeration or other reasons, upon certification a substitute can be purchased. I cannot conceive how this bill as originally introduced could be passed in this 2d session of the 85th Congress. It seems to me good business that the Navy use butter. That is all my amendment will insure.

I do hope that when the amendment is offered this House will adopt it.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. LAIRD] has expired.

Mr. KILDAY. Mr. Chairman, I yield 6 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman——

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. COAD. I wonder if the gentleman could supply this information: I understand that at the present time the Army and the Air Force can purchase butter and margarine; is that right?

Mr. JONES of Missouri. Yes.

Mr. COAD. Can the gentleman tell me what percentage of their purchases of spread is oleo and what percentage is butter?

Mr. JONES of Missouri. I am informed that in 1956 the armed services which would include the Army, Navy, and Air Force, purchased some 25,400,000 pounds of butter and 1,300,000 pounds of oleomargarine. In other words, margarine was just an incidental item. It does, of course, have some uses that are much better than butter and in some areas it can be used to much better advantage than butter.

Mr. COAD. I have seen figures in print which would indicate that the Navy could save approximately $3 million by purchasing oleo instead of butter if this bill goes through. It would be obvious, if this be the case, that they are anticipating the purchase of a larger share of oleo than they have in the past.

Mr. JONES of Missouri. I think any figure like that would mean that they contemplated discontinuing the use of butter entirely and would try to supplant it with margarine. There are some areas where margarine would be preferable to butter because of the difference in keeping qualities.

Mr. COAD. Do you have it in your hearings——

Mr. JONES of Missouri. I am not on this committee; I am sorry.

Mr. COAD. Does the gentleman have information that the Navy is contemplating entrance into the procurement of oleo all around the world?

Mr. JONES of Missouri. I think they would contemplate purchasing some margarine to be used particularly in areas where it is not possible to maintain butter in a condition that makes it edible. That would probably eliminate the waste of butter, for where it was unfit to be used it would have to be destroyed. Without this provision they would not have the privilege of using any kind of spread.

Mr. COAD. Is it possible to keep margarine under such conditions where butter could not be stored?

Mr. JONES of Missouri. Margarine can be stored and kept under conditions where butter cannot be kept; yes.

Mr. COAD. I thank the gentleman.

Mr. JONES of Missouri. I think everyone here is in agreement that it seems rather trivial that we would have to take up so much time of the Congress on a matter like this when we have much important legislation to consider, measures that involve the spending of literally billions of dollars, yet here we are spending a lot of time saying that the mess sergeant, or whoever the person is that has to prepare the menus, cannot determine when he can buy a little margarine to serve to the men.

I might point out also despite what one of the Members said on the floor today that there are people who buy margarine only when they are in financial straits, or something like that. Fortunately, I am not in that condition, but if it were the same price I would prefer margarine to butter. That preference arises from several incidents that have happened. I had an uncle who at one time was an inspector in the dairy department. After he had gone around inspecting the way butter was manufactured he brought home the report and said: "I cannot put any manufactured butter on my table any more." He said: "I like good country butter when I know where it is made." So he began eating margarine and that kind of impressed me when he told me about the conditions he found in his inspections.

But this is not a margarine-butter fight.

Another thing, there are a lot of people who will tell you they have been advised by their doctors not to eat butter because of the effect it would have on their blood, but that they could eat margarine. But there are a lot of people who would like to eat margarine because they prefer it. That is perfectly all right and it should be permissible for them to do it.

Several Members from Minnesota have been talking about this fight between margarine and butter. I am told that a Minnesota University release put out said that the Minnesota farmers were producing more raw material for margarine than they were for butter.

The gentleman from California referred to oleomargarine as a byproduct of a certain agricultural product. Actually, butter is more of a byproduct of the dairy industry than margarine is a byproduct of the soybean industry.

Mr. Chairman, soybeans are accounting for about two-thirds of the manufacture of margarine. More than 750 million pounds of refined soybean oil were used in the production of margarine, that was last year, and about 280 million pounds of refined cottonseed oil was used in margarine. The soybean-producing States that account for most of this are Illinois, Minnesota, second, Iowa, Indiana, Missouri, Arkansas, and Ohio, as well as other States.

That just answers some of the arguments that have been made against margarine and in favor of butter. But, actually, the question here today is very simple, should the Navy be permitted to include in its diet a wholesome product which they say at times they should have in order that the men can be served a spread. When the butter cannot be kept they can use the margarine.

Mr. BATES. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mrs. CHURCH. Mr. Chairman, will the gentleman yield for a question?

Mr. GROSS. I am pleased to yield to the gentlewoman from Illinois.

Mrs. CHURCH. I notice that the report carries the word "served." Can the gentleman tell me whether the Navy is allowed to use margarine for cooking?

Mr. GROSS. The gentlewoman will have to address that question to a member of the committee and I yield for that purpose.

Mr. KILDAY. They are permitted to use it for cooking.

Mrs. CHURCH. This is a question of whether or not butter shall be served or margarine served in place of butter on the table?

Mr. KILDAY. It is a question whether they shall have the alternative right to serve oleo.

Mrs. CHURCH. On the table?

Mr. KILDAY. On the table.

Mr. GROSS. Mr. Chairman, I am not particularly impressed with the statements that have been made that the men in the Navy ought to be provided with oleomargarine if they do not like butter. I assume if we followed that to its logical conclusion if Navy personnel did not like ham they would have to be provided with steak, or vice versa. I am, however, interested in the language on page 3 of the report, top of the page, which reads as follows:

> According to other testimony presented to the Committee on Armed Services, the Navy, by using a daily ration of approximately one-third margarine and two-thirds butter, will be able to save approximately $1 million annually as a result of the enactment of the proposed legislation.

Is there some understanding that if this bill is passed the Navy is going to use approximately one-third oleomargarine? What gives rise to that particular statement to be found in the report, if I may ask the gentleman from Texas?

Mr. KILDAY. I think the gentleman is reading from a copy of the Department's report.

Mr. GROSS. No; I am reading from page 3 of the committee report.

Mr. KILDAY. The same thing appears also in the Department's report. This is taken from the Department's report. There is no understanding of which I am aware that they are going to use two-thirds and one-third. I again point out that in 1956 the Army and Air Force, which can use both, bought 13,756,314 pounds of butter and 1,712,875 pounds of oleo.

Mr. GROSS. Percentagewise, may I ask the gentleman, what is the ratio?

Mr. KILDAY. It is one-thirteenth in one instance but I cannot convert the other.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I think there is a lot of misinformation about the use of butter and oleomargarine. It is important to look at the figures before section 202 of the Agricultural Act of 1949 was amended by the 83d Congress.

The reason the oleomargarine figures have gone down since 1954, 1955, 1956, and 1957 is that the Defense Department is now requisitioning butter from the Commodity Credit Corporation under the language of that law. They are purchasing their normal requirements

of butter in the open market, but anything over and above their normal requirements they can receive at competitive prices with the substitutes from the Commodity Credit Corporation. Now, prior to that amendment to the Agricultural Act, section 202, we find that in January of 1953 the overall purchases by the Defense Department for that particular month showed that they were buying three times as much substitutes as they were butter in January 1953. In 1951 or 1952 they purchased 37.8 million pounds of butter and 34.4 million pounds of oleomargarine. That ratio has shifted since the adoption of the amendment to section 202 of the Agricultural Act of 1949. The amendment that I have merely will allow the Navy and will allow the Defense Department over all to use butter that the Government presently owns in all cases where it is practicable.

Mr. GROSS. I will say to the gentleman from Wisconsin that I think he has a good amendment; I certainly will support it, and, unless the amendment is adopted, I will vote against the bill. But, coming back to this language at the top of page 3 of the report, there must be something back of this statement. Despite the statements made by previous speakers in behalf of this bill that it is merely permissive, that it is not going to change anything; everything is going to go right on as it was before, there must be some reason for this printed statement which claims a saving in the Navy through the use of one-third oleomargarine and two-thirds butter.

The gentleman from Texas spoke a little while ago of the need for this legislation from the standpoint of nonavailability of refrigeration. I wonder if the Navy is operating any ships today that are not adequately equipped with refrigeration. Does the gentleman know of any ships that are being operated by the United States Navy that do not have adequate refrigeration?

Mr. KILDAY. I will say to the gentleman from Iowa that I know of no ship that is not provided with adequate refrigeration. All I know on that subject is the testimony before our committee that there are occasions upon which there is no adequate refrigeration.

As I pointed out before, on page 2610 of the hearings, which are on the table, we find this language:

> Should the bill be enacted, oleomargarine or margarine would be used by the Navy where adequate refrigeration facilities are not available—that is, general messes at advance bases, expeditionary force vessels, and extended operations in foreign waters and away from normal supply channels, field maneuvers, and other instances where there are inadequate refrigeration facilities and no source of supply for butter.

Mr. GROSS. But there is nothing in what the gentleman read to show that there are inadequate refrigeration facilities either aboard ship or advance bases or anywhere else, is there?

Mr. KILDAY. I have read the gentleman the testimony, that they will use it where there is no adequate refrigeration.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. I wonder if the amendment offered by the gentleman from Wisconsin would not permit the Navy to utilize oleomargarine under emergency situations.

Mr. GROSS. That is my understanding of the amendment.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. COAD. I wonder if it would not be better if we entirely ignored this bill the way it is and insert a substitute amendment by which we would provide more refrigeration facilities. Maybe that is the key to the whole problem.

Mr. GROSS. I hope the amendment to be offered by the gentleman from Wisconsin [Mr. LAIRD] is adopted. There can be no justification for the Navy or any other branch of the armed services purchasing substantial quantities of oleomargarine when there are butter surpluses which have been paid for by the taxpayers and on which storage adds to the cost. It simply does not make sense to saddle the costs of oleomargarine upon the taxpayers when butter, already purchased, is available and ready for distribution.

Mr. BATES. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Chairman, the bill, H. R. 912, would permit the Navy to serve oleomargarine or margarine in place of butter. Of course if the Navy did serve it—it would be colored yellow instead of its natural color of white so the personnel of the Navy would think they are getting butter. This whole matter is an old argument and it could be resolved fairly all the way around if we passed a law having oleomargarine retain its natural color of white, or possibly the color green, then anyone being served oleomargarine would know what they are being served.

If my good friend the gentleman from South Carolina [Mr. RIVERS], who introduced this bill, would offer an amendment that the color of oleomargarine be made green, I certainly would vote for the bill. As it stands now, I am very much against it since it allows the Navy to serve oleomargarine in place of butter, thus deceiving the Navy personnel.

Mr. BATES. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I would like to be able to vote for this bill, because I do not see any reason why the Navy should be on a different basis in the foods it provides for its personnel than the other branches of the Armed Forces. But unless amended, I shall have to vote against the bill. As long as we have in storage such large quantities of the best possible spread for bread, which is butter, already bought and paid for by the taxpayers, I do not think we are justified in authorizing the armed services, any of them, to spend additional public funds to buy oleomargarine or any other butter substitute. My primary concern is not to protect the dairy farmer, but to protect our taxpayers—all of them.

In order to do that, the amendment of the gentleman from Wisconsin [Mr. LAIRD], certainly should be adopted, stipulating that as long as there are available Government-owned surpluses of butter, the provisions of this bill shall not go into operation except in areas or under circumstances where it is necessary, because of climatic conditions or other such practical reasons.

Mr. Chairman, I hope very much the gentleman's amendment will be adopted so it will then be possible to vote for the bill.

Mr. KILDAY. Mr. Chairman, I yield 10 minutes to the author of the bill, the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, the Consumer Price Index shows prices are up more than 20 percent since 1947–49. We are warned that inflation is still a real threat. We see prices of all kinds go up and up and no relief in sight. At the same time unemployment is spreading, and the recession is a very real thing in many parts of the country.

Taxes are at an alltime high. No tax relief is in sight. The new budget before the Congress is a record—$74 billion.

Most food costs have gone up, and may go up some more. Everything costs more, and State and local taxes are keeping pace with Federal taxes.

Our people are crying for relief somewhere along the line. Our national defense problem has got to the point where it looks as if we are going to have to spend more and more. We are loaded with surplus products and we send them overseas when we have need for them at home.

At least one bill before the House offers a little relief—only a picayune $1 million or so a year, but that is something. This is H. R. 912. It is only five lines long. All it does is say the Navy can—if it wants, or if it has to—buy some margarine for table use.

Most people will be surprised and shocked to learn that, 8 years after we finally got the old Federal taxes off margarine, an important part of our defense services are not permitted to buy it. Why is this?

It is because the Navy buys foods according to a ration law. Each food is defined in that law. Margarine is not so named. Shortening is named. Butter and lard are named. But not margarine.

The Navy has said for years and is saying again that it wants this changed. It wants to buy margarine. This is because it believes margarine is just as good a food as butter. It believes margarine can be more available under certain conditions. It believes that, in the long run, it can save the taxpayer a little money by buying some of its table spread as margarine.

This bill ought to pass without delay. It has been brought up before and has been opposed by the dairy people. They claimed Federal oleomargarine tax repeal would hurt them, but it did not.

Dairy cash income then—1950—was $3.7 billion. Now it is $4.5 billion. They claimed margarine prices would go up. They have gone down 4½ percent. Butter prices have gone up 2 percent. Food prices have gone up 14 percent.

It does not make much difference because this bill cannot hurt butter. The claim is made that, if it is passed, the Navy will buy some margarine and that much butter will go into surplus. I believe the dairy industry can do a better job of selling than that.

But the butter surplus will not increase. That is not going to happen. In 1949 the Army got permission to buy margarine. But when surplus butter came in the Army took surplus butter, instead of margarine, to supply its needs in excess of its regular commercial buying of butter. The Navy will certainly do the same. So there is not any likelihood that this bill will put butter into surplus. It may take some out.

So the Navy probably is not going to use this bill to buy much margarine if any in the foreseeable future. It may not buy much more margarine anyway. It is not a question of one product versus another. It is a matter of principle. The Navy has the same right to choose the foods it needs for our Navy personnel that the Army and other Government agencies have and the housewife was given by Congress years ago. It is ridiculous to say to the Navy, you have to buy butter or else, and let the taxpayer, who has to buy margarine to save money, foot the bill.

It is said this will hurt the price of butter. That is not so because butter is price supported. We have many bills asking for more price support for butter, and higher. How can we justify giving this extra protection to butter when we know it is already overpriced in the market and that is why we have a butter surplus and a butter problem in the first place? Why should the taxpayers have to pay for it at both ends—Government procurement and price support? If this is the policy, then all Government agencies should be required to buy nothing but butter and so should everyone whether they can afford it or not.

Let us pass H. R. 912 and save some money in years to come with no real injury to the dairy industry or anyone else. We cannot expect Government agencies to spend money wisely if we force them to buy things they cannot afford or they cannot get when they need it.

Everyone knows that the real solution to the dairy problem is not to repress margarine but to find ways of expanding the sale of milk for what it really is—fluid milk, or cheese, or other whole milk products. The American Dairy Association is making real progress in that direction. It is trying to meet competition. Dairymen will make more money this way. In 1956 the average price across the country for 100 pounds of milk sold for the butterfat in it was about $2.26, according to the United States Department of Agriculture. But the farmer who sold his milk as whole milk got $4.13 average price. No wonder dairy industry leaders are anxious to sell more whole milk.

Only 25 percent of the total amount of milk marketed by farmers in 1956 went into creamery butter. Butter is a fine product but it is not the mainstay of the dairy industry. It should not be forced upon the Navy if that service wants to buy a little margarine now and then.

Here is a table showing what the armed services have been buying of the two products:

United States open-market purchases for armed services

BUTTER

Year	For Army and Air Force			For Navy and Marine Corps		
	Pounds	Estimated cost	Approximate average cost per pound	Pounds	Estimated cost	Approximate average cost per pound
1951	33,370,572	$23,936,474	$0.72	17,994,419	$12,614,505	$0.70
1952	16,660,787	12,402,310	.74	21,149,660	15,916,970	.75
1953	10,875,111	7,635,115	.70	16,715,006	11,263,719	.67
1954	32,400,000	20,934,518	.64	15,629,202	10,098,952	.65
1955	11,738,129	6,714,931	.57	14,170,593	8,767,541	.62
1956	13,756,314	8,646,395	.63	14,195,790	9,978,103	.70
1957	(1)	(1)	(1)	(1)	(1)	(1)

MARGARINE

1951	21,026,234	$4,879,165	$0.23	240,202	$55,516	$0.23
1952	34,114,101	5,729,338	.17	338,767	72,293	.21
1953	19,114,648	3,377,808	.18	340,570	76,652	.23
1954	2,700,000	845,063	.22	193,718	61,649	.25
1955	205,879	39,985	.19	281,462	49,845	.18
1956	1,712,875	293,779	.17	223,996	40,290	.18
1957	(1)	(1)	(1)	(1)	(1)	(1)

[1] Breakdown not available:

	Butter	Margarine
Total pounds	28,131,000	6,002,000
Estimated cost	$17,830,322	$1,054,561
Approximate average cost per pound	$0.63	$0.17

NOTE.—Effective 1957, breakdown by military service no longer available due to establishment of 1 common procurement and supply under Single Manager Agency.
Source: Office of the Quartermaster General, Department of the Army.

This bill makes no difference to me. I have no selfish interest to serve in it. There is not a great deal of cotton in my district and, so far as I know, very few soybeans. But the Minnesota delegation ought to vote for this bill. Minnesota is now one of the big soybean-raising States. Margarine is the largest market for soybean oil. Margarine keeps the money rolling in to the soybean farmers. It makes the protein food from the oilcake cheaper for the dairy and poultry farmers.

Here is the amount of American oils margarine uses every year. If you are from soybean or cottonseed districts, or any district that raises an amount of fats or oils you ought to vote for H. R. 912 because it would help the general fats and oils market, and it is not going to put the creameries out of business.

Margarine's use of farm products

[Thousands of pounds]

Year	Refined soybean oil	Refined cottonseed oil	Total fats and oils
1950	305,887	430,011	763,080
1951	471,560	332,895	850,750
1952	651,163	353,056	1,046,010
1953	664,122	274,507	1,048,617
1954	664,392	396,482	1,106,197
1955	745,024	277,931	1,074,916
1956	750,930	280,235	1,107,866
1957	873,928	235,433	1,179,747

Let us save the taxpayer a little money. I urge that this distinguished House vote to accept the rule on H. R. 912 and then pass the bill and get on with our national defense.

Mr. Chairman, if I have done nothing else, and if the Committee on Armed Services has done nothing else, we have given a great deal of opportunity to a great many of our colleagues to make hay while the margarine burns. I do not propose to get into the margarine argument. So far as I know the margarine argument is dead and buried. I do not propose to get into that argument.

I did not indulge in the debate on the rule and I doubt that I shall take 10 minutes at this time. I just do not propose to get into any margarine argument. If I did, I would cite that the greatest source for oils for margarine is Illinois, where they raise 4,785,000 pounds of oil for margarine from the soybeans. But I have not heard one man on this floor raise his voice in defense of those poor un-American Illinois farmers who are doing this terrible thing to the Navy, making the Navy use margarine that is produced in Illinois. Aren't they a terrible bunch of people? Not one man on the floor of this House has raised his voice in defense of those poor, defenseless Illinois farmers.

In Minnesota they raise 2,697,000 pounds of oils for margarine. Not one man has raised his voice in defense of those poor defenseless farmers who are paying taxes every day in the year, to

buy surplus butter. But I am not getting into that argument. I am above that.

I could also tell you that they bought over 800 million pounds of soybean oil for margarine last year—800 million pounds, and only 200 million pounds of cottonseed oil. And neither one of them is raised in my district, so I do not have any interest in it. You cannot hurt MENDEL RIVERS on this. But I am not going to go into those things, Mr. Chairman. But I am going to tell you this, that it is wrong by law to deny the United States Navy the prerogative of buying margarine, which is an edible product and a great many Americans use it. They consumed 1,300,000,000 pounds last year. I eat it and I never looked so good. I will tell you something else—it is wrong by law to deny the United States Navy the same right that is exercised by the United States Air Force and the United States Army. It is wrong and you know it is wrong. We have been trying to get this bill up for years. The distinguished gentleman from Massachusetts [Mr. BATES] introduced this bill. I have no pride of authorship. It would suit me if I never said another word on it because the margarine battle is over. The biggest customer that the milk industry has is the margarine industry. More milk goes into margarine than any one segment of American industry. Only 6 percent of the income of the dairy farmer comes from butter. He is not going to pile butter up to the moon and refrigerate it to the point where you have to have atomic power and if you keep on you are going to have to do that. I am not discussing that, as you know. I am talking about the Navy. I am not getting into that argument. My statement is replete with facts and figures on where and how much. The military forces last year bought almost 50 million pounds. They took almost 50 million pounds of surplus butter and used it. They bought some 25 million pounds on the open market, which they paid 63 cents a pound for. They are not favoring butter over margarine. They only bought a million-odd pounds, as the gentleman from Texas [Mr. KILDAY] pointed out. It is wrong, I say to you my colleagues, to pit the milk industry against the soybean industry and the cotton industry. It is wrong. And I am not indulging in that. My statement to you is this: Why by law should the United States Navy be denied the right to buy what they, in their opinion, and what the Pure Food Administration has determined is good for you to eat? Do you see anybody with heart trouble? Butter will kill you deader than Job's turkey. But eat a little margarine and you will look like a million dollars.

Mr. BATES. Mr. Chairman, I yield such time to the gentleman from Illinois [Mr. ARENDS] as he may require.

Mr. ARENDS. Mr. Chairman, I want the gentleman from South Carolina to know that even though we do raise so many soybeans in Illinois, I am for the bill just as the gentleman is and for the purposes and reasons the gentleman set forth here a moment ago.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I am glad to yield to the gentleman.

Mr. RIVERS. I said nobody raised his voice on the floor.

Mr. ARENDS. I am going to vote for the bill.

Mr. RIVERS. Of course, that did not include the gentleman from Illinois. I was talking about those who took their position down in the well of the House.

Mr. ARENDS. I understand and, perhaps, I should have gotten 5 minutes.

Mr. RIVERS. I think you would render a great service to the farmers, if you did.

Mr. ARENDS. I agree with the purpose that the gentleman has stated. There should be nothing to prevent the Navy from using either butter or margarine.

Mr. JENSEN. Is the gentleman going to vote for this bill?

Mr. ARENDS. Yes; I intend to vote for it. I have in the past and I will continue to vote for it.

Mr. JENSEN. I am going to vote against it.

Mr. ARENDS. That is all right—fine.

Mr. JENSEN. Sure it is all right, because my position is right.

Mr. ARENDS. That is the privilege of a free American.

Mr. JENSEN. We have a butter surplus which has been paid for by all our taxpayers, and why should we be forcing our military men to eat this greasy, tasteless substitute for natural tasty, nourishing butter made from clean, fresh cream?

Mr. KILDAY. Mr. Chairman, a point of order. The point of order is that we on this side would be entitled to close debate. The gentleman from Massachusetts, I know in good faith, stated that they had no further requests for time. Since the time for debate has been concluded, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act of March 2, 1933 (47 Stat. 1423), as amended by the act of February 21, 1942 (56 Stat. 97; title 34, U. S. C., sec. 902a), is hereby further amended by inserting immediately after the word "butter" the words "or oleomargarine or margarine."

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That section 6082 (a) (7) of title 10, United States Code, is amended by striking out the period after the word 'butter' and inserting in lieu thereof the following: 'or oleomargarine or margarine'."

Mr. JOHNSON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON: On page 1, line 10, after the word "or" insert "when the Secretary of Agriculture certifies that butter is not in surplus supply."

Mr. JOHNSON. Mr. Chairman, I ask unanimous consent, following a discussion with the chairman of the committee, to amend my amendment by adding the following words: "in the Commodity Credit Corporation" at the end of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON: On page 1, line 10, after the word "or" insert "when the Secretary of Agriculture certifies that butter is not in surplus supply in the Commodity Credit Corporation."

The CHAIRMAN. The gentleman from Wisconsin is recognized in support of his amendment.

Mr. JOHNSON. Mr. Chairman, my reason for offering this amendment is, as has been argued so much today, that with plenty of butter in surplus supply the Navy can have it for nothing, and it seems foolish for the Navy to go out and buy oleomargarine for the members of the Navy. So, when the Secretary of Agriculture shall certify that there is no butter available in the Commodity Credit Corporation, then the Navy shall be able to buy oleomargarine.

I yield back the remainder of my time, Mr. Chairman.

Mr. LAIRD. Mr. Chairman, I offer a substitute amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LAIRD as a substitute for the amendment offered by Mr. JOHNSON: Add the following new section:

"SEC. 2. During any period when surplus butter stocks are available to the armed services through the Commodity Credit Corporation no oleomargarine or margarine shall be acquired for use by the armed services or any branch or department thereof, except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impractical."

Mr. KILDAY. Mr. Chairman, I make a point of order against the amendment that it is not germane, and that it broadens the purposes of the bill.

Mr. LAIRD. May I be heard on the point of order, Mr. Chairman?

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I believe that perhaps my amendment does not fit the pattern of a substitute amendment, and I shall offer it as a separate section to the bill later, but certainly it is germane to the subject matter contained in this bill.

I ask unanimous consent, Mr. Chairman, to withdraw the amendment and offer it as a separate amendment as soon as the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON] is disposed of.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON].

During the general debate I attempted to emphasize the interest of the Committee on Armed Services is to attempt to relieve the Department of the Navy from an administrative difficulty in handling the question of providing butter for the men in the Navy. This amendment would create more con-

fusion and greater administrative difficulty than has ever been created by the existing provision of law.

Under existing law, when butter is not available, the men simply go without a spread. Under the provision that the gentleman from Wisconsin has offered, every supply officer when procuring butter or oleomargarine to be used in the areas where they are going to use it would have to ascertain whether or not butter was in surplus supply in the Commodity Credit Corporation.

I will ask the membership of this House here in Washington at all times and fully informed and in close contact with the Commodity Credit Corporation, even in that preferred position, if you could at all times be in a position to abide by the provisions of the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON]. How, then, could you expect a young lieutenant or lieutenant commander supply officer aboard ship somewhere to know whether the records indicated that butter was in surplus supply at that particular time? So instead of doing anything to clear up the present difficulty it would only compound the difficulty, compound the confusion.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. JOHNSON) there were—ayes 50, noes 54.

Mr. JOHNSON. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The committee amendment was agreed to.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Add the following new section:

"SEC. 2. During any period when surplus butter stocks are available to the armed services through the Commodity Credit Corporation no oleomargarine or margarine shall be acquired for use by the armed services or any branch or department thereof, except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impractical."

Mr. KILDAY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KILDAY. Mr. Chairman, I make a point of order against the amendment on the ground that this is a bill to amend the Navy rations statute so as to provide for serving oleomargarine or margarine. It goes no further than to amend the Navy ration statute. The Navy ration statute does not refer to other departments of the armed services.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. LAIRD. Mr. Chairman, I think this bill very clearly includes all branches of the Armed Forces as far as their rations are concerned. I hope the Chair will so rule.

The CHAIRMAN (Mr. TRIMBLE). The Chair is ready to rule.

The Chair calls attention to page 195 of Cannon's Procedure in the House of Representatives. Under the heading "Germaneness" is found this section:

"1. (a) One individual proposition may not be amended by another individual proposition even though the two may belong to the same class."

The amendment offered by the gentleman from Wisconsin includes the Army, Navy, and Air Force. The bill before the House deals solely with the Navy.

The Chair sustains the point of order.

Mr. LAIRD. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Add the following new section:

"SEC. 2. During any period when surplus butter stocks are available to the Navy through the Commodity Credit Corporation no oleomargarine or margarine shall be acquired for use by the armed services or any branch or department thereof except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impractical."

Mr. LAIRD. Mr. Chairman, the amendment that I seek to offer should read "available to the Navy" in line 2 and in line 4 it should read "for use by the Navy". I ask unanimous consent that my amendment be amended to read that way.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Add the following new section:

"SEC. 2. During any period when surplus butter stocks are available to the Navy through the Commodity Credit Corporation no oleomargarine or margarine shall be acquired for use by the Navy, or any branch or department thereof, except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impracticable."

Mr. KILDAY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. KILDAY. Mr. Chairman, the gentleman's amendment imposes additional duties upon the officers and expands on the purpose of the bill, which is of the single purpose to amend the Navy ration statute so as to permit the use of oleo or margarine, whereas the amendment offered imposes additional duties upon the officials of the Department in connection with the procurement of supplies.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard?

Mr. LAIRD. Mr. Chairman, I understood under the ruling of the Chair if this amendment were limited to the Navy it would be in order and I offered it with that thought in mind.

The CHAIRMAN. The Chair is ready to rule.

Under this amendment it is purely a limitation placed upon the Navy. Therefore, the point of order is overruled.

Mr. LAIRD. Mr. Chairman, this amendment merely provides that while the Commodity Credit Corporation has stocks of butter available, which have already been purchased by our Government with taxpayers' funds, that the Navy will continue to use butter exclusively.

It merely is good bookkeeping on the part of our Government. It looks out for the interest of the American taxpayers who already have purchased the butter, million of pounds of it, which is in storage.

It seems to me important that we give recognition to the American taxpayer. The Navy should be required to use butter, particularly during times when the United States Department of Agriculture has on hand butter.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Washington.

Mr. WESTLAND. I support the gentleman's amendment, because I believe it is in the interest of the dairy farmer and the American public.

It is proper for the Navy to serve butter to its personnel, especially when this commodity is one which comes under the price-support program.

As of April 16, some 63,325,000 pounds were in uncommitted stocks, stored in Commodity Credit Corporation warehouses. This is butter that the Corporation has paid for, and which the Navy could use. I cannot see why the Navy should go into the open market to purchase a substitute in direct competition with butter while there is a surplus on hand.

The dairymen in my district and in Washington State, as well as across the Nation, are faced with the hard task of earning a decent living in a time when the costs of farm operation are rising out of proportion to income from dairy products. We should help expand the market so they can sell more butter, instead of taking away part of their market.

These, Mr. Chairman, are some of the reasons this amendment is in the interest of the dairy farmer and the American people.

Mr. LAIRD. Mr. Chairman, may I say to the gentleman from Washington this is not only in the interest of the dairy farmer, this is in the interest of the American taxpayer who already owns this butter.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

Mr. Chairman, I want to reiterate this is compounding the difficulty of administration on the part of the Navy. How are you going to have a supply officer out with a ship in a position to make these certifications or to know whether or not there is a surplus supply of butter? The figures have been produced here on the tremendous quantities of butter both in surplus and on the open market. This would only compound the confusion that exists.

I trust the pending amendment will be defeated.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in favor of the pending amendment.

Mr. Chairman, I feel that the argument made by the gentleman from Texas is entirely unsound. After all, the decision as to whether butter or oleo under this amendment shall be used would come from the Navy Department here in Washington. It would not be a decision to be made by each and every supply officer aboard each vessel wherever it might happen to be.

I feel good, common business sense would tell any of us here that it would be foolish not to require the Navy to utilize a very good product which the taxpayers own. Our Armed Forces should utilize these stocks of butter which the taxpayer already owns in the Commodity Credit Corporation before they go out and buy a substitute. And, beyond all that, Mr. Chairman, nobody here can convince me, as a man representing agriculture and a dairy district, that it is to the good interest of the farmers of my area to see legislation of this nature go through without some sort of an amendment. Why, the Navy itself admits that they intend or hope to buy at least one-third of their consumption of spread in the form of oleo if this legislation goes through. That means that there will probably be 10 million pounds less butter purchased by one of our armed force segments alone, and that, certainly, Mr. Chairman, can mean to me nothing else but that the price level of the butter itself will go down, and that, in turn, will hit the pocketbook of the dairy farmers of the Nation just as that same pocketbook has been hit lately through the fact that Secretary Benson has lowered price supports against the good judgment of many of us in the House.

I hope, Mr. Chairman, that we will salvage at least what we can out of this legislation by supporting the amendment offered by the gentleman from Wisconsin.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. When there is a price-support program, the Government takes stocks off the market in order to increase the domestic price to the support level.

For any quantity of oleomargarine or margarine purchased by the Navy in place of butter, an equal amount of butter would have to be purchased by the Commodity Credit Corporation to hold the price of butter at the support level.

Looking at the total Government expenditures, there could be no saving of money as referred to by the Navy if they were allowed to purchase one-third oleomargarine or margarine, but actually it would cause an increase in expenditure unless the Laird amendment is passed.

I favor the Laird amendment which would prevent the Navy from purchasing oleomargarine or margarine, when the oversupply of butter makes it necessary for the Government to purchase stocks to support the price.

If this bill is to pass, it will be much more acceptable with the Laird amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The question was taken; and on a division (demanded by Mr. KILDAY) there were—ayes 72, noes 51.

Mr. RIVERS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KILDAY and Mr. LAIRD.

The Committee again divided; and the tellers reported that there were—ayes 90, noes 77.

So the amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 912) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine pursuant to House Resolution 465, he reported the bill back to the House, with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. RIVERS. Mr. Speaker, I demand a separate vote on the amendment of the gentleman from Wisconson [Mr. LAIRD], just adopted.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Add the following new section:

"SEC. 2. During any period when surplus butter stocks are available to the Navy through the Commodity Credit Corporation, no oleomargarine or margarine shall be acquired for use by the Navy or any branch or department thereof except that limited supplies thereof may be acquired for use in special overseas areas upon certification that the use of butter in such areas would be impractical."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. RIVERS), there were—ayes 69, noes 54.

Mr. RIVERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 207, nays, 161, not voting 61, as follows:

[Roll No. 44]

YEAS—207

Abbitt	Fenton	Murray
Adair	Flood	Natcher
Addonizio	Ford	Neal
Albert	Frazier	Nicholson
Alger	George	Nimtz
Allen, Calif.	Glenn	Norblad
Allen, Ill.	Gregory	O'Brien, N. Y.
Andersen, H. Carl	Griffin	O'Hara, Minn.
	Gross	O'Konski
Anderson, Mont.	Hagen	O'Neill
	Halleck	Ostertag
Avery	Harrison, Nebr.	Patterson
Bailey	Harrison, Va.	Pfost
Baker	Harvey	Philbin
Baldwin	Hays, Ohio	Pillion
Baring	Healey	Poff
Bass, Tenn.	Henderson	Polk
Beamer	Herlong	Prouty
Becker	Hill	Quie
Belcher	Hoeven	Reece, Tenn.
Bennett, Mich.	Holmes	Rees, Kans.
Bentley	Holtzman	Reuss
Berry	Horan	Rhodes, Pa.
Betts	Hull	Riehlman
Bolton	Jackson	Robison, N. Y.
Bosch	Jensen	Rodino
Bow	Johansen	Rogers, Mass.
Bray	Johnson	Rooney
Breeding	Jonas	Sadlak
Broomfield	Judd	St. George
Brown, Mo.	Kearney	Saund
Brown, Ohio	Keating	Saylor
Broyhill	Kee	Schenck
Budge	Kelly, N. Y.	Schwengel
Bush	Keogh	Scrivner
Byrne, Ill.	Kilburn	Scudder
Byrnes, Wis.	Knox	Seely-Brown
Cannon	Knutson	Sheehan
Carnahan	Krueger	Siler
Carrigg	Lafore	Simpson, Ill.
Cederberg	Laird	Simpson, Pa.
Chamberlain	Lane	Sisk
Chelf	Latham	Smith, Kans.
Chenoweth	LeCompte	Smith, Va.
Chiperfield	Loser	Spence.
Christopher	McCormack	Stauffer
Church	McCulloch	Taber
Clevenger	McDonough	Talle
Coad	McFall	Teague, Calif.
Coffin	McGregor	Tewes
Collier	McIntire	Thomson, Wyo.
Cramer	McIntosh	Tollefson
Cunningham, Iowa	McVey	Trimble
	Mack, Ill.	Tuck
Cunningham, Nebr.	Mack, Wash.	Ullman
	Magnuson	Utt
Curtin	Marshall	Van Pelt
Dague	Martin	Vorys
Dawson, Utah	Mason	Vursell
Delaney	Meader	Watts
Dennison	Merrow	Weaver
Dent	Metcalf	Westland
Denton	Michel	Wharton
Derounian	Miller, Md.	Widnall
Devereux	Miller, Nebr.	Wier
Dixon	Minshall	Wigglesworth
Donohue	Moore	Williams, N. Y.
Dooley	Moss	Wolverton
Dorn, N. Y.	Moulder	Zablocki
Engle	Multer	
Evins	Mumma	

NAYS—161

Abernethy	Byrne, Pa.	Feighan
Alexander	Canfield	Fisher
Andrews	Celler	Flynt
Anfuso	Clark	Fogarty
Arends	Colmer	Forand
Ashley	Corbett	Forrester
Ashmore	Curtis, Mass.	Fountain
Aspinall	Curtis, Mo.	Frelinghuysen
Barrett	Davis, Ga.	Friedel
Bass, N. H.	Dellay	Fulton
Bates	Dingell	Garmatz
Beckworth	Dollinger	Gary
Bennett, Fla.	Dorn, S. C.	Gathings
Blitch	Dowdy	Gavin
Boggs	Doyle	Gray
Boland	Durham	Griffiths
Bolling	Dwyer	Gubser
Bonner	Eberharter	Hale
Boykin	Edmondson	Haley
Boyle	Elliott	Hardy
Brooks, La.	Everett	Harris
Brooks, Tex.	Fallon	Haskell
Brown, Ga.	Farbstein	Hébert
Burleson	Fascell	Hemphill

Heselton	Miller, Calif.	Scherer
Hess	Mills	Scott, N. C.
Hiestand	Mitchell	Selden
Holifield	Montoya	Shelley
Holland	Morano	Sheppard
Huddleston	Morgan	Sieminski
Ikard	Morris	Sikes
Jarman	Morrison	Smith, Calif.
Jennings	Norrell	Smith, Miss.
Jones, Ala.	O'Brien, Ill.	Springer
Jones, Mo.	O'Hara, Ill.	Steed
Karsten	Osmers	Sullivan
Kean	Passman	Teague, Tex.
Kearns	Patman	Thomas
Kilday	Pelly	Thompson, Tex.
Kilgore	Perkins	Thornberry
King	Pilcher	Udall
Kirwan	Poage	Van Zandt
Kitchin	Porter	Vinson
Kluczynski	Preston	Wainwright
Landrum	Price	Whitener
Lankford	Rabaut	Whitten
Lesinski	Ray	Williams, Miss.
Libonati	Rhodes, Ariz.	Wilson, Calif.
Lipscomb	Rivers	Winstead
McMillan	Rogers, Colo.	Wright
Machrowicz	Rogers, Fla.	Yates
Mahon	Rogers, Tex.	Younger
Mailliard	Rutherford	Zelenko
Matthews	Santangelo	

NOT VOTING—61

Auchincloss	Green, Pa.	Reed
Ayres	Gwinn	Riley
Barden	Harden	Roberts
Baumhart	Hays, Ark.	Robeson, Va.
Blatnik	Hillings	Robsion, Ky.
Brownson	Hoffman	Roosevelt
Buckley	Holt	Scott, Pa.
Burdick	Hosmer	Shuford
Byrd	Hyde	Staggers
Cooley	James	Taylor
Coudert	Jenkins	Teller
Cretella	Lennon	Thompson, La.
Davis, Tenn.	McCarthy	Thompson, N. J.
Dawson, Ill.	McGovern	Vanik
Dies	Macdonald	Walter
Diggs	Madden	Willis
Fino	May	Wilson, Ind.
Gordon	Miller, N. Y.	Withrow
Granahan	Powell	Young
Grant	Radwan	
Green, Oreg.	Rains	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McCarthy for, with Mrs. Granahan against.

Mr. Blatnik for, with Mr. Green of Pennsylvania against.

Mr. Burdick for, with Mr. May against.

Mr. Withrow for, with Mr. Coudert against.

Mr. Jenkins for, with Mr. Roosevelt against.

Mr. Baumhart for, with Mr. Cooley against.

Mr. Taylor for, with Mr. Gordon against.

Mrs. Harden for, with Mr. Dawson of Illinois against.

Mr. Wilson of Indiana for, with Mr. Thompson of Louisiana against.

Mr. Reed of New York for, with Mr. Willis against.

Mr. Staggers for, with Mr. Young against.

Mr. Byrd for, with Mr. Dies against.

Mr. Hays of Arkansas for, with Mr. James against.

Mr. Radwan for, with Mr. Holt against.

Mr. Thompson of New Jersey for, with Mr. Teller against.

Mr. Powell for, with Mr. Walter against.

Mr. McGovern for, with Mr. Shuford against.

Mr. Macdonald for, with Mr. Lennon against.

Until further notice:

Mr. Barden with Mr. Auchincloss.

Mrs. Green of Oregon with Mr. Hyde.

Mr. Buckley with Mr. Hoffman.

Mr. Madden with Mr. Scott of Pennsylvania.

Mr. Vanik with Mr. Hosmer.

Mr. Roberts with Mr. Fino.

Mr. Robeson of Virginia with Mr. Brownson.

Mr. Riley with Mr. Cretella.

Mr. Rains with Mr. Robsion of Kentucky.

Mr. Grant with Mr. Miller of New York.

Mr. Diggs with Mr. Gwinn.

Mr. Davis of Tennessee with Mr. Hillings.

Mr. PRICE, Mr. BECKWORTH, and Mr. CURTIS of Missouri changed their votes from "yea" to "nay."

Mr. BAILEY, Mr. HAGEN, and Mr. HEALEY changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

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

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

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

THE ANGEL OF DEATH TAKES PAUL A. DEVER—AND MASSACHUSETTS MOURNS THE PASSING OF A GREAT GOVERNOR

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Paul A. Dever was the youngest attorney general in the history of Massachusetts.

In that position he demonstrated the skill and the integrity that won for him an amazing degree of public support in his later campaigns.

As Governor of the Commonwealth, during his forties, he was the architect of one of the most forward-looking and humane programs ever conceived and carried out by any State administration.

This combination of ability and popularity attracted national attention.

He was the keynote speaker at the Democratic National Convention in 1952, and it was a foregone conclusion that he would be offered a position in the Cabinet of the next Democratic President.

Massachusetts has produced many outstanding leaders for both parties. Invariably they received their thorough training by prior service in the State legislature which is regarded as one of the finest in the country. This is where he began his career.

As a youngster Paul Dever had to work hard in order to secure an education.

He never lost this ingrained habit of giving all his energy and talent to the mastering of every problem that came before him.

His capacity for seeing both sides of an issue, and of dealing fairly with those who did not agree with him, earned the respect of all and the reputation for achieving what he set out to do.

A persuasive public speaker who inspired confidence in his audience, he worked tirelessly, in and out of office, for the principles and the programs of the Democratic Party in which he had a profound faith.

He was an able and successful lawyer who lived in modest circumstances.

For the humility and devotion that marked his private life nourished the character that was spent with such generosity in the service of Massachusetts and its people.

Up through the legislature, to attorney general, to Governor, Paul A. Dever grew with the times and with his ever-increasing responsibilities.

Who knows where his gifts might have led him had not the angel of death called to him in his sleep at the age of 55?

The Democratic Party has lost one of its most promising leaders and, in the opinion of many, so has the Nation.

In our sad acceptance of those mysteries that lie beyond our understanding, we bow our heads in prayer to the memory of Paul A. Dever, grateful for the years that were blessed by knowing him and working with him and consoled by the faith that he has earned and found eternal happiness.

METHOD OF COMBATING RECESSION

Mr. MUMMA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MUMMA. Mr. Speaker, about a month or more ago I made a 1-minute speech on the floor of the House calling attention to something that took place in Pennsylvania in an effort to restore business. It was at that time that the John Wanamaker store of Philadelphia inserted an ad in the New York and Philadelphia papers stating that everything in the store was going to be reduced 20 percent. I certainly hope that the different business and labor interests of the country can get together on something of that nature. I think at this time there is a great opportunity for the automobile people to do something along this line. As the gentleman from Illinois [Mr. SPRINGER] said to me as we were coming into the hall this morning, he thinks this depression or recession is in automobiles, rails, and steel. I noticed several articles in the CONGRESSIONAL RECORD, one of which was quite lengthy, was quoted by Senator KEFAUVER on the subject on April 15, 1958, entitled "We Need an Across-the-Board Price Cut." Another by Representative TOM ABERNETHY entitled "A Tug of War."

And now this article as it appeared in the Washington Daily News of April 17, 1958—letters to the editor:

SUBSIDIZED PRICE CUTS ARE URGED

Economists agree the key to recovery lies in lower prices. Certain electrical appliance manufacturers proved this recently by abandoning fair-trade rules—when their prices fell 30 percent, their total sales increased several hundred percent.

If the same formula were applied to the steel industry, the backbone of our economy

operating at only 50 percent of capacity, national recovery would be almost instantaneous.

Instead of a tax cut or other nondecisive forms of pump priming, let the Government sit down with the steel industry, agree on a fair price for steel, cut the price to consumers 35 percent, and make up the difference with a temporary Government subsidy.

The auto industry could instantly make huge price reductions, as could hundreds of other steel fabricators. Other competing metals might also have to be subsidized temporarily to avoid bankruptcy, but this simple and direct method would restore prosperity and lower prices at the same time.

Let's call in industry, Madison Avenue, the press and the radio and TV networks, and set June 1 as the date for the beginning of a nationwide prosperity parade. On that date merchants all over the country would reduce prices affected by the 35-percent cut in metal prices, and pass along the savings to consumers.

Subsidies are not new or revolutionary—some segments of the economy are subsidized now. Constructive planning and some price control in basic industry by the Federal Government will be necessary for future stability.

PAUL MCILVAINE.

I do not agree with this statement in its entirety, but in principal that of reducing prices to a more realistic level.

DEVELOPMENT OF OUTER SPACE

Mr. COAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. COAD. Mr. Speaker, one of the most important phases of international relations at the present time is the problem of the development of outer space. This is by nature a very delicate and highly sensitive field of human exploratory endeavor. The development of an adequate and proper program of outer space will be most beneficial and vitally significant in the promotion of human welfare.

The development of a program to conquer outer space must be such that the pursuits of peace will be uppermost. My bill, H. R. 9966, which I introduced on January 14 of this year, calls for the establishment of a civilian commission on astronautics and was written with the purpose in mind to develop an outer space program in such manner as to promote peace among the nations.

I was pleased when the President announced last month that he favored a civilian commission on space development. Many of the ideas which the President embraced are embodied in H. R. 9966.

However, just prior to the President's statement concerning his views on a civilian commission on space the President instructed the Air Force to prepare to launch rockets to the moon and to orbit satellites around the moon. If this program is carried out by the Air Force it will be a military operation and will serve notice on the Russians that it is plainly a military maneuver.

Last week before the Space Committee of the House, the announcement was made that the military is already thinking, planning, and preparing for the eventuality of a space war. Now I certainly do not believe we should curtail the military in any needed program of development for the sake of the security of our Nation. However, the moon project, if promoted by the Air Force, makes a military project out of it from the outset. Surely peaceful relations would be enhanced and the knowledge gained would be every bit as great if this project were undertaken by the civilian scientists of the International Geophysical Year. Not only would such a gesture be of tremendous technical value to the scientists participating in the IGY program, it would also let it be known to the entire world that we are sincere in pursuing the developments of space for the good of humanity and not for the wasteful purposes of war.

Therefore, I propose that the rockets to the moon project be turned over to the International Geophysical Year program. And if there are not sufficient funds and equipment already available to the IGY to carry out this project then the President by Executive order or the Congress by legislative action should make them available immediately.

Mr. Speaker, these are minimum requirements for the peaceful development of outer space, they are practical and they are urgent. I invite serious consideration of these proposals on the part of the executive and legislative branches of our Government.

PROPOSAL FOR A JUNIOR CORPS OF CADETS

Mr. ANFUSO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANFUSO. Mr. Speaker, the problem of juvenile delinquency is today no longer associated merely with one particular city, or a particular neighborhood, a school, a racial or nationality group, or even a segment of the population which knows only poverty and slum life. It is a problem confronting many of our large urban areas, good neighborhoods and bad, all segments of the population, the school systems—in fact, the entire structure of our society.

It has taken on alarming proportion since the end of World War II, most especially in the last few years. It has become one of the principal social problems of our day. The more we discuss this problem, the more we analyze it and seek means and ways to deal with it, the larger the problem becomes and the more elusive it appears to be. At times one has the feeling of utter helplessness as we witness the deterioration of large numbers of the youth of our cities and of the Nation—young people who are and could be priceless human resources so vitally needed in this crucial era—yet wasting away their lives, their talents and their energies.

We are told that this is a "disturbed" generation, or as one writer recently called it, a shook-up generation. Undoubtedly, this is very true. In his magnificent series of articles in the New York Times a few weeks ago on juvenile delinquency and street gangs, Harrison E. Salisbury tells us that the youngsters who make up these gangs have little contact with religion and that the positive influence of religion in their life is lacking. He has also found that most gang members come from broken homes, and that in numerous instances the families are on relief.

One of the things that shocked me most was the fact that a large number of these youthful gang members are illiterate, they can hardly read or write. Mr. Salisbury states it succinctly thus: "The number of gang members who cannot read is astonishingly high." While this may appear on the surface as a strong and direct condemnation of our educational system, one must caution against such hasty conclusions in cases where youngsters are basically illiterate or where other factors exert strong influences.

And one final reference to Mr. Salisbury's findings. In a number of instances youngsters told him that they consider the Army as a means of breaking out of the desperate circle in which they exist, or they expressed the hope that "the Army will make a man of me." That in itself, it would seem, is an encouraging sign indicating that these gang members realize they are caught in a vicious trap and are struggling to get out and be of some service to their country.

Mr. Speaker, all of this is food for thought, very serious thought, about this youth wasting away precious years, in chalking up a record of crime, in paying a terribly high price which is costly to themselves and to the Nation. Is there no way to make them understand it? Is there no way to utilize their ability and their energy in more productive channels than the senseless street gang fights?

As a former jurist on the bench of New York I have given considerable thought to the problem of juvenile delinquency, methods to curb it and legislation to deal with it. I have long since come to the conclusion that it cannot be dealt with locally, haphazardly, on a volunteer basis. This is a national problem and should be treated on a national scale. It requires professional help, it requires sufficient funds, proper understanding and patience. As stated above, we are dealing with young people who are disturbed, who are shook up, who are confused about life. They need guidance and renewed hope in themselves and in humanity. They must be shown a way to a better, a more productive, a more rewarding life.

I am today introducing a bill which, if enacted, could serve as a start toward that kind of life for many of these youngsters. I do not pretend to claim that it will solve the problem of juvenile delinquency or that it will eliminate street gangs. But it might serve as a path toward a better life and greater hope for thousands of young people who would benefit from this measure.

My bill provides for the establishment of a junior corps of cadets in each of

the military branches of the United States Armed Forces. The corps of cadets is to be composed of male citizens, between the ages of 14 to 18, who are to enlist voluntarily for a 2-year period with the consent of their parents or guardian. Their past record should not be held against them, except in instances where one has been convicted of the crime of murder.

Those accepted for enlistment in the junior cadet corps shall receive compensation at the rate of $365 per year, payable on a monthly basis, plus allowances for subsistence and transportation in connection with their duties in the corps. As for the duties to be performed by members of the corps the bill provides that they are to be assigned the same or similar duties as those performed by enlisted members of the Regular Armed Forces, except that in the interests of national security emphasis should be on giving these youngsters vocational training in schools under the jurisdiction of the various military branches and for use in military service. Thus, it would stand to reason that such youngsters be trained as technicians and mechanics in electronics, electrical maintenance, precision equipment, ordnance, construction, motor maintenance, communications, soil conservation work, and other fields. It is a safe bet that many of these youngsters would apply this knowledge and experience in civilian life later.

The bill also provides that members of the corps shall wear a special uniform which should identify them with this service. It is stipulated, however, that they shall not be eligible for veterans benefits since the corps of cadets is not a regular branch of the Armed Forces, but merely a preparatory stage for such service.

In making a brief check, I find that a number of countries have similar youth programs comparable to the junior cadet corps recommended in my bill. Here are a few examples:

First. Canada: The Canadian Government provides grants to the Provinces for the establishment of a cadet program in the high schools. Although grants and uniforms are provided by the Government, it is left to the school system in each Province to determine whether to conduct such a program for its students. Boys from the ages of 12 or 13 are eligible for this program.

Second. France: Military schools are set up by the Government for children of officers only; such children must be at least 10 or 11 years of age to be eligible for this program.

Third. Great Britain: The Combined Cadet Force and the Army Cadet Force provide training on service lines for boys between the ages of 14 and 18. The Combined Cadet Force provides training in schools in which education is continued to the age of 17 or above. Cadets receive general basic training, and then specialized training in the Royal Navy, Royal Army, or Royal Air Force section. Contingents are affiliated to regular units and establishments of the service. The Army Cadet Force is recruited from schools which do not raise contingents of the Combined Cadet Force and from boys who have left school.

Fourth. U. S. S. R.: Military schools in the Soviet Union accept students at the age of 9 and offer 9 years of general education, including military discipline and training, plus a heavy indoctrination of Communist ideology. Graduates attend officer candidate schools for 3 years and upon successful completion of the course are then commissioned in the Soviet Army.

Mr. Speaker, I am sure that all of our colleagues will recall the very useful service performed in our own country by the Civilian Conservation Corps, which provided an outlet and employment for about 300,000 of our young men in the depression period of the 1930's. In the 8 years of that organization's existence its members helped to advance many conservation projects which benefited the whole Nation. Why not utilize this idea and experience at the present time?

Think of the possibilities of a junior cadet corps, such as proposed in my bill, with a membership of about 100,000 young men. It would provide opportunities for these young people which they do not otherwise have now, opportunities for learning a well-paying trade or skill, for continued education, for a limited income as a start, and for doing something useful. It would keep them off the streets and away from the enticements of crime and juvenile delinquency. It would give them a chance to attain something worthwhile in life and be accepted, instead of becoming outcasts from society.

