merged by the vocal and material influence of enthusiasts among the directly benefited group that can visualize financial rewards only by pursuing the path of laissez faire and, like the proverbial lie, when repeated often enough becomes the generally accepted fact.

For example, the oft repeated statement that American expansion of foreign trade is the direct result of benefits attained through the administration of the Reciprocal Trade Agreements Act. One of the important revelations of this period of unemployment, fully admitted but stubbornly disregarded by the powerful group of profiteers engaged in foreign commerce and trade, is that our Marshall plan, lend lease, mutual security, and economic and military programs not only impose a staggering tax load on the American people but actually account for a sizable segment of unemployed labor formerly engaged in the production of everyday consumer goods made for and purchased by the American household.

Under the slogan "We must buy from in order to sell to," the American markets are being forced to accept foreign-made commodities produced by low-paid labor in foreign countries to enable them to build up dollar reserves in this country. These dollars, of course, are intended to purchase in this country products which they themselves are unable to produce in sufficient quantities to meet their demands. The importation of these commodities in quantities sufficient to create dollar reserves is promising to be very dangerous to our own economy. Plant after plant, formerly enjoying a fair profit and formerly capable of employing many trained production workers, has been forced to curtail production or cease operations altogether because of the loss of markets for their products through imported similar products made abroad by labor paid one-fourth or less than labor receives here in America.

It is the admitted policy of those responsible for the administration of the Reciprocal Trade Agreements Act to permit the importation of these competing products into the American market free from import duties or sufficiently low as to crowd out our own products. Here are a few examples: Oil and oil products are admitted in quantities causing our own producers to go on limited production. Fuel oil—residual—a cheap by-product produced abroad, is allowed to enter the American markets to compete with coal. Textiles and a number of household products come into the American market in such quantities as to make it unprofitable for American mills to continue operations. Chemicals, dyes, electronic devices, household tools, toys, and many other things we formerly manufactured for our own trade are being permitted to enter markets in quantities that can only spell doom and destruction of many small industries so necessary in a well-regulated and well-balanced national economy.

With war-torn countries' productive capacity restored, largely through American aid, they now are looking to America for dollars, the most envied currency in world markets.

Our reciprocal trade administrators open wide the doors to these countries, permit them to send us unlimited quantities of their consumer commodities practically free from import duties, hoping thereby to be able to sell these countries more machinery and equipment with which they can further increase their production for export.

As these imported products replace some of our American-made commodities in the shops and on the counters of our merchants, throughout the Nation American factories have been compelled to furlough or permanently discharge employees who over the years have helped to build and support local private industry.

As these institutions have had to cease operations one by one, leaving specially trained employees without jobs, their spending power and their tax contributions are lost to local business and to local State and Federal Government in the form of taxes. No longer able to purchase automobiles, household equipment, food, and raimant, their economic predicament reflects itself through the entire line of commerce exchanges until it is finally felt at the top level. Thus we see business decline and employment slowdown mushrooming.

Reciprocal trade has been given another 5-year extension. American tariffs are already lower than those of any other industrial nation in the world. If our President further reduces tariffs by 25 percent as he is empowered to do under this legislation, what chance of survival is there for small industry and the labor it supports?

SENATE

TUESDAY, MAY 27, 1958

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

O Thou God of love and hope, through all the length of changing years Thy goodness faileth never. Grant us of Thy mercy a valiant heart for any duty which in these days of strain and stress may be entrusted to our fallible judgment. In a confused day, save us from any panic of spirit. May we draw our inner strength from deep wells. May the highest truth illumine the nearest duty, and our loftiest aspirations transfigure the humblest task.

Make us brave enough to bear the truth and to follow its gleam, wherever it may lead us. Hasten the day when the black remnants of savagery which now blight our social order will haunt the memory of a new generation but as an evil dream of a night that is past. By the fierce fires of global contention, may barriers to brotherhood be burned away, and mankind, whose inmost needs are one, find at last the peace of the one fold and the one Father of all. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 26, 1958, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSIONS TOMORROW

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Railroad Retirement of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate tomorrow.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Labor Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate tomorrow.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958—MINORITY VIEWS

Under authority of the order of the Senate of May 22, 1958,

Mr. DOUGLAS (for himself and Mr. KERR), as members of the Committee on Finance, submitted on May 26, 1958, minority views to accompany the bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes, which were ordered to be printed as part 2 of report No. 1625.

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, without amendment, the joint resolution (S. J. Res. 166) authorizing an appropriation to enable the United States to extend an invitation to the International Civil Aviation Organization to hold the 12th session of its assembly in the United States in 1959.