In conclusion, I want to summarize by stating several major achievements which we stand to gain by creating a junior corps of cadets as outlined above:

a. It would provide an auxiliary or preparatory corps of young men for our Armed Forces for use in any emergency, especially in the interests of national security.

b. It would provide trained personnel for various tasks required in the military service, including the handling of modern and complex weapons.

c. It would help lessen juvenile delinquency and channel many of these youngsters into a more useful and more productive life for themselves and for the Nation as a whole.

Mr. Speaker, I earnestly believe that this is an idea well worth being considered by Congress as soon as possible. The cost involved would not be too great, but the rewards to the Nation would be truly immeasurable from every standpoint.

AIR SAFETY

Mr. HILLINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HILLINGS. Mr. Speaker, the time now has arrived for Congress to determine which course aviation is to fly in the United States. At the present rate the course seems to be oblivion.

We have more and faster planes in the air every day, contributing to the alarming contraction of our last great natural resource—the vital air space over the continental United States.

As with other of our natural resources, the conservation of our air space for its best utilization with maximum safety demands attention from Congress.

In the last 2 years we have witnessed a growing number of mid-air collisions taking hundreds of lives in the air and on the ground and threatening additional lives and property in the air and on the ground.

The mid-air collision over Las Vegas yesterday with the appalling loss of 49 lives seems to me to be inexcusable from the preliminary reports, inasmuch as the pilot of the commercial transport involved was both on course and flying prescribed flight rules. He should have had absolutely no interference on the airway to which he was assigned.

A military plane in a routine practice maneuver apparently ignored the thousands of square miles blocked off to it for such purposes to invade a prescribed commercial airway with the tragic result that everyone in both planes were killed. It is significant to note that in all the recent mid-air collisions, a military plane or military planes have been involved.

This occurrence is not now uncommon, as is testified to by official Civil Aeronautics Administration reports on the number of actual and near midair collisions over almost every area of the United States as our airspace becomes more congested.

We have numerous Federal agencies and boards dealing with this problem but the plain fact remains that there is an utter failure in coordinating and controlling the use of our airspace by military, commercial, business and private aircraft for the promotion of greater air safety.

From excellent aviation sources I have drawn the conclusion that our traffic control problem will not be settled now or in the future as long as the military or military thinking dominates aviation agencies, boards or panels within the Federal Government.

The military must have airspace to safeguard our own security, but the military must be ordered to comply with the flight rules and the air traffic patterns set for other users of our airspace. Commercial, business and private aviation is here to stay; let us not overlook this point.

Of course, the military will control all of our airspace in times of emergency, but in peacetime we will never gain greater air safety unless ironclad authority is established to control our airspace.

The fact that I have a concurrent resolution before Congress to create a Joint Committee of Congress on Air Safety comprising our top minds on aviation in the House and Senate does not prompt me to make these remarks today.

Congressional investigations will not cure our air-safety problems, but firm action by Congress in establishing a single Federal authority with absolute control of the use of our airspace is mandatory.

REGISTRATION AND REPORTING OF EMPLOYEE WELFARE AND BENEFIT PLANS

Mr. BOSCH. 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 New York?

There was no objection.

Mr. BOSCH. Mr. Speaker, I have taken this time to discuss my various reasons for introducing H. R. 11286, a bill to provide for the registration, reporting, and disclosure of employee welfare and pension benefit plans and which was referred to the Committee on Education and Labor.

A bill which would require full disclosure in all types of employee-benefit plans, whether pension or welfare, unilateral, bilateral, self-managed or insured, contributory or noncontributory, bargained or nonbargained, level of benefits or fixed contributions would make it difficult for an administering agency to detect the evils disclosed, would create an unnecessary vast new Federal bureaucracy, would deprive management, unions, and labor of the right to contract with respect to placing upon one party or the other the full responsibility and the hazard of expense for the management of the fund, would add materially to the expense of operating such funds, and finally would require employees to furnish labor unions with economic and bargaining power which should be negotiated through the normal channels of collective bargaining.

Let us look into the background of this legislation. For over 4 years Congressional committees, as well as State committees, have been investigating abuses in welfare and pension funds. These investigations have disclosed that in the Taft-Hartley type trust under which there is joint union management responsibility, there has been racketeering, embezzlement, negligence, simple lack of know-how of administration, and, in general, a failure to consider trust management responsibilities as fiduciary. The investigations have also found rebating, kickbacks, and exorbitant commission fees paid by certain elements in the insurance industry. Upon analysis, however, even in the Taft-Hartley type trusts there were relatively few where these abuses were found.

The question is, Mr. Speaker, Should we indict all these plans merely because a small segment, due to their characteristics, had such abuses? The obvious answer is "No."

The confusion about this problem is found in these areas:

What is the basic objective of any proposed legislation? The issue which gave rise to it was the evidence of abuses and the diversion of moneys to the detriment of the beneficiaries. The legislation should be designed to help correct these abuses. One should, therefore, not confuse the objectives advanced in the course of discussion with (a) that of assuring that the funds accumulated for future payment of pensions are adequate for the purpose, and (b) that of giving the employees and their representatives the knowledge of the financial operation of these funds which they would like to have for the purpose of collective bargaining. The question of whether funds accumulated under pension plans are adequate is a very fundamental one, but it will not be solved by mere disclosure. Whether there should be standards as to funding plans is an entirely different question from that of whether there have been abuses in the handling of the funds. It would appear that before a decision is made in this area a great deal more consideration should be given the subject than has been given it by any group at this time. Whether employees and unions should have further information of the financial operation of these funds for collective bargaining is a problem which most definitely should not be settled in this particular legislation. It does not seem proper or practical to require an employer by law to disclose financial information where his only commitment is to provide benefits—no more than a requirement that the employer disclose his ability to continue the payment of his employees' wages.

There is a need to distinguish between welfare plans and pension plans. Pension plans, on the one hand, involve long-term commitments and almost always the accumulation of substantial sums of money for the purpose. Welfare plans, on the other hand, providing sickness and accident, hospital-surgical and medical benefits do not involve the accumulation of large reserves, but merely the current collection and disbursement of moneys.

A major distinction needs to be drawn between fixed level of benefits and fixed cost plans. A fixed level of benefits plan, in contrast to a fixed cost plan, means any plan that has a fixed level of benefits and a variable cost to the employer, the cost being that amount above the fixed rate of employee contributions, if any, to provide the fixed level of benefits. A fixed cost plan means any plan that has a fixed cost to the employer and a variable level of benefits to the employees. The latter type plans are characterized by (a) contributions from an employer or employers into a separate fund on a basis not directly related to benefits but rather as a certain number of cents per hour worked, or a function of production, or as a percentage of payroll, and (b) administration by trustees composed of union and management representatives.

An examination of the disclosed abuses indicated there are specific characteristics which make some plans more vulnerable to embezzlement and unfair dealing than others. However, only 10 percent of all the private employee benefit plans in the United States have that combination of features which set the stage for embezzlement and other abuses. The one characteristic common to all plans where abuses have been found was a fixed cost contribution by the employer from which all benefits must be paid. Thus, any diversion of these funds in an improper manner or for excessive administrative expenses, or otherwise, reduce the benefits to employees.

Another area of confusion is the failure to distinguish between contractual relationships and fiduciary relationships. By its very nature the fiduciary relationship, namely, that of good faith rather than legal obligation, is not properly applicable to the contractual relationship. How one party to a contract decides to finance the commitments he has undertaken under the contract are not subject to accounting to the other party or parties to the contract in the same way as is customary and proper in fiduciary relationships.

You might ask what great harm it will do to include all plans within the scope of legislation which requires disclosure of minute details of financing. In my considered opinion a great deal of harm would result because it would seriously interfere with the collective bargaining relationships where plans involve the employees of only one employer—as the vast majority of plans do—if this disclosure legislation were to shift the bargaining emphasis away from the benefits to be provided to the cost to the employer. Most employees are more interested in the benefits that they are entitled to and what they must pay to get them than they are in what the employer pays.

It seems to me that if the emphasis were to be changed from level of benefits to employer costs, it will undermine the very foundation of a successful operation of these welfare plans which is the principal of averaging costs over a large number of employees so as to provide uniform benefits.

If the employer is required to disclose his costs on his Retirement Annuity Plan, he might be discouraged from financing it on a conservation basis. The large reserves which are building up under a soundly financed plan may result in tremendous pressures to increase the benefits at no increase in current costs merely by dipping into reserves for future benefits. If he is required by collective bargaining pressures to yield it, it could well undermine the future solvency of the plan and result in reduced benefits and serious disappointment and hardship to retired employees.

If the disclosure is to be made of the volume and distribution of investments of level of benefits plans, pressures will be inevitable for parties other than those responsible for providing the benefits to have a voice in the type of investments to be made, the rate of funding and other requirement. Those responsible for the investing of funds have as their major objective the security of funds and the maximum yield consistent with such securty in the interest of maximum protection for employee beneficiaries. If funds are to be invested in the so-called "socially desirable forms of investment" it will be axiomatic that their costs would increase or the protection to the beneficiary would be impaired.

Although costs should not be the determining factor in ascertaining need for legislation, its application to an estimated forty or fifty thousand plans in the United States would increase the paper work involved and put a tremendous additional burden on the administering agency without corresponding public benefit because 90 percent of the programs are of the type in which no

abuses have been found. Interestingly, in New York, my State, where we require the registration of the Taft-Hartley type trusts, approximately 900 funds have been registered and it has been found that it is necessary to employ one person for every 22 plans registered. If we apply this ratio to the number of plans being required to register the number of Federal employees would be over 10,000 and using an average salary of $4,000, plus other expenses, the annual cost would be in excess of $50 million; this is considerably more than the unrealistic $1.7 million estimated by the Secretary of Labor and the $2.6 million estimated by the Securities and Exchange Commission.

The application of unnecessary reporting and disclosure requirements to fixed level of benefit plans will result in an increase of the cost of operating such plans which is unwarranted by any benefit accruing to the employee beneficiaries. This expense will be particularly burdensome if automatic dissemination of such information to all beneficiaries is required. Welfare and pension plan financing mechanisms are not overly simple and no matter how well managed a program is, disclosure to all and sundry will inevitably result in management expending unnecessary time and money answering well intentioned questions from persons who will not understand the reports disclosed.

Disclosure of detailed financial data on plans using the insurance mechanism would reveal data which would be of great value to persons who might wish to twist or switch policies from one insurer to another to secure higher commissions and fees. There seems to be no good reason for requiring the insurance company to disclose the competitive details on individual group policies of their business. No other business is asked to disclose their selling and distribution costs, reserves for depletion, or other items on each individual sale to all of their customers and competitors.

Requiring disclosure under all plans will seriously interfere with the rights of employers, employees, and their representatives to contract for employee welfare and pension plans on the basis best suited to each set of circumstances. Those who make agreements on a fixed level of benefits basis do so with full knowledge that the cost to the employer, the operation and management of the fund is the exclusive right of the persons managing it and that if either the employer, the employees or the unions desired it otherwise, the bargaining could have been done on some other basis than that of level of benefits. The Federal Government should not undertake to interfere with such contractual rights on the grounds that such interference is for the benefit of a particular group or class.

Six States have already passed laws dealing with the subject of employee welfare and pension plans and other States are actively considering such legislation. I would consider the proper place of this legislation to be in the State area.

I might here interpose for the information of my colleagues the following from a report of the section of corporation, banking, and business law of the American Bar Association, which has made a study of the subject matter under discussion, and in its report to the general membership the committee states:

> The resolution proposed by the section of labor relations law would put the association in the position of recommending to the Congress that it enact blanket legislation imposing compulsory filing requirements on all pension plans and health and welfare funds. The amendments to that resolution offered by this section in conjunction with the section of insurance, negligence, and compensation law are designed to exclude from the field of recommended Federal legislation (a) funds established under level-of-benefit plans, and (b) all funds of whatever kind that are already subject to adequate disclosure requirements under Federal law. * * * Extension of additional compulsory filing requirements to qualified funds would merely impose an additional burdensome and expensive requirement on these funds with no corresponding benefit to the public or to the employee-beneficiaries.
>
> The section of corporation, banking, and business law accordingly recommends that if the Congress is to enact any legislation requiring the compulsory annual filing of financial statements by employee pension and health and welfare funds such legislation apply only to those funds which do not provide a level of benefits and then only if the funds are not qualified under section 401 (a) of the Internal Revenue Code.

If my colleagues will but take the time to analyze this explanation, as well as my bill, I believe they will agree that more harm than good would result from applying all of the provisions of contemplated legislation indiscriminately to all types of plans. I believe that the approach taken in my bill, H. R. 11286, is in the right direction.

THE PRESIDENT'S VETO OF SENATE JOINT RESOLUTION 162

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD, and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks at this point, I include a letter which I received from the director of the Michigan Department of Agriculture with regard to President Eisenhower's veto of Senate Joint Resolution 162.

> MICHIGAN DEPARTMENT
> OF AGRICULTURE,
> *Lansing, Mich., April 16, 1958.*
>
> Hon. JOHN D. DINGELL,
> *United States Congressman from Michigan,*
> *House Office Building,*
> *Washington, D. C.*
>
> DEAR CONGRESSMAN DINGELL: The commission of agriculture, at its meeting on April 9, 1958, again discussed the general farm situation and passed the following resolution:
>
> "Moved and supported: That the director be instructed to write to the Michigan Congressional delegation at Washington deploring action of President Eisenhower in vetoing a bill to set aside the farm price-freeze action of the United States Department of Agriculture, and also that the Michigan Congressional representatives be urged to support efforts to override the Presidential veto. Motion carried unanimously."
>
> Your support of this resolution will be appreciated by the members of the commission.
>
> Very truly yours,
> G. S. MCINTYRE, *Director.*

INTRODUCTION OF A NEW BILL TO AID SMALL-BUSINESS FINANCING

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, several weeks ago, the distinguished majority leader of the Senate, Senator JOHNSON of Texas, introduced a bill to create a system of small business capital banks. This bill is a companion bill to H. R. 10345, which had been introduced in the House by me and several other members of the Select Committee on Small Business. It is a bill on which we had put many months—I might even say years—of work and planning. Accordingly, on the occasion when he introduced this bill, Senator JOHNSON's remarks in the Senate were most gracious and complimentary toward our work in developing the bill, as they were toward its purpose.

The purpose of this bill is one in which the Senate majority leader has long had a deep interest and understanding. The purpose is to help create some machinery—where none now exists—which will give small firms access to capital, both equity capital and long-term debt capital such as the big corporations obtain from the Wall Street stock and bond markets.

Accordingly, as a result of his efforts to work out legislation for this purpose that would be broadly acceptable to all sides, Senator JOHNSON introduced a new but similar bill of his own which, as I understand it, was drafted with the assistance of the staff of the Federal Reserve System.

Consequently, I have today introduced H. R. 12064, which is identical to the bill Senator JOHNSON introduced in the Senate yesterday. I have not as yet studied the details of this bill, but, without having done so, I know that the House should consider it; and I know that in general it is a good bill.

In one respect the financing is different from that of the bill I previously introduced. The bill I previously introduced would provide the initial capital for the new capital banks by transferring $120 million from the surplus funds of the Federal Reserve banks. Chairman Martin and several other members of the Board of Governors have, however, objected to the use of these Government funds for this purpose and have suggested that funds for the new agency be obtained from the Treasury instead. Consequently, the new bill overcomes Chairman Martin's objection, which I believe is the only official objection to the bill which has been raised. The purpose of the bill is the same. And I believe that all of the Members of the House know this purpose is most important.

I believe that there is no more important legislation before Congress today; and the most important thing we can do is to agree upon and pass a bill which sets up a financing agency on some sound basis, without waiting to quibble over and perfect each detail of the new agency. After the new agency has operated for awhile, experience will suggest that changes in minor details will have to be made in any case. The important thing is that we get authorized and operating some machinery which will give small firms access to equity capital and to long-term debt capital, the lack of which is now helping to starve out the small-business segments of our economy.

MAJORITY MEMBERS OF THE SMALL BUSINESS COMMITTEE URGE TAX RELIEF FOR SMALL FIRMS

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, nowhere has the business depression struck harder than on the 4 million small business firms in the United States, and nowhere is the present business slump threatening a a most serious and a most permanent damage to the vigor of our competitive enterprise system.

According to Dun & Bradstreet, small business failures in the first 3 months of this year rose to the highest level since 1933. In these 3 months, at least 4,500 small firms on the Dun & Bradstreet list went bankrupt or were forced to close under bankrupt conditions, an average of more than 10 in each of the 435 Congressional Districts. How many thousands of other small firms closed their doors voluntarily, no one knows, but from accounts coming in from all parts of the country these numbers have risen to most distressing proportions.

CAUSES OF SMALL BUSINESS DEPRESSION

And the point to be remembered is this: that the depression is not just now hitting the small-business segments of our economy. The truth is, as we have all known, the epidemic of small-business failures started several years ago and the number of failures each year has been rising, even as the big corporations were enjoying unprecedented prosperity.

There is no single cause for these small business failures. We have allowed competitive opportunity for small business to deteriorate in several important ways, and the results have all been deadly. To name just three of the important forces which are working to eliminate small business, I would name these:

First, a deterioration of our antitrust laws, particularly those laws which were designed to check big business' abuse of power and to give all business firms a better chance to compete on the basis of efficiency, rather than sheer financial might.

Second, the chronic and growing problem raised by the fact that small firms cannot, as a practical matter, obtain capital as the present capital market is organized, plus the recent high-interest policy which caused the big corporations to shift their credit demands from the capital market onto the commercial banks and thus squeeze small firms out of this source of credit.

And last, but by no means least, the discriminatory burden imposed by the present tax structure has been like a hydrogen bomb exploded in the midst of small business.

PRESENT TAXES IMPOSE UNEQUAL BURDEN ON SMALL FIRMS

Most of us have long recognized and understood the ways in which the present tax structure discriminates against small business and cuts deeply into its earnings while allowing the giant corporations to fatten and take over more and more of the business enterprise of the Nation.

In the first place, once a business firm's income becomes larger than is needed for the immediate living expenses of its owners, there is considerable advantage to the corporate form of organization, in which case corporate income taxes are paid, rather than the high individual income tax rates on all of the firm's earnings. In other words, the advantages are to be found here in the case of the firm that wants to grow by retaining a portion of its earnings in the business, rather than paying out all of the earnings to the stockholders.

But beyond this, there are tremendous practical differences in the way the corporate income tax actually falls on different firms. As tax students have long recognized, and as the managers of many of the giant corporations have freely admitted, the corporate income tax is not actually paid by the giant corporations, or is paid only in small part. With power to administer prices, the corporate giants can, and do, shift the burden of most of this tax, with the result that they have about the same profits, after taxes, as they would have had if the tax did not exist. How absurd it is then, and how disastrous for the future of competitive enterprise, to apply a corporate rate almost the same on small and competitive firms that must actually pay the tax, as on the giant corporation which passes the tax onto consumers, to its employees, or to its small business suppliers and customers.

SMALL BUSINESS COMMITTEE RECOMMENDATIONS

The majority members of your House Small Business Committee have made frequent recommendations for needed corrections to the small business tax problem in this Congress, and in the previous Congress, as we have also made recommendations for bringing about needed corrections of other problems which deny small firms competitive opportunity.

Early this year the seven Democrats on the House Small Business Committee introduced a bill, which is found in H. R. 9957, that would go a long way toward removing the inequalities which the present tax laws impose upon small firms. The principal provisions of this bill are these:

First, it contains a plow-back provision which would allow both incorporated and unincorporated firms to take tax deductions for profits used in expanding the business, up to $5,000, or up to 20 percent of the profits, not exceeding $30,000.

Second, there is a feature designed to help equalize the burden on small corporations, and this would reduce the normal corporate income tax rate on the first $25,000 of taxable income from the present 30 percent to 20 percent.

RECOMMENDATIONS WOULD RESTORE WHOLESOME ECONOMIC GROWTH

The majority members of our committee feel that if these two provisions were immediately adopted, the result would be a restoration of the Nation's previous level of business investment and a restoration of the Nation's rate of economic growth. These provisions would go a long way toward curing the business depression and putting the unemployed back to work.

Furthermore, this kind of tax adjustment would restore the kind of economic growth which would help correct the fundamental problem which keeps bringing about these current recessions and depressions. This is the problem of too much monopoly power which results in administered prices, instead of competitive prices, which keeps putting more and more of a burden on the Government to tax and to spend, and to increase the national debt, in efforts to try to compensate for the maladjustments in our system caused by monopoly.

In view of the urgency of this matter, the majority members of your Small Business Committee today sent a joint letter to the distinguished chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], urging that committee's early and favorable consideration of the proposals which have been advanced for adjusting small-business taxes. I know all Members of the House will be interested in this letter because small business concerns us all. The letter is as follows:

DEMOCRAT MEMBERS' UNANIMOUS VIEWS

APRIL 22, 1958.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: These are difficult times for about 4 million small-business firms in the United States. Nowhere, we think, has the present business recession struck harder than on the small-business segments of our economy. And nowhere does the present business recession threaten more serious and permanent damage to our economic system than in its weakening of the competitive vigor of our private-enterprise system.

Our committee continues to receive urgent pleas for small-business tax relief. We strongly believe, furthermore, than an immediate tax adjustment for small concerns would provide a stimulus to the entire economy such as could be obtained by no other form of tax adjustment. Small firms are, on the whole, ready and willing to invest in business expansion, and thus bring about a renewal of our general economic growth, provided only that tax incentives allow this potential for growth and for a renewal of prosperity to become a reality.

In view of the foregoing, we would like to invite attention to H. R. 9957–9963, identical bills introduced by all of the majority mem-

bers of this commitee, and to urge especially that, as a minimum, favorable consideration be given to two of the provisions thereof permitting:

1. Tax deductions, for both incorporated and unincorporated firms, for new capital investment made during the year, up to the limited amounts outlined in the plowback provisions of H. R. 9957.

2. A reduction to 20 percent in the rate of the normal tax on the first $25,000 of corporate income.

The need for prompt and significant action along the lines we have indicated is so acute, and so fully justified, we felt we should take this means of commending such action to your committee.

Sincerely yours,

WRIGHT PATMAN, *Chairman.*
JOE L. EVINS,
ABRAHAM J. MULTER,
SIDNEY R. YATES,
TOM STEED,
JAMES ROOSEVELT,
CHARLES H. BROWN.

GOV. G. MENNEN WILLIAMS URGES CREATION OF SMALL BUSINESS CAPITAL BANK SYSTEM

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, this morning the distinguished Governor of Michigan was gracious enough to appear before the House Committee on Banking and Currency, to give our committee the benefit of his advice and counsel on a number of proposals that are being considered to combat the business depression, to put the unemployed back to work, and to put our economic system back on a sound footing.

As we all know, it has been Governor Williams' untiring devotion to our economic welfare as much as anything else that has established him as a national leader, as well as an efficient and highly admired chief executive of his own State of Michigan. The State of Michigan is fortunate in having such an able and dedicated Democrat as its chief executive.

Governor Williams outlined to our committee a thoughtful and business-like program for restoring our country's prosperity as well as for correcting some of the recent evils and irrationalities which have hindered our economic progress.

Not the least of Governor Williams' recommendations was that Congress enact legislation similar to H. R. 10345, providing for a small-business capital bank system. Indeed, Governor Williams urged enactment of such much-needed legislation, saying:

> Small business must have a new source of financing if we hope to achieve any permanent solution for the problems of depressed areas—not to mention the problems of monopoly and giantism which we face everywhere.

I know that the Members will be interested in Governor Williams' other remarks on this subject, which are as follows:

> Turning to measures other than public works which will help to create new jobs, I would like to briefly discuss the subject of investment capital, particularly for small business. Our small-business men just cannot find investment funds. Testimony before the House Select Committee on Small Business revealed that only 1 percent of the total amount loaned by life-insurance companes went for loans of under fifty thousand dollars; such loans being the kind most needed by small business. In fact, only 13.8 percent of this total amount loaned by insurance companies was for loans of $1,000,000 or less. On the other hand, loans of $10,000,000 or more constituted 56.5 percent of the money loaned, even though this money went for only 3.2 percent of the loans made.
>
> Other testimony before the committee revealed that in the latest year for which figures were available, member banks of the Federal Reserve System money loaned to businesses with assets of under $50,000 represented 5.5 percent of the amount loaned by such banks. This testimony also showed that Federal Reserve member banks' loans to businesses with assets between $50,000 and $250,000 were 14.5 percent of the total loaned. The total loaned therefore to banks with assets of less than $250,000 was only 20 percent of the aggregate loaned by Federal Reserve banks.
>
> These figures indicate that small business must have a new source for financing if we hope to achieve any permanent solution for the problems of depressed areas—not to mention the problems of monopoly and giantism which we face everywhere.
>
> Therefore, I would urge the enactment of legislation similar to H. R. 10345, providing for a Small Business Capital Bank System, in order to supply the much-needed capital for small business investment. I have studied this bill, and believe that it would provide a sound answer to one of the major reasons why we have unemployment today—a shortage of capital which prevents the small entrepreneur from either beginning or expanding his business, with a consequent stifling of new job opportunities.

CONTESTED ELECTION REPORT

Mr. ASHMORE by direction of the Committee on House Administration reported the following privileged resolution (H. Res. 533, Report No. 1626), which was referred to the House Calendar and ordered to be printed:

Resolved, That KARL M. LECOMPTE was duly elected as Representative from the Fourth Congressional District of the State of Iowa in the 85th Congress and is entitled to his seat.

DEMOCRAT—CONFUSION—HYSTERIA AND POLITICS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. BECKER] is recognized for 60 minutes.

Mr. BECKER. Mr. Speaker, on April 19 the Washington Post, which makes often and ostentatious references to itself as one of the world's greatest newspapers, published an article which struck me as singularly important.

It was important not just from the standpoint that it involved a former President of the United States on a matter of controversy, but that it answered a question left up in the air a few days earlier in what most other newspapers considered one of the top stories of the day.

I do not pretend to be an authority on journalism, Mr. Speaker, but I am told by a number of my friends who are, that the placing of a major news story on page 46 of a 48-page paper constitutes either deliberate slanting of news by playing down that which is adverse to policy, or sheer incompetence on the part of the editor responsible. I shall leave to the judgment of this House and those whose work is journalism, whether the Washington Post was guilty of either.

The story in question was out of Chicago and bore an International News Service credit line. It reported that Harry Truman, the grand vizier of the Democrat Party, had admitted he was wrong in his controversy with Arthur Krock, who is recognized journalistically far more widely, I am sure, than the Washington Post editor who handled the story.

Mr. Truman, you may recall, branded Mr. Krock as a liar. The ex-President said that an interview published by Mr. Krock, and in which Mr. Truman was quoted as saying, unemployment was healthful for the country and that our economy could comfortably support upwards of 5 million jobless, never took place.

According to INS, Mr. Truman confessed to a lapse of mind about the Krock interview and added that Dean Acheson, his former Secretary of State, had refreshed his memory. Mr. Truman also was quoted as saying he had sent a written apology to Mr. Krock and a request to the chairman of the Banking and Currency Committee to set the record straight.

This incident, I believe, points up rather dramatically the manner in which Mr. Truman and some other leaders of his party will stoop to distortions in their efforts to foist upon the public their unique propaganda.

I must, however, take serious exception to Mr. Truman and others of his party who, through misstatement and the prestige attendant upon their high public position, can and sometimes do have a seriously detrimental effect on our national welfare.

The technique of deliberate exaggerations is one which has been widely used by Democrat leaders since 1933 to create crises of both imaginary and real nature, but it apparently has reached the stage where only full revelation of the facts involved can correct matters.

Franklin D. Roosevelt, although it is doubtful that he ever could have attained Mr. Truman's stature as a political Ananias, nevertheless must be honored by liberal Democrats as the father of political distortion. He created false crisis after false crisis, each succeeding one built to cover the crumbling foundations of another.

Through all of these dire things that he hawked to the public, he insisted he was the only one who could save the country and the world.

Apparently Mr. Truman, and those who look upon him as Delphic, are convinced that any program which could produce so many votes as FDR bilked from the people, is to be continued.

Mr. Speaker, there always has been room in this country for two parties and, until comparatively recent years, the

people were given some idea of the principles upon which these parties stood.

As a Republican, I often have attacked Democrats, and as long as I am a Republican, I shall expect attacks from Democrats. Politics would not be politics without such things, but on the day I must utter half-truths and distortions, deliberate or unconscious, on that day will I reassess my own ability to serve my constituents.

I believe there is a grave matter of ethics involved in all such exchanges and I am acutely aware that the welfare and security of this Nation are endangered by the reckless creation of mass hysteria through half-truths and distortions.

It would be well for those who adhere to the Truman philosophy to ask themselves these questions:

Is it honest for the Democrat Party, which had the longest period of high unemployment in our history, to hail that era as one of prosperity and damn this administration because of a recession where the jobless total has been, even at its peak, approximately half of their own? During the first 7 years of the New Deal, a period hailed on this floor last March 4 by one of the Democrats from Ohio, as halcyon, our average unemployment figure was greater than 9 million. Only the advent of World War II alleviated the catastrophic effect Mr. Roosevelt's policies had on our work force.

Is it proper for the majority leader of the Senate and others of his party to use every conceivable device at their command to talk the American people into full-scale depression when their own economic policies, already tried under two Democrat administrations, put this country so deeply in debt that it will take a near miracle to bring it out?

Is it deceitful for Democrats who derive their principal financial support from a Marxist labor leader, who makes no bones about taking over their party, to criticize the acceptance of campaign contributions from honest businessmen?

Is it ethical for a man who rightfully earned the appellation "Half-truth Harry" to question the honesty of those whose professional lives depend upon being factual?

Is it fitting that a former President and his Secretary of State, who gave a large portion of the free world to Russia and built the Soviet into the awesome military power it is today, criticize a foreign policy which has slowed Communist expansion almost to a halt?

Is a man whose absolute refusal to maintain armed strength, cost thousands of American lives in Korea and whose personal action halted development by this country of the intercontinental ballistic missile, qualified to berate this administration for its defense policies?

Is it truthful to berate as a class of submorons those who have brought this Nation to the highest degree of scientific development in the world?

Is it fitting that a party, whose lax security measures were responsible for the leakage of our topmost atomic secrets to the Soviet, now insist that the solution to all our ills is to open our defense secrets to the world?

Can any member of the opposition reconcile an insistence on speedier development of ICBM's with his cry for disarmament?

Can the Democrat Party, which compiled the longest and most violent record of labor strife in history, whose President attempted to set himself up as a labor czar in an abortive attempt to take over the steel industry and whose Members today in this body flatly refuse to sanction hearings on legislation sought by both unions and management, decry this administration for inactivity in implementing its program for needed labor reforms?

Do the members of the Democrat Party who echo Walter Reuther's loudly screeched warnings about inflation feel that we should return to their own economic principles which slashed the value of the American dollar in half between 1939 and 1952?

Is the Democrat Party responsible for a cost-of-living index rise of 55.3 points from 1939 until 1952 in any position to attack an administration which has slowed this spiral to the point where it has risen but 7.3 points in 5 years?

Can a group of Democrat liberals whose constituency is in large cities successfully attack Secretary Benson for a program which will take the farmer off the dole and cut the cost of food city dwellers must pay at the corner grocery?

Can these same city Democrat Congressmen tell their constituents that the American farmer is on the brink of starvation when, in reality, he is enjoying greater per capita income than ever before?

I can conclude, Mr. Speaker, that these and many hundreds of other similarly deceitful pronouncements from the Democrats in and out of Congress are designed but to create panic, hysteria, and distrust.

These peddlers of gloom and depression apparently feel that their only hope of winning elections is to create utter chaos in the land and then to blame this administration for bringing it about.

Their record of ballyhooing catastrophe is pockmarked with efforts to straddle the people with a socialistic state, where every man is told what he can do, when to do it, and how to enslave himself even more in the process.

Let us take a look at the hysteria created by the Democrats in high authority during recent months. Less than a year ago, the Democrats were screaming about the Asiatic flu and demanding that the administration immediately issue huge quantities of vaccine to prevent the spread of disaster. The Democrats would have had the people believe that Asiatic flu would sweep the land with greater devastation than would bubonic plague and that people would be dropping dead on the streets all over the country. There was no thought in their mind as to whether or not a vaccine was capable of doing the job or of waiting to discuss this with medical authorities. History now proves that their claims were unjustified and their hysteria completely unwarranted.

A little later, when Russia launched sputnik I, they shouted that our scientific laboratories were manned by incompetents and that Soviet bombs would obliterate us. The Democrats claimed that Russia controlled outer space and were in a position to wipe us off the face of the earth. They screamed that the Republican administration was lax in the development of the missile program when the truth of the matter was that, during the previous Democratic administrations from 1946 to 1952, the development of missiles was completely downgraded and more money was spent by the Democratic administration and the Democratic Congress for price supports of peanuts than was spent on the missile program.

A few months later our scientists, working with the Republican administration and our military forces, launched not 1, but 3, satellites into space, but the faint praise from Democrats in and out of Congress was so meager it could hardly be heard.

In short, they have plagued us with imaginary epidemics, beaten us with fancied famines, threatened us with annihilation by enemy bombs.

If indeed, they hope to win votes through these methods, I am afraid they are in for a bitter and sharp awakening.

For the American people, whose intellect has been so downgraded by them, are perhaps more intelligent than any in the world.

The man in the street knows a phony when he sees one.

This type of politics may suit the Democrat Party but, certainly, can bring only disaster upon the heads of the American people. It is completely destructive and adds not one iota of strength to constructive progression in any of these fields.

What the people of this country want to know is what we are going to do and, then, for all of us to get behind the program and get it done as rapidly as possible.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, I wish to compliment the gentleman for a statement which should help to expose the tactics some elements will use in the mistaken belief that they thus win votes.

I was particularly interested in his reference to those Democrats who hail the New Deal era as one of prosperity.

If my recollection serves me correctly, even the great martyr of their party, Emperor Franklin D. Roosevelt, would disagree that his era was a good one for the American people. Hardly a week passed during his administration that he did not take to the radio, television, or public press to tell us of some new disaster which was facing us.

Mr. Roosevelt was the alltime, 24-carat, dyed-in-the-wool champion hysteria peddler of our history. He could whip up a first-rate, rolling-on-the-floor

crisis in less time than most people could pronounce his exalted name.

In short, Mr. Speaker, either those who refer to his administration as a prosperous and successful one are wrong or FDR was selling the people large wagon loads of manufactured misinformation.

For the benefit of those Members of the House who have short memories, I shall cite some of the great man's crises:

On March 4, 1933, he announced that the "national emergency" was "critical." Two days later, he "viewed" it. Ten days after that, he revealed that we were confronted with an "unprecedented condition."

Then, on April 3, without any thought or expectation that he would be accused of redundancy or repetition, our leader issued a pronouncement that "an emergency exists."

Two days later, he noted that the "national emergency continues to exist."

On May 17, he spoke of "the gravity of the emergency." During the following 12 months he had "a period of national emergency," found "upon investigation * * * an economic emergency," that "the emergency still exists" and proposed "an emergency program necessitated by the economic crisis."

He called "for prompt and vigorous action to meet the emergency," and finally acknowledged that he may have said before that there was a "current emergency of unemployment."

This admission by the Unerring One that he had been repetitious did not, somehow, stop his repetition. Next there was "a great national need," then a "resulting dislocation, restriction, and obstruction of interstate commerce," and a "potent danger at this moment to the future of civilization."

On March 6, 1936, FDR announced a "critical situation," 12 days later said that "use of Government equipment in such an emergency is hereby authorized." Then "to relieve this critical situation," he authorized "the expenditure of substantial amounts," said "emergency conditions still exist" and proposed "to meet this emergency." On February 28, 1937, he told the people that he "need not emphasize to you the seriousness of the problem." March 4 he noted that there was "an increasing urgency." For the next 2 years, he had "a condition" which "has been developing," a situation which was "at the point of extreme danger," a "crisis in American affairs which demands action now," a "political situation such as to cause grave concern," a problem with a "pressing nature," an "urgent problem," an "urgency which must be met," a "serious menace to the fiscal system," and a "serious impairment" to "economic effectiveness."

Then he had a "matter of great public concern," and an "unemployment situation" which "has grown worse."

I should point out that this latter crisis was back in what today's liberals refer to as a truly halcyon period of full employment and prosperity.

Mr. Roosevelt, of course, had many others, such as "a deadline of danger" and conditions which were "not within our control," but his fondness for just plain, unadulterated crises, emergencies, and serious situations remained with him until the end.

His crowning glory came when he proclaimed a limited national emergency on September 8, 1939, and then made it an "unlimited emergency" on May 27, 1941.

If a period so punctuated with catastrophe, unemployment, danger to our fiscal well-being, and other calamitous happenings can be termed prosperous, serene, and successful, Mr. Speaker, I stand corrected and will welcome an explanation as to how the opposition also can distort simple logic.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Kansas.

Mr. AVERY. I would like to compliment the gentleman from New York on his very fine analysis of political developments of the last few months. I wonder if the gentleman would like to speculate on what will be our next crisis for them to demagog on?

Thinking back we had an inflationary crisis when we were in session a year ago. That kind of wore out. We had the sputnik and outer space, and all of the potential candidates for the presidency at that time put on a space helmet and took off into space. Then we had other economic problems develop. So they had to take off the space helmet and work on simple economics. That has carried over until now. By all of the usual means of perception our economic situation is more or less stabilized. So we are going to have another one. Would the gentleman speculate on what the next crisis might be?

Mr. BECKER. I would probably be accused of advancing the next crisis if I answered the gentleman's question. But may I suggest that he look through the record of the New Deal from 1933 to 1940 and he will find there was crisis upon crisis. The American people did not have a chance to move from their right foot to their left foot before another crisis came on. At that time it keep the people off balance, do not let them get in balance. I do not want that to happen again.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Michigan.

Mr. CEDERBERG. It is interesting to go back and look at the remarks of some of the hierarchy of the Democratic Party during the time they were in charge of the administration, and also in charge of the Congress.

If the gentleman will bear with me I would like to quote from Harry Truman in his economic report to the Nation, radio address, found in the New York Times of July 13, 1949:

> Some people are saying, and saying very loudly, that these facts mean that we are in a depression. Many of these people, for political reasons, would like to have a depression.

Then on January 4, 1950:

> A year ago I reported to this Congress that the state of the Union was good. I am happy to report to you today that the state of the Union continues to be good.

Then on October 26, 1956, Mr. Truman said:

> The wage earner will join the farmer and the small-business man on the toboggan of falling incomes. The gaps in our prosperity will get bigger and bigger.

He said again on February 10, 1958:

> There are those who have been saying that a little recession is a good thing for the health of our economy.

Here is a very interesting statement by the Senator from Illinois on the Democratic side of the aisle. It is found in his book, Economy in the National Government, published by the University of Chicago Press, 1952, and I refer to pages 253–254:

> When unemployment is less than 6 percent, there is no real supply of workers ready to go into productive activity. Instead, the unemployed are primarily either the hard core of the perennially unemployed, such as the handicapped, and the transitionally unemployed for whom job openings exist. Since there is no real idle supply of labor, extra money pumped into the economy by budgetary deficit cannot appreciably increase production. Rather, it will be used to bid up prices on the available supply of goods and services, and hence it will bring about inflation * * * I submit as a rough judgment that probably we should not run a governmental deficit unless unemployment exceeds 8 percent and indeed, possibly slightly more than that.

That was in 1952.

On February 10, 1958, here is what the same gentleman stated:

> I think the situation has been a little more aggravated this time than it was in 1928 and 1929, although we do not yet have or need to have a general situation like 1929.

Then he stated on February 11, 1958:

> The danger zone has been reached * * * the time to act has arrived. There should be no hesitation on the part of both the President and the Congress, for this is a dangerous situation which potentially could become much worse.

There are other statements which I shall put in the RECORD made when they were in charge. At that time they had a rosy picture of the economy in the 1949–50 recession. Today they want to go into mass works.

Then I saw the crowning one. Of course, it does not have too much to do with this, but it may be a report of some sort of a crisis that our Democratic friends are going to talk about, when the standard bearer of the party, Mr. Adlai Stevenson, took on the new sack look, you know, that the women are wearing, and he said this—and I quote from the women's column in the Washington Post—"Let women say to the nations of the world, 'Peace or the sack.'" And I say to you that is just exactly why the Democrats were sacked in 1952, because they could not maintain the peace. And, I say to the women and the mothers of the Nation, if you want to keep peace in this world—yes, the women and the mothers of all the world—keep the Democratic Party sacked in 1958 and 1960.

Mr. BECKER. I thank the gentleman from Michigan.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Illinois.

Mr. YATES. Is the gentleman contending there is no business recession in the Nation today?

Mr. BECKER. No.

Mr. YATES. Well, I wondered about that. We had appearing before our Appropriations Subcommittee a few days ago the Secretary of Commerce, and we asked him about the state of the economy in the country. And, the chairman of our committee, the gentleman from Georgia [Mr. PRESTON], asked him what he attributed the recession to. And, he attributed the recession to two things: He attributed it to the Russian sputnik and he attributed it to the weather. And, he said these were the primary causes for the recession in this country. Now, if that is the type of leadership that the administration is offering us at the present time, I think perhaps we will be a long time in coming out of the recession.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I want to compliment the gentleman on his very fine statement. The ticker out in the Speaker's lobby reports that one of the great economists of the New Deal, Mr. Robert Nathan, in addressing a convention—I think the AFL–CIO—suggested that we should cut taxes by some $8 billion or $9 billion. He also said, if he was quoted correctly, that our big problem right now is recession and not inflation. He said that we can deal with inflation if we get over recession. I merely point out to the Members of the House that people of Mr. Nathan's ilk have never been very successful in dealing with inflation. In fact, as the gentleman from New York pointed out so ably in his speech, under that particular leadership the cost of living went up some 55.3 points and therefore I do not think that there is any real likelihood that if we ever do get into a situation where they will deal with inflation that they will be successful in curing it. I wonder if the gentleman would not agree with me that what we have on the other side of the aisle, and in some of the economists who are New Dealers, is a failure to look very far ahead. In fact, I think it is Government day by day or, as the gentleman pointed out, crisis by crisis, rather than looking at the whole big picture and realizing that any economic pattern, of which capitalism might be the basis, is bound to have its ups and downs. Instead they are trying to make political capital about each crisis as it comes along. I suggest—and I wonder if the gentleman would not agree with me—that perhaps if we could buy everybody on the other side a set of bifocals, it might set out this Government picture quite a bit so that they could see the whole big picture, letting the valleys and hills take care of themselves, and we could keep this thing on an even basis instead of overcontrolling, like you would overcontrol an airplane when you were learning to fly. I suggest they take lessons in flying so that they can see the whole picture.

Mr. BECKER. The gentleman mentioned Nathan. I wonder if he recalls back in 1945 when Nathan and Keyserling and all the other great advisers of former President Harry Truman, screamed in headlines across the Nation, that we were going to have a great depression; that the people would have to expect millions of unemployed while industry retooled from defense and war production to peacetime production. How good was that prediction? There was no unemployment; and the industry of this country, with Government hands off, moved from wartime production into peacetime production without a period of unemployment. Oh, yes; if we would keep Government out of business and let business operate, and permit business brains to operate for the benefit of the American people; if we would try not to increase the debt of this Nation and at the same time talk of reducing taxes, perhaps this country would get out of the doldrums, perhaps people would get back on their feet and would get away from the fears engendered in their minds by all the predictions made by these politicians and others such as those speaking for the Americans for Democratic Action.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, I regret that I cannot share the gentleman's rejoicing about the present status of the country. My community is largely an automobile steelmaking community and production there is down to about 18 percent. We are very tired of looking at idle blast furnaces. As a matter of fact, steel production last week receded, according to the American Iron and Steel Institute in the Wall Street Journal today to an 8¾-year low for a nonstrike period, with mills operating generally throughout the Nation at 47.6 percent of capacity, and output declining to 1,285,000 tons. This was 23,000 tons below the preceding week, when the operating percentage was 48½ percent. The institute which is a reliable source of information, predicted a further decrease in production for this week to 1,265,000 tons which would mean operation at 46.8 percent.

The thing we have to be concerned with is the contagious nature of these recessions, the impact that they have on the economies of our friends throughout the world.

Today we have more than 70 million tons of idle capacity in the steel industry. That is more than the entire capacity of Russia. It is estimated that Russia will produce 65 million tons in 1958 and it is doubtful that we will reach this level. This is a startling thing about the present condition. Here we are for perhaps the first time in our history, with double the capacity, and it is possible that we will not reach the production of our outstanding competitor in this world. This is a serious matter, and I find no reason for rejoicing. I find it a time for action, action which we on this side of the aisle have found lacking.

Mr. BECKER. I challenge the gentleman to find one word of rejoicing in the remarks that I have made here today. Those are his words. That is what he intends to have the RECORD show, to have the people think that I said something about rejoicing about this recession. This again illustrates the fundamental point that I made in my talk today. There is not one word that I have said here today about rejoicing in this recession.

But I say this to the gentleman. Away back in January, the President of this country moved in the direction of facilitating construction for our Defense Establishment, and in other directions tried to put those matters into force that would bring people back to work.

Mr. Speaker, what does the gentleman say is the answer to his problem in Ohio? What prescription does he have, if he has a prescription? And if he has, why does he not introduce it and let us see what we can do about it? He has stated the facts of the situation. We know the facts. We know what the facts are in the various areas of this country. What does the gentleman prescribe should be done to cure the situation at this particular moment?

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. BECKER. I yield further.

Mr. VANIK. I hope later on this week we will have the opportunity to vote on a proposal that has been advocated by the Members on this side of the aisle to extend unemployment compensation benefits as a direct Federal grant.

Mr. BECKER. Mr. Speaker, that was advocated by the President of the United States; that was in his program back in January, may I remind the gentleman, in his state of the Union message. That is not new. The gentleman has had 4 months to act on that.

Mr. VANIK. Mr. Speaker, if the gentleman will yield further, there is a great distinction between the proposal of the President, which is a loan program, which is not practical and which will not provide the adequate results to take care of the emergency and our proposal. We are proposing a positive plan which will work now.

Mr. BECKER. What difference does it make what kind of a plan it is? The gentleman and his colleagues have been in control of the committees of the Congress for 4 months. Why have they not introduced a bill and brought it out on the floor for action? Why did the gentleman not bring that bill out 4 months ago? But you have not done it, the same thing has been going on for the past 4 years. You have been complaining about everything and criticizing everything. You have had control of the committees of Congress and you do nothing about it.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. CEDERBERG. Certainly, the gentleman from Ohio does not propose that as a plan to solve the problem. We realize that this unemployment extension or some kind of extension will be granted and will alleviate the present difficulties. But, certainly, it is not going to solve the basic problem that exists at the present time. What we need in this country, as I see it, is a good dose of confidence in the future and I read predictions of great

things for this country, and they are going to come. Bank savings have been going up. We need to instill in the people confidence on both your side of the aisle and our side of the aisle that we are not going to let this economy go further down the road, and that we are going to take these positive steps. But, certainly, an extension of unemployment will not solve the problem.

Mr. BYRNE of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. BYRNE of Illinois. I would like to say to the gentleman from Ohio, I believe it was in Cleveland that the you-auto-buy-a-car program was instituted; was it not? And the gentleman will find they are doing something in the city of Chicago. They have had a program going there for the past week or two and when the people in that area and other areas have had the opportunity of feeling the pulse and instilling the attitude of confidence, those people in private industry and private enterprise come out of their corners, and it proves a fact, as the gentleman from Michigan says, that when you give the people something to buy, the motor industry is getting that shot in the arm and private enterprise is, as demonstrated there, selling automobiles. All we need in America is some confidence and to give private enterprise an opportunity to show what it can do. I say that here in the city of Washington, we can only do certain things. Sometimes I think we are too close to the forest and that we cannot see the trees. We cannot do everything politically in this man's town. I think private enterprise should be given that opportunity and the people of the United States of America should have that shot in the arm so that they too will realize what we can do in America.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. VANIK. I would say in reply to the gentleman from Illinois that I know of no better confidence-giving device than a steady flow of greenbacks to the wallet coming from the payroll. I know of no other way that will more quickly inspire confidence in the hearts of our people. With respect to the buy-now program, it was rather successful for 1 week in my city. I want to point out to the gentleman that I have made a very careful study of the automobile sales in my community, and the shocking thing I discovered was that there were many, many orders for cars that could not be filled for 5 or 6 weeks. The automobile buying public had become a little more discriminating and they wanted an automobile without all the gadgets and without all the trim and the high cost that was being built in the automobiles that were being sent to the showrooms. I want to point out to the gentleman, in my judgment, the cutbacks and the orders that were canceled by industry, and the production haltings and the blast furnaces that were chilled, I think there was too hasty an effort on the part of industry. I think the stampede to recession was not a stampede that was caused by the consumer who continued to buy until he got his layoff notice in his pay envelope, but I think the stampede to recession was one that was led by timid businessmen who did not have enough confidence in America.

Today we have a tremendous deflation of inventory. There is no justification for it. The conditions do not warrant it. If they are so much concerned with inflation, and if they are so much concerned with the rising cost of production and labor; why do they not produce at today's bargain prices before the price of labor and the commodities that go into the various things they manufacture go up even higher. If what they say is true about the great possibility of inflation and the increased cost in the future, why do not they take advantage of the excellent opportunities to produce today and restore confidence in the economy?

Mr. BECKER. I am inclined to agree with some of the things the gentleman has said. I am not going to argue with him on that point at all, but the fact of the matter is that what I am talking about today and the point I have brought out is, why this constant hysteria created by politicians, by the Democrat Party? Why constantly inject fear into the minds of the people? Talking about having no faith in our own country. Let us have a litle faith in our own institutions. Let us have a little faith in our military. Let us have some confidence. Why all this cry of recession? How are the people going to get on the ball and get rolling if their minds are injected with these ideas all the time?

Mr. HASKELL. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. HASKELL. With respect to the question of business inventories, would the gentleman from Ohio prefer that inventories be high in the retail business at this time? Des the gentleman consider that the inventories of automobiles are actually high at this time? Would the gentleman prefer to have inventories of automobiles low at this time or high at this time?

Mr. VANIK. If the gentleman will yield, when I talked about confidence, I think it is more confidence that the man in the street must have. It is confidence that must come from our industrial leaders. When they start talking contract cancellations and all these things, they drive their people into fear. I do not think the politicians, whether one political party or the other, have anything to do with dispelling confidence of the people in any way, as compared with the fears they get in the pay envelope; the business of working one week and laying off the next week; having a 3-day-work paycheck. The purchasing power of the family depleted. That is the source of adverse effect on the the confidence of the people.

Mr. HASKELL. Does the gentleman suggest that the pessimistic minds are coming from business or does the gentleman recognize that many of the politicians on the opposite side have been the ones who have been promoting doom and gloom; taking every opportunity to talk about recession and depression, through the AP or the UP or whatever medium they can get, so that the psychology of fear develops in the minds of the people?

Mr. VANIK. The amazing thing that I discovered on my trip home was the great confidence of the people that something would be done. It was amazing to hear a family who was living on partial pay checks, drawing money from the bank, from their savings—I was impressed with their state of confidence, which imposes upon all of us a trust greater than ever to come up with a solution to get them back to work on a full-time working basis.

Mr. BECKER. Since I have the floor, I would just like to say that I was in California during the Easter recess. My daughter lives there, and a couple of grandchildren are there. The President's action of several months ago has created a great deal of confidence in the people of California, because people are going back to work because of the recommendation of the President, to inspire building missiles and airplanes right now rather than in the next fiscal year. In my own area on Long Island the same thing has taken place. We have put thousands back to work in those industries. In the tooling plants also. Those things have come about by the President's action, but by no action taken by a Democrat-controlled Congress.

Mr. HASKELL. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. HASKELL. Let me compliment the gentleman about the confidence that people hold in the future of this country and in the basic idea of free enterprise. If we had more minds of that kind coming from our friends on the other side of the aisle, this country would soon be out of this recession. I think it is a worthy thing that you speak this way, and suggest that the people have confidence which they have. I find they have this confidence and I would like to say that the Republican people have the same deep concern for the people. I am sure you do on your side. Sometimes we see the economic system in a different way, but if there is one thing that we can say about our party, which sometimes is not advertised enough, it is that they have a long-range concern, that the gentleman from Arizona mentioned. They are not going to be stampeded into taking measures that may throw us off in the long run. That is the important thing, in my opinion.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I will be glad to yield to the gentleman from Ohio.

Mr. VANIK. In connection with the great confidence that I think reposes in our people, I think it behooves all of us under these circumstances to call out the best in us to bring out the kind of program that will restore the economy to its former stability. I want to point out that this side of the aisle I think had been laboring with about as much diligence as I have ever known in my service in this Congress.

I want to call attention to the housing bill, the Sparkman housing bill. I do not think you can call it by any other

name. Under it we will get housing that we expect will restore housing construction to the level we have had in the last 3 or 4 years.

In addition to the housing bill passed by this Congress and which was drawn by Members on this side of the aisle, I point out the rivers and harbors bill that the President vetoed. Unfortunately that would have made a great contribution in my own community and we had quite a stake in that legislation. It was meritorious and should have been considered by this Congress earlier. I think the President's veto of this legislation is going to be very costly in the long run.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Michigan.

Mr. CEDERBERG. The gentleman from Ohio knows that the bill the President vetoed, the rivers and harbors bill, was an authorization bill. There was not a project in that bill on which construction could have been started this year, and probably not next. The projects that were objected to were those that had not been cleared by the Corps of Engineers on a cost-to-benefit ratio, or any other base.

The gentleman knows that an authorization bill usually comes in 1 year and it may be the next year or even 5 years before an appropriation is made under it.

I do not think we should fool the American public into believing that the veto of the rivers and harbors authorization bill could have any adverse effect when construction on those projects could not be commenced either this year or next year.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I will ask the gentleman to allow me to yield first to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. I want to confirm what the gentleman from Michigan just said with regard to the rivers and harbors bill. I think all of us know that it contained some $200 million of projects that the Engineers did not recommend, neither did the Bureau of the Budget recommend them. I believe there were 11 such projects in which the Engineers never had been at the site where it was proposed to build these public works.

I had a project in that bill myself, a project which was recommended not only by the Corps of Engineers but also by the Director of the Budget. Notwithstanding that, in view of the fact that it contained $200 million of unauthorized projects I think that the President was right in vetoing that bill. I told the President that even though I did have a project in there I hoped he would do so.

The Republicans propose to present a bill in the near future carrying those rivers and harbors projects which are authorized by the Corps of Engineers and recommended by the Director of the Budget. There are 11 projects which had not received such approval. They will be out of that bill.

I hope the membership on the other side of the aisle will get behind us. We have projects which have been recommended and surveyed by the Engineers and approved by the Director of the Budget.

Mr. BECKER. If the gentleman from Ohio will permit, I know something about this rivers and harbors bill, having served on that committee for 5 years prior to January of this year. I know why the President vetoed it on two successive occasions.

I, too, have a project in that bill which was a very important project and an urgent one on Long Island. But I announced to the people of my District that the bill the Democrats insisted on putting over I could not in all conscience vote for, that I would have to vote against it on the floor of the House. I did vote against it, and I would vote against it again, under the same circumstances.

Secondly, let us talk about the housing bill. If your side of the aisle had gone along with increasing the interest rate on veterans' housing from 4½ to 5 percent we would never have gotten into this crisis in housing and building. The veterans in my area, I know, would have been glad to pay that extra one-half of 1 percent in order to get housing. You refused to do that. Now at this hour you have come up with a housing bill.

In relation to highways, let there be no mistake about this, the highway recommendation was made by the President in 1954. That bill was passed in 1956. The only reason there was any holdup in the work on the Interstate System this past year was because the funds were not provided in that bill. I hope it will be corrected now.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. THOMSON of Wyoming. I think it is fair to observe that the gentleman started out on the proposition of the people talking about crises. Immediately the gentleman from Ohio here is trying to talk up a crisis. I for one recognize we have had an economic recession of sorts, but I want to make it clear right here and now that as I see the general economic condition of this country it is sound, and I have confidence we are going to work our way out of it without doing all of these things that certain people propose to do, whether we need them or not.

Last January the so-called liberals of the Democrat Party came out with a manifesto asking for everything they seek to put across today.

I think it is fair to observe that the economic soft spots are limited to certain categories and that automobiles is one of the outstanding among these.

I think we should also observe that one labor leader, Mr. Reuther, has pretty well proven that you can price a product out of the market.

Suggestions have been made that we remove the excise tax on automobiles, that we remove the wartime freight excise tax. I think we ought to do both. But we should either do such or quit talking about it. Talking is what the opposition seems to continue to insist upon doing. That in itself has had a depressive effect on the sales of automobiles. The democrats have an obligation to either take this up at once or let the people know it will not be considered. Right now sales are being held up because of the uncertainty.

I am for acceleration of good projects which have been held back. Such is being done. I would point out though that if we want to stimulate our economy and get some action of a permanent nature, we are not going to do it as was proven for 10 years from the beginning of the New Deal until the beginning of the World War II by Government spending alone. We had better give a boost to the $330 billion of the private economy of this country rather than try to jack it up with the taxpayers money in the Government segment of our economy which accounts for about 70 billion of the total.

I would like to compliment the gentleman from New York for his presentation. I agree that decline is contagious in nature and believe that some people want to spread the disease. If so, they will keep on talking about it and fanning the fire. If they really want to take care of the situation, let us get down to doing a few practical things, and not jump off into a big public spending program that is only going to bankrupt this country and place our children up against a bigger and bigger public debt.

Mr. BECKER. I thank the gentleman.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Kansas.

Mr. AVERY. The gentleman from Wyoming has just referred to a point I think maybe should be developed a little further, especially in respect to some of these so-called crash programs that have been proposed. I do not want this to be a political observation such as my previous remarks were. As we all agree on both sides of the aisle, there is a large group of people who are on fixed incomes that we as Members of Congress have a responsibility to in the way of preventing any further inflation in their cost of living. I have a considerable amount of apprehension on these programs that have been proposed that they will have no perceptible effect on our economy except for 1 year or maybe 2 years or sometime in the future at the very time we might get into another inflationary period. I think we should view rather carefully these programs to make sure that we do not develop an inflationary effect on our economy at the very time that it would have a most adverse effect especially on the annuitant and other persons on fixed incomes.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. BECKER. I yield.

Mr. VANIK. I just want to say I am very grateful to the gentleman from New York for giving me the opportunity to reply.

Mr. BECKER. Might I say to the gentleman from Ohio that I believe in that, and I would not want to cut him off for a moment.

Mr. VANIK. I would just like to say this: It is absolutely wrong to prophesy gloom and doom. I think it is equally wrong to give people false hopes about

the economy being able to cure itself. I do not think it has any answer without help from this Congress. I do not like to see it develop into a chronic problem, a serious problem, a problem that could become contagious throughout the world. And, I think that the distinction between our two approaches is that on your side it is to sort of sit it out and see what is going to happen, and the other approach, on this side, to cure this matter before it gets out of hand.

Mr. BECKER. Might I say to the gentleman from Ohio that the President of the United States, in my humble opinion, has taken every step within his power in recent months to do something about it. He has not only advocated but has taken steps within his jurisdiction within the executive branch of the Government. Now, what additional has to be done? Rather than talk about gloom and doom, crisis and hysteria, the Congress take action which it believes is necessary to be taken. As the gentleman from Kansas has indicated, it would be spending us deeper into the grave, creating more inflation, more interest on our national debt, and at the same time they expect us to reduce the tax burden on the people where it is badly needed.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from West Virginia.

Mr. NEAL. I have been very much interested in this discussion. I think it is a good thing for us to open our hearts once in awhile and go back and review some of these things. I can review over a period of time much longer than the average man speaking here today, and I remember a great many times when we had pretty severe depressions long before the big collapse of 1929. I remember, too, that in those days there were no particular efforts being made on the part of the Government to bring us out. I remember quite well that we always came out of those little disturbing panics from time to time much more prosperous and much more progressive than we had ever been prior to that time. Until the 1929 panic I think I can safely say that no extreme Government procedure in an effort to try to bring prosperity out of a period of depression was ever tried to the same degree, with practically no results in returning prosperity to the Nation and returning people to normal jobs. I think we can just use that observation. And, I think even now, while we may be able through past legislation to do certain things that have been built in in order to bolster this situation, that we ought to use them, and I say that it would be foolish if we did not. But, to expect anything like the wild return of extravagant spending of public money like that which occurred during the period of 1930, 1932, and 1933 on up until the Second World War would be a complete flop and leave this country not only in a highly inflated state but without any credit and without any great amount of restoration of prosperity after all.

Mr. BECKER. There is a great deal of truth in the gentleman's observation.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield further?

Mr. BECKER. I yield.

Mr. RHODES of Arizona. I want to compliment the gentleman from Ohio for not only being on the floor but putting forth in well chosen words what I consider to be the attitude of at least a large segment of the people on his side of the aisle. We disagree on means of accomplishing the same thing, I believe I can safely say. There is not a person in this Congress who does not want to make sure that the economy is on as safe a basis as possible and that the economy is rising. However, I do want to reiterate something I said before and which I think we should always bear in mind, and that is that in the long run when we look through the bifocals you see an entirely different picture than you would if you just looked at the valleys that you happened to be in at the time. And, by looking at that particular valley and in taking such action as you think is necessary in the kindness of your heart to get out of that valley and help those people out, you may be doing something which in the years ahead may prove to be to their detriment. In the kindness of your heart you may do those things. Therefore, I ask again that this Congress in this case please do not overcontrol the situation. The economy is not something which is subject to all of the whims of mankind, and anybody, any economist or anybody who thinks that an economy can be completely controlled from A to Z, like we have from time to time been trying to control this one, is just thinking wrong economically. He is thinking wrong economically and politically and, as far as human nature is concerned, he just could not do more harm, because humans do not react to that kind of control which you would have to have to make sure that the economy is on the same key all the time and that everybody is living on beer and skittles 24 hours a day.

Mr. BECKER. I appreciate the gentleman's contribution.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I am glad to yield to my colleague from New York.

Mr. SANTANGELO. Mr. Speaker, I was very interested in the gentleman's remarks this evening and also the prepared remarks of the other Members on the gentleman's side, castigating the Democrats for criticizing his administration for not taking the leadership in getting us out of this depression.

I have listened to the comments made by my colleague from Illinois, and I think there is one conclusion that we may draw. What this country needs is inspiration and leadership. We need confidence.

The only reason I object to the veto by the President of the two measures he vetoed this year is the fact that we are telling the people we are doing nothing for them, and we are continuing the feeling of insecurity. The farmers look to the President for relief. The President vetoes the price-support bill, the bill to compel the Secretary of Agriculture not to reduce prices below last year.

Then along comes the rivers and harbors bill. We do not have to take orders from the Bureau of the Budget, nor do we have to take them from the Corps of Engineers. The Congress has spoken and has said that we are going to have construction throughout the land so that the people will have confidence and will go out and spend their money. Never before in our history have the banks been so filled with funds, with savings at an alltime high. And yet we have over 6 million people unemployed.

What the President failed to do last year was to lead the Republicans in passing the school construction bill, so that we could have construction going on now. What we complain about is the lack of leadership on the part of the administration. The gentleman may say that he does not like the Rivers and Harbors bill because there was a little pork in it, but it would have been a clarion call to the people all over the United States that we intend to lead them out of this recession, which is a very important recession for 6 million people.

Mr. BECKER. Mr. Speaker, I am sorry to interrupt the gentleman, but I decline to yield further. I have yielded the gentleman plenty of time.

Mr. SANTANGELO. I have not completed my statement.

Mr. BECKER. The gentleman will have plenty of time tomorrow or some day in the future to speak on this subject. But I should like to say this to the gentleman. I am quite sure that the gentleman does not know much about the rivers and harbors bill because New York State, in that bill, was getting one of the greatest scuffings it ever got in the history of that kind of legislation. In New York State we were being asked to pay 50 percent on our projects on the State and local level, whereas there were areas included in the bill all over the country, as the President mentioned in his veto message, that were paying no contribution at all, or paying only 10 percent, or 15 percent, or 20 percent. In New York State we were being asked to pay 50 percent.

Mr. Speaker, one other thing. The gentleman mentioned the farmers. He was crying for the farmers. I am for the farmers, too. I was raised on a farm, and I know the work of the farm. But let me say to the gentleman that in that freeze bill, what was being done for the poor people in New York City? Nothing, except they would be compelled to pay taxes in order to pay the price supports to the farmers, in order to keep prices up on the food for the tables of the poor people in New York City whom the gentleman represents. That is all that that bill would have done. That is why I opposed that legislation and that is why the President in all conscience had to veto it. And he should veto that kind of legislation whenever it is passed.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I am glad to yield to the gentleman.

Mr. CEDERBERG. Mr. Speaker, when I served on the Committee on Appropriations, I was a member of the Subcommittee on Civil Functions handling Corps of Engineer projects. At that time we had an agreement, which was

a good agreement, between the Democrats and the Republicans on the committee, that no money for any project, even though it had been authorized, would be approved if the project had not been cleared by the Bureau of the Budget and the Corps of Engineers in their appearance before the Bureau of the Budget. That was in connection with appropriations for these projects. At that time we just felt it was not in the best interest of the people of the United States to spend their tax dollars on projects which were not feasible from an economic point of view. The President was very wise, I believe, in stopping this at the authorization point and not at the appropriation point. Certainly, the gentleman from New York does not want to mislead anybody into thinking that any construction in this vetoed authorization bill could have been started at least before the fiscal year budget of 1960. It could not have been done earlier than that so Congress can be guilty too of trying to mislead the public when, of course, there is no such attempt.

Mr. BECKER. If the gentleman, right at that point, could inform my good colleague from New York, with whom I served in the State legislature, and for whom I have a very high regard, probably does not know that we do not need this rivers and harbors omnibus bill, that we have over $7 billion of projects authorized on the shelf and all the Committee on Appropriations has to do is to make an appropriation and get them under way. This rivers and harbors bill has nothing to do with what we are talking about—getting jobs on the road today. There are $7 billions of projects that are already approved by the House Committee on Public Works and by the committee of the other body. They are the law and you have them, and they are on the shelf and all the Committee on Appropriations has to do is to put them on the road.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield.

Mr. SANTANGELO. Does not the gentleman realize that when he talks about consumer prices that the prices are the highest that they have ever been in history and the farmers are getting the least amount of money that they have ever received?

Mr. BECKER. I do not know that. Is the gentleman asking me a question?

Mr. SANTANGELO. That is a fact that has been brought out in debate on the floor of the House.

Mr. BECKER. If the gentleman will mention some products, then I will know; and if he can give me the comparison prices of what he is getting now and what he got 2 years ago.

Mr. SANTANGELO. Evidently, the gentleman did not listen to the debate on the farm bill which I did listen to. That debate indicates that the farmers are getting 40 cents of the consumer's dollar whereas several years ago, the farmer was getting about 48 cents of the consumer's dollar. But, be that as it may, the reason we are talking here today is to inspire confidence and when the President vetoes measures that indicates that the administration is not taking action to help the people, and you are not giving them the confidence which the people so sorely need and which you so strongly refuse to give. The gentleman is talking of his community on Long Island. You have a beautiful community. But, my colleague does not seem to realize that when the people of a poor district such as I have, when my people who work and toil and struggle have to pay the highest prices in history with this recession and unemployment going on, they are entitled to some help.

The SPEAKER pro tempore. The time of the gentleman has expired.

STATEHOOD FOR ALASKA

The SPEAKER pro tempore. Under previous order of the House, the Delegate from Alaska [Mr. BARTLETT] is recognized for 15 minutes.

Mr. BARTLETT. Mr. Speaker, a small minority of people in Washington State has expressed concern that statehood for Alaska might allow a comparatively few individuals in Alaska to rule the Alaska fishery. Any concern, based apparently on the fear that under statehood, non-Alaskans would be excluded from participation in the Alaska fishery, is needlessly entertained.

As an example of supposed attempts by Alaskans to discriminate against nonresidents, a bill which the Alaska Territorial Senate defeated in 1957 has been cited. The bill would have levied a tax on the value of catches of salmon exceeding $20,000. Because non-Alaskans typically carry on large employee-type operations, it has been contended that the bill would have discriminated against them and in favor of local, independent, Alaska fishermen.

The small group which has expressed this concern warns of its opposition to Alaska statehood unless the Secretary of the Interior gives assurances that the State of Alaska will promote the cause of fishery conservation and will afford protection and equal participation for nonresident fishermen.

The alarm of this small group is wholly inappropriate. It proceeds from six false assumptions:

First. It proceeds from the false assumption that Alaskans would permit the management of their State government to be unresponsive to the will of the people, and that the State government would be the servant of a small group of individuals.

Second. It proceeds from the false assumption that Alaskans are not conservation-conscious. The fact is that no people on earth are more conservation-conscious than the people of Alaska. The record is clear that popular interest in conservation is a motivating factor in Alaska's quest for self-government. Alaskans resist suggestion that they should receive special treatment. They want only to have the same rights as their fellow Americans, whose State governments—in 48 instances—manage the fish conservation programs.

Third. It proceeds from the false assumption that statehood will be detrimental to the economy of the Northwest. The opposite, of course, is true. Every American citizen will benefit by a more prosperous Alaska. Statehood will create new markets which will be a boon to the economy of the Pacific Northwest in particular.

Fourth. It proceeds from the false assumption that Alaskans would wish to discriminate against nonresidents, that is, would impose—without reason or justification—restrictions upon nonresidents because they are not Alaskans.

In fairness, it might be said this particular erroneous assumption may be based upon familiarity with the Revised Code of Washington. The Washington Code contains approximately 20 examples of discriminatory license fees for commercial fishing; typically, nonresidents must pay five times the amounts which residents of Washington are required to pay for licenses. But the small group of Washingtonians which entertains concern about legislation which the State of Alaska might adopt regarding nonresident fishermen will receive comfort from studies indicating that Washington's treatment of nonresident fishermen is unconstitutional. As said in the Washington Law Review and State Bar Journal:

> Although, as suggested, there are arguments which might save the provisions, they are largely based upon the antique proprietary interest doctrine, and abound more with technicality than with justice and reason. It is therefore to be expected that should these provisions (imposing license fees upon nonresidents approximately five times greater than those imposed upon residents) ever be contested before the Supreme Court, they will be held unconstitutional.

Fifth. It proceeds from the false assumption that the bill defeated in the Alaska Legislature which would have taxed catches of salmon whose value exceeded $20,000 was discriminatory against nonresidents. Since we Alaskans believe that local lawmakers should have authority within their proper sphere, comment upon the wisdom of the legislation which the legislature debated would not be appropriate. But criminatory against nonresidents. It said nothing about residents and nonresidents. And its policy of gradual taxation, with the heavier tax burden placed upon the most successful harvesters, might well be justified as a conservation measure, or for other intelligible grounds of policy. The bill would have applied equally to all persons under similar circumstances and conditions, regardless of it cannot be said that the bill was distheir residence. It is not an example of discrimination—and would not have been even if Alaskans had adopted it. Moreover, the Supreme Court of the United States sustained, in Pacific American Fisheries against Alaska, a graduated tax upon salmon canneries. The rate of the tax increased with the amount of cases packed, and the Court held that the tax was constitutional.

Sixth. Finally, the alarm of the small Washington group proceeds from the false assumption that a State can lawfully discriminate against nonresidents in a manner forbidden to a Territory. Restrictions upon the Alaska Legislature regarding treatment of nonresident fishermen are part of a Congressional policy.

At the present time, Congress has not relieved the Territory of restrictions which the Constitution fixes immutably upon the States, but the Supreme Court has said that Congress could do so. In Haavik against Alaska Packers' Association the Court said:

> Citizens of every State are treated alike. Only residents of the Territory are preferred * * * we find nothing in the Constitution which prohibits Congress from favoring those who have acquired local residence and upon whose efforts the future development of the Territory must depend.

In 1952, in Mullaney against Anderson, the Supreme Court reiterated "the power of Congress to relieve the Territory of some of the restrictions applicable to a State."

Thus, the Constitution rigidly fixes restrictions upon the States in their treatment of nonresidents, but restrictions upon the Territories are made and adjusted by Congressional policy decisions designed to meet contingent situations.

Statehood for Alaska, then, will bring nonresident fishermen underneath the sheltering, durable umbrella of the supreme law of the land. For example, the Constitution prohibits a State regulation regarding fisheries from abridging the equal privileges and immunities of citizens who live outside the State. Thus, Toomer against Witsell held invalid a South Carolina statute which imposed a $2,500 license fee on nonresident fishermen as contrasted with a $25 fee for local residents, and which required that fishing boats had to bring their catch of free-swimming fish into South Carolina ports for inspection, packing, and stamping.

Takahashi against Fish and Game Commission held invalid a California statute excluding aliens from fishing along the California coast. The California statute, said the Supreme Court, denied to the petitioner-alien "the equal protection of the laws" which the Constitution guarantees.

The burden of proof of constitutionality is upon the State which must justify its treatment of nonresidents as a legitimate exercise of the police power. The State cannot treat nonresidents arbitrarily, or fashion its statutes to exclude them from participation in the exploitation of the fish resource. Thus Russo against Reed held invalid a Maine statute which prohibited nonresidents from fishing commercially in Maine coastal waters during summer months.

These examples are not exhaustive, but they demonstrate some of the constitutional limitations upon a State's treatment of nonresidents. In addition, of course, a State cannot burden interstate commerce, and must conform to the requirements of due process.

How did the small group of Washingtonians which has expressed concern, so widely misconstrue the law? Again, in fairness, the group's confusion may be rooted in the experience of the State of Washington. Back in 1925, a Federal district court upheld a Washington statute which excluded aliens and nonresidents from fishing within the State. But there is little doubt that this case, Lubetitch against Pollock, would be decided differently today. The old notion that the State owns fish and game within its boundaries has been exposed to the light of reason, and the purported ownership has been recognized as merely "a sort of guardianship for social purposes." And such cases as Toomer against Witsell reveal the views of the Supreme Court, which stand in shining contrast to the earlier district court decision in the Lubetitch case.

Washingtonians, then, should be in the forefront of the Alaska struggle for statehood. Any other position would be an economic and legal paradox. For they stand to gain directly from new markets and new investments, and new popular interest in the Pacific Northwest—all of which will follow statehood.

Nor can Washington fishermen be happy about the present Federal conservation program in Alaska. Their hope is that a vigorous State program can preserve for the Nation a great resource. The lance which will secure their future is a policy of cooperation with the people of Alaska in tackling common problems; their shield will be the Constitution of the United States. And as the Secretary of the Interior has said:

> Statehood * * * will enable (Alaskans) to develop Alaska's natural riches and thereby enlarge their contribution to the economic good of all America.

JAPANESE COTTON TEXTILE EXPORTS TO THE UNITED STATES

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am going to read a release which came from the Japanese Embassy on April 18, entitled "The First Year of Japanese Voluntary Controlled Program for Cotton Textile Exports to the United States."

I was very active in getting the voluntary control with the Japanese of their cotton textile exports to us of cotton velveteen. It was considered a good arrangement when the voluntary agreement went through.

The statement reads as follows:

> In 1957 Japan's trade with the United States resulted in an enormous deficit, as her exports to the United States amounted to only $636 million, while her imports from the United States reached a total of $1,431,000,000. Even taking into account invisible trade, including spending by United States forces stationed in Japan, Japan's payments deficit with the United States amounted to $516 million in 1957. It is, of course, the earnest hope of the Government and people of Japan to reduce such a large deficit and to promote mutually beneficial 2-way trade between the 2 countries. Notwithstanding this general desire, the Japanese Government has instituted a program for controlling exports of cotton textiles to the United States.
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> This program was instituted for the purpose of insuring the orderly marketing of Japanese cotton textile goods by avoiding excessive concentration in any particular period or in any particular item. This is along the line of the general policy of the Japanese Government for the development of orderly and mutually beneficial trade relations between Japan and the United States.
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> Against the overall annual quota of 235 million square yards, the total Japanese exports of cotton textile goods to the United States in 1957, with the exception noted below, came to 214,970,000 square yards or 8.5 percent under the quota. Nor has the export total in any individual subcategory of cotton textile goods exceeded the established quota for its category.
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> Unfortunately, certain unscrupulous individuals have tried to circumvent these controls, and in 1957 some transshipments occurred through third countries. As soon as these cases came to light the Japanese Government and exporters associations immediately took steps to strengthen the already existing controls over transshipments so that they might operate effectively to prevent transshipment through practically all ports in the world. The Japanese Government has thoroughly investigated the cases of transshipment which have been brought to its attention. The necessary legal steps have been taken by the Japanese Government and the exporters' associations to severely penalize the offenders through the imposition of cash penalties, the reduction or suspension of export quotas for the following period, and the suspension of foreign exchange for the purchase of raw cotton.
>
> In regard to velveteens, the quota which the Japanese Government fixed represented a severe curtailment of velveteen exports to the United States, and resulted in a substantial production cutback for the velveteen industry in Japan, causing unemployment and hardship for a considerable number of workers. The Japanese Government is aware of the fact that a similar problem of a reduction in production has existed in the velveteen industry in the United States.

Today, Mr. Speaker, they are down to only a few hundred employees at the Merrimack Manufacturing Co. at Lowell where I live, and if something is not done to alleviate their condition the mills will have to close their doors almost immediately. A year ago they employed 11,040 workers.

> Another problem came from American importers and consumers, among whom there is an evergrowing demand for Japanese cotton goods because of their reasonable prices and good quality and design. The Embassy of Japan in Washington, for instance, has received innumerable requests from American importers for allotments of more Japanese cotton goods.
>
> It is obvious that at the outset of a control program of this kind it is very difficult to stop such transshipments. Measures to prevent such occurrences become more effective as the program progresses. With the experience of 1 year's operation of this program during which there has been a tightening of the Japanese Government's export licensing system generally and violators have been severely penalized as described above, these antitransshipment measures have become largely effective and it is the belief of the Japanese Government that this problem has been overcome.

Mr. Speaker, that is the end of the release of April 18 from the Japanese Embassy.

Mr. Speaker, during the time of the transshipment of velveteen goods from Japan, while the Government claims they were not responsible for the sending of the Japanese goods to the trade, they at least knew it was going on and did nothing to stop it. I, together with all the workers and employers of the industry all over the country, are begging that something be done to not only stop the shipment of Japanese goods outside of the quota—the velveteen goods—into

this country, but to withhold Japanese velveteen shipments for a time.

I believe, as do many others, that the Japanese Government should withhold the shipment of Japanese velveteens to the United States until the amount over the quota this year of Japanese velveteen is made up, so that the velveteen industry of this country will have a chance to continue to operate. In this last year the velveteen yardage has been greatly over their voluntary quota. Most of it in the first months of the year's agreement.

I have begged the Department of Commerce, the Department of State, and the Japanese Embassy that this be done.

In this release there was no answer to the question that I posed and that others have posed to the Japanese. I believe that the Japanese would be glad, perhaps, to go ahead and accede to at least part of our request. I suppose their manufacturers and workers are objecting, but I am sure the Japanese realize that if we stop the reciprocal treaty and stop their voluntary quota and pass legislation that would fix quotas that they would be in a very much worsened condition than they are today.

This Government, I suggest, has spent millions and I believe billions of dollars in foreign aid to other countries and the continuation of the reciprocal trade agreements, but I believe they will have very hard sledding in getting their program across this year when also millions have been spent in propaganda for that program if the members feel it is going to mean the closing down of our own industries in the United States and throwing our people out of work. It will cause intense suffering in this country if that situation is not corrected. Those of us who live in the towns and cities where cotton textiles have been so terribly hurt have seen the great hardship which exists, the striving to get enough to eat and wear; it is very intense. In my people it is developing a tremendous dislike of our foreign aid and reciprocal trade agreements programs. I do not believe anybody wants to stop entirely foreign trade or reciprocal trade agreements if they be reciprocal; but, certainly, in the instance of cotton velveteen and certain other instances, the agreements have not been reciprocal.

I urge with all the strength of my being that everybody help in this situation, because I believe that the Japanese if they realize how sincerely and how strongly we feel about this matter would voluntarily reduce the export of velveteen yardage to the United States. We make very beautiful velveteens in this country. It is a great tragedy to literally destroy the oldest manufactured product in the country. I refer to the Merrimack Manufacturing Co. which is nearly a hundred years old. At one time it employed 5,000 workers.

The owners and the workers in the Merrimack mills feel extremely bitter. They believed when the Japanese made a voluntary quota agreement with the United States that they were promised Government protection. I am glad that the Japanese Government issued their release. It is a step in the right direction but does not go far enough.

FIFTEENTH ANNIVERSARY OF DISCOVERY OF RUSSIAN MASSACRE OF POLISH CITIZENS AT KATYN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. SHEEHAN] is recognized for 20 minutes.

Mr. SHEEHAN. Mr. Speaker, this week marks the 15th anniversary of the diplomatic events occasioned by the revelations of the massacre of thousands of Polish Army officers and citizens by the Russians in the Katyn Forest, near Smolensk.

Fifteen years ago yesterday, on April 21, 1943, Dictator Stalin sent letters to President Roosevelt and Prime Minister Churchill, advising that Russia was going to sever diplomatic relations with the Polish Government in Exile in London. The Polish Government had approached the International Red Cross to conduct a neutral investigation in order to ascertain who was guilty of the massacre of Polish citizens.

Four days later, on April 25, 1943, Soviet Russia officially severed diplomatic relations with the Polish Government, and the correspondence on this matter has appeared in an official Soviet publication issued in Moscow in 1957. This Russian Government publication continues to uphold Stalin's version of this atrocity.

As the Congressman who introduced the first resolution to investigate the Katyn Forest massacre in the 82d Congress, and who served as a member of that investigating committee, I feel that it is fitting that the people of our country and of the world should take cognizance of the Russian duplicity in this crime. With the help of Mr. Charles Rozmarek and the Polish National Alliance, the American people became interested in this matter and began writing their Congressmen, which was most beneficial in getting the legislation considered.

The select Congressional committee found unanimously, after a great number of hearings and a great amount of evidence, that Russia was guilty of this inhuman atrocity against the people of Poland.

From a review of the angry message which Soviet Premier Stalin wrote to Prime Minister Churchill and President Roosevelt in April of 1943, it is evident that Stalin was dismayed at the turn of events, especially in view of the fact that he knew the guilty persons would eventually be known. Stalin blamed this monstrous crime on Hitler's invaders, and he accused the Polish Government in London of collusion with the Nazis. As it turned out, Stalin was using the Katyn charges as a first step in the communization of Poland.

We should continuously call to the attention of the American public the duplicity and faithlessness of the Russian leaders. As the Chicago Tribune pointed out in an editorial on April 13, 1958, entitled "A Sorry Business," it was a deplorable fact that the Russians sat in as judges of the Nazi and Japanese war prisoners while at the same time the Russians were responsible for the butchering of thousands of Polish citizens in Katyn Forest. These war crimes trials seemed to mock justice, with Russia condemning other nations and other citizens without having to answer herself for her own crimes and atrocities.

The American people should remember these Russian activities and not be lulled by present-day appearances. The new Russian Ambassador to Washington, Mikhail Menshikov, seems to have been greeted as one of the new looks in Russian diplomacy. However, in 1946, a Congressional committee pointed out that this same man was running the UNRRA operations in Poland and distributing the food, not to starving Poles on the basis of need, but strictly on the basis of being Communist Party members.

Menshikov, in distributing this food, claimed the credit for the Russians, rather than for America, who gave the food. This proved a very handy tool to win friends and influence many Poles to join the Communist movement. The Congressmen, in 1946, protested this action to the President of the United States. Mr. Menshikov was soon recalled from his position, and a Canadian took his place. Now this same Russian is being openly received and acclaimed by many people in Washington who do not remember the facts of history.

Although America and the rest of the world may have chosen to forget the facts of Russian brutality in the Katyn Forest massacre, it is to be hoped that someday the Russian leaders who perpetrated and ordered such atrocities will be brought to justice.

Our citizens should remember that this 1939–40 Russian plot to destroy the intelligentsia of the Polish Nation was but a preliminary step in the Russian long-range plan to make a Communist satellite out of Poland. By destroying the Polish intelligentsia, their religion, and their ownership of private property, the Russian Communists have planned to forever destroy freedom in Poland, and every American should constantly be on the alert to guard against any possibility of the remotest kind that such a movement might begin in this country.

AIR SAFETY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 30 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I have just introduced a bill to amend the Federal Airport Act to require the Secretary of Commerce in establishing the national airport plan to take into account the desirability of promoting safety in aviation by separating military and civilian air operations.

Mr. Speaker, the disastrous and unpardonable collision between a military jetplane and a commercial airliner near Las Vegas, Nev., yesterday has

demonstrated beyond question the need for the reform I propose.

For the information of the members, the Civil Aeronautics Administration reported that yesterday's collision occurred between an Air Force F100 jet fighter with two crewmen, and a United Air Lines DC–7 with 45 persons aboard.

The DC–7 last reported itself over Daggett, Calif., at 8:11 a. m., Pacific standard time, at 21,000 feet, and its pilot expected to arrive over Las Vegas, Nev., at 8:31 a. m., Pacific standard time.

The airliner was on Victor Airway Eight on instrument flight rules and was in controlled airspace.

The Air Force fighter was on what is known as a local or uncontrolled flight for training purposes. Visibility was said to have been 35 miles at the time and the weather clear. The fighter, at a considerably higher altitude, became disabled and plunged into the airliner which at the time was observing its clearance rules and on a controlled flight.

I made the proposal, contained in the bill I am introducing, 3 years ago. I opposed suspension of the rules to enable me to offer it as an amendment to S. 1855 which was before the House for consideration on July 18, 1955.

On May 4, 1955, I introduced H. R. 6026 and on June 6, 1955, I introduced H. R. 6650 for the same purpose. Those bills were referred to the Armed Services Committee but no action was taken.

On July 6, 1955, I appeared before the House Interstate and Foreign Commerce Committee which had before it for consideration amendments to the Federal Airport Act. I urged then that the committee incorporate into the act the provision contained in the bill I have just introduced. The committee refused to consider my amendment and in fact reported out the bill without amendment and then proceeded to consider the bill in the House of Representatives under suspension of the rules which prevented any amendments being offered.

I opposed the motion to suspend the rules on S. 1855, and my discussion is to be found in the CONGRESSIONAL RECORD of July 18, 1955, volume 101, part 8, page 10804.

In short, I was blocked from presenting a proposal to the House which could have helped prevent the type of accident which occurred yesterday with the tragic loss of 49 lives.

Mr. Speaker, how many more disastrous collisions must occur before the Congress awakes to the necessity of taking action to minimize the likelihood of such collisions? How many more lives must be lost?

Also, I am requesting the Chairman of the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, the Honorable JOHN A. BLATNIK of Minnesota, to incorporate into the inquiry into aviation matters which I have previously requested, an inquiry into the extent of mixed civilian and military operations and specifically into collisions and near collisions between military and civilian aircraft. This survey must include an inquiry into the extent to which military operations are conducted from, and in the vicinity of, civilian air terminals and whether or not military use of civilian air terminals is justified.

I have also asked the Legal and Monetary Affairs Subcommittee to look into the recent designation by the Civil Aeronautics Administration of the Detroit Metropolitan Wayne County Airport as an intercontinental express airport and the Willow Run Airport as intercontinental, and the position taken by the CAA that commercial airlines serving the Detroit area should move from Willow Run to the Detroit Metropolitan Wayne County Airport.

That question is not unrelated to the matter I have been discussing since the Detroit Metropolitan Wayne County Airport has for 30 years been the home of the Michigan Air National Guard which has two squadrons of jet fighters stationed there with lease arrangements permitting it to use that airport for the indefinite future.

The CAA and military authorities sought 3 years ago to compel commercial airlines to move from Willow Run Airport to Detroit Metropolitan Wayne County Airport. In June 1955 the Airport Use Panel of the Air Coordinating Committee, in my judgment without any legal authority to do so, ordered that Detroit Metropolitan Wayne County Airport be the commercial terminal for Detroit and that Willow Run Airport be converted to military use. In furtherance of this plan the Air Force established a Reserve jet fighter squadron at Willow Run Airport, but as of October last year discontinued its operations.

The Navy made inquiry concerning the use of Willow Run Airport as a jet training base, proposing to move its operations from Grosse Ile, where runway length was inadequate for jet operations. Yet on February 13, 1958, the Navy Department notified me that it was no longer interested in Willow Run, and I so informed its owners, the University of Michigan.

Thus, we have the peculiar situation that Willow Run Airport, which has served admirably and without great expense to the taxpayers as the air terminal for Detroit and southeast Michigan, now has no military operations, yet Detroit Metropolitan Wayne County Airport has substantial military operations, through the Air National Guard, which are to continue into the indefinite future. Still the CAA bull-headedly insists that commercial airlines move to Detroit Metropolitan Wayne County Airport and has, in effect, announced that Detroit Metropolitan Wayne County Airport will be supported with funds to establish runway lengths suitable for jet commercial operations and that Willow Run Airport will be denied such assistance.

Mr. Speaker, if the provisions of my bill and the provisions which I sought to have incorporated into the law on many occasions 3 years ago had been adopted, and if the Secretary of Commerce is required, in establishing the national airport plan, to take into account the desirability of separating military from commercial aviation operations, the action recently taken of designating Detroit Metropolitan Wayne County Airport could only have been taken in contravention of law.

Mr. Speaker, the Senate Interstate and Foreign Commerce Committee is currently considering bills to amend the Federal Airport Act. Undoubtedly this legislation will also come before the House. I intend to press again for incorporation in the act the principles I have announced with which I do not see how anyone can quarrel. Certainly the disastrous collision above Las Vegas yesterday should convince everyone of the need for the provision I am proposing.

Mr. Speaker, I hold in my hand my testimony before the House Committee on Interstate and Foreign Commerce on July 6, 1955, when I made to that committee the same plea I am making here today in support of my proposition that air safety would be advanced by minimizing the interference between military and civilian jet operations. I quoted from a report filed in July of 1954 by the Doolittle Commission, General Doolittle being one of the great names in aviation. Recommendation No. 23 of that Commission has this title: "Separate Military and Civilian Flying at Congested Airports."

The recommendation reads as follows:

> Military aircraft should not be based on congested civil airports except when it is not economically or otherwise feasible to provide separate facilities for them, nor should commercial aircraft operate regularly from busy military airports.

That same Commission in recommendation No. 20 under the following title: "Minimize Training Flights at Congested Airports" made this recommendation:

> Flight crew training should be conducted as far as practicable away from thickly settled areas and with a minimum number of flights into and out of busy airports.

Nevertheless, the House Interstate and Foreign Commerce Committee saw fit to refuse to give any consideration to this problem and, as I said before, reported the bill and moved to suspend the rules here on the floor. Under that procedure, as you know, even with a second demanded, there are only 20 minutes of debate on each side, and there is no opportunity to offer amendments.

That bill S. 1855 was rammed through the House without amendment. It was rammed through the other body without amendment, and the matter I called attention to then was not even given thorough consideration by the Congress.

Mr. Speaker, the bill which was adopted in 1955 is about to expire and a movement is now on foot and bills are now being considered by the Senate Committee on Interstate and Foreign Commerce to extend that Federal Airport Aid Act for another 4 years and to increase the authorization from the $60 million per year provided by the present law to $100 million. I am informed that that measure has been opposed by Mr. Rothschild, the Under Secretary of Commerce, in his testimony before that committee. Undoubtedly that legislation will also receive consideration in the House of Representatives and before the Committee on Interstate and Foreign Commerce of the House.

I intend to appear again before the House Committee on Interstate and Foreign Commerce and to urge what I urged 3 years ago, that the Secretary of Commerce in setting up the national airport plan, which is the basis for Federal aid to airports, take into account among the other criteria that he is required by the law to consider, the desirability of preventing the type of military operation which resulted in the collision which was so disastrous near Las Vegas yesterday.

I hope this time, if the House Committee on Interstate and Foreign Commerce does not take favorable action on this proposition, that the measure will at least come before the House in such fashion that the House Members can work their will on it. I hope, that it will not come before us under any gag rule or under a motion to suspend the rules so that this matter can actually receive the consideration it deserves.

Mr. Speaker, this is a matter of extreme importance. I hope the Members of the House will give it very serious and thorough consideration.

PRESIDENT CARLOS P. GARCIA'S STATE VISIT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 15 minutes.

Mr. McCORMACK. Mr. Speaker, it was Woodrow Wilson who, prior to his inauguration as 28th President of the United States in 1912, returned to his birthplace, Staunton, Va., and at a banquet held in his honor at the Staunton Military Academy mess hall delivered an address in which he first projected the idea of freedom for the Philippines. That idea was carried out to a successful fruition when the United States Congress passed the Philippine Independence Act, and in 1946, 34 years later, Philippine independence was proclaimed.

I recall these historic events today because the President of the United States has invited the incumbent President of the Philippines, the Honorable Carlos P. Garcia, to visit our country on June 16 this year, and it is my desire to call attention to the fact that this is not one of the usual state visits that we have been having much as we have been honored by each of the heads of state who have visited us in the past. For the Philippines is a sister republic born under the aegis of the United States and this makes President Garcia's visit a very significant one.

More than this. No people have shown a more steadfast loyalty to freedom and democracy than the Filipino people when they fought side by side with our troops in Bataan, in Corregidor, in Leyte; and offered civilian resistance to the enemy during the occupation of the Philippines in a manner that has won the respect and admiration of the world. Then, after their Republic was established, when other countries in their section of the globe preferred to sit on the fence and not be identified in the fight against godless communism, the Filipinos unhesitatingly stood up to be counted for democracy, they resisted the blandishments of and refused to be intimidated by the Kremlin, and they defeated the forces of communism that attempted by the usual Communist subversive pattern to overthrow their Government.

President Garcia was elected last November by a decisive majority to be the leader of the Filipino people the next 4 years. Before this, he was successively elected as governor, congressman, senator, and vice president of the Philippines. Under his predecessor, the late-lamented Ramon Magsaysay, he was the Vice President and Secretary of Foreign Affairs. Together with Magsaysay he was the coarchitect of the Philippine foreign policy of close friendship with the United States for the last 5 years. He is an uncompromising anti-Communist, and it was he who last year signed the law outlawing the Communist Party from the Philippines.

But his loyalty was really proved during the war when, despite lucrative offers made to him by the enemy to collaborate with them, he preferred to risk his life with the guerrillas in the hills of Bohol rather than stay in Manila and aid, abet, and give comfort to the army of occupation that was terrorizing and torturing his countrymen. Loyalty such as this we Americans can never forget and this, to me, entitles President Garcia to our gratitude, esteem, and respect.

His visit to Washington will be closely watched not only by his countrymen but also by the peoples of Asia and Africa. He embodies in his person the representation of 22 million Filipinos loyal to democracy, a people who refuse to be fence-sitters, who have openly and courageously cast their lot with the United States. We owe them their loyal support during the Second World War; we owe them their unrelenting fight against communism. It is time that we showed them how deeply we appreciate their loyalty. It is time that we showed the uncommitted, the neutrals that those who are not afraid to side with us deserve at our hands preferential attention.

President Garcia, like all other heads of state, must have his problems. Some such problems must be the result of the hard times the world is facing. Some of them he must have inherited from previous administrations. We must be ready to show him our confidence in his people by extending to him the assistance that he may need. The Filipino people have earned it. It is our duty to see to it that they are strengthened with such means as are at our disposal. Let it not be said that we are willing to woo new friends and pay heavily in the endeavor but at the same time we turn our backs on those who are our tried and tested friends. We must convince the neutrals and the uncommitted of the advantages accruing to them for siding with us, but let it not be said that in doing so we are forgetting that our first duty is to those who are committed to us, who are not afraid to side with us and who valiantly proclaim that they believe in the same way of life and ideals as we do.

When President Garcia comes to Washington we must make it clear to his people in every way that we consider, yes, recognize them as our respected friends and allies and that as our sovereign equals, we hold their territorial integrity and national sovereignty in the highest respect. There must not be the slightest doubt about this. Any pending question between our two countries that may put this in doubt must be clearly settled to show that we in America are always willing to concede to others what we claim for ourselves. President Garcia has also announced that he is not coming here to beg for charity. He wants development loans on a strictly business basis which his country can and will repay. That is the attitude that wins America's respect. President Garcia should be given all the assistance he needs to help his country weather the current economic recession in the Philippines.

For according to reports from Manila, there is at present an economic crisis which has compelled President Garcia on his inauguration on December 30 last year to announce an austerity program which 3 months later has started to show not only its wisdom but the basic soundness of Philippine economy. It is people such as the Filipinos who are ready to tighten their belts and face their problems squarely that deserve help from us.

Under unanimous consent, Mr. Speaker, I include in my remarks the following press statement made by Gen. Carlos P. Romulo, Philippine Ambassador to the United States, who recently returned from the Philippines, and published by the New York Journal of Commerce in its issue of April 1, 1958, showing the improvement in the financial position of the Philippines:

ROMULO SAYS PHILIPPINE TRADE POSITION GAINING

WASHINGTON.—An improvement in the Philippine Republic's balance-of-payments situation has made it possible for that country to ease some of the drastic fiscal and credit measures taken last December, Philippine Ambassador Carlos P. Romulo said.

Just returned from Manila, General Romulo said that one indication of the effectiveness of the austerity measures adopted since the inauguration of President Carlos P. Garcia 3 months ago is an expected favorable balance of payments of about $12.9 million at the end of the first quarter.

TO HIT $150 MILLION

Philippine foreign exchange reserves are expected to total about $150 million at the end of this quarter, as compared with $139.8 million on December 31, 1957.

General Romulo said that many measures adopted for austerity purposes have been relaxed "showing the basic soundness of the Philippine economy and that the steps taken by the administration are giving the desired results."

Since February the following requirements of Central Bank Circular No. 79 have been withdrawn by the monetary board:

1. One-hundred-percent cash deposit for opening of letter of credit for export of essential and semiessential producers goods;

2. Two-hundred-percent cash deposit for opening of letter of credit for import of semiessential consumer goods;

3. Cash deposits on letters of credit for import of decontrolled goods;

4. Prohibition on new loans for commercial and real-estate loans, leaving only in force the portfolio ceilings on these loans; and

5. Prohibition on loans for import of nonessential consumer and nonessential producer goods.

FUEL-OIL QUOTA CUT

During the first quarter, the cut on the quota for the import of fuel oil was restored; the import of fertilizers and insecticides in excess of the first quarter exchange budget was allowed; the 100-percent cut of quotas of stores established before 1949 was partially restored.

Faced with an inflation problem and a dollar crisis, the following drastic measures were taken early in December 1957:

1. Approval of Circular No. 79 issued by the central bank which restricted drastically the grant of credits by banks;

FOREIGN EXCHANGE BUDGET

2. Adoption of a foreign exchange budget for the first quarter of 1958, providing for a cut of 28 percent in the 1957 (second quarter) quotas for essential producers goods; 52 percent cut of quotas for semiessential imports; and suspension of quotas for nonessential imports;

3. Reduction of Government borrowings for economic development of 194 million Philippine dollars to 130 million Philippine dollars. The amount was originally set at 264 million Philippine dollars at the beginning of the fiscal year 1957–58.

General Romulo declared that while the drain in the reserves has been arrested, there is still a strong tendency for prices to go up and this, according to him, is largely due to the shortage of rice, corn, and other foodstuffs.

NEED MORE MATERIALS

"It will also be necessary," the Ambassador continued, "the position of the international reserve permitting, to allow the import of more raw materials for the production of essential consumer goods, in order to prevent shortages which would cause prices to go up. The monetary board, therefore, approved an exchange budget for imports for the second quarter, in which almost all the regular quotas for essential producers and essential consumer goods were restored."

In conclusion, the Philippine Ambassador emphasized that "considering that the foreign exchange receipts during the second semester of this year are most likely to be less than those of the first semester, because there will be less sugar shipments after May or June, and considering further that loans aggregating $20 million obtained from two United States banks (payment having been extended for 6 months) will have to be paid before June 30, 1958, it will not be possible for the central bank to provide exchange for the import of machinery and equipment for new industries, especially if a portion of the raw materials they would use would have to be imported."

He underscored that "it would also be quite difficult for the central bank to provide exchange for the import of replacement or spare parts of machinery and equipment required by established industrial plants. This would make imperative that the Philippines secure development funds for this purpose."

Before concluding, Mr. Speaker, may I quote the following United Press dispatch from Manila dated March 26, 1958, and published by The Washington Post and Times Herald of March 27, 1958:

ROMULO KEEPS POST

MANILA, March 26.—President Carlos P. Garcia said today Brig. Gen. Carlos P. Romulo will retain his post as Ambassador to the United States in the forthcoming reshuffle of the Philippine Foreign Service. Romulo is scheduled to leave Manila Thursday for Washington.

Mr. Speaker, this is welcome news to the friends of the Philippines in this country. We, of course, have nothing to do with the selection of who is to represent the Filipino people in the United States. But we can certainly express our gratification that President Garcia has taken this action that marks him as a statesman. For whatever may be the political affiliation in the Philippines of General Romulo, we know him in America as a Filipino first and foremost, as one who has consistently served only the best interests of his people. He has represented the Philippines with ability and tact of the highest order, with the sobriety and dignity of the true diplomat, and I can say having dealt with him closely since he was Resident Commissioner of the Philippines to the United States in 1945, that he has fought uncompromisingly for his country and people in the United States Congress in a way that has won the respect and admiration of his colleagues in this body in a superlative degree. The Philippine Rehabilitation Act, the Philippine Trade Act, its recent extension and subsequent amendment, the suspension for 3 years of the 3-cent excise tax on coconut oil, the various veterans' measures affecting Filipino veterans, and many others affecting the Philippines too numerous to mention, in each and every one of them, General Romulo worked and defended indefatigably the best interests of his people as their worthy and able representative.

I pay this tribute to General Romulo today because it is not always possible for one's constituency to know what its spokesman accomplishes in its behalf, and this is rendered all the more difficult by a distance of 10,000 miles. President Garcia should be congratulated for the act of justice that he has done in recognizing the efficient and loyal service of Ambassador Romulo.

But the Philippine President has also done the wise thing because he knows that it is General Romulo who can faithfully carry out his instructions and help his administration effectively in Washington. Needless to say, we in America cannot forget General Romulo's war record as General MacArthur's aide and his significant service to the free world as one of the outstanding and most respected elder statesmen of the United Nations.

Mr. Speaker, I also ask for permission to extend my remarks and include an editorial published by the New York World Telegram and Sun of April 3, 1958, which I know faithfully represents the feelings of our people toward General Romulo:

ROMULO STAYS ON

American friends of the Philippines, and this country in general, can rejoice at the announcement President Garcia intends to keep Ambassador Carlos Romulo at his post in Washington. This, despite a reshuffle of other Filipino diplomats.

It seems safe to say no other foreign ambassador has made friends so widely and so numerous in this country as General Romulo.

His popularity as a speaker, as an exponent of Philippines and free Asian views in the cold war era is attested by the fact he has been invited to lecture in every State and practically every important city. And on April 21 he will receive the Four Freedoms Award, this year for the first time going to a non-American.

More importantly, from the standpoint of relations between the two countries, it can be said that General Romulo has won America's respect and regard primarily because he constantly voices the ideals and aspirations of his own friendly people. And Americans admire the way he has fought to assert Filipino rights not only in Washington but in the United Nations and on the world scene.

In conclusion, Mr. Speaker, I wish to assure President Garcia that a warm and cordial welcome awaits him here. We know him not only to be a proved friend of our country but a true champion of freedom and democracy. He showed this once more in the Geneva Conference on Indochina in 1954 when, as Secretary of Foreign Affairs of the Philippines, he promptly and ably refuted a speech made in that Conference by the Foreign Minister of Red China who accused America of imperialism. President Garcia then said that he was certain that the muse of history would render its verdict that America has never deprived any people of its freedom but on the contrary has liberated all those that had fallen under its power citing the Philippines as exhibit A. This is our true friend and stalwart ally, Mr. Speaker, that we will have the honor of entertaining as our guest come June. Let us in the United States show him and his people that they really have a warm spot in our hearts.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BARTLETT, for 15 minutes, today.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. SHEEHAN, for 20 minutes, today.

Mr. MEADER (at the request of Mr. RAY), for 30 minutes, today.

Mr. MCCORMACK, for 15 minutes, on today, to revise and extend his remarks and to include extraneous matter.

Mr. ULLMAN, for 60 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COAD and to include extraneous matter.

Mr. HÉBERT and to include a radio program of the Columbia Broadcasting Co., which is estimated by the Public Printer to cost $459.

Mr. RODINO and to include some remarks of the majority leader, the Honorable JOHN MCCORMACK.

Mr. RIVERS.

Mr. REECE of Tennessee and to include extraneous matter.

Mr. PILLION.

Mr. OSTERTAG and to include extraneous matter.

Mr. HILLINGS in two instances and to include extraneous matter.

Mr. RAY.

Mr. BROWN of Missouri.

Mr. MULTER and to include extraneous matter.

Mr. HILL and to include extraneous matter.

Mr. FULTON.

Mr. KEATING (at the request of Mr. BALDWIN) in two instances and to include extraneous matter.

Mr. PATTERSON and to include extraneous matter.

Mrs. KNUTSON (at the request of Mr. BOGGS) in two instances and to include extraneous matter.

Mr. BUDGE and to include extraneous matter.

Mr. GWINN.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 864. An act to provide for the transfer of certain lands in the State of Minnesota;

S. 1118. An act to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes;

S. 2037. An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuman project and Boulder Dam by the Bureau of Reclamation; and

S. 3120. An act to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.), the House adjourned until tomorrow, Wednesday, April 23, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1840. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1958 in the amount of $32,160,802 for various agencies of the executive branch. (H. Doc. No. 373); to the Committee on Appropriations and ordered to be printed.

1841. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting certain plans for works of improvement, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U. S. C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1842. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the 44th Annual Report of the Board of Governors of the Federal Reserve System covering operations for the year 1957, pursuant to section 10 of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

1843. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Chun I. Chang, A–10096306, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1844. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Henry J. Lim, A–7799846, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1845. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the District of Columbia Unemployment Compensation Act, as amended"; to the Committee on the District of Columbia.

1846. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 11192. A bill to provide for the conveyance of certain real property of the United States to the State of Maryland; with amendment (Rept. No. 1617), Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. H. R. 12009. A bill to amend Public Law 85–162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 1618). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Twenty-third report on availability of information from Federal departments and agencies (Rept. No. 1619). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 1620. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ASHMORE: Committee on House Administration. House Resolution 533. Resolution relative to the contested election case of Carter against LeCompte, Fourth Congressional District of Iowa; without amendment (Rept. No. 1626). Referred to the House Calendar.

Mr. ASHMORE: Committee on the Judiciary. H. R. 11406. A bill to remove the present $1,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the accidental release of a bomb from an Air Force aircraft on an authorized noncombat training mission over and nears Mars Bluff, Florence County, S. C., on March 11, 1958; without amendment (Rept. No. 1627). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. DONOHUE: Committee on the Judiciary. H. R. 1393. A bill for the relief of Mrs. Willie Soher; without amendment (Rept. No. 1621). Referred to the Committee of the Whole House.