ENROLLED BILLS SIGNED

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

H. R. 7870. An act to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway;

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

H. R. 12356. An act to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 30, 1954; and

H. R. 12377. An act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements 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.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Perry C. Harris, to be postmaster at Browning, Ill., which nominating messages were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

Richard Charles Abel, and sundry other midshipmen, United States Naval Academy, for appointment in the Regular Air Force, in the grade of second lieutenant.

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

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Walter H. Hodge, of Alaska, to be United States district judge, division No. 2, district of Alaska, for a term of 4 years.

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

CIRCUIT COURTS, TERRITORY OF HAWAII

The Chief Clerk read the nomination of Frank Aloysius McKinley, of Hawaii, to be fourth judge of the first circuit, circuit courts, Territory of Hawaii, for a term of 6 years.

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

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Henry J. Cook, of Kentucky, to be United States attorney for the eastern district of Kentucky for a term of 4 years.

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

UNITED STATES MARSHAL

The Chief Clerk read the nomination of John Burke Dennis, of Missouri, to be United States marshal for the western district of Missouri for a term of 4 years.

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

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

WILLIAM H. FRANCIS, JR.

Mr. JOHNSON of Texas. Mr. President, over the weekend a very sad event occurred; it distressed me deeply. William H. Francis, the Assistant Secretary of Defense for Manpower, Personnel, and Reserve Forces, died unexpectedly. He was just 43 years of age.

Bill Francis was a close, personal friend of mine. For many years I have been close to him and have been very close to his entire family. They have been among my dearest friends. He was a hard working, loyal American. Those of us who worked with him know how much he contributed to the security and to the defense of our beloved country.

Mr. President, it is a great tragedy that a man of such brains, such energy, and such dedication, a man who still had so much to contribute to the land he loved, should pass away at such an early age.

I was out of the city, Mr. President, when the news reached me. My thoughts and my prayers have been with the surviving members of his family, and I hope that time will soon bring healing solace and comfort to them.

Mr. President, this Nation has lost one of its most aggressive, one of its most able, one of its most dedicated public servants; and I have lost one of the best friends I ever had.

Mr. BRIDGES. Mr. President, I regret that because of official business I was not present at yesterday's session of the Senate to pay my deep respect in memory of William Howard Francis, Jr., whose untimely death occurred Saturday.

As Assistant Secretary of Defense he made an invaluable contribution to the Senate Committee on Armed Services and to the Nation as the principal architect of the incentive pay bill for the military services, which has just been signed into law by the President. This bill will be a monument to his memory.

His work on this law, however, was only the last in a long series of unselfish services to his Nation, his State, and his party. His death is a real loss to all.

I extend my deepest, heartfelt sympathy to his widow, Mrs. Caroline Francis, Jr., to his uncle, Mr. Charles I. Francis, to his mother, Mrs. William H. Francis, Sr., and to the other members of his family.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON STATE AGRICULTURAL EXPERIMENT STATIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on the State agricultural experiment stations, 1957 (with an accompanying report); to the Committee on Agriculture and Forestry.

PLANS FOR WORKS OF IMPROVEMENT IN KENTUCKY, NORTH DAKOTA, AND SOUTH DAKOTA

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Canoe Creek, Ky., and Wild Rice Creek, N. Dak. and S. Dak. (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF STATE

A letter from the Secretary of State, transmitting, pursuant to law, a report on tort claims paid by that Department, during the calendar year 1957 (with an accompanying report); to the Committee on the Judiciary.

RESOLUTION OF CITY COUNCIL OF CLAREMONT, CALIF.

The VICE PRESIDENT laid before the Senate a resolution adopted by the City Council of the City of Claremont, Calif., favoring the enactment of legislation to provide for the continuation of Federal flood control work in the Los Angeles area, which was referred to the Committee on Public Works.

CONCURRENT RESOLUTION OF LEGISLATURE OF LOUISIANA

Mr. ELLENDER. Mr. President, I present, for appropriate reference, a concurrent resolution of the Legislature of the State of Louisiana, relating to the maintenance of Fort Polk as a permanent military installation. I ask unanimous consent to have the concurrent resolution printed in the RECORD.

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

Senate Concurrent Resolution 4

Whereas responsible officials of the United States Government made a binding commitment to the people of Louisiana and more specifically to the people of the maneuver area of Louisiana that Fort Polk would be maintained as a permanent installation if

the people of Louisiana would obtain approximately 7 million acres of land for maneuver purposes for the benefit of the Army; and

Whereas the people of Louisiana cooperated wholeheartedly in obtaining the required acreage, without cost to the Government and went even further and obtained additional schools, additional recreational facilities, and additional public facilities for the benefit of military personnel and floated large bond issues to the limit of the capacities of the various municipalities and political subdivisions to carry out the aforesaid purposes: Now, therefore, be it

Resolved by the Senate of the State of Louisiana (the House of Representatives concurring), That the Louisiana Legislature hereby urges the President of the United States and the Secretary of Defense to maintain this vital defense installation at Fort Polk in compliance with the previous commitments to the people of Louisiana; be it further

Resolved, That copies of this resolution be sent to the President of the United States, the United States Secretary of Defense and to each member of the Louisiana delegation in the United States Congress.