Mr. CRETELLA: Committee on the Judiciary. H. R. 1331. A bill for the relief of Sadie Lobe; without amendment (Rept. No. 1622). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. House Resolution 513. Resolution providing for sending the bill and accompanying papers on H. R. 6350, a bill for the relief of Wilma D. Marsh to the Court of Claims; without amendment (Rept. No. 1623). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. House Resolution 519. Resolution providing for sending the bills H. R. 6358 and H. R. 6923 with accompanying papers to the Court of Claims; without amendment (Rept. No. 1624). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 2166. An act for the relief of John J. Griffin; without amendment (Rept. No. 1625). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 1493. A bill for the relief of Lt. Col. Charles A. Holshouser; with amendment (Rept. No. 1628). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2338. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Tennessee to hear, determine, and render judgment upon any claim arising out of personal property damage sustained by the Security Feed & Seed Co. of Johnson City, Tenn.; with amendment (Rept. No. 1629). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H. R. 12064. A bill to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes; to the Committee on Banking and Currency.

By Mr. MILLS:

H. R. 12065. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment; to the Committee on Ways and Means.

By Mr. ANFUSO:

H. R. 12066. A bill to amend chapter 31 of title 10, United States Code, to provide for the establishment of a corps of cadets in each of the military departments of the United States; to the Committee on Armed Services.

By Mr. BASS of Tennessee:

H. R. 12067. A bill to permit the commanding general of the 101st Airborne Division, United States Army, to keep a bald eagle in captivity, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BLATNIK:

H. R. 12068. A bill to provide for the control of noxious weeds on land under the control or jurisdiction of the Federal Government; to the Committee on Agriculture.

By Mr. COLLIER:

H. R. 12069. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on the transportation of persons; to the Committee on Ways and Means.

By Mr. CUNNINGHAM of Iowa:

H. R. 12070. A bill to extend rural mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H. R. 12071. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 12072. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. HARRISON of Nebraska:

H. R. 12073. A bill to provide more effective price, production adjustment, and marketing programs for cotton and feed grains; to the Committee on Agriculture.

By Mr. HEMPHILL:

H. R. 12074. A bill to authorize the sale and transfer of acreage allotments and marketing quotas, and for other purposes; to the Committee on Agriculture.

By Mr. HERLONG:

H. R. 12075. A bill to amend title 18 of the United States Code to prohibit the importation into the United States of cobra snakes; to the Committee on the Judiciary.

H. R. 12076. A bill to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers; to the Committee on Ways and Means.

H. R. 12077. A bill to provide that the Federal excise tax on the transportation of property shall apply only to amounts paid for actual transportation and not to amounts paid for additional services; to the Committee on Ways and Means.

By Mr. HORAN:

H. R. 12078. A bill to establish a Columbia Interstate Commission, and for other purposes; to the Committee on Public Works.

By Mr. JONES of Alabama (by request):

H. R. 12079. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. LAIRD:

H. R. 12080. A bill to provide financial assistance to the States by returning to the States a portion of the Federal income taxes collected therein; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 12081. A bill to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944, with respect to the utilization and disposition of personal property by the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAHON:

H. R. 12082. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. MEADER:

H. R. 12083. A bill to amend section 3 (a) of the Federal Airport Act, so as to direct that the Secretary of Commerce, in formulating and revising the national airport plan, shall take into account the desirability of promoting safety in aviation by minimizing interference between civilian and military air operations; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H. R. 12084. A bill to amend the Internal Revenue Code of 1954 to provide tax relief for small business; to the Committee on Ways and Means.

By Mr. REED:

H. R. 12085. A bill to amend the Internal Revenue Code of 1954 to provide tax relief for small business; to the Committee on Ways and Means.

By Mr. MORANO:

H. R. 12086. A bill to authorize the beach-erosion project for the Connecticut shoreline, areas 8 and 11, Saugatuck River to Byram River, and for all other purposes; to the Committee on Public Works.

By Mr. O'BRIEN of New York (by request):

H. R. 12087. A bill to amend the Internal Revenue Code of 1954 with respect to allowing an additional credit for advertising expenses; to the Committee on Ways and Means.

By Mr. O'NEILL:

H. R. 12088. A bill extending the time in which the Boston National Historic Sites Commission shall complete its work; to the Committee on Interior and Insular Affairs.

By Mr. POAGE:

H. R. 12089. A bill to provide for the construction of a new Federal building in Temple, Tex.; to the Committee on Public Works.

By Mrs. ST. GEORGE:

H. R. 12090. A bill to amend title II of the Social Security Act to provide maximum benefits for individuals who, although deaf and mute, have acquired insured status by continuing in covered employment or self-employment during their working years; to the Committee on Ways and Means.

By Mr. SISK:

H. R. 12091. A bill to amend the United States Housing Act of 1937 to permit a local public housing agency to pay the cost of public services and facilities furnished by the local government to low-rent public housing projects under its jurisdiction; to the Committee on Banking and Currency.

By Mr. WAINWRIGHT:

H. R. 12092. A bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIAMS of New York:

H. R. 12093. A bill to provide more effective price, production adjustment, and marketing programs for cotton and feed grains; to the Committee on Agriculture.

By Mr. GWINN:

H. R. 12094. A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes; to the Committee on Education and Labor.

By Mr. ABERNETHY:

H. R. 12095. A bill to amend the Fair Labor Standards Act of 1938, to exempt employees of certain radio and television stations from the maximum hour provisions thereof; to the Committee on Education and Labor.

H. R. 12096. A bill to amend the Veterans' Benefits Act of 1957 to provide a 3-year presumption of service connection for active tuberculosis disease in peacetime cases; to the Committee on Veterans' Affairs.

By Mr. BOGGS:

H. R. 12097. A bill to amend section 4053 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. BROOKS of Louisiana:

H. R. 12098. A bill to provide for Federal maintenance of channel stabilization and bank protection structures on Red River below Denison, Tex.; Arkansas; Louisiana; and Texas; to the Committee on Public Works.

By Mr. MOULDER:

H. R. 12099. A bill to amend the Legislative Reorganization Act of 1946 to authorize the review of administrative regulations by committees of Congress prior to their promulgation, and for other purposes; to the Committee on Rules.

By Mr. RHODES of Arizona:

H. R. 12100. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY:

H. R. 12101. A bill to provide that certain real property under the jurisdiction of the Secretary of the Interior shall be transferred to the Secretary of the Army and made a part of the Arlington National Cemetery; to the Committee on Interior and Insular Affairs.

By Mr. CHAMBERLAIN:

H. Con. Res. 315. Concurrent resolution expressing it to be the sense of the Congress that any reduction in or repeal of the Federal excise taxes on automobiles, trucks, and buses, or parts and accessories which takes effect during 1958 shall be retroactive to March 1, 1958; to the Committee on Ways and Means.

By Mr. COLLIER:

H. Con. Res. 316. Concurrent resolution expressing it to be the sense of the Congress that any reduction in or repeal of the excise taxes on automobiles, trucks, and buses, or parts and accessories which takes effect in 1958 shall be retroactive to March 1, 1958; to the Committee on Ways and Means.

By Mr. TEWES:

H. Con. Res. 317. Concurrent resolution expressing it to be the sense of the Congress that any reduction in or repeal of the excise taxes on automobiles, trucks, and buses, or parts and accessories which takes effect in 1958 shall be retroactive to March 1, 1958; to the Committee on Ways and Means.

By Mr. CANFIELD:

H. Res. 534. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. ASHMORE:

H. Res. 535. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. COFFIN:

H. Res. 536. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. DORN of South Carolina:

H. Res. 537. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. FLOOD:

H. Res. 538. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. FOGARTY:

H. Res. 539. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. HALE:

H. Res. 540. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study

of the textile industry of the United States; to the Committee on Rules.

By Mr. LANE:

H. Res. 541. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. McINTIRE:

H. Res. 542. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. OSMERS:

H. Res. 543. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. SEELY-BROWN:

H. Res. 544. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

By Mr. WIDNALL:

H. Res. 545. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the textile industry of the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the completion of the Corning Canal, and construction of the Red Bluff Diversion Dam; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the construction of a salt water conversion demonstration plant; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHMORE:

H. R. 12102. A bill for the relief of J. Paul Adams; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 12103. A bill for the relief of Milunika Stevanovic; to the Committee on the Judiciary.

H. R. 12104. A bill for the relief of Ivana Buek; to the Committee on the Judiciary.

By Mr. CRAMER:

H. R. 12105. A bill for the relief of Theodore A. Sames; to the Committee on the Judiciary.

By Mr. HARDY:

H. R. 12106. A bill for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. R. 12107. A bill for the relief of Martin Kirchner; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 12108. A bill for the relief of Hannah Jane Jackson; to the Committee on the Judiciary.

By Mr. MINSHALL:

H. R. 12109. A bill for the relief of Agnes Lorraine Pank; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 12110. A bill for the relief of Miss Lillian Dunn (formerly Miss Lillian Oh); to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 12111. A bill for the relief of Francesco Grisanzio; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

583. By Mrs. ST. GEORGE: Resolution of Orange County, N. Y., Board of Supervisors, interceding with the Department of the Army in an effort to prevent a proposed reduction in the National Guard; to the Committee on Armed Services.

584. By Mr. WILLIAMS of New York: Petition of Mrs. Lulu E. Nash, Oneida, N. Y., who submitted petitions from the many signers in the 34th Congressional District of New York State, favoring passage of S. 582 and H. R. 4835, bills to prohibit the advertising of alcoholic beverages on the radio and TV; to the Committee on Interstate and Foreign Commerce.

585. By the SPEAKER: Petition of Herbert C. Holdridge, Washington, D. C., relative to Frank Bednarz and others countersigning the petition of Herbert C. Holdridge, similar to others submitted as Nos. 500 and 545, and appearing in the CONGRESSIONAL RECORD of March 26 and April 14, 1958, relating to being "for criminal action against the agents of the private corporation of the Federal Reserve bank and its collaborationists"; to the Committee on Banking and Currency.

586. Also, petition of the president, Alaska National Guard Officers' Association, Anchorage, Alaska, relative to the Alaska National Guard expressing alarm and concern over the taking of salmon by Japanese nationals between 175° west and 170° east longitude; to the Committee on Foreign Affairs.

587. Also, petition of William Rapoport and others, Detroit, Mich., requesting passage of the bills H. R. 1008, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

588. Also, petition of Alexander Meiklejohn, Berkeley, Calif., relative to Helen Lindgren and others endorsing the petition of Alexander Meiklejohn of Berkeley, Calif., relating to a redress of grievance pertaining to the House Committee on Un-American Activities, similar to one submitted as petition No. 351, dated January 7, 1958; to the Committee on Rules.

589. Also, petition of the chief clerk, Philadelphia City Council, Philadelphia, Pa., requesting Congress to override the veto by the President of the omnibus rivers, harbors, and flood control authorization bill; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Business Failures

EXTENSION OF REMARKS

OF

HON. COYA KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mrs. KNUTSON. Mr. Speaker, there is an article in the April 18, 1958, issue of U. S. News & World Report which should cause widespread interest and concern. It begins on page 83. Its title is "Recession's Toll: 45 to 50 Firms a Day."

The part that immediately struck my eye was this:

Failures in States around the Great Lakes held close to 1957 levels in the first 2 months of 1958, but now, on the basis of weekly reports, have risen sharply over a year ago.

In speaking of the rising rates of failures, the U. S. News article asserts:

Failures among retail clothing stores are running about 15 percent higher than a year ago. Liabilities involved in these failures are about double the volume of a year ago.

There is a considerable increase in the number of eating and drinking places going broke, indicating that people are eating out less often, taking more meals at home.

Failures are nearly half again as high among stores selling hardware and building materials.

While casualties among furniture stores are running about the same as in 1957, there is a considerable increase in the liabilities of the firms that are failing.

Overall, failures among retailers are up more than 13 percent over a year ago and there is an even bigger increase—34 percent—in liabilities involved.

Failures are higher than a year ago among wholesalers of food and farm products, apparel, dry goods, lumber, building materials, and hardware.

In manufacturing, failures are up for lumber, paper, leather and leather products, coal mining, and iron and steel products.

Now to go back to the lead paragraphs of this U. S. News article:

On an average day in this recession period, 45 to 50 American firms close their doors and go out of business.

If the present rate continues through the year, more than 14,000 businesses will go to the wall in 1958. This will be the highest annual total in nearly 20 years.

So far in 1958, business failures are running 12 percent higher than in 1957 and 27 percent higher than in 1956.

In addition to the businesses going broke, others in growing numbers are closing down voluntarily, getting out while they are still solvent. Many others, hard pressed, are merging with competitors, hoping to make a go of it.

The increase in business failures, in general, is greatest among retailers.

Older firms, in business 10 years or longer, account for a growing share of failures.

Mr. Speaker, this trend in business failures is nothing new. A like situation prevailed in the late twenties and early thirties. In those days, as it is now, statistics had a way of hiding the grim facts. The U. S. News says that from 45 to 50 businesses a week are closing up shop in this recession. This amounts to one firm per State. On the surface, it does not sound like a catastrophe.

But let us go into it.

For instance, Peterson's Paper Mill—the main industry of a Minnesota county-seat town—closes its doors. The entire population of the town is around 3,000 people. The paper mill employs about 150 men. These 150, plus their

wives, plus their children, make up one-fifth of all the inhabitants. The usual customers stay away from Schultz's Hardware Store. The regulars do not show up at Red's Cafe. Schultz closes up. So does Red. Their customers begin to look worried every time they pass the First National Bank. That makes the officers of the bank look worried, too.

What has been a recession takes on the identifiable earmarks of a depression. A depression, as we well know, is a chain reaction of closed business places, bankrupt banks, and empty wallets.

It cannot be cured by having the owner of a family farm be a part-time farmer and a part-time town jobholder. Only part-time economists go for that.

It can be cured by doing everything humanly possible to stabilize the security of the family farm. If—and when—this is done, community and State and Nation can, once more, be brought back to prosperity.

Results of a Poll

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. OSTERTAG. Mr. Speaker, I have recently concluded a poll among residents of the 39th Congressional District of New York, asking their opinions on 20 of the most important issues before the Nation. More than 7,000 persons replied to the questionnaire.

There has been great interest in the poll, among both the people whom I am privileged to represent and among many persons and groups outside my district. So that my colleagues and all these other interested persons and groups may have the benefit of the results of the poll, I include in the RECORD the results of the poll:

	Percentages		
	Yes	No	Undecided
1. Do you favor a greater Federal responsibility to increase science education?	67.6	28.5	3.9
2. Should Congress enact a Presidential disability law?	76.0	17.4	6.6
If such a law were passed, whom do you think should decide whether a President is disabled: (a) the Vice President (3.9); (b) the President's Cabinet (29.6); (c) a commission of executive and legislative officials (49.9); Undecided (16.6).			
3. Would you favor a system of pay television?	8.3	87.7	4.0
4. Do you favor extending statehood to—			
(a) Hawaii?	81.7	12.5	5.8
(b) Alaska?	85.3	9.0	5.7
5. Do you favor an increase in postal rates to reduce the annual postal service deficit?	70.1	26.3	3.6
6. Do you favor a pay increase for—			
(a) Postal workers?	58.7	32.1	9.2
(b) Other Federal Government employees?	34.4	49.6	16.0
7. Should Congress enact legislation to provide Federal regulation of welfare and pension funds now under—			
(a) Union control?	66.2	24.1	9.7
(b) Employer control?	50.5	36.4	13.1
8. Should the Federal minimum-wage law be amended to—			
(a) Raise the present $1 hourly rate?	46.8	46.8	6.4
(b) Extend coverage to more workers?	72.1	17.7	10.2
9. Should the social-security law be amended to—			
(a) Abolish the present annual $1,200 ceiling on earnings?	47.8	35.5	16.7
(b) Raise the $1,200 ceiling?	60.1	22.5	17.4
10. Do you favor increasing the present $4,200 social-security tax base, and the tax contributions, if benefits also are raised?	53.1	38.4	8.5
11. Do you favor reducing nonmilitary Federal spending to permit a tax cut?	62.1	30.8	7.1
12. Do you favor a wider farm price support formula of 60 to 90 percent of parity and an increase in acreage allotments, instead of the present 75 to 90 percent of parity?	27.6	52.1	20.3
13. Should these provisions of the agricultural Soil Bank program be continued:			
(a) The conservation reserve?	41.6	34.1	24.3
(b) The acreage reserve?	25.2	48.1	26.7
14. Should atomic energy for peaceful purposes be developed by (a) the Federal Government (11.1); (b) private enterprise (27.3); (c) a partnership of both (57.3); Undecided (4.3).			
15. Do you favor the proposed multibillion dollar program for construction of civil defense shelters?	26.3	64.9	8.8
16. Should we continue our foreign aid programs of—			
(a) Military assistance?	56.3	33.1	10.6
(b) Economic assistance?	60.6	30.3	9.1
17. Should the United States exchange atomic-weapons information with our allies?	58.2	32.1	9.7
18. Do you favor closer cooperation with NATO countries in political, economic, and cultural fields, in addition to our military alliance?	80.1	13.8	6.1
19. Do you favor increased cultural and commercial relations with Russia?	52.6	39.1	8.3
20. Do you believe the United States should seek new negotiations now with Russia on disarmament and world political problems?	57.9	34.2	7.9

Israel's Independence Day

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. PATTERSON. Mr. Speaker, on May 14, 1948, when the courageous and farsighted Zionist leaders in Palestine proclaimed the birth of the State of Israel, they took the destinies of the Jewish nation into their own hands. At the time this seemed a daring and somewhat dangerous act. Today, 10 years after that momentous and epoch-making event, it is abundantly clear that their courage paid off. In a single decade Israel has moved from a struggling newborn state to a powerful political and cultural force in the Middle East. Israel is not only a safe haven for refugee Jews, but also a model democratic state in a sea of ancient feudal countries.

Our friendship and respect for Israel continued as we have seen the desert blossom and a democratic society spring up in a part of the world that knows mostly feudal and autocratic governments. It is widely recognized that Israel has used American foreign aid to better advantage than any other state in the Middle East. A well-educated, industrious people they have set forth with the enthusiasm and vision that only pioneers can muster to their cause. They have worked hard and have built a thriving modern nation where formerly there was little but desert, poverty, and disease.

But there is also a close friendship between our two countries because of the compatibility between our deepest national interests. We share a common interest, the development and preservation of international conditions that make it possible for democratic societies to grow and to survive.

On the anniversary celebration of Israel's Independence Day, I wish them more power and full success in their efforts to make the desert bloom and to provide security for their people.

States Rights—The Law of the Land

EXTENSION OF REMARKS
OF
HON. SAM J. ERVIN, JR.
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Tuesday, April 22, 1958

Mr. ERVIN. Mr. President, Charles J. Bloch, of the Georgia bar, has written a timely, significant, and moving book entitled "States Rights—The Law of the Land," which is worthy of notice by every student of constitutional history and law. A review of this book, written by me, appeared in the Winston-Salem (N. C.) Journal and Sentinel on April 20, 1958. I ask unanimous consent that a copy of the review be printed in the CONGRESSIONAL RECORD.

There being no objection, the review was ordered printed in the RECORD, as follows:

THE MEANING OF STATES RIGHTS

(By SAM J. ERVIN, JR., United States Senator)

Charles J. Bloch, of the Georgia bar, is deeply versed in history and law. He loves and understands the Constitution of the United States. He knows it was designed to establish an indissoluble union composed of indestructive States.

While attending a Congressional committee hearing a year ago, Mr. Bloch was amazed to hear a Congressman voice the astounding statement that the doctrine of States rights "Is the very warp and woof of the philosophy underlying the Communist system." He concluded on the spot that it was high time * * * someone tried to tell the American people the facts of history upon which the doctrine of States rights is based.

The American people are, indeed, fortunate that Mr. Bloch did not leave this task to others. He devoted to its performance his enlightened mind, his understanding heart, his vast learning, and a tremendous research in historical and legal fields.

The result is the recently published States Rights—The Law of the Land, a compact volume of 381 pages (The Harrison Co.,

$10) whose lucid and luminous language is readily understandable to lawyers and laymen alike.

SIGNIFICANT VOLUME

The book is timely, significant, and moving. It merits a place in the library of every American who believes that the destiny of this Nation ought not to be dictated by nonelected Supreme Court judges who forsake their proper sphere of action to usurp and exercise constitutional powers belonging to other departments of the Federal Government and the States.

The able and eloquent author analyzes with commendable clarity and conciseness historical facts, the Constitution of the United States, and relevant decisions of the Supreme Court to document and establish these fundamental propositions:

1. The States do not look to the Federal Government as the source of their powers. The reverse is true. The Thirteen Original States became self-governing Commonwealths 13 years before George Washington's first inauguration as President. These sovereign States created the Federal Government. They did this by a Constitution, which delegated to the Federal Government the specific powers necessary to enable it to discharge its limited functions as a central government, and reserved to the States the general powers necessary to enable them to regulate their internal affairs. To make the retention by the States of their reserved powers doubly sure, the First Congress and the States inserted in the Constitution the 10th amendment, which declares in words of utmost simplicity that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

SOVEREIGNTY ESSENTIAL

The preservation of the sovereignty of the States, within the limits of their constitutional powers, is essential to the preservation of our system of Government. To preserve the sovereignty of the States, the Constitution and the great decisions of the Supreme Court of former days established three cardinal rules to govern the judges of the Supreme Court in judging State action or State legislation. The first rule is that the Supreme Court is not concerned with the desirability or wisdom of State action or State legislation. These are matters exclusively for State determination. The second rule is that in passing on the constitutionality of State action or State legislation, the only question for the Supreme Court to decide is whether such action or legislation is within the scope of the reserved powers of the State. The third rule is that the Supreme Court is not to hold State action or State legislation unconstitutional unless the conclusion to that effect is unavoidable.

3. During the past 20 years a majority of the Judges of the Supreme Court have been men who had no judicial experience whatever and little actual experience as general practitioners of law before their respective appointments to the Supreme Court. Instead of adhering to the sound rules designed to preserve the sovereignty of the States, these judges have been instrumental in handing down decision after decision invalidating as unconstitutional State action and State legislation simply because they deemed such action and legislation undesirable or unwise.

GROWING THREAT SEEN

4. Our system of Government will survive only if affirmative action is taken to prevent further inroads by the majority of the Supreme Court on the constitutional powers of the States. This action ought to be twofold in nature. The Senate should reject all future appointees to the Supreme Court save those whose past judicial or legal experiences makes it certain that they will carry with them to that high bench the qualifications and temperaments indispensable to the proper discharge of judicial duties; and the Congress should enact legislation restricting the jurisdiction of the Supreme Court and inferior Federal courts and revitalizing the 10th amendment.

When the reader lays down this book, he instinctively joins in the prayer implicit in the author's dedication: "To my grandsons, for them and those of their age, my hope is that constitutional government may survive."

Fiftieth Anniversary of Discovery of the North Pole, April 21, 1958

EXTENSION OF REMARKS
OF
HON. JOHN R. PILLION
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. PILLION. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to call attention to the following statement prepared by Mr. Robert Holder, of Snyder, N. Y. April 21, 1958, is the 50th anniversary of that date when Dr. Frederick A. Cook, a resident of New York State, discovered the North Pole and claimed it for the United States.

Dr. Frederick Albert Cook gave out the first descriptions of the North Pole which were published in the New York Herald of September 2, 1909.

Five days later, on September 6, 1909, Robert Peary announced that he had reached the North Pole on April 6, 1909. It is important to note this second conquest of the pole a year later.

If there is ever any dispute concerning the ownership of the North Pole, we can claim the top of the Arctic by the right of discovery by two brave Americans. The strategic importance of the Arctic is known to every schoolboy today; 50 years ago it was an almost useless mystery.

Arctic interest has been stimulated by the scientists during this International Geophysical Year when many nations are seeking the answer to the many Arctic mysteries. The work of the pioneer explorers serves as a springboard for present-day research. I would like to mention some highlights of Dr. Cook's epic journey across the unknown Arctic wastes.

In an airline measurement the distance from his Greenland camp is about 700 miles. This distance was for him to be extended to a walk of 4,000 miles over land and sea with the shadow of death daily on the horizon. It was the longest sledging record in history.

Dr. Cook's reaching the North Pole was the result of precision planning. Profiting from his studies of the work of other explorers he concluded that previous failures had been due to too heavy equipment and the attempt to maintain large parties. His equipment was specially designed. Hickory was taken to Greenland where the sledges were constructed. His special sled was the result of over 10 years' experimentation which started when Amundsen and Cook served their apprenticeship together on the Belgian Antarctic Expedition, 1897–99. It is significant that both these men, who apparently were made of the same stuff, reached the extremities of the earth because of streamlining their equipment—Amundsen, South Pole, 1911; Cook, North Pole, 1908.

Dr. Cook knew that, because of ice conditions, April was the best month and that a dash was important. He was certain that a small party could travel faster.

The expedition consisted of 2 Eskimos, young and in their prime; 26 dogs; 2 sleds loaded with 800 pounds apiece; and the leader, Dr. Cook, who was 43 and in perfect condition. They reached their goal in 34 days, sledging an average of 15 miles a day. These 520 miles were endless days of torture, of extreme thirst and slow starvation. Their ration of a pound of pemmican daily was not enough and their bodies slowly wasted away. They did not mind the cold which ranged as low as —50° but suffered from the bitter gale winds which peeled their skin from their cheeks and noses. It was a lifeless world, with no radios, no airplanes, no means of communicating with the world, and no hope of rescue. It is a story of forced marches beyond human endurance, yet the will and the mind somehow gave them the courage and strength for an almost impossible task.

Cook's route was over game lands discovered by Sverdrup, which gave the North Pole seekers another advantage. The liberal diet of raw meat kept the three men in top trim.

After the pole was reached there was the trip back. Instead of the return being easy, as it was expected it turned out to be the most heart-rending part of the entire trek. The story of the return is perhaps more exciting and pathetic than the dash for the pole.

Dr. Frederick A. Cook wrote two books about his North Pole experiences: My Attainment of the Pole, and Return from the Pole, and every American would do well to read these inspiring tales of what was perhaps one of the most heroic exploits in Arctic exploration, if not in the history of all exploration.

Surplus Foods for Needy Americans

EXTENSION OF REMARKS
OF
HON. CHARLES H. BROWN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. BROWN of Missouri. Mr. Speaker, among the many problems that plague the Nation—our gravest domestic problem, I think, is that we have too many people trying to pay 1958 living costs with a 1948 income. People who established their social security or railroad retirement base when the average annual wage in this country was $1,000 are caught in a vice. People getting a $55-a-month old age assistance check—or $60 from the Veterans' Administra-

tion—are, too. A young industrial worker, temporarily unemployed, trying to keep a big family of growing youngsters together on a $30-a-week unemployment compensation check, is in the same vice.

Just the bare necessities of life—food, clothing, and shelter—have become a nightmarish problem to some 20 million American people.

For years, the retired and disabled have clung fast to the hope that, sooner or later, the cost of living will come back around to their level.

But it has been over a decade now since the inflation spiral started. Every day, we get more and more on a wartime footing—more and more of a wartime economy; and the end is nowhere in sight.

We are a Nation renowned for its abundance and its capacity to produce; but we have always had trouble distributing what we produce.

In recent years some progress has been made in housing, especially in the cities. Public housing projects have provided some of our retired people with shelter at discount prices. But too many of our people are trying to exist on inadequate diets. To them, food is a problem.

It is absurd for even one person to be hungry or on a totally inadequate diet when the Nation's Government is accumulating and maintaining stockpiles of surplus foodstuffs.

Surely, within the framework of our free enterprise system, there is some way to get our food surplus into the stomachs of those who need and should have it.

Every once in awhile, I hear the Secretary of Agriculture say that he wants to get some of this blessing of abundance into the mouths of people instead of in Government warehouses.

The Secretary has made some commendable progress in getting his surplus food into foreign mouths—at a 50 percent discount under Public Law 480.

But we are making no progress at all getting this food into 20 million American mouths—the pensioned, the needy, and the unemployed. There is no 50 percent discount for our own—that is only for the Pakistanians, the Japanese, the Yugoslavs, and others overseas.

I question the wisdom of this foreign discount policy not alone on the grounds that charity begins at home. I think we are overlooking a real opportunity for expanding the American farmer's market here at home, and the Government is buying the food, anyway.

Any good sales promotion manager would probably take one look at what we are doing and say: "Look—you are so fascinated with the green grass on the other side of the ocean that you are ignoring completely the best territory you have for increasing food sales.

"Get to work on these 20 million pensioners, disabled, and unemployed Americans who have been forced to cut down to one-half the milk they really want, or who are buying a half-dozen eggs when they really want to buy a dozen. There is your sales opportunity.

"And do not kid yourself that you will get the business by cutting the price one-half cent or one cent. Go after it the way the soap companies do—with a coupon operation. That is one of the fastest sales stimulators there is."

Mr. Speaker, this committee is holding hearings on a food-stamp program. At long last, the Congress is getting down to business on a device by which this Nation can extend to 20 million deserving people a cost-of-living pension raise, in the form of a food-coupon program that will really stimulate sales and consumption of some farm commodities—a double-barrel job, if it is done right.

Now, what kind of a program would it have to be, to be right?

Well, I am no expert, but let us think together a little bit:

First, it must be handled through established channels of trade. We believe in the free-enterprise system and we must not circumvent or injure processors, wholesalers, or retailers.

Second, the regular channels of trade are familiar with coupons. They redeem and cash in coupons at grocery stores all over America every day. Why not call the program a food coupon plan instead of a food stamp plan?

Third, if we expect the program to increase per capita consumption—and I feel it should—there is where we get into merchandising.

I respectfully suggest that food coupons should not cover 100 percent of the retail price of a quart of milk or a pound of butter, except in cases of dire need. The coupon should be good for 50 percent of the retail price and the purchaser pays the other 50 percent in cash.

In this way, coupons can be distributed to twice as many worthy people for the same redemption cost; and it would stimulate more net increase in total food consumption.

If 20 million purchasers went into stores with coupons worth 12 cents on a 24-cent quart of milk, you would get more real stimulation into milk consumption than if 10 million purchasers went in with coupons worth 24 cents on a 24-cent quart of milk.

A per capita increase of 10 quarts of milk a year, multiplied by 20 million people is a total increase of 200 million quarts. But if the coupons were made redeemable for 100 percent of the retail price and thereby could be made available only to 10 million people, even if consumption increased 15 quarts each—the total increase would be less.

In instances where the sole purpose is relieving dire need, where people have no money, coupons would have to be worth full retail value. But to do the double-barrel job of getting food to people who cannot buy enough of it and at the same time stimulate consumption for producers—I wonder if the coupons should not be good for 50 percent of the retail value, with the purchaser putting up 50 percent of the retail price in cash.

There is another reason for the 50-percent-of-retail price coupon; and that is the farm value of surplus foodstuffs that best lend themselves to a food-coupon program represents less than 50 percent of the retail cost of the food through normal trade channels.

A coupon good for 24 cents on a 24-cent quart of milk actually is getting into consumption only about 10 cents worth of farm surplus milk. There is 14 cents for processing, transporting, distributing, and so forth.

Now, if you could move that quart of milk into consumption with a 12-cent coupon and 12 cents consumer's cash, the Government coupon is about the equivalent of what the CCC will pay for that much dried milk to put it in a warehouse.

And do not underestimate the power of a 12-cent coupon to get a housewife to purchase a 24-cent quart of milk, or a 40-cent coupon to get her to purchase an 80-cent package of flour.

The soap companies, the coffee blenders, the cereal manufacturers can prove to you that it works.

This is a way to stimulate increased consumption and take a big step forward toward eating our way out of some of this surplus production.

Now, everyone knows that it will not make any real dent in the 1 billion bushels of corn or the 900 million bushels of wheat now owned by the CCC.

Coupons cannot solve the problem-crop difficulties which plague us.

Certain commodities will lend themselves to a food-coupon program; and others will not. But let's not give up on the food stamp idea just because every commodity might not fit into it. Let us take those that do fit and see how it works.

The commodities that lend themselves most favorably to a food-stamp program, in my opinion, are fluid milk and cream, butter, cheese, wheat flour, dried beans, poultry meat and eggs, and red meat.

Right now the CCC does not own any red meat, poultry meat, or eggs. They do hold quantities of every other commodity I mentioned, and are apt to acquire additional quantities at any minute.

Now what about costs?

Here is what the average American spends at retail price for the following foodstuffs, now in surplus:

Commodity:	Per year
Fluid milk	$34.90
Cream	4.35
Butter	6.30
Cheese	4.85
Wheat flour	4.70
Dried beans	1.05
Cornmeal	1.05
Oatmeal	.55
Rice	1.05

Retail expenditures per capita for other foodstuffs run approximately:

Product:	Per year
Eggs	$16.80
Broiler meat	8.40
Turkey	1.68
Red meat	85.00

The average American consumes about 14 quarts of fluid milk a year. This is an average. Obviously, many people drink more than 14 quarts a month.

Chances are, our pensioners and our needy did not drink 7 quarts of milk a month last year. But if they got $1.50 worth of food coupons each month with their Government check—the coupons good for one-half price on each quart—they could buy their 14 quarts for the

same amount of cash they have been spending for 7 quarts.

This would be really expanding markets. And the program can be as big or as small as Congress wishes to make it.

If the 5.5 million people now receiving public assistance were to receive coupons for milk, and flour, and other products now in Government surplus, and each got $29.40 a year—the cost of the food coupon program would total $165 million a year—or about $75–$80 million more than it costs the Government to hold the food in storage as is done now.

Actually, it may not run even this much, because present surplus disposal policies, wherein the food is sold in foreign markets at a 50-percent discount plus ocean transportation costs, are quite costly.

Personally, I would like to see this coupon program include more people. Everyone in the lower brackets of social-security retirement, railroad retirement, veterans, unemployment compensation, and so forth, need it.

There are some 16 million receiving retirement, disability, and survivor benefit checks from United States Government agencies.

Say, 8 million of them get less than $80 a month. They could well be included in this program and not exceed the $1 billion authorized.

For less than $200 million a year, the unemployed could get a 50-percent discount on food in surplus. Why not coordinate this program with any changes in unemployment compensation now under consideration?

Milk, cheese, butter, flour, cornmeal, eggs, and poultry meat could move into the mouths of 20 million deserving Americans—our disabled, blind, our needy, and our sorely pressed retired. Instead of piling it up in warehouses, or selling it all to the Japanese or Pakistanis at a 50-percent discount, we could sell some of it to 20 million of our own people at the same 50-percent discount.

Surely, we can summon enough wisdom among us to devise a food-coupon program that will help alleviate some inflation problems and move surplus food into American stomach instead of storage.

Polish Constitution Day

EXTENSION OF REMARKS
OF
HON. JOHN H. RAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. RAY. Mr. Speaker, many of our fellow citizens of Polish ancestry will celebrate, on May 3, the 167th anniversary of the enactment of Poland's Constitution by the Polish Diet in Warsaw, in 1791. Exercises in commemoration of that historic action will be held in most of the Polish communities throughout the world—outside of Poland itself. I doubt that the Communists who rule there will permit any public demonstrations but I am certain that their constitution day will be honored in the minds and hearts of the Poles now, unhappily, living under the Communist yoke.

I suspect that the average American of non-Polish background believes that Pulaski and Kosciusko, heroes of the American Revolution, provide our principal links to Poland. Those two distinguished soldiers gave substantial help in the founding of our Republic, but the contribution of men and women of Polish blood did not end with them by any means. Over the years Polish brains have enriched our literature, our science, and our art; Polish valor has strengthened our fighting forces; and Polish skill and brawn have helped build our cities and our industrial plants. And, although Polish immigrants brought with them a passionate love of individual liberty, they left in their homeland as much dedication to freedom as they brought, and that dedication was forcefully expressed in the constitution enacted more than a century and a half ago. On the eve of their Constitution Day anniversary we should express our appreciation and gratitude to the Polish people for their long devotion to liberty.

Poland has a long and glorious history. Since it emerged as a nation in the middle of the 10th century a number of attempts have been made by aggressive neighbors to assimilate it. But the spirit of free Poland outlasted the czarist, Hapsburg, and Hohenzollern Empires. As we now congratulate our friends of Polish blood on their Constitution Day anniversary, we do so with confidence that free Poland will outlast the Communist Empire and eventually resume its place in the family of nations under a government of its own free choice.

The Old Quest for Peace in the New Age of Science

EXTENSION OF REMARKS
OF
HON. HENRY M. JACKSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Tuesday, April 22, 1958

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "The Old Quest for Peace in the New Age of Science," which I delivered before the 11th Annual Borah Foundation Conference, at the University of Idaho, Moscow, Idaho, on March 20, 1958.

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

THE OLD QUEST FOR PEACE IN THE NEW AGE OF SCIENCE

(Address by Senator HENRY M. JACKSON)

I deeply appreciate the invitation to come to the University of Idaho and to participate in your annual Borah conference.

I do not know of a more appropriate group before which to discuss the quest for peace in this perilous age.

For 11 years now this forum has given its participants new insights into foreign policy and the problems of peace. Indeed, this conference has achieved a well-earned national reputation.

As we meet, satellites are flying through the air above us. Newspapers are filled with H-bombs, outer space, intercontinental missiles, antimissile missiles, and anti-anti-anti-missile missiles.

In truth, everywhere we turn in the question of war and peace, we see the influence of science. There is no doubt that science has greatly complicated the problem of keeping the peace.

As one commentator put it: "The road to hell is paved with good inventions."

Gone are our two precious allies of the past, time in which to mobilize, and distance to protect our homeland. Today whatever force is required, either to deter war or to win it if deterrence fails, must be on hand, ready at all times.

On the other side of the world, we face an adversary who is deliberately determined to use science and technology as the handmaiden of ultimate world conquest.

As a result of Soviet advance in science and technology, they now challenge us across the board, in military prowess, in science, in economic and political affairs, in education, in person-to-person relations, indeed in about every area of activity.

It almost goes without saying that we must meet the material challenge by producing enough weapons, launching satellites, overcoming recessions, and increasing the rate of our industrial growth and development.

These are the dramatic things which we must do.

But there is real danger that we will think of this contest as only one of: number of planes against number of planes, range of missile against range of missile, size of satellite against size of satellite.

I'd like to talk with you now about a very undramatic, very commonplace, very obvious thing—and yet the most important thing of all—people.

The history of international politics, when you come down to the essence of it, is the history of individual human beings.

What are their loyalties? How hard will they work? What ultimately matters is what human beings believe in and how well they labor for it.

What counts is what a farmer in some remote Indian village, some university student in troubled Indonesia, or some civil servant in the new state of Ghana, believes and does.

There are over 2 billion people in the world. Roughly one-third follow Moscow. Another one-third follow the free way of life, the traditional centers of which are North America and free Europe. The final one-third are the uncommitted peoples across the broad sweep of the Afro-Asian area.

What matters is this: Will Moscow be able to hold the people behind the Iron Curtain and keep them working effectively and productively?

Will the Free World be able to hold itself together, with its people working effectively and productively?

And what will happen to the uncommitted peoples?

At this point we face a great paradox. On the one hand, we have our free tradition saying that the individual is everything, the individual person is what counts. On the other hand, we have Marxism saying that individual people are nothing and that all that matters are the laws of history. Yet despite this, it is the Soviets, more than we, that in practice seem to realize what really matters—people.

Look how they appeal to the ordinary person's hunger for peace. By a remarkable public relations job Khrushchev persuades many people that the Soviet system has

really changed since Stalin's day, into something less dangerous.

Take the recent example of Hungary—turning loose brutal murderers one day, turning loose the dove of peace the next. Within weeks after the enormous bloodletting in Hungary, the Kremlin was back in business cooing peace, and getting people to believe it.

Khrushchev's refrain seldom varies: "We want peace and the other side wants war," a heady tune for peoples who yearn for a future of peace and progress.

Not so long ago, the Kremlin showed no concern for other peoples—except to support Communist factions abroad. Today, however, Moscow gives the impression of being concerned with everyone. Anyone who is not aggressively against them is called friend. Khrushchev courts non-Communists, like Sukarno and Nehru, every bit as diligently as Stalin once courted his Communist agents.

Last January, a Gallup poll in New Delhi, India, asked this question: "Which is doing more to help peace in the world, Russia or the West?" The answers came out this way: Russia 54 percent; West 18 percent; don't know 28 percent. Note the ratio: 3 to 1 for Russia.

Another recent Gallup poll asked citizens of 12 world capitals: "Who is ahead in the cold war, Russia or the West?" The answers came out this way: Russia was rated ahead in 10 capitals, in some cases by 4 or 5 to 1, among those who gave definite answers. The West was rated ahead in only two capitals.

Around the whole globe today we are clearly on the defensive.

How has this happened?

One reason is that Moscow uses deliberate lies as a matter of policy and manages to fool many people a lot of the time.

A second reason is that we are an open society—we live in a goldfish bowl. People can see not only what is right with us, but everything that is wrong with us. People cannot easily see what is wrong with Moscow. Moscow lets the rest of the world see only what she wants them to see. No reports of the ruthless purges are issued by the Kremlin press. No accounts of the Siberian prison camps ever get through Kremlin censorship.

A third reason for our difficulty is that Moscow is consciously and deliberately going about being nice to people—ready to snap the trap shut when the time comes. The voice of Moscow is perhaps the least important weapon in the Soviet arsenal.

Rising Soviet industrial strength gives Moscow goods and brains for export, and Soviet leaders now exploit economic aid as an instrument of political warfare. More than 2,000 Soviet technicians are at work among the uncommitted peoples. Moscow has welcomed a steady stream of visitors from Asia and Africa for training programs behind the Iron Curtain.

A fourth reason for our defensive position is that Russian experience is just a generation away from that of the uncommitted peoples. Only recently the Soviet Union was a backward, feudal, and underdeveloped country, too. Persons in less well-developed countries are encouraged by Soviet experience, partly because it is closer to their own.

By contrast our experience as an old industrial nation seems very far ahead of theirs. The American standard of living is roughly 3 times as high as the Englishman's, 6 times as high as the Italian's, 11 times as high as the Turk's, 18 times as high as the Peruvian's; but it is 40 times as high as the Indonesian's.

When President Sukarno went to Moscow he reportedly told Khrushchev: "You people are still close to your revolution. You've managed to rise from feudalism, just like we're trying to do. We have more in common with you than with the West."

Finally, our own ineptness contributes greatly to our difficulty. Too often we give the impression that the only people we care about are those who play the game our way. We insist that people be in our own image. We suffer from a kind of national superiority complex. What America needs most is to learn the meaning of humility.

Take for example a familiar attitude toward allies. We expect allies to agree with us and to do what we want. We object when they don't. Yet this pressure to conform only alienates our good friends.

After all our allies are independent nations with their own special concerns. They are, and should be, free to take positions which differ from ours on many issues.

We need allies. But we want allies, not satellites.

As another example, take a familiar attitude toward neutral nations. We think that neutrals are somehow not playing fair. We want them to choose sides once and for all and join our coalition.

When, however, we try to dragoon them into alliance with us, we simply drive them further away.

The underdeveloped countries are not pawns in the power game, as some Americans think. They are young nations with interests and goals of their own. Burdened by pressing domestic problems, a nation like India prefers neutrality to the added cares of an alliance.

Soft neutrals who become overdependent on Communist help are a hazard. Hard neutrals, however, who recognize the full danger of Russian tactics are not a hazard, so long as they remain as independent of Moscow as they do of us.

Granted that we now find ourselves on the defensive, what are we going to do about it?

First of all, we must alter our own basic attitude. We should stop trying to mold other peoples in our own image.

Moscow tells people to be themselves, but what she really means is for them to be Communists. We too often say, "be like us," when all we need say is "be yourselves."

We should adopt the principles of the good politician. A good politician recognizes that different groups have diverse interests. He makes it his business to understand the state of mind of his constituents. He gets around to learn what people are thinking. He finds out what they want and tries to help them reach their goals. Where possible, he strives to assist each group in pursuit of its objectives.

Ladies and gentlemen, this approach to other peoples has important implications for our entire foreign policy. I believe that if we took this approach seriously, we could get off the defensive. We could promote programs that will gain us the friendship and respect of other peoples.

Let me suggest three particular programs, which I feel deserve our most urgent attention.

First, we should substantially increase our technical cooperation program, and make it a vehicle of our traditional respect for human dignity and liberty.

The proposed technical assistance program for fiscal 1959 is very modest. It would cost only $163,500,000. I think we are missing a great opportunity and that we should expand the export of technical know-how to help people help themselves.

An increase in this area could be offset by reductions in military and economic aid. We get a better return for our dollars if we encourage more person-to-person cooperation and give less in the form of handouts.

Our friends abroad want material help. But they look also for intellectual and spiritual inspiration. Their hearts as well as their economic systems need a lift. One way to meet this need is to promote programs in which we work with other people rather than just do something for them.

Why should not our technical assistance program send thousands of Americans abroad each year to work together with the uncommitted peoples and so help strengthen the basis of common humanity that unites all people of good will? As nurses, doctors, soil conservationists, experts in mental health, and engineers, they could demonstrate by dedicated labor their genuine concern for the welfare of the people.

I wish we could arrange for large numbers of our young people, who are fresh from their college and technical training, to go abroad say for a term of 2 years.

No person should be recruited for the program simply because of his or her technical competence. Participants should also have these qualities: first, a catching idealism; second, an interest in people for their own sakes—they should genuinely want those with whom they will live and work to be better off and happier, irrespective of the Soviet threat; and third, they should be looking for contributions which others can make, treating their work as a two-way street.

In summary, participants in the program should be guided by the true spirit of humility.

This country need not and should not carry the sole burden of an expanded technical cooperation program among the uncommitted peoples. The entire NATO community can join in the effort.

There is a prevalent notion that unless America runs the show, America will not get the credit. But this is far from the case. Today, we are likely to gain more credit if we do not insist on doing it all ourselves, but rather join in genuinely common undertakings.

There is no more important task than speeding common scientific and technical programs within the NATO alliance. Such programs will promote the security and welfare of the Atlantic Community. They will also assure a greater reservoir of brains and know-how for technical cooperation in Asia and Africa.

Second, we should expand the exchange-of-persons programs in the Free World, and offer a full-scale person-to-person exchange program to the Soviets.

We have many excellent exchange-of-persons programs in the Free World, including the highly successful Fulbright program. But we could do far more than we are doing.

The best way to learn what other people are thinking and hoping is to go to see them, talk to them, and live among them. The best way for people to find out what we are really like is to come to see us.

When Nehru visited this country he went to see some of our most advanced welfare institutions, an insane asylum, a community center, and a public school. He reportedly commented: "If this is really typical of America, then I have certainly misunderstood you."

This is not the occasion to discuss the details of a greater exchange effort. I believe every proven and workable program should be pushed, both those financed by private money and those supported from public funds.

What I want to emphasize today is this: We should not limit our exchange efforts to the Free World. I believe we should offer the Russians a full-scale person-to-person exchange.

We may find that Moscow wants only the present token program—a few students, a few technicians, orchestras and movie stars. Whatever the Soviets have in mind, however, we should be well out ahead of Moscow in our proposals.

Quite probably exchange programs with Communist countries will net few dividends for peace. But it makes sense to keep open the lines of communication with ordinary people behind the Iron Curtain.

During my trip to Russia in 1956 I was deeply impressed with the friendliness of everyday Russians. I had an opportunity to go into their homes and to meet them, both in European Russia and in Asiatic Russia. I found that the Soviet leaders had made little headway among their people in destroying the good name of Western people, despite 40 years of vicious propaganda.

Even people who fall under the sway of evil ideas are not necessarily evil persons. One can talk to them and exchange ideas in many areas outside the realm of politics.

Perhaps we can make some headway if we send skilled specialists to Russia, for example, in surgery, in mental health, in family welfare, in classical studies, and even folk songs. These people can talk to their counterparts in Russia without becoming involved in ideological controversy. Some common understanding might be developed in fields of common interest. Certainly Soviet political ideology will be the last area to yield to any reconciliation.

Why should we not challenge Russia to give 50 Indian leaders the chance to go behind the Iron Curtain and then have those same 50 leaders come to visit us?

If Moscow accepted such a proposal, all to the good. If Moscow rejected it, still we could not lose. Neutral nations would be treated to a demonstration that Russian talk of freedom is a pretty shallow thing.

I am proposing that we maintain pressure on the Russians—that we keep them on the defensive in this field where they deserve to be on the defensive. Of all countries, America should never be caught reluctant to open its doors to those who want to visit us and get to know us.

Third, we should strengthen our education in the social and humanistic studies, including foreign languages, and assure ourselves the tools for working with other peoples.

Since sputnik we have heard a good deal of talk about our deficiencies in science education. These deficiencies are, indeed, serious and need correction. We cannot afford to be second best in technological progress.

Equally, however, we cannot afford to ignore the disciplines which can help us turn our technological progress to the benefit of mankind. A renaissance is needed in the teaching of the social and humanistic studies in history, economics, literature, philosophy, and foreign languages.

Every American should be steeped in the humane tradition including scientists, engineers, and technicians, themselves. When the critical issues lie, as they do today, in the area of the relation of science to human behavior, then science training by itself is not enough.

In particular, I want to urge greater foresight and greater effort in the study of foreign languages.

Compared to the Soviet Union we are doing a fifth-rate job in language training.

An estimated 10 million Russians are studying English. Less than 8,000 Americans are studying Russian.

Every child in a Soviet high school is required to study German, French, English, Spanish, or Latin. One-half of our American high schools do not even offer modern languages. In the American high schools which do offer foreign languages, less than 15 percent of the students take them.

Russian universities teach well over 40 different foreign languages including Manchurian, Uigur, and the Burmese, Vietnamese, Malayan, and Indonesian languages. I might point out that Russian universities also have to teach the 17 native languages spoken in the Soviet Union.

Some of the Russian grade schools now even instruct 8- and 9-year-olds in Chinese, Hindi, Arabic, Parsi, and Urdu.

One can almost anticipate what countries are next on the Soviet calendar of conquest from their language curriculum.

America still lumbers along emphasizing the colonial languages, French and German. How unimaginative can we be to send our emissaries to the former colonial areas speaking only the language of the old rulers?

For example, Telugu is the language of 33 million people in India. Not six people in this country, however, can read a newspaper in Telugu. Yet members of a Soviet delegation arriving in India can speak it and read it.

In person-to-person contacts Americans should talk the native languages, even the dialects. We should equip our technicians to meet the village chief at his door, address him in his own tongue, and offer to work with him on a project he holds dear. This would promptly make us a new friend.

To prepare for mastery of a language one needs one elementary text, preferably with accompanying tapes or phonograph records, as well as a student dictionary and a series of graded readers. These works take years to produce and require the talents of highly trained linguistic scholars. And until these materials are available there is no possibility to teach the language on a sound basis.

Yet today there are about 40 important languages of Asia alone for which our working tools are sketchy or nonexistent.

Urgent steps should be taken to put this country's language-study program in good shape. This will take a national effort. We need a long-range plan. Then we need coordination among all the interested public and private agencies to get the plan implemented.

In conclusion, let me say this:

The past is littered with the wreckage of nations that made only a material response to the challenge of their times. We must not make that mistake.

In our struggle with the Soviet Union we have one weapon which the Soviets do not have, and cannot have. That weapon is our democratic tradition of respect for human dignity and liberty.

The Kremlin can build the same planes and missiles we do, it may build even better ones. The Kremlin can use the slogans of freedom, it may even use them better. But it does not have the respect for human dignity and liberty that really counts.

Our greatest strength is our intellectual and spiritual heritage. May we, in our time, prove true to that heritage.

Report From Congress

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mr. HILLINGS. Mr. Speaker, following is my regular report to my constituents in California's 25th Congressional District:

Communist Clouds Over Latin America

There is little doubt that the master strategy of the Kremlin now is directed at our friends in Latin America. The Communist plot was tellingly revealed by the demonstrations and riots that threatened the lives of our Vice President and his wife during their good will tour of South America. This tour has placed in sharp focus the following:

1. We can be proud of Vice President Richard Nixon and his wife for the remarkable courage, dignity, calmness, and diplomacy they displayed in the face of agitators who obviously were bent on destroying them.

2. Our policy toward our neighbors in the Western Hemisphere must be given a thorough reappraisal, for there was more to the demonstrations against the Nixons than just Communist agitation; there is economic distress in many of the countries to the south and it is absolutely necessary that our country take this into account on future foreign-aid programs.

3. Communist infiltration of the Western Hemisphere has abandoned the subtle technique and has reached the point of outright aggression against the institutions of personal freedom and liberty.

Again we can be proud of our outstanding constituents in the 25th Congressional District—Vice President and Mrs. Nixon.

Red Menace Still Here

Recently the San Francisco Chronicle attacked me for my stand in support of the action of immigration officials in deporting one William Heikkila, an admitted Communist, to Finland. Some of you may have read about this case in the newspapers. It was claimed that Mr. Heikkila was deported without just cause; was spirited away in the dead of night while a court order was pending; that he had no opportunity to inform his wife or attorney of his arrest and that he could not speak or write the language of Finland, the country to which he was being deported; that he had no relatives there; and that the Congressional investigation of the case had only taken 1 hour. My investigation was termed another "red herring" in much the same manner as the Alger Hiss case. All of these allegations are false. The plain facts are that Heikkila has lived in the United States for 52 years without even bothering to become a citizen; that he has refused under oath, as late as December 1956, to tell whether he is or is not an agent of the Communist Party; that his arrest was perfectly legal, and that he was allowed to notify his family. As a lawyer, as a Congressman, and as a citizen, I have always believed in due process of law. For 11 years, Mr. Heikkila fought his case through the courts and even though an alien, had every benefit of our judicial system although he was dedicated to the overthrow of our Government. I predict that as a result of the continuing investigation of this case by my committee in the Congress, the evidence will show that Heikkila does not deserve to remain in our country and that the United States Immigration Service was perfectly justified in deporting him to his native Finland.

Nuclear Tests Should Continue

There has been a clamor for the end of testing of nuclear weapons. I would subscribe to the end of such tests 100 percent if the Soviet Union would agree to an ironclad inspection plan. But the leaders of the Kremlin won't agree to inspection despite all the propaganda that has been pouring out of Moscow that Russia has ended such tests.

I have sponsored a resolution to express the sense of the House of Representatives that such tests should be continued by the Free World as long as the Soviet Union refuses to agree to a suitable inspection plan and presents a threat to the security, freedom, and liberty of peoples in the Free World.

Moreover, I checked with Adm. Lewis Strauss, Chairman of the United States Atomic Energy Commission, on the safeguards being taken to reduce the hazard of radioactive fallout during the current experiments being undertaken at the Eniwetok Proving Ground in the mid-Pacific area.

Admiral Strauss told me: "Protection of health and safety is a primary consideration during the current tests. * * * The test series will advance the development of weapons for defense against aggression whether airborne, missile-borne, or otherwise

mounted. * * * Test operations will be conducted in a manner designed to keep as low as possible the public exposure to radiation arising from the detonation of nuclear weapons."

The Financing of Small Business—Long-Term and Equity Capital

EXTENSION OF REMARKS
OF

HON. WILLIAM S. HILL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mr. HILL. Mr. Speaker, the Republican members of the House Select Committee on Small Business yesterday introduced legislation amending the Small Business Act to provide long-term loans for small business in increased amounts and to provide an additional method to help small business secure equity capital. My bill is H. R. 12026. The other Republican members of this committee and their bill numbers are: Hon. R. WALTER RIEHLMAN, of New York, H. R. 12027; Hon. HORACE SEELY-BROWN, JR., of Connecticut, H. R. 12028; Hon. WILLIAM M. MCCULLOCH, of Ohio, H. R. 12029; Hon. TIMOTHY P. SHEEHAN, of Illinois, H. R. 12030; and Hon. ARCH A. MOORE, of West Virginia, H. R. 12031.

There is almost complete agreement that a practical way must be found to increase the availability of credit and risk capital to our small-business concerns. This does not mean for any particular endeavor, but it means for small-business concerns whether they are engaged in manufacturing, processing, wholesaling, retailing, or the service industries. The question is by what means or methods may the Federal Government properly assist in solving the financing problems of small business. There have been many approaches to the problem as is evidenced by the number of bills which have been introduced on this subject. Each bill has its good points; the question is which points outweigh others in making a final decision which the Congress will enact into law.

Many of us believe that the best approach is by amending existing legislation. The Small Business Administration, through its nationwide organization, is equipped to carry out the will of Congress when legislation is enacted for the financing of small business. At the present time it would seem that once a sound program has been decided upon, getting it into effective use at the earliest possible moment would be of the utmost importance.

STATE COOPERATION AND PARTICIPATION

The central core of our proposal is to have the Federal and State Governments working together in encouraging private capital to assist and finally take over the job of providing long-term loans and equity capital for the small-business sector of our economy. We propose that each State, Territory, and Commonwealth, 51 in all, establish under State law a development, investment, and credit corporation. It is contemplated that each State development, investment, and credit corporation would operate under a State charter and would in turn be chartered by the Small Business Administration. Both long-term loans and equity capital would be provided through the State development, investment, and credit corporation. At the same time, none of the present duties of the Small Business Administration would be diminished. In fact, the responsibilities of the Small Business Administration would be materially increased.

INCREASE IN THE AMOUNT AND TERM OF SMALL-BUSINESS LOANS

We feel in making these proposals that it is important to the success of any plan to provide financing to small business that the term of the loans be of sufficient length and the loans be in sufficient amount to encourage the several State governments to cooperate and participate to the limit. Therefore, we propose that the maximum amount or regular small-business loans be increased from $250,000 to $500,000 and that the maximum maturity be extended from 10 to 15 years.

On the equity-capital side, the Federal Government is permitted to supply on a matching basis a maximum amount of $5 million. This is the total which may be outstanding at any one time for each of the State development, investment, and credit corporations.

HELPING SMALL BUSINESS WITHIN A STATE

Our bill provides that under no circumstances can any of the money borrowed or invested be utilized to relocate a business concern. We believe this to be very important because the whole intent and purpose is to build up small business within the State and in localities within the State. We feel that if a concern desires to relocate, it should not be at the expense of the State or the Federal Government, but that the money should be otherwise provided.

EXPLANATION

The Republican members of the House Select Committee on Small Business believe that the best features of its bill are reflected through its simplicity; through the fact that a new agency does not need to be established; and through the fact that the Federal Government will be supplementing rather than replacing private financial institutions. In fact, the whole proposal contemplates private capital taking over this job as soon as is practicable. A short explanation and the bill follows:

SECTION-BY-SECTION SUMMARY OF THE SMALL BUSINESS INVESTMENT AND DEVELOPMENT ACT

The first section provides that the act may be cited as the Small Business Investment and Development Act.

Section 2 sets forth the finding of Congress that the continuing growth and development of small business is essential to a sound national economy, but that such growth and development is impeded by the inability of small-business concerns (because of various factors, of which the principal ones are specifically stated) to obtain equity capital. It is therefore declared to be the policy of Congress and the purpose of the act to promote the sound development of small business by providing a source of such capital.

Section 3 adds a new subsection (c) to section 207 of the Small Business Act of 1953.

Paragraph (1) of the new subsection (c) authorizes the Small Business Administration to purchase investment securities issued by State development investment and credit corporations and having specified rates of interest and maturities. The administration could not hold investment securities of any such corporation in an amount exceeding $5 million at any one time and purchases of such securities by the Administration would have to be matched by other purchasers of such corporation's securities.

Paragraph (2) provides that the Administration shall not purchase investment securities from a corporation unless, first, the corporation will use the proceeds exclusively to assist small-business concerns of stated types in its State and will not use any of such proceeds to finance the relocation of existing concerns; second, the corporation, in furnishing such assistance, will meet the conditions and standards set forth in the act and those prescribed by the Administration, and third, the corporation, in furnishing such assistance, will use funds obtained from other sources in an amount at least equal to the funds obtained from the Administration.

Paragraph (3) provides that only one corporation per State can participate in the program of assistance, and requires any such corporation to have been chartered by the State for substantially the same purposes as the purpose of the act and to meet minimum standards and criteria prescribed by the Administration.

Paragraph (4) authorizes the Administration to obtain the funds needed to carry out the program by issuing notes and obligations in an aggregate amount not exceeding $255 million and selling such notes and obligations to the Secretary of the Treasury. The proceeds of such notes and obligations would be used to establish the special revolving funds which would be used to purchase investment securities under the program.

Paragraph (5) allows any State development investment and credit corporation or its shareholders to repurchase any of its investment securities purchased by the Administration.

Paragraph (6) directs the Administration to impose reasonable service charges in connection with its purchase of investment securities; and such charges would constitute a reserve fund for the payment of any losses under the program.

Paragraph (7) provides that assistance under the program would not reduce or otherwise affect any similar assistance being furnished under State or local programs.

Paragraph (8) provides that the Administration's claims for repayment on investment securities which it purchases from a corporation shall not be subordinated to any other claims against such corporation.

Paragraph (9) contains definitions of the terms "State development investment and credit corporation," "investment securities," and "State".

Section 4 authorizes the Administration to make grants to State agencies, State development investment and credit corporations, and schools, for studies, research, counselling, and information concerning small business. Such grants would be limited to one—not exceeding $40,000—per State, and $2 million annually in the aggregate.

Section 5 replaces the present administrator of the Small Business Administration with a 5-man Small Business Board appointed by the President by and with the advice and consent of the Senate from among individuals truly representative of small business and thoroughly experienced in small-business operations. Each member of the Board would serve for a 5-year term, and would receive a salary of $20,000 plus travel and subsistence expenses. The functions, powers, and duties of the Administration and the Board would be exercised by an Executive Director subject to the Board's direction and supervision.

Section 6 increases the maximum amount of a regular small-business loan under the Small Business Act of 1953 from $250,000 to $500,000, with a corresponding increase—subject to a ceiling of $5 million—in the maximum amount of a loan to a corporation formed and capitalized by small-business concerns. It also increases the maximum maturity of a regular small-business loan from 10 to 15 years.

Section 7 permits the securities of a State development investment and credit corporation or a small-business concern to be exempted from the provisions—principally those requiring registration—of the Securities Act of 1933 and the Trust Indenture Act of 1939 if the Securities and Exchange Commission finds that enforcement of such provisions with respect to such securities is not necessary in the public interest and for the protection of investors.

Section 8 repeals section 13b of the Federal Reserve Act and provides that future repayments of loans made under that section, as well as amounts available for such loans but not yet used, shall be covered into the Treasury as miscellaneous receipts.

A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes

Be it enacted, etc., That this act may be cited as the "Small Business Investment and Development Act."

SEC. 2. The Congress hereby finds that the continuing growth and development of small business is essential to a sound national economy, but that this growth and development is being impeded by the inability of small-business concerns to obtain sufficient amounts of equity capital. The Congress further finds that this situation is a result of many factors, chief among which are (1) the possession by the small-business concerns of insufficient ownership capital, with too much reliance on borrowed funds, at the time when they are established; (2) the existing narrow market for small-business securities, resulting in excessive costs for small-business security issues; (3) wide fluctuations in small-business profits over periods of time, deterring outside investment in small-business concerns and causing investors to prefer security issues of large and established businesses; and (4) inadequate retained earnings resulting from the current tax rates. It is, therefore, declared to be the policy of the Congress and the purpose of this act to promote the sound development of small business in the United States by providing small-business concerns with a more adequate source of equity and long-term loan capital.

SEC. 3. Section 207 of the Small Business Act of 1953 is amended by adding at the end thereof the following new subsection:

"(c) (1) The Administration is empowered to purchase investment securities issued by State development investment and credit corporations which have been chartered under paragraph (3) and meet the conditions set forth in paragraph (2). The Administration shall not purchase investment securities of any such corporation in an amount exceeding the amount of the securities of such corporation which are held by other purchasers; and in no event shall the Administration at any one time hold investment securities of any one such corporation purchased under this paragraph in an amount exceeding $5 million. Investment securities purchased by the Administration under this paragraph shall bear interest at a rate not less than the rate of interest paid by the Administration on funds obtained from the Secretary of the Treasury under paragraph (4) plus one-fourth of 1 percent per annum, and shall have maturity dates of 20 years or less.

"(2) The Administration shall not purchase the investment securities of any corporation under paragraph (1) unless it has determined—

"(A) that the corporation will use the proceeds thereof exclusively to provide equity capital or make loans to small-business concerns within the State where it is located;

"(B) that the proceeds thereof will not be used in whole or in part to finance the relocation of existing business concerns or their affiliates or subsidiaries;

"(C) the character and field of operations of the small-business concerns to which assistance will be furnished by the corporation with the proceeds thereof;

"(D) that any loan made by the corporation with the proceeds thereof will have a maturity not exceeding 15 years and will be subject to such other terms and conditions as the Administration may deem necessary or appropriate;

"(E) that, so long as the Administration holds any of the investment securities of the corporation, the governing body of such corporation will include such representatives of the Federal Government (including the Administration), State, and local governments, and other groups having an interest in small-business development as the Administration may deem appropriate;

"(F) that the corporation, in furnishing equity capital or making loans to small-business concerns, will use funds obtained from other sources in an amount at least equal to the funds obtained through the sale of its investment securities to the Administration under this subsection; and

"(G) that the corporation will comply with such other conditions and meet such other standards as the Administration may prescribe to carry out this subsection.

"(3) The Administration shall grant to not more than one State development investment and credit corporation (either existing on the date of the enactment of this subsection or hereafter organized) in each State a charter authorizing such corporation to participate in the program of assistance to small business established by this subsection. Such charter shall be granted to any corporation only after the Administration has determined that it has been chartered by the State in which it is located for purposes substantially similar to the purpose of the Small Business Investment and Development Act, and that it meets such other minimum standards and criteria as the Administration may deem appropriate to carry out this subsection; and any charter issued to a corporation by the Administration under this paragraph shall constitute formal recognition of such corporation's exclusive right in its State to participate in the program of assistance to small business established by this subsection.

"(4) To obtain funds for the purchase of investment securities of State development investment and credit corporations under paragraph (1), the Administration may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not exceeding $255 million. Such obligations shall be in such forms and denominations, and be subject to such terms and conditions, as may be prescribed by the Administration with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and obligations of the Administration issued under this paragraph, and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended; and the purposes for which securities may be issued under such act, as amended, and extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes and obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes and obligations shall be treated as public debt transactions of the United States. Funds obtained under this paragraph and any proceeds therefrom shall constitute a revolving fund which may be used by the Administration in the exercise of its functions under paragraph (1).

"(5) Any State development investment and credit corporation whose investment securities are purchased by the Administration under paragraph (1), or any shareholder or shareholders of such corporation, may at any time, under regulations prescribed by the Administration, repurchase any or all of the securities so purchased.

"(6) The Administration shall fix and impose reasonable service charges in connection with the purchase and handling of investment securities under paragraph (1), and the charges so imposed shall be placed in a special reserve fund in the Treasury and used from time to time as needed to reimburse the Administration for any losses resulting from the purchase and handling of such securities.

"(7) The assistance furnished small-business concerns under the program established by this subsection shall not affect, and shall be in addition to, any State or local programs established to provide assistance for such concerns.

"(8) In purchasing the investment securities of any corporation under paragraph (1), the Administration shall impose such requirements as may be necessary to insure that its claim for repayment with respect to such securities will not be subordinated to any other claim for the repayment of funds owed by such corporation.

"(9) As used in this subsection:

"(A) the term 'State development investment and credit corporation' means an enterprise which is incorporated under the law of any State and one of the primary purposes of which is promoting and assisting the growth and development of small-busi-

ness concerns within such State as a means of assisting, developing, and expanding its economy;

"(B) the term 'investment securities' means any obligations evidencing the indebtedness of a State development investment and credit corporation in the form of bonds, notes, or debentures, or in such other form as may be prescribed by regulations of the Administration; and

"(C) the term 'State' means the 48 States, the Territories of Alaska and Hawaii, and the Commonwealth of Puerto Rico."

SEC. 4. Section 207 (b) of the Small Business Act of 1953 is amended (1) by striking out "and" at the end of paragraph (4), (2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and", and (3) by adding at the end thereof the following new paragraph:

"(6) to make grants to any State government or agency thereof, to any State development investment and credit corporation (as defined in subsection (c) (8) (A)), or to any land-grant college or university or any other college or school of business, engineering, commerce, or agriculture, for studies, research, and counseling concerning the management, financing, and operation of small-business concerns, and for the dissemination of technical and statistical information needed in order to carry out paragraph (4) by coordinating such information with existing information facilities within the State and making such information available to State and local agencies. Only one such grant shall be made within any one State in any 1 year, and no such grant shall exceed $40,000 in the aggregate. Not to exceed $2 million annually shall be made available for the purposes of this paragraph from the amounts provided for the purposes enumerated in this subsection from the revolving fund established by section 204 (b)."

SEC. 5. (a) Section 204 (c) of the Small Business Act of 1953 is amended to read as follows:

"(c) (1) The management of the Administration shall be vested in a Small Business Board (hereinafter referred to as the Board), which shall consist of five members appointed by the President, by and with the advice and consent of the Senate, from among individuals who are truly representative of small-business interests and thoroughly experienced in matters affecting small-business operations. No more than three of the members of the Board at any time shall be members of the same political party.

"(2) Each member of the Board shall be appointed for a term of 5 years; except that (A) of the members first appointed, one shall be appointed for a term of 1 year, one for a term of 2 years, one for a term of 3 years, one for a term of 4 years, and one for a term of 5 years, as designated by the President at the time of appointment, and (B) any member appointed to fill a vacancy shall be appointed only for the unexpired portion of his predecessor's term.

"(3) Each member of the Board shall receive basic compensation at an annual rate of $20,000.

"(4) Each member of the Board, in addition to receiving compensation as provided in paragraph (3), shall be reimbursed for necessary travel, subsistence, and other expenses actually incurred in the discharge of his duties as such member.

"(5) No member of the Board shall engage in any other business, vocation, or employment while he is serving as a member of the Board.

"(6) The Board shall annually elect a chairman and a vice chairman from among its members.

"(7) Three members of the Board shall constitute a quorum for the transaction of business."

(b) Section 204 (d) of such act is amended by striking out "Administrator" and inserting in lieu thereof "chairman of the Small Business Board".

(c) Section 204 (f) of such act is amended by striking out "Administrator" and inserting in lieu thereof "Board".

(d) Section 204 of such act is further amended by adding at the end thereof the following new subsection:

"(g) (1) The Board shall appoint an executive director, who shall serve at the pleasure of the Board and shall, subject to its supervision and direction, be responsible for the execution of the functions of the administration. Except as otherwise specifically provided in this act or as otherwise directed by the Board, all of the functions, powers, and duties vested in the administration and the Board shall be exercised and performed by the executive director and may be exercised and performed by him through such officers, employees, or other personnel of the administration as he may designate.

"(2) The executive director shall receive compensation fixed by the Board at an annual rate of basic compensation not exceeding $17,500; and he shall in addition be reimbursed for necessary traveling and subsistences expenses, or paid a per diem allowance in lieu thereof within the limitations prescribed by law, while away from his official station upon official business.

"(3) The executive director shall comply with all orders and directions which he receives from the Board; but as to all third persons his acts shall be presumed to be in compliance with the orders and directions of the Board."

(e) Section 205 (a) of such act is amended by striking out "Administrator" each place it appears and inserting in lieu thereof "Board".

(f) Section 205 (b) of such act is amended—

(1) by striking out "Administrator" wherever it appears and inserting in lieu thereof "Board";

(2) by striking out "him" wherever it appears and inserting in lieu thereof "it";

(3) by striking out "his" wherever it appears and inserting in lieu thereof "its"; and

(4) by striking out "he" wherever it appears and inserting in lieu thereof "it".

(g) The first sentence of section 205 (c) of such act is amended by striikng out "he" and "Administrator" and inserting in lieu thereof "it" and "Board", respectively.

(h) Section 206 (b) of such act is amended by striking out "Administrator" wherever it appears and inserting in lieu thereof "Board".

(i) The Administrator of the Small Business Administration, provided for under the Small Business Act of 1953 as in effect immediately prior to the enactment of this act, shall continue in office until the members of the Small Business Board (established by section 204 (c) of such act as amended by this section) have been appointed and qualified. Nothing in this act or the amendments made by this act shall be construed as requiring or preventing the appointment of such Administrator as a member of such Board.

SEC. 6. (a) (1) Section 207 (a) (2) of the Small Business Act of 1953 is amended by striking out "$250,000" the first two places it appears and inserting in lieu thereof "$500,000".

(2) Section 207 (a) (2) of such act is further amended by striking out "$250,000 multiplied by the number of separate small businesses which have formed and capitalized a corporation as hereinbefore provided for in this section" and inserting in lieu thereof "$500,000 multiplied by the number of separate small businesses which have formed and capitalized a corporation as hereinbefore provided for in this section, but in no case more than $5 million."

(b) Section 207 (a) (2) of such act is further amended by striking out "10 years" each place it appears and inserting in lieu thereof "15 years".

SEC. 7. Securities issued by State development investment and credit corporations (as defined in section 207 (c) (9) (A) of the Small Business Act of 1953) or by small-business concerns (as defined under section 203 of that act) may be exempted by the Securities and Exchange Commission from any of the provisions of the Securities Act of 1933 or the Trust Indenture Act of 1939, or issued under special regulations, if the Commission finds, having due regard for the purposes of the Small Business Act of 1953, that the enforcement of such provisions with respect to such securities is not necessary in the public interest and for the protection of investors.

SEC. 8. Effective 1 year after the date of the enactment of this act, section 13b of the Federal Reserve Act (12 U. S. C., sec. 352a) is repealed; but such repeal shall not affect the power of any Federal Reserve bank to carry out, or protect its interest under, any agreement theretofore made or transaction entered into in carrying on operations under that section. Within 60 days after the date of the enactment of this act, each Federal Reserve bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such bank under the provisions of section 13b of the Federal Reserve Act; and such payment shall constitute a full discharge of any obligation or liability of the Federal Reserve bank to the United States or to the Secretary of the Treasury arising out of subsection (e) of such section 13b or out of any agreement thereunder. The amounts repaid to the United States pursuant to this section and any remaining balance of the funds set aside in the Treasury for payments under section 13b of the Federal Reserve Act shall be covered into the Treasury as miscellaneous receipts.

Address by Hon. John W. McCormack at 30th Anniversary Banquet of Northeastern Region of the National Conference of Christians and Jews

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mr. RODINO. Mr. Speaker, on April 1, 1958, the northeastern region of the National Conference of Christians and Jews, Inc., held its 30th anniversary banquet, at which our friend and colleague from Massachusetts [Mr. MCCORMACK] was honored for his distinguished service in the field of human relations.

I am pleased to include in my extension the remarks made on that occasion by Majority Leader MCCORMACK.

Mr. MCCORMACK's remarks follow:

To be present as we are this evening, to meet and hear the principal speaker, Dr. Frank Graham, educator, statesman, diplomat, gentleman, and one of the greatest Americans of this challenging period, is an honor and treat in itself.

To be the recipient, as I am, of your great organization's award of this year is an additional honor, which Mrs. McCormack and I appreciate and will always treasure.

The fact that your organization without regard to religion, race or color, and dedicated to promote justice, amity, understanding, and cooperation, feels that I merit this award brings a feeling of happiness to me that I find difficult to express in words. For Mrs. McCormack and myself I express our sincere thanks. And I am proud to say that the guidance and protection of Mrs. McCormack has been my constant inspiration.

While I am the recipient of this award and honor tonight, there is in it a transcendent significance far more profound than any glory that may accrue to me personally. It is the deeper implications of the purposes and objectives of your organization—its spiritual origin and beneficial results, and the atmosphere of nobility of mind created by those present that impresses and dominates my mind.

For brotherhood is at the very heart of the issues that divide the world.

If my life's work had been different and this award were given me for inventing and launching an American earth satellite that would recognize America as the leader in this field of research and technology, important as that would be, I would not treasure it as much as I do the honor I have just received. For is it not true that in the age in which we live, brotherhood must be equated with survival?

Coexistence, as advocated by international communism, is a subzero atmosphere.

It is an expediency to deceive, to subvert, to dominate, with resultant enslavement, persecution, imprisonment, and even death and martyrdom.

It is the nearest communism and the Kremlin can come in implementing its dishonest interpretation of peace.

For the alleged brotherhood preached for temporary purposes by the Communist world is based on hatred. And brotherhood cannot result where hatred exists, whether in the minds of peoples, or in the minds of individuals.

Brushing aside the honeyed but insincere utterances of the Communist world, what they are really saying is that we are to get along with them, under their terms and conditions, until the time has come, as Khrushchev says, when they will bury us.

For we live in a world where the Communist regime does not want to understand the rest of the world.

For those with the origin of hate are men who fear to be men, and prefer to be robots.

On the international level the problem with brotherhood is that just as it takes two or more to make a fight, so it takes two or more to make for brotherhood.

To Lenin, Stalin, Hitler, now Khrushchev, brotherhood lacks the note, the stomp, and the brutishness of the dictator and master, and was and is synonymous with decay, social and otherwise.

But if history has proven anything, it is that what they stood and now stand for, was compounded with fear, of the unconscious arrogance of an inferiority complex, and of a disturbed sense of insecurity.

For a moral voidness or a vacuum exists in their lives.

And history shows what happened to Hitler. And while the form was different, in substance, naziism was the same as communism.

And Stalin lies in his Moscow mausoleum denigrated as a military phoney, blackened as a coward, a murderer, and a maniac by the very accomplices and his group of world killers who now rule in his place.

And if they are wise they will take recourse to history and govern themselves accordingly.

For the forces of hate, hatred of God and neighbor, cannot overcome and defeat the forces of love, love of God and love of neighbor.

Such forces might temporarily gain an advantage—they might win battles in a cold or hot war, but where the forces of hate try to defeat those of love—they cannot win the war.

One of the great weaknesses of the Communist world is lack of faith, lack of understanding, lack of brotherhood, of the hate of its dictators.

And if our foreign policy is positive—and takes this into consideration—we can effectively capitalize the same.

For the desire for liberty—which is directly connected with faith and brotherhood, may be temporarily suppressed by a dictator—but never destroyed. For the inherent desire for liberty comes from God, Himself. And what God bestows, man cannot destroy.

Brotherhood is something that has to be fought for with reservoirs of human energy, patience, and wisdom, beyond anything imaginable by a mind charged with aggression and brutality, and a mind charged with hatred and greed.

Brotherhood exacts the noblest manifestation of the human spirit. It is enjoined in the old and new testaments of love of God and love of neighbor. For love of God and neighbor, with brotherhood as the immediate result, is the rock upon which Judeo-Christianity stands.

"And thou shalt love thy neighbor as thyself."

Without confining myself to our country, it is, however, imperative that America be strong militarily and in our material resources and productive capacity.

We must utilize our brains and facilities, which we have, on a high decision making level, with the authority to carry out such decisions, so that even for a short period of time the Soviet Union may not have a decided advantage over us, when they can attack our targets and we cannot attack their targets.

For if that day should arrive they will probably offer us terms which if accepted would be capitulation on our part, and if we failed to accept, in my firm opinion, they would carry out a surprise attack.

With our avowed policy of nonaggression, which I do not completely agree with, it is imperative that our country always be in a position where we can, if attacked, retaliate and so so effectively and decisively.

For while the Communists hate and deny God, and as a result idealism does not exist in their minds, they cannot deny that the law of self-preservation applies to them as well as to others.

And if we keep strong militarily always having the power to retaliate, that power might be a deterrent to attack, and as time passes, out of evil might come good. But we cannot rely on that. While we can hope for the best, we must be prepared for the worst.

And the spirit of brotherhood must be strengthened, intensified, and broadened, not only here but abroad.

For brotherhood brushes aside misunderstanding—it brings about unity.

For we of America are not a race. We are a people, of all races, colors, and creeds. The areas of agreement are so wide there should be no bigots amongst us.

For lower than the lowest animal that roams the woods; meaner than the meanest animal, and more cruel than the cruelest animal is a human being who hates another, and particularly because of a difference of race, color, or creed.

For the animal does not know better. But the human being is gifted and endowed by God with a mind, with the power to think and reason, to resolve his or her reason into a will, and to exercise that will for good or for evil.

The advancement of brotherhood, in deeds as well as words, means a unified and strengthened America, better able to meet the challenge of today.

For the undeniable fact is that spiritual strength is necessary to ultimate victory.

And while we must be strong in this period of strain in things material, we must above all be strong spiritually. For spiritual strength is the reserve strength that could be the difference between victory and defeat.

And in your dedication to brotherhood and understanding your organization is playing an important part in the real strength of a nation, in this case our beloved country, its spiritual strength and unifying results.

It is with a spirit of humbleness that I accept the award you have conferred upon me, an award which Mrs. McCormack and I shall always treasure.

And in a broader sense, I am representing tonight men and women everywhere of good will.

Otto Z. Fox, Charleston, S. C., Receives America's Highest Brand Names Award

EXTENSION OF REMARKS
OF
HON. L. MENDEL RIVERS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. RIVERS. Mr. Speaker, in a recent testimonial dinner in New York City, Brand Names Foundation, an organization designed and created for the purpose of protecting legitimate products by the producers of commodities familiar to every American, awarded a bronze plaque as a top award for 1957 competition to Otto Z. Fox, owner of Fox Music House, Charleston, S. C. This bronze award was the result of Mr. Fox's having been selected from the competition of 134 firms and 25 retail categories. The ceremonies attendant to this fine and distinguished honor awarded to my friend, this outstanding Charlestonian, culminated a week's celebration, and it was held in the grand ballroom of the Waldorf-Astoria Hotel, in the great city of New York on April 16, 1958.

Charleston and the Nation are proud of Mr. Fox. Mr. Fox is identified with the civic and community pride for which Charleston has been famous over the centuries. Mr. Fox never loses an opportunity to contribute to every program designed for the betterment of the vast and sprawling community of Charleston. He is a fervent believer in the American enterprise system and the right of small business to exist in this era in which big business is getting bigger and little business is getting smaller. Mr. Speaker, it is a great honor to call to the attention of my colleagues in the Congress this singular and outstanding contribution Mr. Fox has made to music and to the industry which produces the finest musical instruments the world has ever known.

This week, Mr. Speaker, Mr. Fox visited me in Washington and was my guest along with his charming wife for lunch in the Capitol of the United States. I want the RECORD of the Congress to show that from the city of Charleston came the outstanding music dealer in the Nation for 1957, and I want the RECORD to show that this fine American achieved

this honor in one of the most competitive communities the world has ever known. He achieved this distinction in an era when the capacity to stay in business taxes every fiber of every business and every sinew of every American.

It Is Time for Congress To Act in Order To Curb the Southern Bombings and Other Interstate Criminal Conspiracies

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. KEATING. Mr. Speaker, a very serious situation has recently been spotlighted in our Nation which demands the urgent attention of Congress. That is the dire threat posed to many of our citizens as a result of the concerted criminal conspiracy which in recent weeks has resulted in six vicious bombings or attempted bombings involving Jewish centers and synagogues in the South.

Our information concerning these outbreaks of lawlessness is sketchy and incomplete. But a certain pattern is emerging, which indicates there is at work a coordinated interstate effort to intimidate Jewish citizens and others concerned with upholding the law of our land.

We do know that within the last 6 months there have been bombings and attempted dynamitings in 6 cities. A synagogue in Charlotte, N. C. A synagogue in Gastonia, N. C. A Jewish center in Miami, Fla. A Jewish center in Nashville, Tenn. A center-synagogue and public school in Jacksonville, Fla. And a synagogue in Birmingham, Ala.

It is significant to note that the latest outbreak of violence—the dynamiting of a Jewish center and a Negro school in Jacksonville—apparently followed the exact pattern of earlier incidents in Nashville and Montgomery.

In addition, it is significant that the abortive attempt to dynamite the synagogue in Birmingham, had it succeeded, would have coincided with the blast at the center and school in Jacksonville.

These are not coincidences. They are evidences of an interstate conspiracy to coerce and intimidate those who are in good faith and honesty attempting to carry out the Supreme Court's decision concerning school integration. Leaders of the "Confederate Underground"—the group apparently behind the campaign—have boasted in their threatening phone calls that they are members of a widespread conspiracy. It is my opinion elements of the Ku Klux Klan form the hard core of this nefarious organization.

It is commendable that local authorities have taken stern and vigorous action in an attempt to round up the hoodlums perpetrating these dastardly deeds. It is commendable that the great majority of the local citizenries in these communities and their vocal leaders have spoken out against these outbreaks. But that is not enough. The interstate nature of the plots—the ability of the bombers to flee swiftly across State lines—prevents an effective crackdown. For example, the only witness to the Jacksonville bombing reported seeing a car with Georgia plates pulling away from the scene of the blast. Jacksonville is close by the Georgia border.

It is, therefore, incumbent upon the Federal Government to step in and crumble this pattern of lawlessness. I have been in touch with officials of the Justice Department, inquiring as to what can be done to assert the interstate powers of Uncle Sam to curb this conspiracy. Right off the bat comes the suggestion that the FBI step in and conduct one of its famous and effective investigations. Unfortunately their hands are tied, under the status of our laws today.

Upon the evidence thus far presented to the Justice Department, there simply are no indications that Federal laws are being broken. The bombings break only State and local laws, in spite of the conspiratorial overtones involving several States. The FBI therefore cannot exert its considerable investigational powers, and enforcement must be left entirely to local and State officials.

The answer to this problem lies in bringing our laws up to date to meet the challenges posed by interstate conspiracies of this type. With the advent of modern transportation and communication facilities, the day of the merely statewide criminal organization is pretty much gone. In their place have come clever and well-heeled conspiracies operating across State lines in order to avoid effective investigation and prosecution by officials of any one State.

By making full use of State jurisdictional barriers, these conspiracies, which cover a wide range of activities from black market babies, narcotics, and gambling to bootlegging, have in many cases been allowed to operate with impunity, free from direct checks on them from any source.

A bill which I have introduced, H. R. 258, would close the gap in our Federal laws and permit the FBI to step in whenever interstate conspiracies were working to break State felony laws. The terms of this measure are simple. They would be effective in curbing a wide range of conspiracies across State lines. Particularly, enactment of this bill would give the FBI the green light to put an end to this dynamiting conspiracy in the South.

Simply stated, this measure would make it a Federal offense for two or more persons to conspire to commit any organized crime offense against any State if any facilities of interstate commerce were used in furtherance of the conspiracy. Any violation of a State felony law threatened by such an interstate conspiracy could come under the scrutiny of the FBI if this bill were enacted. It is the single most effective means for curbing these vicious criminals.

If this law had been on our statute books when these bombings took place, investigative powers of the Federal Government could have been brought to bear immediately. The hoodlums involved could not run and hide behind State jurisdictional lines, as they are apparently doing now.

In the past, efforts to have Congress pass such a measure have lacked the support of the Justice Department, which has felt it would place too great a burden on their agents and facilities. To my way of thinking, this admission that there would be a great deal of work to be done is the strongest argument possible for enactment of such a bill.

My conversations with Justice Department officials last week, in the wake of the spate of bombings in the South, indicate there may be a change of attitude within the Department. I am hopeful they are coming around to my way of thinking and that they will soon support my proposal or a similar one which would achieve the same ends. If the Department will support such a measure, I am confident the Congress will respond speedily in passing it.

We should, without further delay, put such a law on our statute books. It would enable the FBI to do what local officials simply cannot do—step in and prevent and prosecute bombings such as we have witnessed in recent months. It would prevent intimidation of citizens whose only fault is that of trying to carry out the law of the land. It would put an end to the utter disregard for law and order with which a few hoodlums have infected certain areas of the South.

The Recession and the Family Farm

EXTENSION OF REMARKS
OF
HON. COYA KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mrs. KNUTSON. Mr. Speaker, since it is becoming increasingly difficult to pry information—even the most simple information—from the reluctant administration leaders, I am more than ever placed in the position of the late Will Rogers, who said, "All I know is what I read in the papers."

The lead story in the Washington (D. C.) Post of April 8, 1958, has this to say:

> Unemployment rose 25,000 in March to 5,198,000—the highest jobless total in 16½ years. * * *
>
> The 25,000 increase in unemployment, compared to an increase in February of almost 700,000 over January, indicated the rate of the economic slump may be slowing.

Twenty-five thousand does not seem to be, at first glance, a world-shaking advance in unemployment.

But it would be a world-shaking advance in unemployment if one of these 25,000 happened to be you.

In thumbing through the April 11, 1958, issue of U. S. News & World

Report I came across two timely, but seemingly unrelated items.

On page 23, I read:

"Unemployment" in the recent recession is tending to center in younger workers. "Among jobless" one out of four is age 24 or younger. These often are young heads of families, in debt for a car, furniture, maybe a house, and with one or two young children. The squeeze on these jobless is severe.

"The reason" why younger workers are hit hard? Often it's seniority rules. Union contracts usually call for the last worker hired to be the first laid off, and for the last laid off to be the first rehired.

"The younger worker" tends to be left out in the cold. Yet that younger worker usually is least able to stand unemployment. His children are growing, not grown; his debts are at the peak, not paid off. It is the younger worker who tends to be the biggest customer of business, and he is being hurt.

The words which are quoted in the above quotation were quoted by U. S. News & World Report editors; not by me.

There is no percentage figure in this article about the actors in this American tragedy of 1957 who come from family farms. We are well supplied with economic statistics. We have plenty of census statistics. But with all of our scientific advances it has been impossible to represent living human beings by lifeless calculations.

The best I can do is, as briefly as I can, to bring you a picture in words.

Gus Hanson does not exist. I have literally picked his name from a hat. Yet Gus Hanson is a symbol, an archtype. What is happening to him is happening to scores of thousands of young Americans, born and raised on a family farm.

Gus graduated from high school. Like so many of his contemporaries, he did his hitch in the armed services. After his tour of duty in the Army was completed, he came home. It didn't take Gus long to find out how things stacked up. There wasn't anything for him at home. The way things were going, the farm could barely support Mom and Dad and the two younger children still in school. So Gus took off for the city. He was hard working and ambitious. He got a job. He met a girl—the girl. They were married. Their first baby was born. A second was on the way.

Then, without warning, Gus found a pink slip in his pay envelop. There were a few extra dollars instead of the usual 2-week notice.

I want to know what will happen to Gus Hanson's family. I want to know what will happen to Gus Hanson's brothers and sisters, his mother and father. I want to know what will happen to America's Gus Hansons.

Why do I want to know this?

Another article in the U. S. News & World Report of April 11, 1958, has the answer.

On page 50, I read:

Russian farmers do not, cannot, own the land they farm. * * * There is little incentive to spur the peasants to more efficient work or greater production.

It was the land-owning peasant who stood in the way of those trying to communize Russia 40 years ago. Millions of peasants were liquidated before the Communists could fasten their yoke on the Soviet people. And, today, the Soviet farmer is still a foe of communism—a source of constant fear to the rulers of the Kremlin.

I want to know what will happen to America's Gus Hansons because the family farm is, at one and the same time, the backbone of American financial stability and the first line of defense against communism. Gus Hanson deserves a future. He is our Nation's insurance against whatever comes tomorrow. No institution in the United States—our farms, our fields, our mines, our industries, our commerce—is as valuable to the United States as our Gus Hansons.

All this talk about "conquering outer space" is just jibberish if Congress and the administration do nothing about conquering the vast inner space in the hearts of young Americans—from the family farm, or whatever their origin—who have lost their jobs.

Let us get busy on our Gus Hansons.

At the Bottom of the Well

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mr. GWINN. Mr. Speaker, this is a speech, as revised, which was delivered at the 67th Annual Congress of the Daughters of the American Revolution on April 17, 1958:

Distinguished guests, my subject was Have You a Pet Federal Aid Program? After attending two of the sessions of the Daughters of the American Revolution Congress, and on further reflection, I know that most people have had their pet Government dole. They have received some of the corrupt proceeds that always come from any Government socialized project. I have learned, also, that you are all heartily ashamed of that, and that you intend to reform. So I am going to talk about why your resolutions, so carefully prepared, are headed for the bottom of the well when they arrive in Congress on Capitol Hill. Then I will propose a remedy and give you and your husbands and brothers and, above all, your sons a job to do.

Last month, one of the most distinguished leading manufacturers in this country came to see me as ranking Republican member on the Labor and Education Committee. He wanted five perfectly sound, greatly needed amendments to the Taft-Hartley Act that we have been trying to get since 1947.

I told him, "Why, don't you know that you haven't a ghost of a chance to pass any such laws? We haven't the votes. * * *"

He looked surprised.

Another man came in and said, "We have been working on a tax-reform bill for years. We must take this incredible load of Government off the backs of the American people."

Neither of these men seemed to know, and indeed very few of us know, that in the last election we, and especially the businessmen, spent millions—we don't know how many millions—to elect a President of the United States.

But the AFL–CIO political action knew that they could not elect Mr. Stevenson, so they went to work to elect a Congress, and did it. * * *

Now we have, after 10 years of their organized political action, this situation: At least 175 Members in the House of Representatives today owe their seats, wholly or partially, to the money and the work of the CIO–AFL and their allies. We now have 216 Congressmen and 45 Senators (that is, a working majority) who vote most of the time for the legislative programs of the Americans for Democratic Action. This is the front organization for labor bosses. This is the descendant of the Socialist Party in America, and the financial beneficiary of large sums from the CIO–AFL.

Free Enterprise, care of We, the People, put out a little pamphlet which you can get that gives the votes of all the Congressmen. The red votes are for the ADA propositions; the black marks are against them. It is remarkable how completely red some of our States have gone by the votes of their Congressmen. That is, they vote consistently for labor-Socialist measures * * *.

Walter Reuther is not going to be President of the United States some time in the future as some fear. He does not need to be President. Labor bosses have already taken over, in critical areas, and are now dominating Congress. When the elections are over this fall, they will have, in all probability, 25 or 30 more Members beholden to them, on the floor of the Houses of Congress. They will have been financed and selected and then elected by CIO–AFL. They expect to have no opposition by you or any other women's organizations or any businessmen's groups organized for political action.

* * * * *

How does the AFL–CIO political action and control by a labor-Socialist government in America affect you, the Daughters of the American Revolution?

It is perfectly obvious. You have passed certain important resolutions. * * * They will not receive the consideration that they deserve * * *. They represent the wisdom that resides in you, as delegates and officers. They are important and have been for years. I know of no organization whose judgment I respect more than the Daughters of the American Revolution. * * *

We have gotten to the point that such things as a billion dollar increase in Government lending authority is no longer socialism in the minds of most of our people. You know better. Your resolutions show that you know better and you must, above all, continue to meet, to discuss, and continue to tell America that our Government today is almost at the mercy of worldwide socialism. And that America too is Socialist in everything but name.

But you are prepared to see the Congress of the United States drop your resolutions to the bottom of a well.

* * * * *

Instead of reducing spending and taxes, and ending Government powerplants and irrigation projects, food subsidies, Government housing, vast and unprofitable Government lending and vast foreign aid, we get more and still more, and besides some 700 other Government projects.

Nearly all the people's petitions and resolutions are ignored. It's as useless to petition Congress today as it was for your ancestors to petition Parliament and King George in 1775.

Now what shall we do?

What we need to do now, my friends, is to imitate—to see to it that the great genius of organized American men and women—especially the businessmen—gets into the political battle. Their present organizations are the only forces in America that can possibly save us from an expansion of our present labor-socialist government.

Here is how labor does it:

Mr. Meany says, "Politics is labor's big job." Top officers spring into political action. AFL–CIO is put in fighting trim.

Here is a little book: "How to Win" elections, the best book published.

Sixty-two percent of the labor press is devoted not to just talk, but to political and legislative action.

As you carry your resolutions back home to get some action of your own, drop by the CIO–AFL offices and get a copy of "How to Win." They sell it to their workers for 50 cents. They will charge you $3, but it's worth it.

Then go to the political boss in your county and say to him that you heard down in Washington that we are now designating candidates for Congress.

You'll find some young lawyer who would like to make the fight, but he has no money and no organization. If he runs he has to go out and get himself elected.

So, he doesn't run. Why should he?

He knows that he will be opposed by an organized political machine directed by extremely practical professional politicians who work for the leaders of organized labor. He knows that they have at their disposal more than 300,000 paid workers, in addition to millions of men and women who are so misled by our custom of misnaming socialism until they believe in it. They are dedicated to work against him.

The potential statesmen of tomorrow—they may be your sons—are staying out of politics today because they know that they alone cannot possibly win out against labor's political power. That must be your deep concern.

Call a meeting of all the people you know who believe in America and in what your ancestors fought and died for in those long-ago days.

Get the professionals who work for local conservative organizations. Get the paid secretaries of the local chamber of commerce, the local employers association, the medical society, the dental society, the bar associaciations, along with the elected officers of those organizations.

This local group can start now to develop the mechanics of political action.

This takes time. It takes planning. You will need professional help. You should be thinking about providing TV time, radio shows, getting together the money for newspaper ads, campaign literature, and direct mail to voters. Start holding rallies, picnics, coffee hours, and the other social activities which cement together people with a common objective. Provide the candidates with an opportunity to find out what you want your Congressman to be and see if the candidates measure up. Think about outdoor advertising, posters, buttons, bumper stickers on automobiles, matchbooks, pencils. They all cost money, but they are the mechanics of politics.

You may be told that these activities are against the law.

The most recent court actions are that you, the DAR, or any other association or group, or corporation, can spend money in such activities for the purpose of informing members, customers, stockholders, suppliers, and so forth, of their views on public issues, and the effect on their affairs and of the election to office of candidates who share or oppose those views.

Such organizations may use any mediums of communication known to mankind for this purpose.

Do not, as a matter of law and as a matter of practical common sense, go around endorsing candidates. Such endorsements, without more, are of utterly no value in a political campaign.

Your local group must do actual work in the election districts. You will need voting records of incumbent legislators, National, State and city councils. You will need information as to political spending by organized groups in your last elections. You will need authoritative discussions of the issues. You cannot rely solely on the news that comes out of Washington to give you the kind of information you need. Your local paper is more likely to give you the kind of information you need than the big city dailies. Furthermore, your local newspaper will look upon you as a potential advertiser.

All of this material is now available from public sources, from official reports, here in Washington. Steps are being taken now by several organizations to provide you with the kind of material which will give you the substance for political action.

Only the local people—you and you and you—can come up with the manpower and the money and the enthusiasm that will even begin to offset labor's political strength.

National organizations can, and God knows I hope they will, provide you with the material for you to use (as you best can decide) in selecting and electing to office the kind of men you want in office.

You, the DAR, cannot do it alone. You must persuade, demand, cajole all of the conservative organizations to lay aside their normal competitive instincts to engage in an organized, planned campaign that will encourage intelligent and conservative young people to go into public life. Many are now convinced that men of principles who believe in America and her former system of government are not wanted in public office. You must convince them otherwise.

Time is short. Labor leaders now have at their beck and call probably less than 2 million political workers out of their total of 18 million dues payers. This relatively small number has been organized calculatingly in exactly the places where it will bring about the most far-reaching political results.

Your job is to offset that organized minority. You can improve upon my suggestions as to how to run a political campaign. For a mere man to even assume superiority in any area over women, with their inborn instinct—their motherhood instinct to preserve the race—is ridiculous.

How can you do nothing in this fight? If you go home and stay inside, you will be doing something. You will be doing precisely what Walter Reuther and those others whose activities bring joy to the hearts of world communism want and expect you to do.

Bob Welch, whose reputation you all know, tells me that there is only 1 danger which the Communists face today and only 1 thing they fear. That is, for the American people to be awakened sufficiently, too soon, to the very nature and methods and existence and progress of the Communist conspiracy itself.

By doing nothing you and you and you will have become another ally of world communism.

Dean Manion, an old and cherished friend of mine, calls my attention to a quotation from the Book of Proverbs:

"Remove not the ancient landmark, which thy fathers have set."

What is the landmark? What must we do if we had the votes?

We can restore the Constitution, and reassert its provisions so that even the Supreme Court of the United States cannot misinterpret it.

We can limit the power of Congress to tax, as it was limited until the 16th amendment.

We can take away—if the face of the Congress is changed—those things which the Federal Government is now doing which are immoral, unconstitutional, illegal, and outrageous.

We can once more set the free mind of America, the foundation, the creative, the atomic power of America, free America, further from the restrictions, the management of man over man, the compulsions, the propaganda, the deception, the unlimited, unconscionable power of government.

Almost 6 years ago Senator Taft and Candidate Eisenhower signed a manifesto of principles. This is what it says, in part:

"The greatest threat to liberty today is internal, from the constant growth of big government through the constantly increasing power and spending of the Federal Government. * * *"

God help us as we organize for the peaceful revolution to restore constitutional government in our land.

Nuclear-Powered Navy

EXTENSION OF REMARKS
OF
HON. PATRICK J. HILLINGS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. HILLINGS. Mr. Speaker, an outstanding Member of this body, our colleague from California, the Honorable CRAIG HOSMER, has written a revealing article entitled "Nuclear Power for the Navy" for the United States Naval Institute proceedings.

Mr. HOSMER is a commander in the United States Naval Reserve and is an articulate authority on nuclear energy as a member of the Joint Congressional Committee on Atomic Energy.

I commend this article to your attention. The article follows:

NUCLEAR POWER FOR THE NAVY

(By Comdr. CRAIG HOSMER, United States Naval Reserve)

Fast becoming a reality is a powerful new nuclear-powered United States Navy—a Navy backboned by atomic-bomb-carrying 85,000 ton super-carriers, fast striking guided-missile cruisers and destroyers, and specially designed submarines for high-speed attack, hunter-killer, radar-picket, guided-missile and other new missions.

Already more than $2 billion have been spent or programed for research, development, and construction of such a Navy. The table on page 6970 sets out what is on hand and what is on order. Another $500 million a year for at least 8 years ahead will be needed to bring it into full being.

It began in 1948 with a small but ambitious joint Navy-Atomic Energy Commission program aimed at submarine nuclear propulsion and later expanded to include design and development of a full spectrum of naval nuclear propulsion plants for new naval construction from small submarines to the largest aircraft carriers.

By early 1954 the basic question of feasibility of naval nuclear propulsion was affirmatively answered by successful completion of all critical tests of the *Nautilus* land-based prototype plant. That answer made possible continuous cruising at top speeds, unlimited cruising radii, and practically absolute freedom from fuel logistics. It has revitalized the role of seapower in geopolitics.

At the beginning of naval reactor development 10 years ago, even the most imaginative nuclear propulsion enthusiasts hardly foresaw such a future. Nor did even the most practical amongst them envisage the

full scope of difficulties ahead. Neither the technical problems nor their solutions were well understood. In fact, many of the problems were not even known.

The task was to devise a safe, reliable plant within naval space and weight limitations. It began with an examination of various possible reactor cycles. Gas-cooled reactors were discarded as involving too much space and too many technical problems. Other types were in turn rejected for various reasons. Finally left as promising to meet naval requirements were but two: a reactor utilizing liquid sodium as its coolant, or one utilizing pressurized water.

Liquid sodium seemed to offer the best approach because it permitted high steam temperatures and pressures, with consequent greater efficiency. But the physics and chemistry of liquid sodium were little known and insurmountable development problems might be encountered. Although pressurized water involved lowering steam temperatures and pressures, more was known of the characteristics of water. That could mean fewer problems of basic research and faster development of the plant.

Decision was made to pursue both approaches and preliminary design began. So dissimilar are the physics and chemistry of water and sodium that in effect two simultaneous but essentially independent projects were involved. Both were carried successfully through land prototype and shipboard installation stages.

Liquid sodium leakage problems appeared in the *Seawolf's* land prototype plant which were not in themselves insurmountable. However, they were considered in combination with other factors in an eventual decision favoring the *Nautilus'* pressurized water type reactor system as the accepted approach to practical naval nuclear propulsion.

The men who carried on the work had no experience or rules of thumb to guide them. No power reactor had ever been designed before. They had no science of reactor technology to apply to the job. They created it as they went along.

From the beginning they applied a "can of worms" description to their work, for each component and function of a nuclear power plant, from the reactor vessel through the turbine and all auxiliaries, are wholly interrelated and interdependent.

For example, raising turbine exhaust temperature or back pressure in a conventional plant is felt primarily in fuel economy. Such a reduction in thermal efficiency in a nuclear plant affects each of its complex components. The necessary increase in heat output requires size, capacity, and weight increases in the condensate, feedwater, and heat-generating systems, and equipment. Size of the reactor, steam generator, coolant system and auxiliaries is increased. Proportionate increases in radiation shielding must follow. These in turn affect the size, design, and characteristics of the hull into which the plant is to be placed, or, as a practical matter, thrust back upon the plant designer the necessity of selecting every characteristic of design in relation, not only to each function and component of his plant, but in relation to hull space and weight limitations as well.

Development of the two original naval, nuclear reactor plants, and to only a slightly lesser extent today's plants, involves creation not only of the total concept, but individually of each of its components. It demands tremendous and concurrent basic research into unexplored fields of the new science. Maximum assurance that all parts individually will work and that they will work as a unit when coupled together, and function with a high degree of safety, dictates what might otherwise be wasteful overdesign and overtesting.

Few, if any, off-the-shelf items exist which can be incorporated in nuclear plants. Canned pumps are but one entirely new concept brought into being to make nuclear power possible. Prolonged successful effort to develop as complex a component as this often has to be discarded when efforts fail to develop another which is interdependent. Fresh starts must be made on the problems of both.

Reactor design develops the need to know undiscovered properties of common substances under conditions of reactor chemistry and irradiation. Requirements are generated for rare metals and alloys concerning which the full spectrum of chemistry, physics, and metallurgy need be researched and industries found or formed to produce them in quantities required. For example, such diverse enterprises as the Carborundum Co., National Distillers Corp., Wah Chang Corp., and National Research Corp. had to be persuaded to engage in large-scale zirconium production.

Not only has the naval nuclear reactors program faced mountainous technical problems, but it has been burdened from the beginning with a continuing necessity to seek answers to a variety of nontechnical questions affecting its ultimate success.

Wholly new and workable administrative and funding relationships, to be discussed later in detail, had to be evolved and must be continuously perfected between the Navy and the AEC, amongst naval personnel in and outside the reactors program, and between the Government reactors group and industry.

As operations expand, new personnel must be brought in; techniques must be developed for their rapid specialized training; and new facilities established for the basic research, design, and engineering functions involved in the work. Progress from design to construction of plants involves large-scale training of industry personnel. The design and construction of new ships for the new plants brings in a whole new group for specialized instruction; manning those ships brings in another.

During the process a basic philosophy on security of information had to be evolved, continuously adapted to an ever-increasing body of knowledge, and the mechanics of implementing it amongst public and private groups engaged in the program kept efficiently in motion. The approach has been to distinguish between specific design and dimensional characteristics which are classified, and technology as such which is unclassified. Communicating the latter has involved the writing of up-to-the-minute technical handbooks by scientific personnel engaged in the work concurrently as they do it. Six such handbooks have been published and another eight are currently in preparation.

Another essential task of those engaged in the program has been to translate difficult scientific concepts into information meaningful to the layman. It is fundamental to obtaining policy decisions from legislative and executive leaders of Government underlying financial support of the naval nuclear program. It is also vital to the public, which in a democracy ratifies those decisions at the polls.

The foregoing enumerations barely hint at the multiple technical and nontechnical problems involved in the naval nuclear reactors program from the beginning and which will continue to plague it for years ahead. Yet they are ample testimony to the outstanding devotion and qualities of the officers and civilians who carry it forward. Within 6 years from the start they produced the basic pressurized water nuclear propulsion plant illustrated on the following page which is now standard for all new nuclear naval vessels.

The plant arrangement shown approximates that developed for submarine propulsion, and it will vary only in details for the supercarrier with four dual reactor powerplants, and the cruiser *Long Beach* and submarine *Triton*, each with dual reactors.

The naval nuclear propulsion plant consists of a nuclear reactor core contained in a pressure vessel; a primary coolant system utilizing fast-flowing pressurized water to remove the heat generated by nuclear fission in the core and transfer it via a steam generator to the secondary, or steam system; a steam machinery plant for propulsion and auxiliary electric power generation; and radiation shielding.

The reactor consists of a pressure vessel housing a core of enriched uranium fuel encased in a protective metal, such as zirconium, which passes heat to the coolant; a moderator, in this case the coolant itself, to slow down neutron emissions to efficient fission speeds; and rods of a neutron absorbing metal such as hafnium, together with machinery to insert and withdraw them from the core, to control rate of fission and thus amount of heat produced.

The primary coolant system consists of one or more loops, each having one or more coolant pumps; a steam generator (boiler); a pressurizing vessel; and connecting piping with appropriate valves.

Since the coolant water becomes radioactive in passing through the reactor core, shielding is required around the portion of the plant containing the coolant in order to protect personnel from radiation. A separate reactor shield surrounds the pressure vessel. It affords sufficient protection against radiation from the reactor core to allow access to the reactor compartment when the reactor is shut down. All shielding designs incorporate enough protection to meet civilian radiation exposure tolerances established by the AEC.

The steam produced in the separate secondary circuit by the steam generator is nonradioactive, and the steam propulsion machinery need not be shielded. This machinery and the necessary auxiliaries for electric power are arranged in a conventional way in the engine room. However, arrangements within the reactor compartment must of necessity be strongly influenced by considerations of accessibility in relation to radiation and the continuous necessity of removing heat even after the reactor has been shut down. The latter phenomenon, known as radioactive decay heat, results from the constant breakdown of radioactive materials even under normal conditions.

Penetrating to all parts of naval nuclear powerplant design are intensified requirements for ruggedness, reliability, and easy maintainability dictated by safety, the extreme endurance of nuclear plants, and higher average sustained ship speeds.

These various special nuclear plant considerations also complicate the work of designers of hulls into which they will fit. Gone are the days when minor weight allocation errors can be overcome by pumping fuel between tanks. Crew living and working spaces must be allocated with radiation hazard in mind. Stacks are eliminated, but vertical free spaces must be arranged for removal and renewal of reactor cores. Stowage space for consumable supplies and ammunition must be enlarged to take full advantage of the ship's longer range cruising capabilities. Many other specialized considerations are involved. A byproduct of tackling them has been experimentation with novel hull configurations that may substantially increase speed-power ratios of future ships.

Another byproduct of naval nuclear propulsion has been the evolution of a unique, hybrid military-civilian research and development organization that may well set administrative patterns for successful missile research and development and any similar future large-scale Government projects. Without it, there would probably be no nuclear powered naval ships in existence today.

Its antecedents are in the Atomic Energy Act of 1946 assigning responsibility for research and development in the theory and production of atomic energy, including processes, materials and devices related to such production, to the newly created Atomic Energy Commission.

Soon after passage of the act, Navy communications to AEC began setting out potential nuclear propulsion requirements in connection with the submarine program as defined by a small, cross-sectional group within the Bureau of Ships. AEC's response, in part, was to turn back to the very Bureau of Ships' group that generated the requirements for manpower assistance in meeting them.

By 1949 the Commission's activities in this field were sufficient to justify inclusion of a Naval Reactors Branch in its Division of Reactor Developments established that year. Also by that year it had become apparent in the Bureau of Ships that the activities of the cross-sectional group were sufficiently unique and unconventional to warrant special treatment. A period of organizational experimentation began, culminating in formal establishment in 1955 of Bureau of Ships Code 1500, designated as the Nuclear Propulsion Division and headed by a new assistant to the Chief of the Bureau for Nuclear Propulsion.

Code 1500, however, did not mean a separate Navy reactors program paralleling the AEC's program, because Code 1500 had by this time also developed into the Commission's Naval Reactors Branch, unofficially referred to as the "headquarters organization" by both Navy and AEC. Naval officers ordered to the program report to both AEC and BuShips. Navy and AEC civilian employees are utilized interchangeably. Rear Adm. H. G. Rickover, United States Navy, is both Assistant Chief of the Bureau of Ships for Nuclear Propulsion and Chief of the Naval Reactors Branch, Division of Reactor Development, United States Atomic Energy Commission. So complete is the Navy-AEC integration in this "two-hat" organization that neither AEC nor naval personnel need switch headgear during the course of their work.

Possibly the only persons who can distinguish the military from the civilian characteristics of headquarters organization are the Government accountants who must assess its cost of operations between the AEC and the Navy. Even here the line of demarcation is often blurred; but, in general, nuclear research and development costs, including construction of land prototype powerplants, are paid for by AEC, while the Navy pays for research and development on steam parts of the plants and construction of nuclear ships. During the current fiscal year (1958) research and development money amounts to around $86 million from the Commission and around $11 million from the Navy. The prototype aircraft carrier propulsion plant has consumed the lion's share of these current funds.

Inherent in the headquarters organization setup is a flexibility and freedom in both administrative and funding action essential to rapid progress in complex scientific operations. This has speeded civilian as well as naval reactor development. No new group had to be organized from scratch to develop the $110 million civilian pressurized water reactor at Shippingport, Pa. Naval Reactors Branch, long experienced in that type of reactor, was assigned the job and went to work without delay. Additionally, the organization's dual nature avoids duplication of effort and facilities, such as purchasing offices, inspection groups, and so on. For example, purchase of nuclear cores on competitive bidding for which the Navy pays is done through AEC purchasing offices.

The organization is unique in a number of other respects and bears substantially the image demanded by its strong-minded chief, and founder, Admiral Rickover.

In discussing the qualifications of some 90 officers and civilians assigned to Headquarters, Rickover told the Joint Atomic Energy Committee:

"By qualification I do not mean, necessarily, their technical ability, but their desire to work long hours and to be dedicated to the job as well. We adopted the procedure of getting only young people. If we get in people with more experience, it takes too long to have them unlearn the bad things they know. We haven't got time for that. We don't try to get top-flight scientists. A lot are top-flight scientists by reputation only. We can't afford to have people around who have reputations who don't work hard. We would rather have people who work hard and don't have reputations."

New recruits for headquarters organization come from a number of engineering and scientific schools which recommend their best graduates. After a series of 5 interviews, about 1 in 4 is accepted. A similar procedure applies to naval officers. Some 40 engineering duty officer applicants are screened annually and 4 or 5 finally accepted. Several naval reservists selected have stayed on in headquarters as civilian employees on completion of their duty tours.

Once selected for headquarters duty, officers as well as civilians are given at least six months' special training at schools and on projects, followed by assignments on the basis of ability, not rank, and irrespective of military or civilian status. "The best qualified man gets the job," Rickover states, "and in my opinion it is the only way you can run any kind of technical organization."

The organization also operates on a principle of retaining major control rather than assigning substantial areas of responsibility to contractors. This in effect draws contractors into an integration with Headquarters which expands the naval nuclear propulsion program from the "two hat" Navy-AEC concept to a "three hat" Navy-AEC-contractor concept. Headquarters control extends even as far as employment decisions on contractor personnel. "Anyone responsible for a reactor program," Rickover explains, "must take on the problem of seeing that his contractors hire the right sort of people and train them. Unless he does, he is in for trouble."

The centralized method of headquarters operation eliminates considerable redtape and memorandum writing. It permits quick decisions. But it violates generally accepted sound management criteria by overburdening key personnel with a large volume of both technical and nontechnical minor decisions. Justification for it is claimed not only from the inherently complex design interrelations within the powerplant itself, but in another circumstance explained to the Joint Atomic Energy Committee by Comdr. R. V. Laney, United States Navy:

"Each naval reactor project has a specific end in view. It is intended to be installed in a definite ship at some definite time. Because the building time for a ship and that for a reactor and the reactor plant components are different, the ship is partly built when the reactor and reactor equipment are still being designed. Its characteristics, its length, beam, its speed—all are determined, frozen. The task is very sharply defined, and there is a very high premium on success. The reactor designer must conceive, develop, design, and produce a reactor, which, when delivered to the ship, will fit into the reactor vessel which it has never seen before. That reactor vessel is resting in a ship which is a stranger, and the reactor, the vessel, the pumps, the heat exchangers, and the intricate control equipment must, the first time they operate in unison, operate correctly, so the ship will have the necessary amount of power to produce the speed for which she was designed."

Projects such as Laney describes, together with necessary basic research, are presently carried on under close headquarters organization control at 3 development centers, 2 (Bettis Plant and Knolls Laboratory) operated for AEC by contractors, and 1 privately managed.

The Commission maintains Bettis Plant at Pittsburgh, operated by Westinghouse Electric, employing some 1,300 scientists and engineers, and Knolls Atomic Power Laboratory at Schenectady, operated by General Electric and employing another 500. Combustion Engineering, Inc., operates its own center near Windsor, Conn., employing approximately 200.

The centers, together with headquarters personnel, and close to 1,000 scientists and engineers on contractor payrolls, total nearly 3,000 highly skilled technicians at work on naval nuclear propulsion. Another 250 to 300 BuShips personnel engage in closely interrelated work.

Today bringing a new reactor concept into being takes about half the 6 years needed to produce the original *Nautilus* and *Seawolf* plants. A year is consumed by preliminary analysis and design studies to fix the essential nature of the project; another year is needed for detailed design and analysis, including mock-up critical experiment in the physics, chemistry, and metallurgy of the reactor. During the third year engineering, construction, and installation of the core, components, and machinery completes the work.

Throughout such a project weekly lists of critical items delayed, in trouble, or needing help is submitted by the development center to headquarters for priority attention. Detailed monthly reports on each phase of the project assist overall coordination. All major design and technical decisions in a program are made by agreement among the principals, that is, AEC, the Navy, and the development center. If there is strong dissent from any party, it is talked through until essential agreement is reached. Lesser technical decisions which derive from major ones, extending even to the contractor level, are made in somewhat the same way by being referred back to headquarters, the principal technical source of direction.

This pattern of vertical relationships between the development centers, contractors, and headquarters in its capacity as the AEC's Naval Nuclear Reactors Branch, does not, however, pertain to its intra-Navy relationships as Code 1500. These are substantially horizontal, particularly with the Preliminary Design Branch and with the Hull and Machinery Design Branches of the Bureau of Ships, where discussions are informal and close.

In general, Code 1500 is responsible for research, development, engineering, and installation of an entire nuclear plant of a new type. Reactors for subsequent plants remain a Code 1500 responsibility, but repeat machinery now comes under cognizance of BuShips Machinery Branch, the same as machinery for conventional ships. This shift back to conventional from task group administrative procedures as the program progresses from its research and development to production is a wise one.

Just as the development of naval nuclear propulsion created demand for special ships to utilize it, so has it created demand for specially selected and trained men to man them. The intricacies involved inevitably drew the Bureau of Ships into this field as a technical adviser to the Bureau of Naval Personnel. Large numbers of submariners have received the training and already some 200 men and 12 officers are being trained in anticipation of commissioning nuclear-powered surface ships.

Nuclear ship enlisted personnel are selected by forces afloat, but in accordance with strict standards of intelligence, ability, and conduct. So outstanding is this group that about 6 percent are further selected each year as officer candidates—20 times the overall Navy rate. Officers submit to a series of comprehensive interviews by Admiral Rickover and others before final acceptance for training.

Following selection both officers and men undergo 6 months' intensive schooling in physics, mathematics, and various nuclear subjects, followed by another 6 months' further study and practical operation of prototype plants at the National Nuclear Reactor Test Station, Arco, Idaho.

Officers are more intensely trained than enlisted men. All officers must, and a number of enlisted ratings do, qualify as nuclear plant chief operators before completing the course. Qualification establishes proficiency in all phases of reactor operation, particularly in everything pertaining to safety. It requires at least 1,000 hours practical work on a prototype plant and is said to be several times as difficult as qualifying for submarine command.

In addition to regular training, prospective commanding officers are assigned several months' duty at headquarters organization and in the development centers. Each is placed in contact with the designers and developers of the powerplant destined for his command and acquires the same intimate knowledge of its capabilities as the men who created it.

The policy of building a land prototype of each naval nuclear plant type pays dividends, not only during development, but during the careful and meticulous training program as well. Crews go aboard ship fully experienced in operating a plant identical to the one which they must safely control to protect the lives of themselves and their shipmates. These factors, as well as care in design, are responsible for the excellent safety records of presently operating nuclear submarines.

The advent of naval nuclear propulsion has, indeed, brought about as major a change in naval men, material, and methods as it has in concepts of naval tactics. It has placed on naval policy planners the difficult burden of allocating available naval funds to costly commitments for seapower in being to meet the crises of today and at the same time carrying forward the bold nuclear research, construction, and training programs needed to meet the crises of tomorrow.

But if Congress appropriates hoped-for funds, by 1966 the Nation will have in being 5 or 6 superflattops, half a dozen guided missile cruisers, the beginnings of a destroyer fleet, and some 45 submarines, all nuclear powered.

The substantial shift over from steam to naval nuclear power will have been made during a brief 18 years, compared to more than 50 years needed for the shift from sail to steam.

Naval nuclear ships and reactors

Ship	Purpose	Builder	Completion	Reactor [1]	Remarks
SSN571 *Nautilus*	Attack	Electric Boat	Sept. 30, 1954	S1W	Land prototype, Arco, Idaho.
				S2W	First nuclear-powered ship.
				S1G	Land prototype, West Milton, N. Y.
SSN575 *Seawolf*	do	do	Mar. 20, 1957	S2G	Preliminary acceptance for limited service.
SSN578 *Skate*	do	do	Dec. 23, 1957	S3W	Twin screw, conventional hull.
SSN579 *Swordfish*	do	Portsmouth	1958	S4W	Do.
SSN583 *Sargo*	do	Mare Island	1958	S3W	Do.
SSN584 *Seadragon*	do	Portsmouth	1959	S4W	Do.
SSGN587 *Halibut*	Guided missile	Mare Island	1959	S3W	Hull modified for Regulus.
				S3G	Land prototype, West Milton, N. Y.
SSRN586 *Triton*	Radar-picket	Electric Boat	1959	S4G	Twin screw and twin reactor.
SSN585 *Skip Jack*	Attack	do	1959	S5W	Single screw, *Albacore* hull.
SSM588 *Scamp*	do	Mare Island	1960	S5W	Do.
SSN589 *Scorpion*	do	Electric Boat	1960	S5W	Do.
SSN590 *Sculpin*	do	Ingalls	1960	S5W	Do.
SSN591 *Shark*	do	Newport News	1960	S5W	Do.
SSN592 *Snook*	do	Ingalls	1960	S5W	Do.
SSN593 *Thresher*	do	Portsmouth	1960	S5W	Do.
SSGN594 *Permit*	Guided missile	Mare Island	1961	S5W	Fiscal year 1958 program. Regulus.
SSGN595 *Pollack*	do	Portsmouth	1961	S5W	Do.
SSGN596 *Plunger*	do	Unassigned	1961	S5W	Do.
				S1C	Land prototype. Windsor, Conn.
SSN597 *Tullibee*	Attack	Electric Boat	1961	S2C	Fiscal year 1958 program. Small hull.
SSGN(P?)598	Polaris	do	1960(?)	S5W(?)	Fiscal year 1958 supplemental.
SSGN(P?)599	do	do	1960(?)	S5W(?)	Do.
SSGN(P?)600	do	Mare Island	1960(?)	S5W(?)	Do.
CLG(N)9 *Long Beach*	Guided-missile	Bethlehem (Fore River)	1960	C1W	2 reactors.
				A1W	Land prototype, Arco, Idaho.
CVA(N)65 *Enterprise*	Supercarrier	Newport News	1961	A2W	8 reactors.
				D1W	AEC Knolls Laboratory assigned light weight design.
DLG(N)	Frigate			D2W	Not yet authorized.

[1] In naval reactor code first letter indicates ship type, numeral indicates precedence in design series, second letter indicates developer: W, Westinghouse; G, General Electric; C, Combustion Engineering. All are of pressurized, water-cooled, water-moderated types except S1G and S2G, cooled by liquid sodium and moderated by beryllium.

Secretary of Agriculture Benson Answers Questions

EXTENSION OF REMARKS

OF

HON. HAMER H. BUDGE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mr. BUDGE. Mr. Speaker, under leave to extend my remarks, there follows a radio report over station KRXK, of Rexburg, Idaho. I am sure readers of the CONGRESSIONAL RECORD will be interested in the questions reported by Gene Shumate of Rexburg and the answers by Secretary of Agriculture Ezra Taft Benson:

A few weeks ago I wrote a letter to Mr. Ezra Taft Benson, Secretary of Agriculture. This followed the Presidential veto of the attempt by Congress to retain farm price supports at the present level for the remainder of the year. In the letter I explained to Mr. Benson that distance prevented attendance at his regular news conferences and that in lieu of such attendance, I would like answers to seven specific questions. When the Secretary returned to Washington from a trip West, he answered the questions. I'm sure we all appreciate this consideration and I'm sure you will be interested in the questions and answers.

Mr. Benson wrote: "In reply to your questions in the order listed in your letter:

"Question. President Eisenhower commented, at the time he vetoed the latest farm legislation, that what the farmer needed was a 'thaw' and not a 'freeze.' Exactly what does this mean?

"Answer. The President was referring to the need for more freedom to farmers in determining their production and marketing plans to meet rapidly changing conditions and to more flexibility to the Secretary in establishing the national average support levels and acreage allotments. The thaw versus freeze concept is discussed in the concluding paragraph of the President's message."

Breaking away from the letter for just a moment, we will quote that last paragraph mentioned:

"To meet the rapidly changing conditions in agriculture, farmers must be able to make their own management decisions on their own farms. They must not have their production and prices frozen in an outmoded pattern. They must not be made the captives of a restricted history; they must be given freedom to build a brighter future. This can be done if farmers and those who serve them will team up in support of sound legislative and administrative action."

That was the President's last paragraph in his message to Congress when he returned the Senate resolution without his approval.

Now, back to Secretary Benson's letter:

"Question. Is it your opinion that the lowering of support prices will lead to higher market prices for farm products in time for the farmer to benefit this year?

"Answer. The President's program is a long-time program which is not scheduled to go into effect until the 1959 crop season. Hence, there could be no benefits from the President's program in the 1958 crop season. Incidentally, to be effective beginning with the 1959 crop year, the President's program should be approved by Congress this year.

"Question. Is the recent 4-percent rise in farm prices due to a general improvement in farm produce or is it primarily livestock price rises?

"Answer. Prices of all the various groups for which the Department compiles prices

except wool and dairy products increased from mid-February to mid-March when farm prices in general advanced 4 percent. The most important increase was in the form of continued higher prices for meat animals. Higher prices for potatoes, fruit, and eggs also contributed substantially to the increase.

"Question. How much of the increase in beef prices is due to unfavorable weather in the Southeast?

"Answer. Recent unfavorable weather in the Southeast had practically no effect on beef prices. However, the current price is partly reflecting the drought 2 years ago in the Southeast.

Question. How much of the increase in beef prices is due to the withholding of cattle from the market by southwestern raisers as they try to build up herds depleted by the recent drought?

"Answer. Most of the increase in beef prices is due to the reduction in slaughter supplies which is general throughout the United States, and the strong demand.

"Question. Is there any estimate in your Department of what the market prices on small grains would be if all supports and acreage allotments were removed; on wheat, for instance?

"Answer. The President's program does not contemplate the discontinuance of price supports. On the contrary, the program recognizes that there is nothing wrong with a sound and realistic storage and loan program. Under these circumstances we have not made any estimates as to what prices would be without supports.

"Question. Do you feel that in the future the farmer must accept the fact that open market prices on foods and fibers, as well as dairy products, will maintain a level below prevailing prices and that the answer to profitable farming is the elimination of smaller units in favor of larger, more-efficient units?

"Answer. There is no reason to believe that farm prices will decline under the President's program. Currently, prices of nonprice-supported commodities (such as livestock) are higher, relatively speaking, than prices of supported commodities. The level of farm prices in the future will be influenced to a large degree by the extent to which markets can be expanded. As far as future supports are concerned, the President has indicated that they will be set at levels as high as could be justified under the criteria specified by law. Incidentally, the basic objective of the President's program is higher net income which depends upon the volume sold as well as price per unit. While in recent years there has been a trend to larger land holdings and fewer farms, the family farm is holding its own. We believe the family farm will always continue to be the backbone of American agriculture."

And these have been the answers from Secretary of Agriculture Ezra Taft Benson to a recent letter in which I wrote him some specific questions.

Financing Small Business

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. MULTER. Mr. Speaker, on March 31, 1958, the Federal Reserve Board transmitted to the chairmen of the Banking and Currency Committees and the Select Committees on Small Business of both Houses of Congress a document on the financing of small business which was very clearly labeled a study of financing of small business. The Board of Governors was very careful in the letter of transmittal not to refer to the document as a report. The four chairmen of the Congressional committees joined in the statement, submitting this study to the Congress for its attention. They, too, carefully referred to it as a study and not as a report.

In the preparation of the document as a committee print for use by Members of Congress, unfortunately, somebody placed upon the cover of the document the word "report" instead of "study."

That has brought about an unfortunate situation, due to careless reporting and careless editorializing on the part of some members of the press. One editorial in the Wall Street Journal editorialized about this study, indicating "it would be well if Congress paid attention to it" and further stated that the "report" indicated the Small Business Administration was a temporary and a "distress organization," holding out no promise to small business primarily because the agency was set up "to grant loans to applicants who cannot get them anywhere else." It then goes on to say that this is unsound business practice, and the Government should not encourage loans to poor credit risks.

It is easy to write, but it takes real hard work to become properly informed before writing.

Not only was the study not a report but the study itself very plainly states that no member of the Board participated in the writing of the material submitted, and, on the contrary, the "views expressed are those of the authors and do not necessarily reflect the views of the Board of Governors of the Federal Reserve Bank."

Now let us turn our attention for a moment to the contents of the study to determine whether or not there is anything there to sustain the criticism and improper conclusions found in the news item.

The study very properly states that the law has always required of the Small Business Administration and its predecessor lending agencies, that before the Government makes any credit available, it must appear that the loans cannot be obtained from private financing.

This provision has been found sound and workable. It is necessary in order to protect private enterprise from Government competition.

That does not mean, however, that loans are to be made to bad risks. As a matter of fact, the Government lending agencies, and particularly the Small Business Administration, have a very good record in that respect. Actually, there have been more complaints made against the Small Business Administration because it adheres too strictly to the requirement of the law that no loan be made unless there is "reasonable assurance of repayment." The loss ratio by the Small Business Administration is much, much smaller than that experienced by private lenders.

There are many reasons why small business can get no loans from private lenders other than the fact that it is a bad credit risk. There are plenty of good credit risks among the small-business men of the country who have been unable to get private loans. The Small Business Administration is filling that void to the limited extent permitted by existing law.

There is nothing in the study as presented by the Federal Reserve Board which justifies the conclusion that Government encourages private lenders to consider poor credit risks.

There is no doubt that the Government can and should play a greater role in connection with making risk or equity capital available to small business and there is much to be said for making loans available for a term beyond the 10 years permitted by the existing law to the Small Business Administration. Constructive criticisms along those lines will be helpful to the Congress in performing its duty. News items and editorials, such as referred to above, will do nothing except to create confusion.

In connection with the foregoing, I am pleased to call to the attention of our colleagues the following letters written to and received by the ever-vigilant George J. Burger, vice president of the National Federation of Independent Business:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, April 16, 1958.

Mr. GEORGE J. BURGER,
Vice President, National Federation of Independent Business, Washington Building, Washington, D. C.

DEAR MR. BURGER: Thank you for your letter of April 14. I am glad to have your further comments about the Small Business Administration.

The report to which the Wall Street Journal release referred is a technical study of the problem of small-business financing, prepared by the staff of the Federal Reserve System with a number of university or independent scholars also collaborating. The conclusions drawn in the individual studies are those of the authors, and do not necessarily represent the views of the Board of Governors. The published study was given to the press without an accompanying release prepared by the Board or its staff. Such comments as the press may have made of the study, or such points as the press may have taken out of context, are, therefore, the responsibility of the press and in no way the responsibility of the Board.

Sincerely yours,

WM. MCC. MARTIN, Jr.

APRIL 14, 1958.

Hon. WILLIAM MCC. MARTIN,
Chairman, Federal Reserve Board, Washington 25, D. C.

DEAR MR. MARTIN: I noted in the Wall Street Journal today: "Reserve Board says small business agency, banks fail to aid growth." Of course both this office and our head office at Burlingame, Calif., will closely scrutinize and study the report issued by the Board to the Committee on Banking and Currency and the select Committees on Small Business. However, we do believe there is some need for a clarification and proper evaluation of the operations of the Small Business Administration.

As the saying goes: "Rome wasn't built in a day" and it goes without saying that in our opinion, after closely scrutinizing the operations of the agency from its inception, it may be found that the operation of the

agency was handicapped from the first instance through impediments. To substantiate that statement—from the very first instance the National Federation of Independent Business vigorously opposed the establishment within the agency of the Policy Board, and we are referring to the Secretary of the Treasury or his alternate, and the Secretary of Commerce or his alternate, and the SBA Administrator.

When the vote came up on this in the United States Senate in the first instance this office wired 96 Members of the Senate opposing that part of the act. In other words, we maintained that the administration of the act should rise or fall on the actions of the Administrator himself, and we have lived to see the day that we were correct in our findings.

We know that when the agency was originally established and a few months into its operation, after a hurried nationwide visit in key regional offices of SBA, and upon reporting our findings back to Washington the result was that the whole operation of the SBA as to its lending policy was changed as it related to those eligible to secure SBA loans.

The Wall Street Journal report further states: "The study criticized the SBA for granting loans only when small business finds it impossible to get them anywhere else." What's wrong with that? I believe it may be found in the act itself that small business is expected to attempt to secure loans from private sources, and when they are not available and the credit standing of the applicant is O. K., the Small Business Administration moves in. In other words the procedure used by SBA is not in competition with private banking circles.

The report further states: "The tremendous postwar increase in indebtedness of small businesses might raise the question of whether credit had become too readily available." The writer's experience in private business for better than a quarter of a century or more prior to my connection with the federation leads me to believe that where small business goes in for financial loans from private banking institutions their applications are generally scrutinized very very carefully before any consideration is given to the loan.

We believe, from reviewing the operations of the Small Business Administration, and after having recently completed personal visits to SBA Offices in Chicago, Minneapolis, Seattle, Portland, San Francisco, Los Angeles, and New York City, that the agency is showing consistent progress more in keeping with the will of the Congress and the full intent of the act.

We further believe, due to the splendid action of the House in the 1st session of the 85th Congress, which voted and approved improved SBA legislation expanding the powers and operations of the agency, and more important, the key to its operation as to financing matters—authorizing a new Advisory Board consisting of the Administrator, Secretary of Commerce, Secretary of the Treasury, and not less than 3 nor more than 5 small-business men, this will go a long long ways in bringing long overdue financial assistance to small business where such credit is not available through private banking institutions, and in closing we might add that the opinion we have expressed above is also the opinion held by some members of the banking fraternity.

Sincerely,

GEORGE J. BURGER,
Vice President, National Federation of Independent Business.

APRIL 17, 1958.

EDITOR, WALL STREET JOURNAL,
44 Broad Street, New York, N. Y.

DEAR SIR: I noted with considerable interest on the editorial page of today's Wall Street Journal "Topsy-Turvy Business," which certainly calls for our attention in view of the interest our nationwide membership—all independent business and professional men—has in the operation of the Small Business Administration.

You state: "The temporary Small Business Administration will probably outlive us all." You are correct, and it will outlive us all until such time as banking institutions throughout the Nation are permitted to make long-term capital loans to small business. You are well aware that under present banking laws the banks more or less are regulated by State and Federal law on long-term loans.

We are leaving no stone unturned, which after all is the majority vote of our membership, to have the Senate take concurrent action on the improved Small Business Administration legislation which was voted by practically unanimous action in the House in the 1st session of the 85th Congress—to be exact, 392 for and 2 against.

Our understanding of the recently released report of the Federal Reserve Board, "Financing Small Business," is that it was not a report of the Board itself but was merely a report of the staff which was engaged to study the situation.

Page 19 of the report carries letter of transmittal dated March 31, 1958, directed to the chairmen, Senate Committee on Banking and Currency, Senate Select Committee on Small Business, House Committee on Banking and Currency, House Select Committee on Small Business, signed by Wm. McC. Martin, Jr., Chairman, in which he stated: "Last fall the research staffs of the Board of Governors and the Federal Reserve banks undertook a study of the financing problems of small business." We could find nothing in Mr. Martin's letter to the committees where he called the Small Business Administration a distress organization, nor do we find in his letter any comments as quoted: "hold out any promise for development" of small businesses.

We believe in fairness to your nationwide readers of the Journal that you may find it convenient to publish this letter as it goes without saying many thousands of small business people throughout the Nation do read the Wall Street Journal.

Sincerely yours,

GEORGE J. BURGER,
Vice President, National Federation of Independent Business.

Victory Without War—Is It Possible?

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. FULTON. Mr. Speaker, an excellent new book published a few days ago has come to my attention. The title is Victory Without War. This is a challenging subject in which all of us are deeply interested.

This perceptive volume is written by a distinguished soldier-analyst, George Fielding Eliot. Mr. Eliot tells a sharply challenging story of the amazing build-up in the missile and space exploration field now credited to Soviet Russia. He recommends certain "must" courses to make war impossible. These are courses to be taken by the United States and the Free World if they are to equal the Soviet Union's remarkable advance.

To know current, vital problems in this most interesting area, I recommend this volume as an efficient and telling work which will make every intelligent American, regardless of party, stop, look, and listen.

I am particularly struck with the keen analysis embodied in these forward-looking views and want them to be considered by the careful and thinking Members of the Congress and the American people in broadening the basis for their judgment.

The Defense of America: A Special Debate on the Reorganization of the Defense Department

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. HÉBERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following broadcast entitled "The Defense of America: A Special Debate on the Reorganization of the Defense Department," as broadcast over the CBS television network, April 20, 1958. Guests, the Honorable Leverett Saltonstall, United States Senator, Republican, of Massachusetts; the Honorable William C. Foster, Deputy Secretary of Defense, 1951–1953, member of the Advisory Committee to the Secretary of Defense To Study the Reorganization Plan, the Honorable F. Edward Hébert, United States House of Representatives, Democrat, of Louisiana; the Honorable John T. Koehler, Assistant Secretary of the Navy, 1949 to 1951. Moderator, George Herman, CBS News. Producer, Nancy Hanschman.

The broadcast follows:

MR. HERMAN. I am George Herman. I am substituting for Eric Sevareid, who is unable to be here.

Gentlemen, President Eisenhower wants a major reorganization of the Defense Department involving the Army, the Navy, and the Air Force.

Do you agree, Senator SALTONSTALL?

Senator SALTONSTALL. I am sympathetic with his objectives.

Mr. HERMAN. Congressman HÉBERT?

Mr. HÉBERT. I am opposed to the President's proposal.

Mr. FOSTER. The plan demonstrates the President's leadership in the field in which he is preeminent.

Mr. HERMAN. Mr. Koehler?

Mr. KOEHLER. I am opposed to any proposal which results in merger of the armed services.

ANNOUNCER. From Washington, the CBS Television Network brings you The Defense of America: A Special Debate on the Reorganization of the Defense Department.

Participating in the debate are Senator Leverett Saltonstall, of Massachusetts, top Republican on the Senate Armed Services Committee; William C. Foster, former Deputy Secretary of Defense; Representative Edward Hébert, of Louisiana, one of the top Democrats on the House Armed Services Committee; and John T. Koehler, former Assistant Secretary of the Navy.

The moderator is George Herman, CBS News Washington correspondent.

Mr. HERMAN. Gentlemen, I think you all know that President Eisenhower told Congress last January that he was going to give them his plans for defense reorganization before long, and on the 3d of April he sent Congress a message which proposed a much broader and deeper reorganization than anyone had apparently expected.

On April 16, he sent a draft of legislation to bring about that reorganization, and a bill was promptly introduced in Congress, and the following day he delivered a strong and dramatic appeal for support in a speech before a gathering of news editors here in Washington.

Secretary of Defense McElroy has also spoken in defense of the plan, which very strongly bears his own imprint.

With the Department of Defense under Mr. McElroy, which drew up the main points of the plan after conferring with past and present Chiefs of Staff and with the five-man committee of which Mr. Foster was a member, the President's legislative leaders will now have the main burden of carrying forward this plan in Congress, and in particular that means Senator SALTONSTALL.

So, Senator, would you start off by telling us what you feel about the President's reorganization plan?

Senator SALTONSTALL. Mr. Herman, I am glad to. First, let me say I am happy to be on this program with these 3 other gentlemen and yourself, because I have worked with all 4 of you, on Capitol Hill, on the subject, at one time or another.

Now, today what we all want is security and a great opportunity for peace in the world. What we need for our security is strong defense of a quick retaliatory effort, quick and very massive in the retaliatory effort. To get that quick retaliatory effort, we have got to have efficiency, and to be efficient we have got to today use as little money as we can, because of the tremendous expense that goes into our defensive effort.

Mr. HERMAN. And for that reason you plan to support the——

Senator SALTONSTALL. As I said, I am sympathetic with the objectives of the President. I think we have got to work out some of the details in the Congress that aren't perhaps entirely clear in his message or in the bill that he has submitted.

Mr. HERMAN. Thank you, Senator SALTONSTALL.

Congressman HÉBERT?

Mr. HÉBERT. Mr. Herman, I am surprised at Senator SALTONSTALL's statement, pleasantly so, because I can't be in disagreement with it.

Mr. HERMAN. Try.

Mr. HÉBERT. We aren't at all in disagreement on the objectives. We are all for mother and country and against sin, but the thing that strikes me most in the President's most recent proposition to reorganize the Department is the similarity of all previous reorganization attempts. I think it would be well to trace the history of these reorganization movements.

The original one began in 1947, at which time we had the original intent, and of course it was for efficiency and economy, the same words used today. At that time it was indicated that if we adopted the original Unification Act, everything would be solved and we would be on our way to efficiency and economy.

Admiral Forrest Sherman at that time then envisaged what the Defense Department would be, and his words were: there would be 1 Secretary, 4 deputies, 100 people, and a concentrated office, with a decentralization of power.

That Secretary and 4 deputies and 100 people has now grown to 33 individuals in the Department of Defense who can be called Mr. Secretary, and the hundred people have grown to 3,500 people.

Now, the next time: we also heard of the reorganization as soon as we got a new Secretary of Defense, Mr. Louis Johnson. He came to the Hill in 1949, I think it was.

He said, "We want efficiency and we want economy. Now, if you will just give us this added power, it is going to solve everything."

So he marched up the hill.

Then we had another Secretary of Defense come up, Mr. Charles Wilson, and he came to the Hill.

He said, "We want efficiency and we want economy. If you change this and give me more power, we are going to accomplish this and give us more Secretaries."

So we promptly gave him that.

And now, several years later, we have another new Secretary. He marched up the hill again and we hear again efficiency and economy.

Now, these statements I am making in general and I am quoting the individuals in general, but for the benefit of my friend, Senator SALTONSTALL, and Mr. Foster, I have the records stacked here and here which can be found the accurate quotes, and I am sure you will accept my paraphrasing.

But I think there is one thing I want to leave, before I go on now, and that is this: The President has said that the present law causes waste and ineffectiveness, but I wonder who wrote the present law, except the President himself. The Congress had absolutely nothing to do with it. They accepted a blank check from him, and we couldn't change a comma or a semicolon.

Mr. HERMAN. I just want to ask you as you conclude that statement, Mr. HÉBERT, whether by this you mean that you do not think we need further efficiency, and you do not propose to support the President's——

Mr. HÉBERT. We need further efficiency and economy, but we could do it with what we have in hand and could have done it under the first act.

Mr. HERMAN. Mr. Foster, I am sure you will have a reaction to that.

Mr. FOSTER. Well, I do. Of course, I think we all agree in the objectives. I think we all accept the Congressman's paraphrase, although he may have conceivably taken it a little bit black where it was gray instead of white.

You are quite right. There have been each time over these years a hope that the latest plan would meet the change and conditions a little bit better, and I think we must all realize that conditions have substantially changed since 1947.

I think the onrush of technology, to use the President's phrase, has been something that none of us could have foreseen. I think the substantial progress which our major enemy has made none of us could have foreseen.

I think it is quite clear today that we need a more direct command channel between the President as Commander in Chief through his deputy, the Secretary of Defense, to the operating commands, which are the cutting edges of our defense, and I think that each of these plans to which you refer has actually made an improvement.

True we have never reached perfection; we never will. I am sure that this plan will require amendment sometime in the future. But I do believe that this does meet the major things which we have to do; namely, to clarify command channels, to put research and technology at a high level where it can be developed and be available to the Chiefs of Staff to meet the kind of conditions which we face from here in.

And while I agree perhaps it could have been done better each time, Mr. Congressman, it has improved down through the years, but I believe we need this to make it better and good enough to meet today's challenge.

Mr. HERMAN. Mr. Foster, you were 1 of the 5 men on the committee which advised Secretary McElroy on the building of this plan. Let me ask you this: Were the past plans considered as evolutionary steps? Was that built upon the past, the changes of the past plans?

Mr. FOSTER. This is certainly evolutionary, and I would not say I was a member of the committee. I was 1 of the group of 5 consultants and we consulted, questioned, advised, in that sense, but the plan is the President's and the Secretary's, using, to the extent that he could, since he had not been there long, as you know, the experience which a number of us had had.

And you will recall the group, the three Chairmen of the Joint Chiefs, Mr. Rockefeller who has been active in administrative recommendations through the whole Government, and myself, and I think that as a group of consultants we were very effective in challenging major suggestions, and I think that what has come out as evolutionary is not destructive to what has gone on in the past, but will be an improvement over it.

Mr. HERMAN. Mr. Koehler, you were in the Pentagon from 1949 to 1951, I believe, as an Assistant Secretary of the Navy. You were there during the last reorganization. How does this one strike you?

Mr. KOEHLER. Well, I wasn't there during the last reorganization. I was there during the first two. I wasn't there in 1953.

As Congressman HÉBERT has said, this is No. 4.

Now, I would like to take a slightly different tack from that taken by the other three gentlemen. I agree, of course, with the objectives, that we must have the most efficient and the most capable military forces that our circumstances and our finances permit. But in view of some disagreements at very high level, and being a lawyer, I think that I can best perform my part of this task this afternoon to the language of the proposals.

The Congress has consistently repulsed attempts (1) to merge our armed services; (2) to create a single Chief of Staff; and (3) to authorize someone other than Congress to prescribe the roles and missions of the services, which authority is vested solely in the Congress by article 1, section A, clauses 12, 13, and 14 of the Constitution.

The President has said as recently as last Thursday that the proposed changes will not result in merger, nor the creation of a general staff system, and that the bill does not undermine the constitutional power of the Congress in this respect.

On the other hand, Chairman VINSON, of the House Armed Services Committee, has reached the opposite conclusion on each of those three points. It goes without saying that both statements are entitled to highest consideration and the highest respect. I believe, therefore, that we should, to the extent possible, address ourselves to the language of the bill and in considering the language, consider just as carefully the language that would be deleted from the present legislation.

Mr. HERMAN. Gentlemen, in listening to all four of you, one thing strikes me right away. We all talk about whether we call it chains of command, whether we call it efficiency, whether it gets called as it was called in the previous reorganization, "more bang for a buck," we all talk about improving the status of our Armed Forces and we all talk about getting more firepower, more defense power for our dollar.

What I would like to ask of you at this point is how bad are things? How urgently do we need reorganization? Are things in a devil of a mess, and how quickly must we move on this? Senator SALTONSTALL.

Senator SALTONSTALL. I would just say this, Mr. Herman, and you bring up a very good point. Things aren't in a mess. Things are going forward well. They can go

forward better. But we have always got to remember today is the speed of attack. Today or in a year or so the Russians presumably can send a missile over here that will come over in 30 minutes.

Now that is quite different from World War I or World War II or 1947, Mr. HÉBERT. It can come over very quickly. Therefore, we have got to organize our defense very quickly and very efficiently, and that has got to mean a quicker chain of command and a quicker action, and that action has got to be devastating if we are going to be secure, because if it is devastating we won't be attacked.

Mr. HÉBERT. Senator, show me one thing in the present law which the President himself wrote with a blank check which would prevent immediate action if we were attacked?

Senator SALTONSTALL. The one thing is the time that it takes to get a command, we will say, from the Secretary of Defense or from the Joint Chiefs of Staff down through to the command post for action.

Mr. HÉBERT. Where is that prevented in the present law?

Senator SALTONSTALL. There is nothing to prevent it.

Mr. HÉBERT. Of course there is not.

Senator SALTONSTALL. Except that the people that it has to go through. What we want to do is to have it go through as few people as possible, and yet keep a civilian head at the final command.

Mr. HÉBERT. I am thoroughly in accord, but I suggest there is not a thing in the present law that prevents immediate action. There is not one thing, and I would like to have it pointed out if there is one thing.

Keep in mind again, Senator, that the President himself in 1953—what has been so different from 1953 to 1958—the President himself wrote the present law under which they exist in the Defense Department, you will agree with me on that I am sure, because it was a reorganization act, not a statutory act, and the President wrote it and we couldn't change a comma. In this book back here which I won't have time to bring out, he says now is the time to perfect the Department, "and I am perfecting it now with this plan."

Mr. HERMAN. Congressman HÉBERT, before you come out with any more of your secret weapons from the table back there, let me ask you this:

Do you believe that things have not changed so radically from the production of missiles and from the shrinking of warning times, that things do not require a different frame now from the frame they required 5–10 years ago?

Mr. HÉBERT. No, sir. Our lack is lack of a decision or, if not lack of decision, of an immediate decision. The stumbling block in the Defense Department has been in the area of the Comptroller who controls the money in which Mr. Eisenhower is so interested. We could have put up a satellite a year and a half ago if the decision had been made in the Defense Department, and it was not made.

Mr. FOSTER. May I go back to this question of command, and the President's former reorganization act, because I think this is extremely important. It is true it was written as a reorganization plan, by the President when he first came in. Five years have passed. We do have a strong security setup in our Armed Forces, but in 5 years we have learned, as Senator SALTONSTALL said, that the command lines are not as clear as we would like to have them.

The executive agent process is not as effective under these terms and times which we are up against today. Then when that was written we thought in terms of a manned air force attacking us. This is a matter of hours. We had sufficient tactical warning. We could get our deterrent forces, our retaliatory forces in the air. Today, as Senator SALTONSTALL says, this is a matter of 30 minutes. In addition to that, in any passage of command down, the executive agent does introduce what have been determined to be unnecessary additional layers to go through.

Mr. HÉBERT. That is correct.

Mr. FOSTER. I remember in history, sir, and I appeared before you several times when I was there, you were very concerned about layers of command at that time. We were talking about cataloging, you will recall, and you felt there were too many. This is simply a movement toward the elimination of obstructive layers.

Mr. HÉBERT. I don't want to monopolize the time, Mr. Foster, but you injected something in there. I want to ask you a question.

You mentioned the cataloging situation. That was the one act that to unify and make uniform purchases, make a catalog with a single number, isn't that correct?

Mr. FOSTER. No; it didn't unify purchases.

Mr. HÉBERT. But it was direction for unification, wasn't it?

Mr. FOSTER. It was an attempt to get a common name for each and every item.

Mr. HÉBERT. And that is what is being done today at a savings of some $5 billion, I think, estimated by the Hoover Commission, isn't that correct?

Mr. FOSTER. This is correct, and you and I both worked toward this end.

Mr. HÉBERT. You did? Wait just one second please, sir. I have the record here in which you opposed that bill and said you had enough laws; that you didn't need any more laws. Now where do you stand today?

Mr. FOSTER. We would have done it without the law and we do not feel that the Congress in that kind of a thing should get in and do the executive actions which you, sir, as a legislator write the policies and the executive branch carries out.

Mr. HÉBERT. I have proved my point.

Mr. HERMAN. Between the legislator and the administrator here, I think a lawyer wanted to get a word in.

Mr. KOEHLER. I wanted to get back to the discussion that Senator SALTONSTALL started; namely, that because of technological improvements and the fact that the new world, the new look is so different, we must be able to act very very speedily.

I agree, but it strikes me as more than a happenstance that this desire for speed in reaction has come about very recently. Now the missile program is not new. The missile program is not a matter of the last 6 months. And it seems very interesting that during the years 1953 through 1957 the organization of the Department of Defense was deemed amply capable of taking care of technological improvements under the present Joint Chiefs of Staff.

But the Rockefeller report has come out within the last few months; and the Rockefeller report, which I think in my humble way is the basis of this proposal; is replete with very sweeping statements——

Mr. FOSTER. May I interrupt there, because it is not the basis of this proposal, Mr. Koehler.

Mr. KOEHLER. Shall I say was taken into consideration then in preparing——

Mr. FOSTER. It was along with the advice and counsel of dozens, twenties of other people, all of whom were also experienced and competent.

Mr. KOEHLER. I stand corrected. Shall I say it had a bearing on the subject. But the Rockefeller report—and I, of course, have not had access to other reports—is complete with sweeping conclusions and generalizations; and, so far as I am concerned, it is very much like a brief without citation of authority.

I do not feel that the present Joint Chiefs of Staff have failed to make proper position for the protection of this country in the event of some international disaster. It may be that their present system could be improved, because any system can be improved, but I am astonished that in a period of a few months a reorganization as sweeping as this is should be necessary, in view of what I consider to be the tremendous advances we have made in the last 10 years in unification.

Senator SALTONSTALL. May I, Mr. Koehler, go into one part of that, and that is this: The position of the Chairman of the Joint Chiefs of Staff.

We put in there our most experienced military man, a man with a hard personality and a man in whom the country has confidence.

We have had General Bradley, Admiral Radford, and now General Twining. Those are the three.

Now what we really in a way do is to downgrade him when we put him in there. We do not give him authority. Now that bothered me in 1947. It bothered me again in 1949, and I was on both those conference committees that worked out the technical language of those acts.

Now what the President is trying to do is not to downgrade the Chief of Staff, but to take advantage of his experience and to give him a true responsibility in working out our strategy, as I see it. And that is one very important part of this act. I do not think anybody will—well, I will not say anybody, but I do not think that that should be too much opposed.

Mr. HERMAN. Let me ask you four gentlemen this. At this point in our history, with the missile war apparently approaching the tilt, do you then think that we can respond to these future fast happening wars with our present setup, or some kind of a reorganization, whether it be a basic reorganization or a plan of this kind, or whether it would simply be a reorganization decided upon by the Chiefs of Staff, that some such reorganization is needed, or are we all right for a missile war now.

Mr. HÉBERT. I think the reorganization is needed in the other direction. Cut out all of these secretaries and all of these needless people. Let the Joint Chiefs of Staff have some authority right directly under the Secretary of Defense himself, and revert back to the original plan as it was drawn and as the testimony of General Eisenhower at that time and Forest Sherman, Bob Patterson, everybody that appeared said would settle it.

However, there is one thing, and Senator SALTONSTALL has put his finger on it. There is one thing that worries me greatly about this military thing, and that is a military man on horseback. That is the idea, of course, it has been thrown up as a screen, Senator.

I know they say even the President, and I may say here parenthetically something that I am deeply concerned about, and that is the language of the President in his speech the other day, as an example, before the national editors association in which he just tossed off with a wave of the hand and said of the people who criticized him: it was sheer nonsense. Does he mean to say that he can wave off a man like CARL VINSON, whom he undoubtedly was criticizing, 44 years of experience in military affairs in this country? Every man who wears a star on the uniform today was a lieutenant when he came to Congress, and that includes General Eisenhower. Whom General Eisenhower calls Uncle CARL. Is that nonsense when he gives forth? I don't think so.

Senator SALTONSTALL. Mr. HÉBERT, we all have great respect for Uncle CARL. I have dealt with him across the table a good many times, and I know he is a man who has a great deal of knowledge on this subject. But that doesn't mean that the President necessarily was criticizing him.

What I think the President wants to do is to give a greater responsibility to the Joint

Chiefs of Staff, and to give duties to the Chairman of the Joint Chiefs of Staff. The Chairman, under this bill of the President's, isn't going to be a one man on horseback.

Mr. HÉBERT. Not at this time, but in the future.

Senator SALTONSTALL. Nor ever, I hope.

Mr. HÉBERT. You hope.

Senator SALTONSTALL. You are looking pessimistically at the future. I wouldn't agree with making him one man, but he has got the Joint Chiefs to work with. The Joint Chiefs are kept as operational heads, but at the same time they are allowed to delegate certain of their operational duties so as to have more time for strategic planning and for the overall operation. The Chairman of the Joint Chiefs of Staff is given certain managerial duties. He appoints the Director. The Director will be responsible to him, the Director of the Joint Staff Organization. And the Joint Staff Organization is built up to be the overall strategic command.

Mr. HÉBERT. And, mind you, this new bill or proposal of the President puts an unlimited number of people on the Joint Chiefs, where it was previously limited.

Mr. HERMAN. Let me go to the far end of the table now and ask first Mr. Foster——

Mr. FOSTER. As an engineer, may I get a word in with all these lawyers?

Mr. HÉBERT. I am not a lawyer.

Mr. FOSTER. I assumed you were a lawyer, but if not, I will get in anyway.

I would like to get back to Mr. Koehler's statement first about all this has developed in the last few months, and why didn't we know it before, since we have known about missiles for some time.

We have known about missiles for some time. They did not give evidence of becoming operational in the immediate future until the last several months. But there had been much study given to what we did about missiles over the last 4 or 5 years, and the military men who were concerned with this were those same three distinguished Chairmen of the Joint Chiefs that you speak of, General Eisenhower, and General Gruenther, each of whom believe at this point in history in order to meet these new threats that there should be a clarification of these lines of command in order to do it more rapidly.

Now, going to Mr. HÉBERT's statement about CARL VINSON, I think everyone in the Defense Department, everyone in the military services, has great respect for his experience and his ability. But I think in this he has perhaps felt, as you say, that there could be the man on horseback, but I wonder if that is realistic.

May I just finish one sentence. The President is the Commander in Chief of the military forces by that same Constitution to which we refer. He is charged with that responsibility and he must discharge it. It is a terrific responsibility. He must have under him a man who can pass those commands as clearly and quickly through as it is possible to do it.

And I think that this setup does exactly that. There can be no man on horseback with our system of government, because, you know, every single military man is under the direction of a civilian, and every civilian is under the direction and under the control of you gentlemen as Congress who will appropriate, and there are numerous other groups and controls within the Government that make it impossible to ever achieve the man on horseback under this or any other similar democratic plan of organization.

Mr. HERMAN. I would like to hear the lawyers' reaction to that.

Mr. KOEHLER. I think it is just about my turn to say something. Bill, I clearly would have no way of passing any informed comment on the extent to which or the manner in which the chain of command over military operations should be clarified. I am a civilian. I just don't know. To the extent that it can be done properly, it should be done.

What concerns me, as I said before, is the necessity, the apparent necessity, of a sweeping reorganization of the entire Department of Defense. Now, I warned you originally that I was going to get to the law, and I think what is important is not only what is in the new proposal but what has been stricken out.

I now read the present law:

"Notwithstanding any other provisions of this act"—this is existing law—"the combatant functions assigned to the military services by section"—so and so and so and so—"shall not be transferred, reassigned, abolished or consolidated. Military personnel shall not be so detailed or assigned as to impair such combatant functions. The Secretary of Defense shall not direct the use and expenditure of funds of the Department of Defense in such manner as to affect the result prohibited by paragraphs 1 and 2."

And substituted therefor, the proposed law is a provision that the Secretary of Defense shall have authority to establish unified or specified commands and assign forces of the Army, the Navy, and the Air Force, to those commands.

When you add to that the provision that the requirement of law that the three Departments shall be separately administered is to be stricken out, and then when you add to that this provision, I mean by striking—this is in the present law which I am now about to read, and which is to be stricken:

"No provision of this act shall be so construed as to prevent a Secretary of a Military Department or a member of the Joint Chiefs of Staff from presenting to the Congress on his own initiative, after first so informing the Secretary of Defense, any recommendation related to the Department of Defense that he may deem proper."

So the Congress, gentlemen, is forbidden to receive the very information it should have in order that it may judge more capabilities of the service.

Senator SALTONSTALL. Mr. Koehler, would you yield there?

Mr. KOEHLER. Certainly. I am finished.

Senator SALTONSTALL. I don't think the unified command violates any question or involves any question of merger of forces. We did it in the war. We are doing it now.

Mr. KOEHLER. I couldn't agree with you more.

Senator SALTONSTALL. So far as individual members of the Defense Department coming up to the Congress, I personally do not believe that the Congress will change that provision. Now, the President himself has said——

Mr. KOEHLER. I am pleased to hear you say that.

Senator SALTONSTALL. The President himself has said that he did not feel that a man, when he is asked questions, or at least McElroy said that, and I think the President has said it, that when a man is asked questions he should answer truthfully. And we have had a great deal of experience in that in the last 18 months, in the so-called Symington preparedness committee and in the Johnson preparedness committee. We have had other freedom of discussion with a man holding up his hand and taking an oath and speaking truthfully. So I wouldn't worry about that.

Now, I think so far as the merging of the services are concerned, we can't connect that with unified command.

Mr. KOEHLER. No.

Senator SALTONSTALL. That is another problem that has got to be argued out by itself. And there again the President has said emphatically he did not wish to merge the services.

Mr. KOEHLER. I know that. The difficulty is, Senator, that I find it extremely difficult to square the language of the proposal as written. Now, when we come—section 2 is the declaration of intent of the statute, and section 2 says it shall be the intent of this legislation not to merge the armed services. Well and good.

Now, if we turn to the section of the statute which implements that section of intent, within the policy enunciated in section 2, that is the intent not to merge: "The Secretary of Defense shall take appropriate steps" and so forth "to provide for more effective" and so forth "eliminate duplication."

Now, "No function which has been or hereafter authorized by law to be performed by the Department of Defense or any officer or agency thereof shall be substantially transferred, reassigned, abolished or consolidated until 30 days after a report in regard to all pertinent details shall have been made by the Secretary of Defense to the Committees of the Armed Services of the Congress."

Now, he makes that report. He waits 30 days, and if Congress acts within the 30-day period, Congress can prevent the transfer of those functions. But if Congress does not act within the 30-day period, those functions are effective, as I read the law.

That seems to me that if he should do it during that period when Congress was in recess——

Senator SALTONSTALL. That has got to be clarified.

Mr. KOEHLER. I am reading the law as it is written.

Mr. HÉBERT. Senator, I am glad to hear you say that. I agree with what you said. I don't believe the Congress is going to buy this bill at all, and that is what we are discussing right now.

We are going to have some type of reorganization, but the question is, Are we going to take what the President has spoonfed us? and I don't think—I don't think the President's bill will get out of the Armed Services Committee of the House.

Mr. FOSTER. Mr. Congressman, you are entitled to your own opinion, and we will leave that go.

Senator SALTONSTALL. I think it will.

Mr. FOSTER. I would like to get back to the legal brief here, because it seems to me that this whole question of separate administration is one of the key things in this whole argument.

Mr. KOEHLER. I agree with you.

Mr. FOSTER. You set up a law and I am not a lawyer, but you set up a law in which you allegedly give direction, control and authority and the complete responsibility for the security of the United States to the Secretary of Defense.

Then you go down four lines and say, but you can't do this, you can't do that, and you can't do the other things.

You say he can come up and he can make these changes. He gives the Congress notice and if the Congress says "no," he may not do it.

It seems to me with the unification of sea, air, and land forces which we must have in order to fight the kind of battles and wars we have today, you have got to give equal authority to the man to whom you have given responsibility, and this set of proposals is so designed to give that authority to the man on whom you have placed this terrific responsibility.

Mr. KOEHLER. Bill, I couldn't agree more with everything you have said. My only argument was this: I am dealing with the legislation that has been submitted to the Congress. I am not doing anything else but interpreting that legislation.

On the basis of this legislation, the President has said merger will not result. Chairman VINSON has said merger will result.

As I read this legislation, and I am not taking a position personally for or against merger, as I read this legislation a future unknown Secretary of Defense will have the authority if he chooses to exercise it to merge the services.

Mr. FOSTER. Well, perhaps that is so. The writers of the Constitution did not know the future people who were going to operate under it.

I do not think you can write a piece of law, and you legislators can advise me on this, that is only for this particular man. I think this is good sound legislation to meet the difficult problems we have, and I think that unless we do this kind of thing, we may be too little, too late, and too slow.

Mr. HÉBERT. Mr. Foster, as I understood it, you complain now that the Secretary is responsible and then the authority is taken away from him.

Mr. FOSTER. That is correct.

Mr. HÉBERT. That is right. Now, in the bill which you subscribe to and which you like, if you will read the act in section 4, it gives the direction to the Secretary of the Navy, "the Chief of Operations shall exercise command and supervision over such of the forces of the Navy and the Marine Corps as the Secretary of the Navy determines."

That is an affirmative declaration that the Secretary and the Chief of Naval Operations has control, is that correct?

Mr. FOSTER. That is correct.

Mr. HÉBERT. Now we come to the "but": "Other than the forces assigned by the Secretary of Defense to unified or special commands."

Mr. FOSTER. That is correct.

Mr. HÉBERT. In other words, by the wave of his hand he could have Mr. Arleigh Burke up there with no forces under him at all.

Mr. FOSTER. That is correct.

Mr. HÉBERT. Why subscribe in one instance and complain in another?

Mr. FOSTER. Oh, no, this is not true at all. What we are saying is that in order to fight modern wars, you must have the ability to have in command forces as your cutting edge sea, land, and air forces.

Mr. HÉBERT. That is correct.

Mr. FOSTER. One assignment to a unified joint or specified command. The commander of that force by direction of the President through the Secretary of Defense and the Joint Chiefs of Staff is charged with the responsibility of operating that force.

Mr. HÉBERT. That is correct.

Mr. FOSTER. At that point the Chief of Naval Operations or the Secretary of the Navy does not have this command over those forces.

Mr. HÉBERT. Isn't that in existence today?

Mr. FOSTER. But he must support them. It is in existence today.

Mr. HÉBERT. Then why do you need another law before——

Mr. FOSTER. I thought you meant——

Mr. HÉBERT. Admiral Stump commands the Pacific and he commands everybody in the Pacific.

Mr. KOEHLER. Mr. Herman, could I swing to something else again?

Mr. HERMAN. I was going to suggest at this particular point we had been discussing particularly the provisions of the Secretary of Defense to handle forces.

Now, another major point arises at this time, and I think is unalterably connected with it, and that is ability to handle funds and to transfer them from one force to another and I haven't heard that discussed.

Mr. KOEHLER. Maybe I could lead off on that and really divert a little from that.

Mr. HERMAN. Very well, sir.

Mr. KOEHLER. I am a veteran of two Pentagon reorganizations, the 1947 one and the 1949 one.

I recall distinctly when the first plan went into effect in 1947. Secretary Forrestal, in whom there was no abler public servant that I ever knew, Secretary Forrestal took the position that the Department of Defense could work successfully only if it had a very few number of people in the Secretary of Defense's organization. Some say 50, some say 100. That is unimportant.

In the 1949 act, specification was made for 3 Assistant Secretaries of Defense, and later in the 1953 act, 6 more were added.

Now, it seems to me, although I wasn't too much subjected to the intervening layer of Assistant Secretaries of Defense, it seems to me that the appointment of every additional Assistant Secretary of Defense downgrades to a certain extent a service Secretary, because he must be taking some of the secretary's functions, and also adds another burden to the already intolerable burden of the Secretary of Defense, because there is one more person who has to report to him.

Now, I believe that it would make very much sense if we are going to keep the services at all, to eliminate the greater part of that intervening layer.

Let the service Secretaries relieve the Secretary of Defense of a tremendous burden administrative and otherwise, and let the Secretary of Defense devote more of his time to his fundamental job, which is working with the Joint Chiefs of Staff.

That is the heart of his job.

Mr. HERMAN. Go ahead, Senator SALTONSTALL.

Mr. FOSTER. I do want to get in on that one.

Senator SALTONSTALL. As one that was on that conference committee, and worked out this act and who worked very closely with Mr. Forrestal at that time, I know something of what he was thinking.

Now the words that were finally put in, as you will recall, are "authority" and "control."

Mr. KOEHLER. That is correct.

Senator SALTONSTALL. But the Department shall be separately administered.

Mr. KOEHLER. That is correct.

Senator SALTONSTALL. That was done to work out this compromise, if you will, that could carry through. That has been interpreted since that time to give the Secretary of Defense the authority over the services.

On the other hand, it is clear that they should be separately administered.

Mr. KOEHLER. That is correct.

Senator SALTONSTALL. One of the purposes of this act, as I understand it, at the present time, is to clarify that.

Mr. KOEHLER. One purpose is to wipe up separate administration.

Senator SALTONSTALL. The words "separately administered" are wiped out as such, but the various services are not merged. The Secretary of the Navy, for instance, will continue to——

Mr. KOEHLER. Senator, could I ask you just one question?

Senator SALTONSTALL. Certainly. I don't know if I can answer it, but I shall try.

Mr. KOEHLER. If the services cease to be administered separately, and if they are taken out of the chain of command, the service Secretaries, which may be proper, as Mr. Foster said, I am not qualified, what then is left of the individual services? Are they organizational entities at all?

Mr. FOSTER. Of course, they are, and there is absolutely no thought of eliminating the services as such.

The elimination of the separately administered is to give the Secretary of Defense the authority which he needs to truly direct and coordinate these groups, and this story of 100 people to do this job, I have heard that a good many times, and you know, Jack, as well as I, that Jim very rapidly changed his feeling about that way of running the Department.

Mr. HÉBERT. Just a moment. It is in here if you want to read it, Admiral Sherman——

Mr. FOSTER. I don't care whose testimony it was that is contrary to this.

Mr. HÉBERT. It was never sold to the Congress other than what he said. Mr. Forrestal never told the Congress anything different.

Mr. FOSTER. He never went back for a hundred in the reorganization at all, and I can assure you to run a business—and I think perhaps you gentlemen are overlooking the magnitude of this operation that has to be done by the Secretary of Defense. On this I can speak with some authority. I am not a lawyer, but on this one I can speak with some authority.

You are running a $40 billion or $50 billion business. You have $120 billion worth of plant and installations. You are complaining about seven vice presidents.

I think this is a very small number of vice presidents. I think the Office of the Secretary of Defense is one of the most efficient business operations that I know in terms of numbers, 1,500 civilians, 700 military people.

Mr. HERMAN. Let me get a question in here, please. I just want to say that as a former Deputy Secretary of Defense, yourself, perhaps you would want to comment on this question of how the Secretary of Defense's Office operates and also you might want to add at this point the question of the Deputy Secretary of Defense for Research.

Mr. FOSTER. His title will not be that, although he will be somewhat similar to that. Of course, research and technology is so obviously such a terrificly important part of our whole military activity now that unless we give to that the position of authority and prestige which it deserves, we may well be unable to attract the kind of real brains and real forward progress that we have to have in order to keep up in this terrific race.

I think that this plan, a Director of Defense Research and Engineer, provides that kind of authority. It gives to that man the prestige of authority in precedence, fifth in precedence behind the Secretary, the three Secretaries, and the Deputy Secretary. And it gives to him a control over, as well as an ability to advise, the Secretary of Defense on the highest research and technology level, and we need it. We must have it.

We have lost in this regard over these last few years. We know this, all of us. And unless we are able to give this kind of a job and get the kind of brains and support and direction that I believe can get through this device, we may really be in a desperate state.

Mr. HÉBERT. There is nothing in the law that prevents you from accomplishing everything you have said.

Mr. FOSTER. This I question.

Senator SALTONSTALL. Mr. HÉBERT, may I just say this. This I personally know. Take for instance today, the solid fuel as opposed to the liquid fuel in the propulsion of a missile.

Today there are three separate investigations going on in solid fuel, in each one of the services. Now this was brought to my attention by a man who is involved in it. He says there simply isn't manpower enough to do it. I just give you that as one example.

I dont think there will be much debate over this one centralization of research, do you?

Mr. HÉBERT. Senator, I think we could take a cue from that on the Hill, too, the overlapping investigations we have got.

Mr. HERMAN. Let me ask all four of you gentlemen to turn your attention to that question, the question of inefficiency, need-

less duplication of which so much has been made and also of the funds involved here.

Is there so much inefficiency and needless duplication now going on in the Pentagon?

Mr. HÉBERT. May I address myself to the money question? That is very interesting.

When the President first came out with this very revolutionary plan, the straw man was put up as the moneyman.

The Secretary of Defense would control all this money. He knew the Congress never would buy anything like that. So he abandoned it and then in his statement he said he didn't really need that right now.

We will set that aside until a later date because he has the power now.

Whether he has the power now is debatable, but he exercised the power now because he is exercising a line item veto which the Congress has refused to give him by the conduct in the Comptroller's Office in the Department of Defense and in the Bureau of the Budget. And in the hearings of recent vintage by the House Armed Services Committee, when all of the services were there, every individual that testified, every Secretary, every general had one comment to make: that the reason for the tardiness and delay in our missile program and all hindrance rested in the Comptroller of the Defense Department and the Bureau of the Budget where the money is being controlled. So he has got it now and he says nothing about it, and that is where the delay is. This is—no, I won't use the word he used, "nonsense."

I think it is tragic that this matter has been placed out of focus and the word "nonsense" used, and every time the President speaks, he says, "I'm the man that knows. I'm the great military man."

Does the 44 years of Mr. VINSON, 22 years of Mr. BROOKS, the 22 years of Mr. ARENDS, the 22 years of Mr. KILDAY, 18 years of Mr. RIVERS mean anything—we are not children.

Mr. FOSTER. Administration or writing of the policy? I think that there is a good deal to be said for what really I believe was the President's thought on this, namely, to give some flexibility for transfers within the overall appropriations. You know, Mr. HÉBERT and Senator SALTONSTALL and Mr. Koehler, that the budgets are made up 3 years almost before they actually get to the point where they are being spent. With all the due wisdom that is accumulated in both the Congress and in the Department of Defense and in the Budget Bureau, it is impossible to foresee the changes that will take place in this rapidly changing world, and all that is being requested is, number one, that the budget be that of the overall Department of Defense, the overall plan of how to support, maintain and further these defense forces, and when the time comes to the actual expenditure, the right to move within line items and within the services some amount—Mr. McElroy said less than 10 percent.

Some other figure was mentioned as 5 percent. Say it is between 5 and 10 percent. I think that if you get the kind of problems we have today, this flexibility can save us a great deal of money, and will allow us to proceed with the new things that develop at the point the money is available.

Senator SALTONSTALL. We have a certain amount of flexibility today. The Defense Secretary in the last budget had, I think, $100 million which is a comparatively small amount of $40 billion that he had complete control over. He had also certain powers of transfer: As I remember it, not over 10 percent change in any one appropriation item, any one line item, and not over 5 percent could come from any other line item. Of course, that had to be within the services. That couldn't be shifted from one service to another.

Now we also have the power of transfer of funds for construction purposes. That has been done historically. And that comes down and goes through if it gets the approval of the Appropriations Committees in the House and in the Senate.

Now, how far Congress will go with allowing that transfer to be made between services is a problem that we have got to argue out and argue out very carefully.

Mr. HÉBERT. That is correct and that is the crux. Again, the Secretary has the power which the President is asking, but he wants just a little bit more, and I understand he is going to have $500 million in that emergency fund.

Mr. FOSTER. He does not have it as between services.

Mr. HÉBERT. I think he was more fearful——

Mr. FOSTER. He wants flexibility in order to meet changes.

Mr. KOEHLER. I think that problem is one that lends itself admirably to resolution between the Congress and the Department, as Senator SALTONSTALL has said.

Senator SALTONSTALL. You have been down there many times.

Mr. KOEHLER. Many times. I would like to get back to this question and I trust, Bill, you would bear with me on this one of the Assistant Secretaries of Defense versus the Secretaries in the military departments.

As I told you and as you know, my experience there terminated late in 1951. But even then, I found difficulty as an Assistant Secretary of the Navy in carrying out what to me where the orders assigned to me by the Secretary. I found a rather diffuse situation at the Assistant Secretary of Defense level because it seemed to me that there you didn't have authority running hand in hand with responsibility.

You had authority, but the responsibility was down the line. Now, I think today—and I think it is a very sad thing—I think today the Secretaries of the military departments are of much lower stature than they were 10 years ago, and without question, if this proposed bill becomes law, the Secretaries of the military departments, for my money, will not amount to very much at all.

I would like to reverse the trend so that the carrying out of the tremendous administrative functions of the Department of Defense could be done under the aegis of the service Secretaries rather than under the aegis of the Assistant Secretaries of Defense.

Mr. HERMAN. I'd like to take this away from the officials at this point and ask the Members of Congress, Congressman HÉBERT and Senator SALTONSTALL, how they feel on that particular argument?

Senator SALTONSTALL. Well, I think that the Secretaries of the various services should have a very substantial authority. Now, I think that in these days of quick decisions and quick actions and strong actions, there has got to be a greater centralization of authority.

Therefore, I would make it perfectly clear in the law that the authority is in the Secretary of Defense under the President through the Joint Chiefs of Staff for action in these unified commands, for instance, and then the details of how to carry out a lot of that business have got to be left and given to the Secretaries of the services rather than assistant secretaries in the Defense Department.

Mr. FOSTER. If I may interrupt for 1 minute, it will just take a second, that the Secretaries of the services will continue to have tremendously important delegated authority under the authority of the Secretary of Defense. They have got to support the whole military——

Mr. HERMAN. I think we have come to the point where we are running out of time and our agreements and disagreements are pretty well lined up, so I'd like to ask you to reflect back over your arguments here and offer you one last moment for rebuttal and restatement of your positions, starting as we started before with Senator SALTONSTALL.

How do you now feel that you should state your position?

Senator SALTONSTALL. Mr. Herman, I am very glad to have been on this discussion because I think it has been very helpful, I hope, to people who have listened and certainly to me who have taken part.

I reiterate what I said before. In these days of missiles and supersonic airplanes and all that goes with speed, we need speed of decision, we need speed of action. We are never going to be an attacker. We are going to be attacked. We may be attacked. We hope we won't be. We are more liable not to be attacked if any possible enemy knows that we have got a speedy retaliatory effort that is going to be a very destructive and devastating effort.

Now to accomplish that, we have got to, because of the speed of action, we have got to have more authority in one person, more authority most essentially in a civilian. That is the Secretary of Defense.

We have got to give him the strategic powers of the Joint Chiefs of Staff. If we do that, and that is all the President wants to do, we will be able to give that massive retaliatory effort.

Mr. HERMAN. Very well, Congressman HÉBERT.

Mr. HÉBERT. I think after listening to the discussion today that I am more convinced than ever that those of us who oppose this extraordinary bill of the President's are thinking along the right lines.

There has been nothing developed today that has indicated in any manner, shape or form, that this speed that is desirable of which Senator SALTONSTALL has just spoken could not be accomplished.

You can write all the laws in the world, but you can't change human nature, and if the Secretary of Defense is not a man of action and speed, the added power which could well be misplaced, will not help him one iota. I believe it most important that we do reorganize the Department, but organize it downward instead of upward by giving more central authority to fewer people and drawing a definite line so we will know exactly where we stand and keep each service in its true autonomy, its true identity. And I hope that we can get the proper testimony on the Hill and I was very interested in Senator SALTONSTALL talking about the people who appeared, but the echoes of names like Denfeld, Gavin, and Putt ring in my mind.

Mr. HERMAN. Could I ask you just in a very brief word whether you propose to start some kind of reorganization downward?

Mr. HÉBERT. Oh, yes. There is a bill before the committee, positively. We have that bill. We have no negative approach. Mr. VINSON has a bill in with Mr. KILDAY. That is the bill that I support.

Mr. HERMAN. Thank you. And Mr. Foster.

Mr. FOSTER. Well, I couldn't disagree more, of course, with the Congressman, and I think that it is a completely negative bill to which he refers. I am sure we are all aiming at the same objectives. We all want to have the most efficient, the most adaptable, the most decisive forces that we can get, and I think we have to ask ourselves these questions: Will this organization give us better coordination and direction of the Armed Forces? Will it give a better place in the scheme of things to research and technology? Will it make it possible for us to react more rapidly to the almost instantaneous attacks to which we may be subject? And will this in essence provide for us the kind of defense effort which will allow us to survive at a time in

history when we are truly threatened with destruction almost overnight if the enemy makes that choice?

Mr. HERMAN. Mr. Koehler, will it?

Mr. FOSTER. I say it will.

Mr. KOEHLER. I would just like to say this: That this is the first conference of this type in which I have participated in which there has been so much light and so little heat on a subject that is bound to raise so many different points of view. I would like to revert to a few remarks I made in my opening statement.

And regardless of my personal views, I would like to say that it may well be, for reasons that Mr. Foster knows much better than I, that our national security requires fundamental changes in our present defense structure. If the President and the Congress so determine and if those required changes include merger of the Armed Forces and the creation of a single Chief of Staff, that would, of course, be a definitive answer.

My concern, as I said earlier, lies not with the expressed intent of the proposed legislation, but with the conclusions I have drawn from a study of its language. We are a government of laws and not of men, and with that in mind, I am forced to conclude that this bill, if passed, would authorize some presently unknown and future Secretary of Defense to merge the armed services as we now know them and would also authorize, if not create, a command structure.

Mr. HERMAN. Mr. Koehler, I think we have just about run out of time. I want to thank all you gentlemen for joining with us today in this discussion of the defense of America.

The Attorney General Declares War on Organized Crime

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1958

Mr. KEATING. Mr. Speaker, no problem facing this Nation today should cause greater concern than the rise in power of organized crime organizations. These gigantic octopi have stretched their tentacles across State borders until they have enveloped our Nation, reaching into the homes and businesses of Americans everywhere. Unless a death blow is struck at the heart of these monsters they can stifle our whole economy and threaten our very existence as a nation.

No State alone is equipped to deal effectively with these nefarious organizations. What is needed is a national crusade spurred on by the combined efforts of top crime fighters in both State and Federal Governments.

The Attorney General of the United States has announced his determination, as head of the Department of Justice, to conduct the kind of concentrated, coordinated, and sustained drive against organized crime that is needed to rid it from our land. In a speech delivered last night before the Advertising Council, Inc., he ably identified the target and outlined the plan of attack. It is a speech which every Member of Congress and, indeed, every American should read.

Mr. Speaker, we cannot expect the Department of Justice, any more than our Armed Forces, to fight effectively without the proper weapons. Existing laws do not provide an up-to-date arsenal, and for some time I have urged Congress to supply one.

There are several bills, which I have introduced for a number of years, pending before the Committee on the Judiciary now. I intend to offer several more in the near future. The Department of Justice no doubt will have additional proposals.

I am especially pleased to note the indications in the Attorney General's speech that the Department is swinging around to the view that legislation embodying the principal of my bill, H. R. 258—to permit the Federal Government to crack down when interstate conspirators are breaking State felony laws—is the most effective and direct means for annihilating organized crime.

I am confident that this Congress will want to join in the battle against crime by giving early and favorable consideration to such measures before it adjourns.

I commend the Attorney General for his courage and determination in undertaking this enormous and vital task. I am sure that law-abiding citizens everywhere wish him every success, and will cooperate in every way possible.

Under leave previously granted, I insert Attorney General Rogers' fine speech at this point in the RECORD:

ADDRESS BY HON. WILLIAM P. ROGERS, ATTORNEY GENERAL OF THE UNITED STATES, BEFORE THE ADVERTISING COUNCIL, INC., HOTEL STATLER, WASHINGTON, D. C., MAY 5, 1958

Tonight I want to talk about a problem which I believe requires serious attention. These days, quite naturally, we are concerned with the economy of our country and our national defense. In a very real sense, the problem of crime is related both to our economy and to the future strength of our Nation.

As you know, this year the Nation will spend more than $40 billion on national defense. But how many people know what crime costs our country? Most people are wholly unaware of the staggering proportions to which it has grown—unmindful of the fact that it is second only to national defense in terms of cost. The estimated cost of crime in the United States in 1 year is about $20 billion.

Twenty-five years ago the Attorney General was appalled by the fact that in 1933 1½ million major crimes had occurred—one for each 84 persons in the Nation. In 1958, it appears now that about 3 million major crimes may be committed—twice as many as in 1933. This means that in 1958 one major crime will be committed for every 60 persons in the United States.

Since 1950 the rate of crime in our country has been exploding at a rate four times as fast as the rate of growth of our population. The rate of crime in 1957 increased 9 percent over 1956.

These statistics only begin to tell the story. One of the facts which stands out in bold relief is the alarming increase in the number of crimes committed by young people. Almost half of the persons arrested for major crimes last year were under 18 years of age. Somehow there has been a failure properly to inculcate our people, particularly our young people, with a sense of moral values—with an awareness of how destructive crime is to them and to the country. These figures indicate that there is a tremendous job to be done by schools, churches, parents and organizations such as this in the years ahead.

Tonight I want to talk not about general problems relating to crime but rather about some of the things we hope to do in the field of law enforcement. Let me mention that I would hope too that this influential organization which has contributed so much to solving important problems of our Nation in the past, will want to give its thoughtful attention to what it can do to help reduce the rate of crime in our country.

What is one of the most obvious facts about the growth of crime in our country? It is the growth of organized crime and the success of its operation.

Syndicates made up of criminals have coordinated and extended their operations over many States and in many cases, across national boundaries. Why is this true? It is true because organized racketeers and hoodlums have learned how to make crime pay.

The top echelon of organized criminals have been able to remove themselves from exposed positions and now operate by scheming, directing and organizing. Organized criminals exert general control over those types of criminal activities that yield the most profits—gambling, narcotics, and extortion, to name the big three. And obviously they pay only a small portion of their taxes on these activities because if they paid all of their taxes as ordinary citizens do, a life of crime would not pay.

In order that you may have a better understanding of the problem from the standpoint of a law enforcement official let me make some general observations.

First, I notice that there is a widespread lack of awareness as to the respective roles of Federal responsibility as compared with the State and local responsibility in the field of law enforcement. Generally speaking responsibility for law enforcement in our country rests in large measure on the States and localities. The fact is that less than 10 percent of all crimes violate Federal law.

Yet almost every time a serious local crime is committed which gets national publicity some Senator, Congressman, Governor, or civic group will immediately demand that the FBI investigate it. This is a very fine tribute to the FBI but it demonstrates a lack of understanding of the law and tends to shift the responsibility away from the States and localities where it belongs.

Consider the recent atrocious bombings of schools, churches, and synagogues which have occurred in Florida and other Southern States. At first there were demands that the FBI take over the investigation. The Federal Government did not have jurisdiction in those cases because no Federal law was involved. The Federal Government does not have jurisdiction merely because the perpetrators of the crimes may have crossed State lines or because a conspiracy may be involved or because a series of crimes are involved. Unless a Federal law has been violated the FBI has no jurisdiction to investigate.

The law enforcement officials of the States and localities involved have recognized their responsibility. Officials from 29 southern cities have conferred for the purpose of taking cooperative action to solve these shocking crimes. Those responsible are to be complimented for taking this affirmative, determined action.

The FBI stands ready to help the local authorities in every way possible. Its laboratories, identification facilities, information from its files, etc., have been made available.

It is maintaining the closest liaison with the responsible authorities and will give them every assistance possible.

The point I hope you will remember is that it is important for the public to place responsibility where it belongs. Communities get the kind of law enforcement they deserve and the public must know where the responsibility lies.

Another fact which is not always fully appreciated is that within the Federal Government itself jurisdiction for investigating crime is divided. The jurisdiction of the FBI is limited to general crimes and crimes involving national security. Internal Revenue has its own investigating staff which has jurisdiction of matters pertaining to tax frauds. The Narcotics Bureau in the Treasury Department has primary responsibility for investigating narcotics violations. The Secret Service is responsible for investigating counterfeiting and crimes relating to the public moneys. The Post Office investigates misuse of the mails.

All of these investigating agencies have compiled outstanding records in their respective fields but organized criminals have not seen fit to compartmentalize their activities so as to fit neatly into these niches. The Department of Justice has complete and sole responsibility for the prosecution of all crimes. It seems obvious then that the information obtained by separate investigating agencies must be fitted together more effectively by the prosecutors than in the past if we are to meet today's crafty challenge of the organized criminal.

About a month ago, I announced a long-range program for combating organized crime in this country. Although as I have mentioned, the Federal Government has a limited jurisdiction we do have some powerful weapons. The main ones are the income-tax laws, the tax laws relating to narcotics, and the Hobbs Act and the Taft-Hartley Act relating to extortions and payoffs in union activities.

Let me briefly sketch the three main points of the program.

1. The program will be concentrated.

We will give top priority to 100 of the top racketeers in the United States. That is not to say we will ignore the others for we plan to attack crime on as many fronts as we can. It does mean, however, that we will give immediate and concentrated effort to the 100 worst hoodlums and racketeers in the country.

The list of names will not be made public for two reasons. In the first place, it would tip our hand and make the investigative work more difficult. In the second place such publication of the names might be attacked as prejudicial in the event of trial. After there have been convictions or deportations we will announce the names and will replenish the list with others who are deserving.

You may wonder why a list of 100. Of course, it is an arbitrary figure to be used principally for purposes of concentration of effort. A brief discussion of how organized crime functions today will indicate why this concentration, I believe, will be effective.

Last November at Apalachin, N. Y., a meeting of 64 top racketeers and hoodlums took place. A majority of those in attendance came from New York, New Jersey, and Pennsylvania, but there was a fair representation from the South, Midwest, and even the west coast. A few of those in attendance had been in a similar meeting as far back as 1928 in Cleveland. Many of them were in attendance at a meeting in 1952 in the Florida Keys, in 1953 at Miami, in 1954 at Chicago, and in 1956 at Binghamton, N. Y. Meetings such as these at Apalachin, attended by what amounts to the board of directors of organized crime for a given area, serve many nefarious purposes. Lines and means of communication are established, methods of distribution are agreed upon, territorial arrangements are made. As a result, gang wars of the twenties and thirties have been almost completely eliminated.

The members of these top-level planning boards are also the key figures in organizations with headquarters in New York, Miami, Chicago, and other cities in the United States. Here the multimillion dollar businesses take shape. Those on top seldom come in contact with the local hoodlums who are responsible for maintaining discipline, bribing local officials, or actually dispensing the products of crime. But through strong arm tactics carried out through subordinates in a chain of command and with the power to shut off necessary financing, production, and sources of supply, they exercise control over most of the profitable forms of illegal activities. The dope peddler, the bookie, the numbers runner, the vendor of obscene magazines, are all largely dependent for their illicit merchandise and for permission to engage in these activities upon these overlords of crime.

These overlords of crime in many instances have invested their ill-gotten gains in hotels, night clubs, coin-operated machines, scrap iron trucking, etc., and hide behind these legitimate fronts while directing their criminal activities.

It is our purpose to concentrate on these overlords. We plan to find out everything that we can find out about them—their sources of income, their present activities, how they invest their money, and how they avoid paying their taxes. Without in any way denying them any of the rights which our citizens have under our system of justice we will attempt to find out what Federal law they have violated and to obtain the necessary evidence to prove it.

2. The program will have a Government-wide coordination of effort.

After consultation with the Secretary and Under Secretary of the Treasury, the Director of the FBI, the Commissioner of Narcotics, the Commissioner of Immigration, the Secret Service and the other investigative agencies we concluded that we would turn the combined strength and resources of all Federal investigative and law enforcement agencies in a common effort against the organized criminal.

Of course we have not been oblivious in the past to the activities of organized crime and the need for cooperation. What seemed to be lacking and what we are in the process of establishing is a unified prosecutive command, where all information on racketeers from all investigative agencies will be correlated, studied and acted upon.

Let me cite an illustration of what I mean. The distribution and sale of narcotics, particularly to young people, is one of the most reprehensible of all crimes. Almost all of it is imported, and it lends itself peculiarly to the control and distribution practices of the organized criminal conspiracy. Most heroin comes from Turkey, Syria, and Iran in the Near East and China in the Far East. Organized crime has built up a giant transmission belt for securing this drug, for providing for its safe importation, and ultimately for its distribution to the dope peddlers. One pound of heroin is worth about $150,000. The Bureau of Narcotics seized about 1,700 ounces of heroin in 1957.

Most marihuana comes from Mexico. Over 26,000 ounces of marihuana were seized at ports and borders, and over 11,000 ounces were seized within the United States in 1957. So you can see that the sale of narcotics is a huge business.

In many instances it is possible to identify top racketeers who traffic in narcotics but not to obtain the necessary evidence to seek an indictment. Now the important thing is to put this criminal out of circulation—the crime for which he may be convicted is of secondary importance. So we will study all the evidence which the Government has in its possession from all the investigative agencies. Perhaps we can prove a tax-fraud case, possibly he may be subject to deportation, the FBI may have information which, placed together with all other information obtained from the Narcotics Bureau, may show the violation of some other Federal law, or in some instances we may be able to supply local law-enforcement officers with evidence sufficient to convict for a local crime.

3. It will be a long-range, sustained program.

From my experience in law-enforcement work I have noticed that efforts directed on organized crime are apt to be sporadic. A series of vicious crimes occur or a Congressional investigation is held and a drive on crime is started. When the excitement dies down the drive is apt to die down.

The program we have in mind is not intended to produce quick or sensational results. Rather, it will be a long-range program built on policies which will be lasting and intended to meet a continuing and constantly changing problem.

Recently we have seen instances of how effective racketeers have been in taking over control of a few powerful labor unions. They not only steal money from the union treasury but they use the unions to extort huge sums of money from contractors.

Obviously, the efforts of the racketeers to penetrate these unions are well planned and sustained. A few years ago the most powerful racketeer in southern Illinois was Evan Dale, who was president of a union of hodcarriers and common laborers. For years he exercised complete control over the rank and file of his union, responsible to no one. During his trial for extortion Dale described himself in the following language:

"I am a Chicago boy. When I left Chicago I threw away my shovel for a blackjack and I have been using it effectively ever since. I came to southern Illinois 15 years ago to carve out an empire. I have carved out an empire. I have 38,000 laborers and 28 business agents under me."

For his part in the multi-million-dollar shakedown of contractors during the construction of a powerplant for the Atomic Energy Commission, he was sentenced to 15 years in jail.

There is only one way to combat successfully the activities of such racketeers who have taken over a few labor unions—and that is with a sustained and long-range program of law enforcement. Of course it is not possible or desirable to spell out in any detail all the plans of the Department in this field. What I have said represents a general approach to the problem.

The policy of the Department of Justice can be expressed this way:

1. We will attack the problem of crime on all fronts within the limit of our jurisdiction.

2. We will give top priority to concentrating on the top 100 racketeers.

3. We will urge the courts to impose maximum penalties and within the procedures laid down by the law will seek to expedite the trial of cases.

4. We will urge Federal legislation to give the Federal authorities more weapons to cope with organized criminal activities that have interstate ramifications.

5. We will cooperate with State and local authorities to the greatest extent possible.

The program which I have discussed this evening deals only with one phase of the crime problem in the United States. The

problem is a much broader and more serious one than anything that improved law enforcement alone can solve.

There are many things which must be done. For example, the public must be more alert to the tieup between crime and local politics. Experience shows that organized crime on a profitable basis cannot exist for long in any area without the connivance of local law enforcement officers.

Then too the public must be made more aware that their support and cooperation in giving information about crime especially in the field of extortion is essential if our law enforcement agencies are to cope effectively with the ever increasing rise of crime in the United States.

Finally, there is a heavy responsibility which rests on all of us more effectively to instill young people with the basic traits of character which are so vital to our free way of life.

The Advertising Council, which has given so generously and so successfully of its time and talents to programs for human betterment, may want to give some of these and other broader aspects of the problem its future consideration. If you do I assure you that all of us in the Department of Justice will give you our enthusiastic cooperation. I can think of nothing which would be more helpful to the Nation than to have the benefit of your thought and counsel and your active participation in helping to solve this grave national problem.

Increasing Pay for Federal Employees

EXTENSION OF REMARKS
OF
HON. MERWIN COAD
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. COAD. Mr. Speaker, recently, many questions have been raised concerning the status of legislation increasing pay scales and benefits for various groups of Federal employees. I have conducted extensive research to find answers to these questions, a summary of which I have compiled for the following talk given to the Iowa State Federation of Federal Employees at Ames, Iowa, last Saturday.

AN ADDRESS BY MERWIN COAD, REPRESENTATIVE IN CONGRESS, SIXTH IOWA DISTRICT, BEFORE THE IOWA STATE FEDERATION OF FEDERAL EMPLOYEES, AMES, IOWA, MAY 10, 1958

Before I get into the main part of my talk, I want to express my thanks for this opportunity to be with you today. It is always gratifying, of course, to get back to Iowa, and the pleasure of returning home is made greater by occasions like this where one can see old friends and talk to the people one admires and respects.

As many of you know, this year, 1958, marks the 75th anniversary of the Civil Service Act. The merit system in the Federal Government really began when the Pendleton Act was signed by President Arthur on January 16, 1883. This law was the culmination of many years of increasing public disgust and indignation at the spoils system and growing demands for reform.

Through the years the idea of a civil service based upon merit has become stronger, and the merit system has been steadily expanded to the point that it now includes about 90 percent of all Government employees. The levels of efficiency and public service have grown and developed along with the merit system, and I believe that all thoughtful people would agree, in this diamond anniversary year, that the Civil Service Act of 1883 was one of the most significant pieces of legislation in American history.

I can say with all sincerity that I have always had a high regard for employees of the Government. Through the years they have given loyal and dedicated service, often in the face of criticism as widespread as it was unjust. Since I have been in Washington, I have seen no reason to change my long-held opinion on this matter; in fact, I am more than ever convinced that the American people are fortunate indeed to be served by Federal employees of such high caliber.

I would like to speak to you about some of the more important Congressional legislation affecting you as Federal employees. In some ways this is a bit risky because anyone who tries to foresee just what Congress will do is really sticking his neck out. However, there are some solid facts to work on, and maybe we can make some intelligent guesses.

The biggest and most important item is, of course, the pay raise. I hope that all of you know where I stand on this matter. I have been in favor of an adequate pay raise ever since I got into Congress, and I expect to do everything in my power to bring about its early enactment. To me it is a shameful thing that the increase was not granted long ago. The trouble is that too often matters of this kind get so tangled up with a whole assortment of other issues that they no longer are considered and treated upon their own merits alone.

Please do not misunderstand me. I certainly do not mean to imply that there will be no pay increases. By all indications, quite the contrary is the case. I really believe that there almost surely will be an increase. I am simply saying that all the delay and apparent stalling have been very unfortunate and frustrating and, perhaps to some extent at least, inexcusable.

Of course, we should not forget that the first session of this Congress did pass both postal and classified pay bills. You will recall that the President vetoed them. The principal argument at the time was that the bills were inflationary. Now, with the country in a recession, some administration people say the bills would cost too much.

I must confess that this line of economic reasoning is too deep for me. First, it argues that no pay raise should be granted in good times because it would be inflationary; second, it argues that there should be no increase when times are not so good because it would cost too much.

As I said, this is a bit too much for me, and it may be rather difficult for you, or any other rational people, to understand.

The truth is that these arguments ignore the basic, critical facts about pay raises. They ignore the greatly increased cost of living which, so far at least, has not heard about our recession. They ignore the fact that there has been no pay raise since 1955. They ignore the fact that the pay of Federal employees has always lagged behind the pay in private business and industry, and is now even further behind than usual. In general, they ignore the fact that by any equitable standards of need and merit, an immediate and substantial pay raise is fully justified.

As you probably know from reading your newspapers, the fate of the pay bills is now tied in with the measure to increase the postal rates. This is not the place for a lengthy discussion of the postage rates as such, but because the final outcome of the pay bills seems to depend on the postal-rate legislation, a brief comment is necessary.

Some of you may be wondering what postal-rate increases have to do with your pay hikes. This is a good question, and one that defies any reasonable explanation as far as I am concerned. The administration has declared that the rate increase is needed, partly to help finance the Post Office Department and partly to help finance employees' pay raises.

I would like to say, parenthetically, that in my opinion the post office is a public-service organization. Delivering the mail is one of the most important services the Federal Government performs. And it must remain a service. The Post Office Department is not in business to make money. It is in business to deliver the mail. If it can be more or less self-financing, that is fine. But there is no possible justification for foisting unreasonable and exorbitant postage rates onto the public.

The linking together of postage rates and Federal employee pay scales is difficult to understand on the basis of doing what ought to be done in the easiest, fairest, and most practical way. If civil servants deserve a wage increase—and they most assuredly do—they deserve it regardless of how much it costs to mail a letter. There simply is not even the remotest connection between the two. The merits of one have nothing whatsoever to do with the merits of the other.

I repeat, I think you are going to get a pay raise in spite of the obstacles that have been placed in the way. Many of these obstacles have indeed already been overcome. Bills for both postal and classified pay increases have already moved a considerable distance along the legislative trail. Both the House and the Senate have passed bills for increases for classified workers. The bills are not the same, and the differences will have to be ironed out, but ultimate passage seems pretty well assured.

The pay raise may be the most significant issue affecting Federal employees, but it should not be allowed to obscure the fact that there are other important matters under consideration as well. As members of a Federal employees' association, you will be interested in learning about the progress that has been made toward gaining more official recognition of unions made up of civil servants.

Because of their very nature, unions of Government employees must be weaker than other unions. For example, one of the big differences is that members of a Government union have no right to strike. I think most of us agree that there should be no right to strike against the Government of the United States, but this does not mean that some of the other union activities should not be strengthened.

A subcommittee of the House Post Office and Civil Service Committee has recently held hearings on a bill that would increase the bargaining power of Federal unions. This measure officially recognizes the right of leaders of these unions to represent the membership in cases where there is a dispute or grievance with a Federal agency.

Under this bill these disputes would be referred to an impartial board of arbitration made up of a representative from the agency involved, from the employee union, and a representative appointed by the Secretary of Labor. The proposed law provides that the decision of the arbitration board would be final and conclusive.

If this bill becomes law, it probably won't solve all of the labor problems in the Federal service, but it should substantially increase the bargaining power of the unions. I am sure that all of you will be interested in future developments in this field.

With regard to retirement, you will recall that there were very sweeping amendments to the Retirement Act in 1956. Not much is

in the legislative mill at the present time touching upon the retirement of currently active civil servants.

However, those of you who have friends who retired before October 1956 will be happy to learn that they have a very good chance of receiving a boost in their annuities in the near future. Legislation to increase these annuities by about 10 percent has passed both Houses of Congress and is now before a conference committee which is working out differences in details.

This is essentially a cost of living increase, and certainly a much deserved one. Many annuitants who retired before the liberalizing amendments of 1956 have had a very difficult time making ends meet. This pending bill should be of considerable help to them.

Other significant legislation that Congress is now considering concerns your Government life insurance. The great majority of civil servants are covered by this program, and it is easy to understand why. This insurance is inexpensive to buy and simple in its operation, and it provides an extra means of protection for the family of each Federal worker who has taken advantage of it.

Under the present arrangement this insurance costs the employee 25 cents each pay period for every $1,000 of coverage. The Government now pays in just one-half of this amount, or 12½ cents per each $1,000 covering the employee.

The proposed legislation calls for increases to 32 cents and 16 cents respectively for the employee and the Government. In return the value of the policy would decline to a maximum of only 50 percent of its original value after the employee reaches age 65 instead of to 25 percent, as is now the case.

Another provision of this bill, designed to make the law more generous, changes the years-of-service requirement for continuing cost-free insurance coverage after retirement. At present, an employee must have completed at least 15 years in order to be eligible to keep his insurance. The pending bill changes this to 12 years.

There are several other matters of interest I would like to discuss with you if we had the time. I doubt if immediate action can be expected on many of these items, but I might mention a few of them very briefly in case you are interested.

For example, there is the question of hours of work. In some businesses and industries and in many State and local governments, employees have been working somewhat less than a 40-hour week for some time. There are stirrings of interest about changing the length of the Federal work week, but at present it is just something to file in the back of your head.

With regard to health insurance plans for civil servants, the administration has asked that any action be deferred until next year.

The Treasury Department has recently issued a ruling that may affect any of you who have taken extended leave for educational purposes. The Department has declared, retroactive to January 1, 1954, that these education expenses are deductible if the purpose of the schooling was primarily aimed at improving your skills and abilities for your job. Those of you who have taken such leave might check with your personnel people to see if you are eligible.

As employees of the Federal Government we are the ones charged with the responsibility of making democracy work in the everyday relations of life. We have a great opportunity and we are faced with mighty challenges. Surely we would every one renew the dedication we hold in those principles of democracy. We would make strong this Nation by our diligent and responsible service to the people of the entire Nation.

As persons employed by the Government we would make the whole strong by strengthening the individual. Let us not grow weary in well doing, but let us resolve that we shall serve admirably in the light of the knowledge that each servant is worthy of his hire.

America has been made great by the efforts of devoted persons in positions of public responsibility. America will remain strong and continue to be great for those who serve her will give in devotion to the task ahead.

"Nature Irresistibly Wills That Right Shall at Last Prevail," Wrote Immanuel Kant of Königsberg—The Case for the German Expellees With Special Emphasis on the Sudeten German Issue

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EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 22, 1958

Mr. REECE of Tennessee. Mr. Speaker, today is the anniversary of the birth of one of the world's greatest thinkers, the German philosopher, Immanuel Kant. Born on April 22, 1724, at Königsberg in Prussia, he studied, taught, and at the age of 80 died there, seldom leaving his hometown and never venturing beyond the confines of his home province. Yet, to this very day, his thoughts have stirred the minds of people all over the world so much so that in the wake of World War II a new crop of reprints and republications of, and reedited commentaries on, his famous essay, On Eternal Peace, has appeared.

During Kant's lifetime his friends used to gather at his birthday to do him honor and a curious custom grew up: To address so wise a friend on his birthday was a task that required preparation. Therefore, the birthday cake, which the well-wishers brought, contained a bean. Whoever drew the slice with the bean was the bean king and entrusted to prepare next year's birthday speech. After Kant died, in 1804, his friends, forming a self-perpetuating group, continued the custom of meeting on his birthday and choosing the bean king in Königsberg until April 1945, and since then in Göttingen.

To me, the city of Kant still is Königsberg. That the Communists and their parrots should now call it Kaliningrad is a blasphemy on civilization to which the Free World cannot, and should not, reconcile itself.

Immanuel Kant was a patient and tireless student of the political systems which he then knew. His watchful and penetrating mind observed the political developments of his time and he maintained an impartial and enlightened attitude toward all political questions. It was with great reluctance that in his 77th year he felt it necessary to abandon the long cherished project of writing on a System of Politics toward which his tract, On Eternal Peace, was to be but a first stage.

The small tract, On Eternal Peace, which Kant wrote at the time of Washington's second administration looks rather inconspicuous when compared with the weighty volumes that modern publishing mills are grinding out by the score. Nonetheless, it may be fitting and proper to quote from that tract a few lines which may well serve to guide those who earnestly search for a genuine solution to the world's problems. These are the words of Immanuel Kant:

Act so that thou canst will that thy maxim shall become a universal law.

Right must never be compromised to a line of policy, but policy always be subordinated to right. Woe to him who adopts a line of policy other than that which holds sacred the rule of justice.

A true policy, therefore, cannot advance a step without first paying homage to the moral law; and, although politics taken by itself is a difficult art, yet its union with morals removes it from the difficulties of art. For this combination of them cuts in two the knots which politics alone cannot untie whenever the two come into conflict with each other.

The rights of men must be held sacred, however great may be the sacrifice which the maintenance of them lays upon the governing power. We cannot divide right into halves, or devise a modified condition of right intermediate between justice and expediency. Rather must all politics bow the knee before the principle of right.

Nothing is more infuriating than an act of injustice. All other wrongs which we may suffer do not compare with it. No conclusion of peace shall be regarded as such, when it has been made with the mental reservation of conflict matter for a future war.

Mr. Speaker, perhaps few people in the world today are more firmly united in opposing communism than are the 16 million Germans expelled from the German provinces east of the Oder-Neisse line, the Sudetenland, and other parts of Europe. These sturdy people, outnumbering the total population of Sweden, Norway, and Denmark combined, experienced in 1945 the full impact of the Red invasion of their ancient homelands. Their expulsion to Western Germany resulted in the tragic death of more than 3 million of their number.

In the struggle against the Red octopus of Communist imperialism of the free peoples the Germans, because of their geographic location, play a notable role. No wonder that, when other plans miscarried, the Kremlin rulers launched the Polish Rapacki plan with the obvious intent to neutralize and immobilize West Germany. Removal from the society of free nations of the Germans surely remains to be a major policy objective of the Communists. It should not go unnoticed that this plan also wants to neutralize, that is to freeze, most of those parts of Europe which were eased into communism by the expulsion of the Germans, besides neutralizing West Germany where these expellees are now living.

There can be little doubt that the expulsion 13 years ago from their homelands, the German provinces east of the

Oder-Neisse line, the Sudetenland, and other regions of central and east Europe, of a considerable part of the German people has greatly helped bringing about the communization of these areas of the European Continent. Mr. Speaker, the Kersten report—House Report No. 2684, 83d Congress, 2d session—of the Special House Committee on Communist Aggression, in 1954, has given an account of Czechoslovakia's communization. I like to add to this excellent report by pointing to the important part—perhaps hitherto not fully recognized in its true proportion—which the expulsion of the Sudeten Germans had in bringing about the communization of that country.

Among the 16 million German expellees, mentioned before, were 3.3 million Sudeten Germans, the latter group equal in size to the total population of either Eire or Norway. They were expelled in 1945 and 1946 from their ancient homeland by the Communist-led Czechoslovak Government of the so-called national front. About 300,000 of them died during the process of expulsion.

Mr. Speaker, I wish here to emphasize once more that the expulsions of all these Germans established a wrong. They constituted a flagrant violation of the rules of international law, of the laws of humanity, of the basic principles of international morality and, thus, actually served the cause of Communist imperialism.

Then, as you may recall, 10 years ago, an out and out Communist regime took over in Czechoslovakia. That sad event in February 1948, shocked the free peoples throughout the world. However, Communist control had already asserted itself in 1945, when the Sudetan Germans were expelled. What we witnessed in 1948 was merely the shrewd legalization of a system illegally foisted upon the people in 1945.

When speaking of the Sudetenland, I refer to the territory comprising the border regions of Bohemia and Moravia-Silesia, that is, the border regions of the western part of present-day Czechoslovakia. In 1921, 3.2 million Sudeten Germans and 6.8 million Czechs were living in Bohemia and Moravia-Silesia while, in 1935, the figures showed 3.3 million Sudeten Germans and 7.4 million Czechs.

As a political entity, a state, Czechoslovakia does not antedate the year of 1918 when Bohemia and Moravia-Silesia with its Czech and German population were combined with Slovakia, the latter comprising 2.3 million Slovaks and 692,000 Magyars, and with Carpathian Ruthenia inhabited by 549,000 Ruthenians. Nevertheless, Czechs and Germans have been living side by side in those first-named regions for nearly a thousand years. About one-third of the Czechs today have German family names while a great many Sudeten Germans have Czech names.

HISTORICAL SURVEY: (1) EARLY HISTORY

In order to get a clear picture of the whole case it will be helpful to start with a historical survey showing the background of Bohemia and Moravia-Silesia. Germanic tribes, namely the Marcomani, Quadii and Langobardi inhabited, exclusively, these provinces between the 1st and 6th centuries after Christ. It was not until the sixth century that Czech Slavic tribes came in from the east and settled in the interior area of these provinces among the remnants of the Germanic tribes most of whom had left. The border region, the later Sudetenland, was mainly primeval forest, sparsely inhabited and not settled by the Czechs. The sixth century then saw the invasion of Europe by the Asiatic Huns and Avars. The Slavs were liberated from the rule of the Avars with the help of a German chieftain, Samo, who later became their first duke.

In 845 A. D. 14 chieftains of Czech tribes came to Regensburg, Germany, and accepted the Christian faith. Since these early beginnings, Czech-German relations have been distinctly friendly, perhaps interrupted for only a brief period by the Hussite wars, those religious quarrels in the 15th century. Bohemian dukes intermarried with German princely families. Bohemia itself became a fief of the German empire or, stating the full title, the Holy Roman Empire of German Nation. Bohemian dukes, since 1198 kings, received their title from the German emperor; but they themselves were electors of the empire choosing at the death of an emperor the successor to the crown.

From the 12th century on, Bohemian dukes and lords began to welcome to Bohemia and Moravia German settlers who cleared the primeval forest of the sparsely inhabited border region, cultivating the new soil and developing the area that later became known as Sudetenland. Other Germans were welcomed to other parts of Bohemia and Moravia where they founded towns and, at an early date, began mining activities. Most towns in Bohemia and Moravia-Silesia have a German background. The Germans brought with them the great municipal codes of Magdeburg and Nuremberg; they cultivated crafts and trades. In 973, the first German bishopric was established in Prague and in the 14th century, during the reign of the German emperor, Charles IV, was raised to an archbishopric. Charles IV was, at the same time, king of Bohemia. He resided in Prague, spoke German as well as Czech, and was acclaimed by both peoples "father of the country." In 1348 Charles IV established at Prague the first university in Central Europe and decreed it to be a study center for scholars of all nations of his realm.

HISTORICAL SURVEY: (2) DURING THE CENTURIES OF THE HAPSBURG DYNASTY

When in 1526 a Hapsburg prince succeeded to the Bohemian throne, Bohemia and Moravia-Silesia became part of the Hapsburg domain, but continued to be an integral part of the Holy Roman Empire of German Nation until its end in 1806. The Hapsburg dynasty reigned there for nearly four centuries. In the early years of the 17th century, the German emperor, then Rudolf II of Hapsburg, again resided at Prague in the Hradschin castle. In 1649, however, the Imperial Court was moved to Vienna and the latter, owing to its more central location, then became the residence of the emperors.

Individual nations within the Hapsburg realm enjoyed considerable prosperity in trade and commerce and there was much intermarriage among the various peoples. Though both languages, Czech and German, were used in Bohemia and Moravia-Silesia, Emperor Josef II decreed in 1784 that German be the official language in his domain which, at that time, included Belgium and Italy. It provoked opposition and was not long upheld; from 1790 on, German and Czech continued to be used side by side in Bohemia and Moravia-Silesia. By a ruling, in 1880, of the then Austrian Minister of Education, Julius von Stremayr, it was expressly stated that both tongues were the official languages in that area. This was reaffirmed by Count Kasimir Badeni, the Austrian Prime Minister in the late 1890's.

From the beginning of Austrian constitutionalism in 1860 to the end of the Dual Monarchy in 1918, the Czechs were represented in the imperial parliament at Vienna by their own deputies and were free to use their own language, build their own schools and establish other institutions of learning. Besides, in the provincial legislatures of Bohemia and Moravia-Silesia the Czechs had a majority and often outvoted the Sudeten Germans. At Prague in the governor's office, which at that time may have been more important than the ministry of interior at Vienna, Czechs held many influential positions. Provincial administration of schools, agriculture, and welfare was properly apportioned to both nationalities.

However, the 18th and 19th centuries had seen the rise in Europe of nationalism. Johann Gottfried Herder, born in 1744 in Mohrungen, East Prussia, became the great philosopher propounding his ideal of an enlightened humanitarian nationalism. Oddly he found the most ardent disciples among Slavic intellectuals. His ideas served as a guiding light for Czech nationalism which, thoroughly roused in 1848, then took a Pan-Slavic direction. This was manifestly evident in 1849 during the first Pan-Slavic Congress at Prague when the Russian anarchist, Mikhail Bakunin, as if in anticipation of what was to happen there a century later, played a leading role. Into the concept of the national state the Czechs introduced a dangerous element of their own. They began to mistake the Bohemian kingship for a Czech national kingship and the Bohemians for Czechs, claiming the country altogether for themselves and regarding Sudeten Germans as a minority of aliens.

In 1867, the Austrian empire was reorganized into the Dual Monarchy of Austria-Hungary and the Magyars thereby obtained a status equal to the Germans. People of Slavic nationalities then tried to have this arrangement widened into a triple monarchy by establishing under the Hapsburg crown an autonomous state of Bohemia. Because

of Hungarian opposition the plan failed. Czech refusal to guarantee as a precondition to the Sudeten Germans the right of self-administration contributed to the failure.

HISTORICAL SURVEY: (3) THE FIRST CZECHOSLOVAK REPUBLIC

Led by T. G. Masaryk and Eduard Beneš, Czech politicians saw in World War I the opportunity for their people to secede from the Hapsburg empire and set up an independent republic. Promising the Slovaks full autonomy, Masaryk persuaded them to join the Czechs in forming one state when he concluded with the Slovak League of America the Pittsburgh Agreement of May 30, 1918. The new Czechoslovak Republic then came into being on October 28, 1918.

At that hour the Sudeten Germans, on their part, decided to establish the provinces of German-Bohemia and Sudetenland, and to associate these with the new Republic of Austria. Head of the provincial government at Prague was at the time Dr. Rudolf Lodgman von Auen. He is today the president of the National Union of Sudeten German Expellees and a co-chairman of the Sudeten German Council. Dr. von Lodgman had long urged a solution of the problem of Austria-Hungary on lines of federalism. He advocated freedom—his ancestors had fled England at the time of Elizabeth I in search of freedom—and he stood for the right to self-determination. But in spite of the fact that Austria-Hungary was ostensibly dismembered so as to realize that right, firmly proclaimed by our President Woodrow Wilson, it was squarely refused to the 3.2 million Sudeten Germans who were forced against their will to be part of the new Czechoslovak Republic.

To subdue the demands of the people, the Czechs even dispatched troops to the Sudetenland and when, in March 1919, there were public demonstrations the Czech military fired into the crowds causing many casualties. Leading the resistance movement in those days was Josef Seliger, chairman of the Sudeten German Social Democratic Party.

Headed by Dr. Beneš, the Czech delegation to the Paris Peace Conference did not shrink away from using such tricks as presenting maps showing a Sudeten German area falsely reduced. The deceit was later contradicted even by the official Czechoslovak census figure. In an oral statement to the Big Four, Beneš admitted that the Sudeten Germans, if given a free choice, would probably secede from the new republic. To compensate for denying them the right to self-determination Beneš, in a written memorandum to the peace conference, went on record in favor of a Swiss type of constitution for Czechoslovakia. It remained an empty promise.

Dr. von Lodgman and the Slovak spokesman, Msgr. Andrew Hlinka, as well as leaders of the Magyars in Czechoslovakia also managed to go to Paris to attend the Peace Conference. But they were kept in their hotels behind barbed wire and were not given a hearing.

THE PROPHETIC WARNING OF A TRUE AMERICAN

Today we recall that it was a man representing the United States who objected to the flagrant violation of the right to self-determination in the specific instance of the Sudeten Germans. Mr. Speaker, it gives me a sense of gratification to remind the Members of this House of that great citizen of our country and to quote his prophetic words. I refer to Prof. Archibald Cary Coolidge, the well-known Harvard historian. In December 1918, he was appointed by the Secretary of State to be political observer in Austria-Hungary, assigned to the American Commission to Negotiate Peace and instructed to head a field mission to the former dual monarchy. Professor Coolidge incidentally is a founder-member of the New York Council in Foreign Relations and served as first editor of its quarterly, Foreign Affairs.

Reporting to the Commission from Vienna on January 12, 1919, Dr. Coolidge wrote:

> The great argument on which the Germans of Austria and Bohemia rest their case is, as they are never tired of repeating, the principle of self-determination. * * * When after the cessation of hostilities the Czechs, instead of disarming, called their men to the colors and occupied the German parts of Bohemia, people in those regions were inclined to resist by force. The government of Vienna, however, forbade all such resistance, declaring that the matter could be settled only by the Peace Conference in Paris, and that the Germans of Austria and Bohemia should peaceably await its decision trusting to the justice of their case. * * * To tear away some three millions of Germans from their fellows and to unite them against their wills to a Czechish population of barely double their numbers would not only be a most flagrant violation of the principles which the Allies and especially the United States have proclaimed as their own and which have been accepted by Austria, but would utterly destroy any hope of a lasting peace. * * *
>
> A decision which shall place one-third of them under the heel of a foreign people who have already begun to take steps to denationalize them will mean an end to any hope of a permanent peace in this part of the world. Sooner or later the question must and will come up again, and in the meantime the Balkanization of the former territories of Austria will be a source of woe and peril, not only to the territories themselves but to the rest of the world. In the eyes of the German Austrians today the issue is a clear one between the new doctrine of self-determination from which so much is hoped and naked imperialism of the old discredited type.

Dr. A. C. Coolidge summed up his observations in a detailed memorandum of March 10, 1919, which he submitted to the Peace Commission. He dealt with the problem of nationalities and new boundaries in all parts of the former Hapsburg monarchy and set out stating:

> The opinions which I shall now venture to submit represent in many cases ideas of long standing confirmed or modified by unusual opportunities of observation in the last few months. I shall merely state my conclusions with but a few words of explanation, as it would take far too long to attempt anything like adequate treatment of the various questions. * * *
>
> To grant to the Czechoslovaks all the territory they demand would be not only an injustice to millions of people unwilling to come under Czech rule, but it would also be dangerous and perhaps fatal to the future of the new state. * * * The bloodshed on March 3 when Czech soldiers in several towns fired on German crowds * * * was shed in a manner that is not easily forgiven. * * * For the Bohemia of the future to contain within its limits great numbers of deeply discontented inhabitants * * * will be a perilous experiment and one which can hardly promise success in the long run. * * * I am aware that political and other considerations at the present time may make it impossible for our Commission to support all of the solutions I have advocated. Nevertheless, I am presenting them as those which seem to me best in themselves.

Three weeks later, on April 1, 1919, the Sudeten German question was taken up at a Peace Conference meeting discussing the report of the Czechoslovak Commission on the frontiers between Czechoslovakia and Germany. It was at this meeting when our Secretary of State, Mr. Lansing, objected to including into the Czechoslovak State large Sudeten German areas and declaring that—

> The American delegates objected to the whole method of drawing frontier lines on strategic principles.

And that—

> The fixing of frontier lines with a view to their military strength * * * was directly contrary to the whole spirit * * * of the policy of the United States as set forth in the declarations of President Wilson.

M. Laroche of the French delegation, upon being asked at this meeting whether the commission would approve of a plebiscite in the area, replied that a plebiscite could not be proposed without extending it to the remainder of the German Bohemians, which would reduce the Czechoslovak state to very slender proportions. Mr. Lansing thereupon plainly said that this was not a good reason to justify an injustice. However, the views of the French Foreign Minister prevailed, namely, to strengthen Czechoslovakia, which M. Pichon trusted "would remain an ally of France" as against Germany which, as far as the French Foreign Minister was concerned, still remained a country to be feared.

The clear analysis given of the situation in the reports of Archibald C. Coolidge and the correct attitude of Robert Lansing will remind us of the equally prophetic warning issued at about the same time by the South African statesman, Gen. Jan Smuts, and dealing with the injustice about to be done to the Germans in Prussia by turning over some of their homeland to the Poles:

> I think we are building a house of sand. * * * I shudder to think of its ultimate effect.

Mr. Speaker, these warnings should be remembered today by those who may tend to place again expediency above right and justice.

The United States, however, then began to withdraw from the scene of European political intrigues. The constitution of the Czechoslovak Republic was devised by a mostly Czech commission and not by a duly elected convention. Czech became the official language.

The Sudeten Germans were not given a fair chance to participate. The facts of the undemocratic beginnings of Czechoslovakia should not be overlooked.

The Czech land reform law of 1919 allotted 2,025,400 acres of German property in the Sudetenland to proteges of the Czech political parties. Only 7 percent of the land taken from Sudeten German owners was given to Sudeten German farmers, while 93 percent was handed over to new Czech settlers. In addition, land property expropriated in the central parts of Bohemia and Moravia-Silesia, that is, outside of the Sudetenland, amounting to another 3,818,064 acres and owned by Germans, was also handed over to the Czechs. In the Sudetenland proper, 31 percent of the entire land area was confiscated in 1919. The Czech colonists were settled and Czech schools were built with the aim to break up the German language area.

Although the Sudeten Germans represented about 30 percent of the total population of Bohemia and Moravia-Silesia, they made up only 10 percent of the employees of the general civil service, 13.1 percent of the postal service, 12.8 percent of the judicial administration service, 12.4 percent of the railway employees, and only 5.4 percent of the army officer corps. The police force was almost exclusively Czech. Administrative reforms in 1927 must also be regarded as discriminatory, though a smoothly working publicity machine was able to show the outside world the picture of what appeared to be a democracy.

In the 1920 parliamentary elections the Sudeten German parties won 74 out of the 300 available seats. Some of these parties, the so-called Activists, entered the government coalition and, since 1926, most political parties of the Sudeten Germans participated in the government coalition, thus showing their honest desire to cooperate. But they were unable to gain any ground toward reforms on federative lines. Even a late-in-the-day palliative assurance of more posts to be assigned to Sudeten German civil servants remained an empty promise.

Upon being nominated ministers in the Czechoslovak Government, two Sudeten German politicians, Mr. Spina, of the Farmers Party, and Mr. Mayr-Hartig, of the Christian Social Party, accepted the call, but declared that Sudeten German representation in the Prague government was not to be interpreted as a solution of the nationalities problem of Czechoslovakia. They then requested Czech agreement to basic reforms and recognition of minority rights by allowing to bring the issue before the League of Nations. Their efforts failed.

The worldwide economic crisis at the end of the 1920's imposed a heavy burden on the Sudeten Germans. Czech bankers and administrators gave preference to Czech enterprises. Out of 800,000 unemployed 500,000 were Sudeten Germans. Little wonder that they began looking more and more for support from abroad.

In 1935, the Sudeten German Party, a union of a number of political groups, polled 1,249,530 votes and thus emerged as the largest political party in all of Czechoslovakia, but was forced to remain in opposition. Early in 1937, several younger members of those German parties that participated in the government coalition made once more a concerted effort to convince the Czechs of the urgency of thoroughgoing reforms. Hans Schutz, of the Christian Social Party, sternly demanded equal rights, while Wenzel Jaksch, of the Social Democratic Party, bluntly asked whether or not there was still a place in the Czechoslovak Republic for genuine Sudeten German partnership. Incidentally, both men are today distinguished members of the German Bundestag, the former also a cochairman of the Sudeten German Council. Though these parties, until 1935, had held about 75 percent of the Sudeten German share of seats in the Prague Parliament, the Beneš government refused to make any concession.

Now the British became increasingly concerned about this situation in Czechoslovakia. In the growing crisis of 1938 Lord Runciman was chosen to head a mission of mediation and, after a close study on the ground, he reported:

> It is hard to be ruled by an alien race. * * * In the last elections in 1935 the Sudeten German Party polled more votes than any other single party. * * * But they can always be outvoted; and consequently some of them feel that constitutional action is useless for them. * * * Even as late as the time of my mission, I could find no readiness on the part of the Czechoslovak Government to remedy (the complaints) on anything like an adequate scale. * * * Just as it is essential for the international position of Switzerland that her policy should be entirely neutral, so an analogous policy is necessary for Czechoslovakia—not only for her own future existence but for the peace of Europe.

However, Czechoslovakia refused to admit its multinational status and did not strive for a position of neutrality. In spite of its vulnerability because of the large percentage of citizens of non-Czech nationality it allowed itself to be used as a political pawn, and since the treaty in 1935 with the Soviet Union, increasingly as a pawn in the hands of the Kremlin, thereby causing its own gradual disintegration. The case was correctly diagnosed in the Kersten report—page 18:

> Fateful for the people was the fact that they were misinformed by many fellow traveling intellectuals, by means of newspapers, books, and through all mediums of communication as to the real nature of communism, cleverly described for years even prior to World War II as undergoing an evolution toward a democratic humanitarian ideology.

The Kersten report correctly also points to the Slovaks as being thoroughly dissatisfied. The Prague government treated them in much the same way as the Sudeten Germans. About half of Czechoslovakia's total population was tired of being bossed by the 7.4 million Czechs. No wonder that the foundation of the republic began to crumble, when the Anglo-French démarche of September 21, 1938, demanded the cession to Germany of the Sudeten region. It was soon followed by demands of Poland and Hungary for the cession of areas inhabited by their conationals, 131,000 Poles and 692,000 Magyars, and finally by the declaration of independence of the 2.3 million Slovaks who sought recognition as a nation.

From the beginning the Czechs had been showing a lack of realism, a lack of willingness to plan, in good time, for constitutional reforms. If in the years after 1918 a Swiss solution had earnestly been sought, events might well have taken a different course. The word "Munich" has since been linked in our mind with a short-sighted, dangerous policy vis-à-vis an aggressive dictator. Surely the right to self-determination should not be exercised by employing violence which would only bring about new injustice. Nevertheless, the right to self-determination is today recognized as a canon of international law. A brief glance at the map of Asia and Africa will suffice to convince everybody of its potency and potentiality, of its full meaning in the realities of present-day world affairs.

As to Munich, it should be remembered that neither the Czechs nor the Sudeten Germans were partners to that agreement. It was made by the four European big powers. When Hitler, in 1939, under a flimsy pretext occupied the central area of Bohemia and Moravia-Silesia he openly violated the right to an independent national life of the Czech people just as the Czechs, two decades before, had violated that same right of the Sudeten Germans. Thereafter, the Sudetenland was separated by state boundaries from the rest of Czechoslovakia.

To charge the Sudeten Germans with treason against the Czechoslovak Republic is beside the point, when the charge is made by the Czechs who themselves set the example. In opposing Austria-Hungary, Masaryk, Beneš, and their adherents had solicited during World War I the support of foreign governments and had organized thousands of Czech deserters from the Austrian Army to join Czech legions on the side of the Allies. It was hard to make Sudeten Germans later believe that as to their own case "sauce for the goose was not to be sauce for the gander." The expulsion of the Sudeten Germans cannot be based on treason allegedly committed by them against the Czechoslovak Republic nor upon the charge of association with Hitler's policy of suppressing the Czechs.

SUDETEN GERMAN CONTRIBUTIONS TO WESTERN CIVILIZATION

Before going into the events leading up to the expulsion it seems appropriate to refer to some of the contributions which Sudeten Germans have made to western civilization. These contributions are truly a part of the history of Bohemia and Moravia-Silesia and remain to this day an integral part of the picture of this area. It started, as we have seen, with the first traders and settlers, the founders of towns in the early Middle Ages. They brought Chris-

tianity and the culture of the West, the chivalry of medieval knighthood, the great legal codes of Magdeburg and Nuremberg, the sciences taught in schools. When the Hussite era temporarily interrupted this wholesome German influence it resulted in the decline of municipalities, of the liberties of its citizens and it brought about the rise of an oligarchic rule and a system of peasant bondage. During the 16th and 17th centuries Czechs and Sudeten Germans, united under the royal banner of Bohemia, fought side by side in defending European Christianity against the Mohammedan Turks. It was in Prague where the new High German language was developed, the same in which Martin Luther wrote his translation of the Bible.

Present Communist rulers of Czechoslovakia publish quite an amount of propaganda material to have tourists visit the beautiful cities of Bohemia and Moravia. Yet they as well as their fellow travelers in the West painstakingly omit to mention how much of all this is principally the accomplishment of the same Sudeten Germans whose descendants they have cruelly expelled. They try to nationalize, ex post facto, the history of the land and where, in 1787 at Prague, Mozart's opera, Don Giovanni, was first performed; where, in 1823 at Marienbad, Goethe wrote his Marienbader Elegie; and where, in 1844 at Karlsbad and Marienbad, Richard Wagner composed Thannhäuser.

Here are some more of the facts: During the reign of Charles IV, Peter Parler built the famous St. Vitus Cathedral and gave to Prague an individuality of its own when he also built the Town Hall, the Charles Bridge and the castle of Karlstein. Many other fine Gothic buildings were erected by Germans. The picturesqueness of Bohemian cities which we find so charming owes much to the Baroque period. The list of artists and architects of that time includes: A. Leithner, Christoph and Ignaz Dientzenhofer, Santin Aichel, Ignaz Bayer, Peter Brandel, Reiner Mathias Braun, Hartmann Balthasar Neumann, F. Dietz, Fischer von Erlach, Lukas von Hildebrandt, Anton Zimmer, J. M. Lassler, Ferdinand Max and Johann Brokoff—all of them German; Franz M. Kanka, Jakob Blazejovsky and Karel Skreta were Czech; in addition there was 1 French and 6 Italian architects. Castles, churches, monasteries, and town houses in all of Bohemia and Moravia bear evidence that Sudeten Germans cannot now, ex post facto, be separated even from those parts of the country which were inhabited by the Czechs.

Natives of the Sudetenland who made their mark in history include: Albrecht von Wallenstein, who led the Imperial armies in the Thirty-Years War; Prince Schwarzenberg, the Austrian statesman of the Napoleonic era; Count Radetzky, the Austrian field marshal; Hans Kudlich, known for his part in the struggle to liberate the peasant from bondage; Gregor Mendel, founder of modern genetics and author of the Mendelian law; writers like Karl Postl, known in this country by his pen name of Charles Sealsfield, Maria Ebner-Eschenbach, Berta von Suttner, and Adalbert Stifter; Alois Senefelder, who invented the stone press; Joseph Ressel, who invented the ship screw; Mathias Schoenerer and Franz Josef Gersten, who built the first railway in Bohemia, and Anton von Gersten, who built the first railway in Russia; Johann Liebig and Johann Schicht, the industrialists, and Ferdinand Porsche, who constructed the Volkswagen; Johann Nepomuk and Clemens Maria Hofbauer, who were later canonized by the Catholic Church, and the late Cardinal Theodor Innitzer, of Vienna; the recent Austrian Presidents Karl Renner and Theodor Koerner as well as Adolf Schaerf, who occupies this high office now. We might add that the parents of the composer Franz Schubert came from the Sudetenland and that Archbishop Aloysius Muench, of Fargo, N. Dak., the papal nuntius in Germany, is of Sudeten German descent.

The following figures will illustrate the extent to which Sudeten Germans constituted an integral part of Czechoslovakia's economy. Their share of that country's various industries was as follows: Raw materials, 70 percent; coal mines, 66 percent; lignite mining, 80 percent; iron and steel foundries, 70 percent; sugar refineries, 58 percent; textile machinery factories, 80 percent; electrotechnical industry, 70 percent; porcelain and chinaware, 90 percent; glassworks, 80 percent; wool industry, 75 percent; textiles, 89 percent; silk factories, 100 percent; artificial silk, 80 percent; fringe and gimp industry, 100 percent; paper, 80 percent; chemicals, 70 percent; fertilizers, 60 percent; musical instruments, 90 percent.

In addition, Sudeten German farming and timberland property amounted to 11,095 square miles. Their property holdings had an estimated total value of $19.5 billion. This figure does not include the Sudeten German share of Czechoslovak state property, natural resources, art collections, libraries, the value of Sudeten German international firms. Numerous products, such as some of the beer—Pilsener and Budweiser are German, not Czech names—and the Gablonz glassware and custom jewelry industry, carrying the imprint "Made in Czechoslovakia" were distinctly Sudeten German. Then there is the good will of people seeking the cures in world-famous health resorts like Karlsbad, Marienbad, Franzensbad, St. Joachimsthal, and Teplitz-Schönau. Also, not included, is the value of the recently developed uranium mines of Joachimsthal. Incidentally, students of history will recall that our own dollar, by way of abbreviation, derived its name from the Joachimsthaler Gulden, a coin minted from silver that was mined near this town.

The Potsdam decisions, by removing what a diobolic Communist propaganda had portrayed as a troublesome minority and thereby furthering the establishment in that area of a Communist regime, actually cut Bohemia's links to the West reaching back over nine centuries and thus pushed that country into the lap of the Kremlin rulers. What has been through hundreds of years a vital part of Central Europe is now serving as an advance base of Soviet imperialism.

POLITICS DURING WORLD WAR II

Dr. Beneš unfortunately seems to have blamed the Sudeten Germans for his own shortcomings and considered them instrumental in his downfall in 1938. His mind was beclouded by Germanophobia. He did not seek a just and fair solution in his dealings with those Sudeten German politicians who were, like he himself, exiled by the Nazi regime and living in London during World War II. I refer to Wenzel Jaksch and Richard Reitzner, both of whom now are members of the German Bundestag.

According to his "Mémoires"—"Paměti"—published in Prague in 1947, this is what Beneš at a reception in London on January 7, 1942, told Wenzel Jaksch in an effort to have him agree to deportation from Czechoslovakia of all Sudeten Germans, excepting a limited number of anti-Fascists:

> During the social revolution which will certainly occur we shall have to rid our country of all the German bourgeoisie, the Pan German intelligentsia and those workers who have turned Fascist. This would be the final solution and, so far as we are concerned, the only possible solution which we would be able to implement, namely combining our social revolution with the national revolution.
>
> I added to Jaksch and his friends: We must have the courage to speak about this openly; and especially you Social Democrats should have the courage to do so. This plan even contains an element of Marxism and Marxist dialectics in the revolutionary process which must inevitably accompany the changes in the social structure of the nation as an outcome of this great and world-wide catastrophe. After the First World War * * * I foretold that the German nationalist bourgeoisie in our country would some time in the future attempt a counter-revolution and that there would be no peace between us until this bourgeoisie was subjected to a similar revolution to that which the Czechs had gone through in past centuries. Now, after the Second World War, this revolution is inevitable; and the entire nationalities problem in our country will be radically solved at the same time.

It is only fair to say that some Czech opposition was voiced against these plans, notably from Army General Lev Prchala.

It is rather unfortunate that Beneš apparently had no scruples as to how he would gain his end. For instance, in a conference on May 12, 1943, with President Roosevelt he asserted that the Russians were willing to agree to the transfer of the Sudeten Germans. Then, 17 days later, on May 29, Dr. Hubert Ripka explained to Mr. Bogomolov, the Soviet Ambassador in London, that the Americans had already agreed to the transfer, and that in these circumstances the Czechoslovak Government in Exile expected the Soviets to consent. On June 6, Ripka telephoned Beneš, who was at the time in the United States, that Soviet Russia had just agreed to the transfer—the same agreement which

Beneš had used as a lever in his conference with President Roosevelt on May 12, 1943.

The Soviets were the first allies granting to the Czech Government in Exile de jure recognition. Against the advice of western statesmen Beneš went to Moscow and in 1943 signed a new treaty with the Soviet Government. Eager to show his ability of playing an important role in the arena of world politics he may have thought of himself as a man who would build the great bridge between the West and the East. As seen in retrospect, however, he seems to have been prior to the Tehran Conference more than perhaps any other person active in strengthening Roosevelt's ill-conceived trust in Stalin. In this way, I regret to say, he certainly proved to be a valuable tool of the Kremlin.

Toward the end of World War II, Beneš returned to Prague by way of Moscow, accompanying the Red army, as it advanced from the east into Czechoslovakia, and himself being accompanied by a Czech Government group led by a Communist, Zdenek Fierlinger, who is today the President of the Czechoslovak Republic. At Košice in eastern Slovakia Beneš and his colleagues proclaimed on April 5, 1945, the so-called Košice program according to which the country for the time being was to be ruled by presidential decrees. The program was signed by: Zdenek Fierlinger, Josef David, Klement Gottwald, Viliam Siroky—today the Prime Minister, Dr. Jan Šrámek, Jan Ursiny, Jan Masaryk—son of the first President of Czechoslovakia—Ludvik Svoboda, Dr. Hubert Ripka, Václav Nosek, Dr. Vavro Srobar, Dr. Zdenek Nejedlý, Dr. Jaroslav Stránský, Václav Kopecký, Bohumil Laušman, Julius Duriš, Dr. Jan Pietor, Antonin Hasal, Frantisek Hála, Dr. Jan Soltezs, Dr. Adolf Procházka, Václav Majer, Dr. Vladimir Clementis, Dr. Mikulaš Ferjencik, and Jan Lichner.

Czechoslovakia was now restored within the pre-Munich boundaries, except for Carpathian Ruthenia which the Soviets had seized and incorporated into the Soviet Ukraine, and which the new Czechoslovak Government then ceded to the Soviet Union. The Slovaks were once more subjected to Czech domination. The new government announced the formation of a so-called National Front, supposedly a coalition of the Communist Party and three parties willing to collaborate with them, that is, Social Democrats, National Socialists, and People's Party. All Czech political parties of the center and the right side were declared illegal, among them the National Democrats, the Artisans, and the Republican Agrarians, the latter being the biggest political party in pre-war Czechoslovakia. Their leaders and functionaries were jailed. All Slovak parties were likewise outlawed and, instead, new leftist parties such as the so-called Slovak Democratic Party and other puppet groups were artificially created. In this way, political parties were abolished which, before World War II had long represented the large majority of the non-Communist Czech and Slovak peoples. In addition to these millions of Czechs and Slovaks all Sudeten Germans and Magyars were disfranchised. Only by applying this method of outlawing political opponents—exactly copying Hitler's procedure in Berlin in 1933—and of exploiting the prejudice of their willing collaborators, did the Communists succeed in 1946 to show up as the largest political party.

Now free elections, freedom of speech and press were abolished. Kangaroo courts, called people's courts were established in order to liquidate the opponents of Communism. So-called National Committees, fashioned after the Russian local "Soviets," were set up to take over the work of administrative offices. The economy was nationalized. While Beneš himself assumed the office of President, Communists were appointed to key positions at all levels and, from the beginning, were in control of police, army and the state propaganda machine.

The non-Communist ministers collaborated at every turn and supported the Communist line. Since some of these people later escaped to the West it may be of interest to mention, in addition to those who signed the Košice program, some of the prominent politicians of the era of the so-called National Front: Dr. Peter Zenkl—Vice Premier, Dr. Jozef Lettrich—leader of the Red puppet Slovak Democratic Party who, after the 1946 elections when the Slovaks had failed to vote for the Communists, signed the agreement abolishing Slovakia's autonomy, Dr. Jan Papánek, Dr. Juraj Slavik, and František Němec—who represented as ambassadors abroad the Red regime of Prague, Ferdinand Peroutka—a Socialist journalist, and Milos Vanek—one of the original bosses of the Czechoslovak Communist Party.

As the previously mentioned Kersten report—page 17—stated:

> It should be pointed out that the Communist advance in Czechoslovakia was greatly facilitated by the behavior of the non-Communist parties and their leaders. The signing of the Soviet-Czechoslovak Agreement of December 12, 1943, and especially the proclamation of the Košice program of April 5, 1945, opened the door for an unreconstructed drive on the part of the Communists to seize full power in the country.

We know, however, that the so-called National Front represented merely a minority of the people. The last free election in Czechoslovakia returned a parliament of 300 deputies. Only 118 of them were of parties that later adhered to the so-called National Front. On the other hand, 107 deputies were of those Czech and Slovak parties that were declared illegal in 1945, while 75 deputies were of Sudeten German and Magyar parties.

THE REIGN OF TERROR—EXPULSION AND DECREES

A reign of terror began with the arrival of the Soviet Red army and the regime which was to become the government of the so-called National Front. One of the first administrative measures provided for the hasty construction of concentration camps into which tens of thousands of Sudeten Germans were driven. The late R. R. Stokes, a former British minister, has given a vivid description of conditions in those camps which he himself had visited. Beneš' inciting words, "Annihilate the Germans where you find them," broadcast from Košice, led to a wave of cruel murder. The bloody Sunday at Aussig in July 1945, the massacres in Saaz, Brüx and Landskron, the death march of Brünn are only some of those outrages for which the Czechoslovak government of that time will be held fully responsible.

The Sudeten Germans were outlawed. Before being expropriated their homes were open for pillage either under the pretext of a raid for hidden weapons or merely by groups of police guards or plain Czech plunderers. In some towns orders were issued that homes of Germans must not be locked. Strict curfew was imposed on them. They were forced to wear white badges so as to make them conspicuous. They were forbidden to use public conveyances and the sidewalks, visit restaurants, write letters, change places of residence. They were restricted for buying groceries and shopping in stores to certain hours of the day, and special ration cards discriminating against them were issued. Schools and kindergartens were closed to their children. Adult Germans were called up and transported to the interior of Bohemia to provide forced labor on farms, in mines, and industry, at first without pay, later at low wages that were seldom paid. Still worse was the treatment in prisons, where overcrowded cells, brutalities and disease, in addition to insufficient rations, increased the death toll.

Article XIII of the Potsdam Protocol outlined the procedure for what was then called the transfer of the German population from Poland, Czechoslovakia, and Hungary. We know now that the Communists, by means of the expulsion, pursued the following objectives:

First. By eliminating the German element from the area, they wished to hasten the communization of those countries.

Second. In the depopulated regions, they wanted to introduce collective farms and state industrial enterprises fashioned after Russian Soviet examples before proceeding with those schemes on a general scale.

Third. The confiscated property was also to be used for bribery purposes, since destroying the sense of honesty turns people into more pliable tools of immoral communism.

Fourth. By inciting violence and acts of cruelty against the Germans, the Communists and their collaborators hoped to build up hatred between the Germans and these Slavic peoples so as to make the latter wholly dependent on the alliance with Communist Russia.

Fifth. The German expellees were to create social disorder and to be a hotbed of communism in overcrowded West Germany.

As to the expulsion of the Sudeten Germans, it may safely be said that this

was not a spontaneous reaction of the Czech people against the German occupation of their country, but an act planned by Czech politicians in exile and carried out by the government of the so-called National Front with all possible haste before the large majority of the Czech people would have second thoughts about it. Presidential decrees were supposed to give the proceedings a cloak of legality. Quotations from some of these decrees will point toward the responsibility of the government of the so-called National Front.

First. Constitutional decree of the President of the Republic of August 2, 1945:

ARTICLE 1

1. Czechoslovak citizens of German or Magyar nationality who acquired German or Magyar citizenship under the regulations of the foreign occupational forces shall have lost their Czechoslovak citizenship by so doing.

2. The other Czechoslovak citizens of German or Magyar nationality shall lose their Czechoslovak citizenship on the day when this decree will come into force.

Signed by Beneš, Fierlinger, Masaryk, Nosek, Svoboda.

Second. Decree of the President of the Republic of October 25, 1945:

Any immovable and movable property shall be confiscated without any compensation to the benefit of the Czechoslovak Republic * * * which is * * * owned:

1. By German or Magyar legal persons; or

2. By natural persons of German or Magyar nationality.

Signed by the signers of the Košice program.

Third. Decree of the President of the Republic of January 21, 1946:

ARTICLE 1

1. With immediate effect and without compensation and for the purpose of the land reform such land property shall be confiscated as is owned by—

(a) all persons of German or Magyar nationality without regard to their citizenship.

Signed by Beneš, Fierlinger, Nosek, Dr. Srobar, Dr. Stránsky, Duris, Majer.

Fourth. Law of May 8, 1946, passed by the provisional National Assembly:

ARTICLE 1

Any act committed between September 30, 1938, and October 28, 1945, the object of which was to aid the struggle for liberty of the Czechs and Slovaks, or which represented due reprisals for actions of the occupation forces and their accomplices, is not illegal, even when such actions may otherwise be punishable by law.

Signed by Beneš, Fierlinger, Drtina, Svoboda.

The last mentioned parliamentary act, which I have added to the decrees, provided for a general amnesty for all crimes committed against Germans, Magyars, and anti-Communist Czechs and Slovaks and thus gave ex post facto a semblance of legality to the law of the jungle.

Though Czechoslovakia was practically controlled by the Communists since 1945, the process of communization was completed when on February 25, 1948, the President of the Republic, Dr. Beneš, accepted the resignation of 12 non-Communist ministers of the Cabinet and appointed a new out and out Communist Cabinet, headed by Klement Gottwald, who had been the prime minister since 1946 and merely continued in office. Thus the process of communization was completed in an apparently legal way. In the National Assembly both Communists and non-Communists, 230 out of 300 deputies, voted for the new government on March 10, 1948. Beneš remained President of the Republic. The whole tragedy shows a striking similarity to Hitler's taking over in Germany 15 years earlier with old Hindenburg continuing in the presidency.

EXPULSION WAS A VIOLATION OF INTERNATIONAL LAW

The expulsion of the Sudeten Germans from the homes which they had inhabited for a thousand years violated the principle of the right to self-determination of peoples. We should remember that this right was solemnly proclaimed by our own President Woodrow Wilson, who in his Mount Vernon address of July 4, 1918, declared:

The settlement of every question, whether of territory, of sovereignty, of economic arrangement or political relationship, must be upon the basis of the free acceptance of that settlement by the peoples immediately concerned.

It is well known that this Government has taken a prominent part in establishing this principle and in the development toward incorporating it in the law of nations. The expulsion of the Germans stands in direct contradiction to this great principle. I can here refer to a previous speech of mine in this House on May 16, 1957, wherein I have tried to show this Government's policy on the pertinent questions as it was clearly evolved during the last 4 decades to a point which should leave little room for doubt.

I might add that this Government was also strenuously opposed to arbitrary displacement of persons during both World Wars. We protested against the transfer during World War I of Belgian workers and condemned, as a grave violation of international law, the displacement during World War II of Poles and other peoples within the then Nazi orbit. We asserted the right to resettle in their home countries, of all displaced persons. As to our own fellow citizens of Japanese descent, temporarily displaced after Pearl Harbor from their homes near the Pacific Ocean, we reaffirmed by an act of Congress the right to their homes. Let me also point out that article 9 of the United Nations Human Rights Declaration of December 10, 1948, regards arbitrary expulsion as contrary to international law and states that "no one shall be subject to arbitrary exile."

Also relevant, it would seem to me, is the Convention on Genocide of December 11, 1946, which declares to be a crime, under international law, (a) killing members of a national, ethnic, racial, or religious group; (b) causing serious bodily or mental harm to members of the group; (c) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part. About 300,000 Sudeten Germans, that is, a considerable part of their total number, did not survive the removal from their ancient homeland, a fact which proves that they were victims of this crime.

Let me finally quote from the draft code, prepared in accordance with the resolution of November 21, 1947, of the United Nations General Assembly, to define "offenses against the peace and security of mankind" that would be "crimes under international law, for which the responsible individuals shall be punished." Article 2, paragraph 11, lists:

Inhuman acts such as murder, extermination, enslavement, deportation, or persecutions, committed against any civilian population on social, political, racial, religious, or cultural grounds by the authorities of a state or by private individuals acting at the instigation or with the toleration of such authorities.

This adequately covers the expulsion of the Germans from Sudetenland as well as those from the German provinces east of the Oder-Neisse line, and from other parts of Eastern Europe, and proves it to be—let me here repeat the words of article 1 of the penal draft code—among the "crimes under international law, for which the responsible individuals shall be punished."

I may remind this House of the fact that the offenses against the peace and security of mankind were drawn up by a commission of legal experts upon the direction of the United Nations General Assembly to formulate the principles of international law recognized in the charter of the Nuremberg tribunal and in the judgment of the tribunal. The above-cited articles cannot be dismissed as mere suppositions and theories or as a mental exercise in hypotheses. Their contents have been confirmed by the series of death sentences pronounced on the war criminals, sentences which speak the grim language of fiat justitia. Justice does not know a double standard. Justice is indivisible. It is, in the words we read on the face of our Supreme Court Building, "Equal justice under the law."

VOICES RAISED AGAINST THE EXPULSION

Many courageous persons have raised their voice against the expulsion of the Sudeten Germans. Even at the heyday of the so-called National Front regime, Roszevac, a Catholic paper in Olmütz, dared to protest on October 31, 1945, against cruelties in internment camps and the rape of Sudeten Germen women; and in another newspaper, Obzory, Dr. Helena Kozeluhova, a journalist, objected to the cruelties of the expulsion. Of course, such voices were quickly suppressed and Dr. Kozeluhova, for instance, was forbidden to write another line—curiously by men who themselves are now in exile and professing to be anti-Communist.

Czechs and Slovaks of the political parties that were suppressed by the Communists undoubtedly disapproved of the expulsion. Many of them opposed

it while in exile, among them Dr. Josef Cerny, a leader of the Agrarian Party and former Czechoslovak Minister; the Christian Democrats Josef Kalvoda and Simeon Ghelfand; Karel F. Stekr, the Artisan Party functionary and secretary general of the Union of Czechoslovak Industrialists in Exile; the former deputies, Dr. Bohdan Chudoba, Dr. Michael Zibrin and others of the National Democratic as well as other parties.

In 1945, the Czech National Committee in London under its chairman, Gen. Lev Prchala, issued a declaration denouncing the expulsion and condemning all acts of the so-called National Front regime as illegal and not binding upon the Czech people. A stand against the expulsion was also taken by most Slovak exiles such as the Slovak Liberation Committee, the Slovak National Council Abroad, the National Committee for the Liberation of Slovakia, and by that large organization of Americans of Slovak descent which, in 1918, signed the Pittsburgh agreement creating the Czechoslovak Republic.

In a speech before the National Conference of Americans of Slovak Descent at Washington, D. C., on May 24, 1954, which was attended by 5 Members of the Senate and 26 Members of this House, the president of the Slovak League of America, Philip A. Hrobak, declared:

> The Slovaks do not want, nor do they request, the Czechs to represent them in any field of human endeavor, whether cultural, political, or spiritual. And, of course, the Slovaks do not want to be credited with the criminal acts committed by the Communist-dominated National Front government of Dr. Eduard Benes and Clement Gottwald. The Slovak nation has nothing to do with the criminal expulsion of Germans and Magyars from Czechoslovakia, nor with the brutal persecution and suppression of religion and of all anti-Communist opposition in that hapless country (Cf., CONGRESSIONAL RECORD, June 2, 1954; Mr. MUMMA, of Pennsylvania).

The preparatory committee of the Ecumenical Council of Churches asked on February 23, 1946, for a review of the policy which expelled the Germans, and called article XIII of the Potsdam Agreement a challenge of the Christian conscience.

On November 6, 1946, the Catholic Bishops of America at their annual convention in Washington, D. C., declared:

> By agreement among the victors millions of Germans, who for centuries have lived in Eastern Europe, are being forced from their homes, without resources, into the heart of Germany. * * * We boast of our democracy, but in this transplantation of peoples we have, perhaps unwittingly, allowed ourselves to be influenced by the herd theory of heartless totalitarian political philosophy.

Pope Pius XII, in his letter of March 1, 1948, to the German Catholic bishops expressed his wish that the expulsions be renounced.

POSITION TAKEN BY THE GERMAN FEDERAL GOVERNMENT

What, then, is the position taken by the German Federal Government with regard to the Sudeten German expulsion? With all votes except those of the Communist deputies, the German Bundestag on July 14, 1950, adopted the following resolution:

> Subsequent to the abandonment of the territories east of the Oder-Neisse line, the fictitious government of the Russian occupied zone of Germany signed the Prague agreement on June 23, 1950, in which the illegal and inhuman expulsion of the Sudeten and Carpathian Germans is acknowledged as irrevocable, just, and final. On this occasion the German Bundestag declares once more that this fictitious government is not authorized, politically or morally, to speak for the whole German people or nation, not to sign any agreements whatsoever.
>
> The Prague agreement is incompatible with the inalienable right of man to a homeland. Therefore, the German Bundestag solemnly protests against the abandonment of the right to a homeland for those Germans of Czechoslovakia, now under the protection of the German Federal Republic, and confirms the invalidity of the Prague agreement.
>
> On the other hand, the German Bundestag appreciates the rejection by the High Commissioner of the Prague agreement. Moreover, it earnestly urges all free nations to work toward a peaceful solution in the true spirit of the Atlantic Charter which guarantees to the Germans, too, the natural rights of man.

The executive branch of the German Federal Government has also repeatedly stated its policy on the pertinent question of the expellees. Germany recognizes the boundaries of 1937. However, it also stands for the right of other expellees to return to their respective countries. Chancellor Konrad Adenauer has made this clear in various messages to Sudeten German expellees. On Palm Sunday of 1955, Dr. Adenauer declared:

> General human rights must, in the opinion of the Federal Government, also include the right to a homeland.

Foreign Minister Heinrich von Brentano, speaking for the German Federal Government, declared in the Bundestag on June 28, 1956:

> The right to their homeland and to self-determination is the inalienable prerequisite for settling the fate of men and peoples living in exile or in bondage.

The Under Secretary of the German Foreign Office, Dr. Walter Hallstein, stated on September 28, 1956:

> When furthering on an international level the right to a homeland on the basis of the right to self-determination, the Federal Government relies principally on the provisions of the Atlantic Charter of August 12, 1941, the Charter of the United Nations of July 26, 1945, the General Declaration of Human Rights of December 10, 1948, and the European Convention for Protection of Human Rights and Basic Freedoms of November 4, 1950, with its supplementary protocol of March 26, 1953, all of which have been formulated in the spirit of the above mentioned principle.

In a statement before the Bundestag in October 1956, Under Secretary Hallstein added:

> The Federal Government will at every suitable occasion point out to the nations concerned and to the world that the eleven million expellees now living in the Federal Republic, have never waived the claim to regain their homelands in justice, peace and freedom. Moreover, the Federal Government will call attention to the fact that this position is shared by the whole of the German nation.

ACTIVITIES OF, AND POSITION TAKEN BY, SUDETEN GERMAN EXPELLEES

Let us now take a look at the expelled Sudeten Germans. Where are they today? What is their life and work in the country where they have found a refuge? What are their political activities? What, in particular, is their position with regard to their Czech neighbors? Are they perhaps planning a bloody revenge for the long suffering they have had to endure?

There are Sudeten German expellees today in the Soviet-occupied zone of Germany, in Austria, Great Britain, Sweden, the Argentine, Brazil, and the United States. But the great majority of them, more than 2 million, are living in West Germany. They have used their skill and industry in building up for themselves a new life in the West. They reopened markets which they had supplied at the time when their products bore the imprint "Made in Czechoslovakia." They created new industrial enterprise and even built new towns, such as Neu-Gablonz in West Germany, thereby notably contributing to that country's present-day economy. Quite a few, however, particularly farmers, are still compelled to a dismal existence in West German refugee camps. Generally speaking, despite their tragic fate they went to work in a free and competitive economy and show no sign of turning toward communism.

To the contrary, because of their past experience with the Communists they are contributing to an understanding of the danger to free institutions by creeping and cryptic Communist subversion. Recognition in this respect should be given to Dr. Walter Becher, member of the Bavarian Legislature and who is also secretary general of the Sudeten German Council, an organization of Sudeten German members of West German legislative bodies functioning under the joint chairmanship of the venerable Dr. Rudolf Lodgman von Auen and two distinguished members of the Bundestag, Hans Schütz and Richard Reitzner. Their principal organization, however, is the National Union—Landsmannschaft—of Sudeten German Expellees, also headed by Dr. von Lodgman jointly with Dr. Hans Christoph Seebohm. The latter is Federal Minister of Transportation and as such a member of Chancellor Adenauer's cabinet. Sudeten Germans are taking an active part in the political life of West Germany and are serving in important posts in the legislative and executive branches on the federal as well as state—Land—level.

While the Sudeten Germans have stood up for the right to return to their ancient homeland, they have expressly renounced any thought of vengeance on the Czech people. They have given solemn notice of their firm stand on these two points. As early as 1949, a number of Sudeten German politicians including Dr. Walter Becher, Dr. Emil Franzel, Hans Schütz, Richard Reitzner, Wenzel Jaksch, Dr. Hermann Goetz, and

Dr. Walter Zawadil had signed in Eichstätt, West Germany, a declaration stating:

The nations behind the Iron Curtain should be aware of the fact that the restoration of their own rights and their freedom is inseparably bound up with the recognition and realization of the right to their homelands of all expellees. In making this publicly known we do not wish to indict, collectively, the Czech and Polish nations. Sudeten Germans do not seek vengeance, but ask for justice. Though the overall recognition of right would require that legal measures be taken against criminal acts, we emphatically do not desire that fear of a collective revenge should impede the deliverance from Communist shackles of these unfortunate nations. We shall use the whole weight of influence with our own ethnic group as well as with other expellees to insure that the struggle for a return to our and their homelands will be part of the overall effort toward a Christian and humane rebirth of Europe.

Then on August 5, 1950, the chosen representatives of all German expellees, including the Sudeten Germans, signed at Stuttgart, West Germany, a solemn declaration which has become known as the Charter of the Expellees, and which is already being recognized as a great human document. I should like to quote from it these passages:

We * * * renounce all thought of revenge and retaliation. This is a solemn and sacred resolution, in memory of the infinite suffering of mankind, particularly during the past decade. * * * To separate a man from his native land by force is to kill his soul. We have suffered and experienced this fate. We feel qualified, therefore, to demand that the right to the native land be recognized and that it be realized as one of the basic human rights, granted to man by the grace of God.

The expellees then publicly declared that they will support every endeavor toward a united Europe in which the peoples may live in freedom from fear and coercion. They called upon all nations and men of good will to join them in this great undertaking. Since then, the German expellees have persistently followed the policy to which their representatives had set hand and seal at Stuttgart in 1950. Rejecting Communist and neutralist temptations as well as appeals to narrow nationalism, they are, today, perhaps the most dedicated adherents of a united Europe.

But the Sudeten Germans did not rest their case with a solemn declaration of faith. They took practical steps toward an agreement, on the basis of mutual respect and a genuine search for a real solution, with their Czech and Slovak neighbors, now also in exile. In 1950, the Sudeten German Council concluded an agreement in London with the Czech National Committee, headed by Army General Lev Prchala. The agreement recognizes the right to self-determination of both nations, Czechs and Sudeten Germans.

Since then, satisfactory meetings were had, and encouraging steps taken toward cooperation, with leading members of the Republican Agrarian Party, largest political party in prewar Czechoslovakia; the Artisan Party; the Czechoslovak Industrialist Union in Exile; the Christian Democratic Movement in Exile; the National Democratic Party; and even with politicians, now in exile, who defected from the so-called National Front; leaders of the Slovak Liberation Committee; the Slovak National Council Abroad; the National Committee for the Liberation of Slovakia; and the Slovak League of America. Slovaks today are resolved that, unlike 1918, they shall not again compromise on the question of national independence. Their independence day is March 14, the day in 1939 when the Slovak Republic was established.

At a meeting held at Herrenchiemsee, West Germany, from May 24 to 26, 1956, Sudeten German members of the Bundestag declared in another statement that they will seek to realize the right to self-determination within the frame of a federated Europe and side by side with the Czech people.

Dr. Walter Becher recently submitted to me a statement from which I quote the following Sudeten German program:

The Sudeten Germans believe that for a future settlement of the problems of a free Central Europe certain basic principles of justice should be accepted as prerequisite. Accordingly they wish to advance the following aims which, in their belief, will guarantee freedom and justice to all nations of former Czechoslovakia: (1) Restoration of the status that existed prior to the Nazi and Communist interventions, including the restitution to Czechs, Slovaks, Hungarians, Carpathian Ruthenians, and Sudeten Germans of property; the return to their homeland of those who have been expelled; restoration of freedom of speech, press, and elections, of an independent judiciary, of private property; in short, full political and economic freedom; (2) the unrestricted exercise for all nations of former Czechoslovakia of the right to self-determination.

It is hoped that aims such as these would tend to unify the nations of former Czechoslovakia and, moreover, inspire other captive peoples and their exiles in the common task of overcoming the forces of communism. Since the Communist doctrine aims to eradicate any thought of property rights, the captive peoples in the Soviet-dominated countries develop a general attitude of apathy and indifference toward their places of work, collectivized farms or state enterprises. The return of the German expellees and the restoration to them of their properties may therefore prove to be less difficult than is sometimes anticipated.

SUGGESTING A REALISTIC APPROACH TOWARD A SOLUTION

In closing, I should like to revert to the tenor of an earlier speech, made in this House on May 16, 1957, on the subject of the expellees from the German provinces east of the Oder-Neisse Rivers. The general line of thought which I had then developed may be equally relevant to the case before us today.

A realistic policy for Central as well as East Central Europe, that is, concerning Czechoslovakia and the Sudeten Germans, as well as concerning Poland, the Germans of East Prussia, and the other German provinces east of the Oder-Neisse Rivers can only be a policy that is both just and moral. It must be firmly based upon historical truth and the rule of international law. To assume that any government can ever develop a successful policy on the shaky structure of a wrong, and on perpetuating that wrong, is an illusion and, let me emphasize it with all solemnity, a dangerous illusion.

Moreover, a realistic policy for Central and East Central Europe must perforce take into consideration the magnitude of the Communist threat. It cannot but take an uncompromising stand against that threat. No one will deny that communism is an evil. To compromise with evil betrays weakness which is, at the same time, dangerous; for it encourages the forces of evil and allows them to become more firmly entrenched. A moral policy, refusing to compromise with evil, is thus the most realistic policy.

The case for the East Prussians, Pomeranians, Silesians, and others from the German provinces east of the Oder-Neisse line, and the case for the Sudeten Germans from Czechoslovakia show, in some respects, common features; but they also show, in other respects, differences that should be clearly understood and pointed out to the people concerned so that the issues will not be confused by minds that are perhaps not given to legal thinking.

The East Prussians and other Germans from the German provinces east of the Oder-Neisse line have been illegally expelled from an area which, by international agreement, has been certified as part of the Soviet-occupied zone of Germany. Their expulsion from this part of Germany is a criminal act in utter defiance of the rules of international law. Moreover, the purported annexation by the Soviet Union and Communist Poland of part of this Soviet-occupied zone of Germany is a flagrant violation of international law and is, therefore, null and void. So long as the German expellees from east of the Oder-Neisse line, and in fact, all Germans with the German Federal Government speaking on their behalf, do not renounce their inalienable right this area is part of Germany and will continue to be part of Germany, regardless of the jabbering to the contrary of a few muddle-headed individuals. Incidentally, students of linguistics may know that the verb jabber is also a German colloquialism of the East Prussians. It may have been introduced there by the English dissenters who found in East Prussia refuge from religious intolerance.

As to the Sudeten Germans, they also have been expelled from an area to which their ancestors had come, not as aggressors but as sturdy pioneers, eight centuries ago, and which they also have developed by their own skill and industry, by peaceful and patient labor to a high state of civilization. This fact cannot be disputed. Though the area was in pre-Hitler days part of the Czechoslovak Republic, the expulsion from their ancient homes of the Sudeten Germans was, as I have shown, a flagrant violation of the right to self-determination

and, in its execution, a crime under international law. The Sudeten Germans continue, therefore, to have a valid legal title to their homes of which they were illegally deprived.

Mr. Speaker, it is my considered opinion that the German expellees should be encouraged to stand firm upon their right. It is in the best tradition of American foreign policy to denounce the wrong and to uphold the right. Moreover, wavering would be tantamount to further tightening the stranglehold on the captive peoples by the Kremlin and would thus actually support Soviet imperialism.

Just as the Soviets dangled before the dizzy eyes of the Poles the enticing bait of the German provinces east of the Oder-Neisse line, so the Czechs were being dazzled by Kremlin stooges with the rich spoils in the Sudetenland. To the same degree that the Poles accepted the German provinces, and the Czechs accepted the Sudeten properties out of the bloody hands of Stalin, they both permitted themselves to be chained to Moscow. This has been the fateful and deadly but logical result. Both Czechs and Poles who think of keeping these spoils must continue to lean on Soviet Russian backing and thus render themselves subservient to the Kremlin.

Would the present regimes in Warsaw, and possibly also in Prague, like to assure the Free World of a new trend toward what some people in the West wishfully call independent communism? Very well, then they should unmistakably renounce any claim on an area, respectively, on properties to which they have neither legal nor moral title. Nothing less will and can convince the Free World of their sincerity. Holding on to these spoils can only serve the purposes of the Kremlin and must logically subject them to a never-ending game of extortion. Mr. Speaker, I suggest that the executive branch of this Government, in administering our foreign-aid program, keep this fact firmly in mind.

In proposing this realistic approach I am, as I believe all of us are, aware of the fact that this Nation of ours is the hope of the Free World and of the captive peoples longing to be free. We should, therefore, never think of suggesting a solution which would jeopardize the principles of right and justice. Instead, we should insist with firmness and perseverance that a status conforming with international law be restored. This will provide the only realistic basis upon which to develop good German-Czech and good German-Polish relations and promote a climate conducive to the growth of a united Europe.

Mr. Speaker, today being the birthday anniversary of Immanuel Kant it may be fitting to end my remarks with yet another quotation from his essay, On Eternal Peace. Recalling to our mind the very memory of this, one of the world's greatest thinkers should make us feel uncomfortable in knowing that his home is now ravaged by the Communists, and it should make us resolve to insist that this wrong cannot last forever. As stated by Immanuel Kant:

> Moral evil has this quality inseparable from its nature that, in carrying out its purposes, it is antagonistic and destructive to itself, especially in relation to such others as are also under its sway; and hence it must give place to the moral principle of goodness, although the progress to this may be slow. * * *
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> For the moral principle in man is never extinguished, and his reason, pragmatically trained to realize the ideas of right according to this principle, grows without ceasing through its constantly advancing culture, while the guilt of such transgressions also comes more clearly into light. * * *
>
> It may then be said that nature irresistibly wills that right shall at last obtain the supremacy.