LETHER FRAZER,
Lieutenant Governor and President of the Senate.

ROBERT ANGELLE,
Speaker of the House of Representatives.

RESOLUTION OF ILLINOIS-MISSISSIPPI CANAL AND SINNISSIPPI LAKE COMMISSION

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Illinois-Mississippi Canal and Sinnissippi Lake Commission on May 1, 1958, memorializing Congress to take favorable and immediate action on the omnibus rivers and harbors authorization bill (S. 3686) introduced by the Senator from California [Mr. KNOWLAND] and other Senators, on April 24, 1958.

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

Whereas the Illinois-Mississippi Canal, extending from Bureau on the Illinois River to Rock Island on the Mississippi River, and fed by water from Rock River and Sinnissippi Lake, created by a dam across Rock River, has been abandoned by the United States Corps of Engineers as a navigable waterway; and

Whereas the Illinois-Mississippi Canal and Sinnissippi Lake Commission was created by the Illinois General Assembly in 1953 and has been re-created each biennium since that date, for the purpose of obtaining rehabilitation and transfer of title to said canal and lake to the State of Illinois for recreational purposes; and

Whereas legislation was procured in 1955 authorizing the State of Illinois to accept transfer of the aforesaid properties under certain specified conditions; and

Whereas bills in Congress designed to implement the rehabilitation and transfer of said canal and lake to the State of Illinois have twice been transferred to and included in an omnibus rivers and harbors bill, which twice has been approved by both the Senate and the House of Representatives in the United States Congress; and

Whereas on both occasions of passage of said omnibus bills, the President of the United States has vetoed said bills for reasons made public by the President on both occasions; and

Whereas there now has been introduced in the United States Senate, an omnibus rivers and harbors bill, S. 3686, including only those measures approved by the Corps of Engineers and the Bureau of the Budget, and acceptable to the President of the United States; and

Whereas the measure involving rehabilitation of the said Illinois-Mississippi Canal and Sinnissippi Lake is included in S. 3686: Therefore, be it

Resolved by the Illinois-Mississippi Canal and Sinnissippi Lake Commission, in meeting assembled this 1st day of May 1958, in room 309 of the statehouse, Springfield, Ill., and concurred in by the Governor of Illinois, that the Congress of the United States be memorialized to take favorable and immediate action on said bill, S. 3686; and be it further

Resolved, That the President of the United States is respectfully urged to approve said bill, S. 3686, upon passage by the Congress; and be it further

Resolved, That a suitable copy of this resolution be forwarded to the President of the United States; the Honorable Dennis Chavez, chairman, Senate Committee on Public Works; the Honorable Robert S. Kerr, chairman, Subcommittee on Rivers and Harbors; the Honorable Charles A. Buckley, ranking Democratic member, House Committee on Public Works; the Honorable J. Harry McGregor, ranking Republican member, House Committee on Public Works; the Honorable Everett M. Dirksen, and the Honorable Paul H. Douglas, Senators from Illinois; and to all Members of the Illinois delegation in the House of Representatives.

Adopted this 1st day of May 1958.

FRED J. HART,
Chairman, Illinois-Mississippi Canal, Sinnissippi Lake Commission.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 2119. A bill to expedite the utilization of television facilities in our public schools and colleges, and in adult training programs (Rept. No. 1638).

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

S. 3493. A bill to amend the District of Columbia Unemployment Compensation Act of 1935, as amended (Rept. No. 1639).

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

S. 2419. A bill to amend the District of Columbia Unemployment Compensation Act, and for other purposes (Rept. No. 1640).

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

S. 3058. A bill to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933 (Rept. No. 1641).

BILLS INTRODUCED

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

By Mr. JAVITS:

S. 3900. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Finance.

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

By Mr. CHAVEZ:

S. 3901. A bill for the relief of Ong Shew Lee;

S. 3902. A bill for the relief of Sha Shiao Fong;

S. 3903. A bill for the relief of Bing Yee Hoo; and

S. 3904. A bill for the relief of Chin Ping Chang; to the Committee on the Judiciary.

By Mr. BARRETT:

S. 3905. A bill to provide that the amount of social security benefit based on disability will not be reduced by any benefit awarded under laws administered by the Veterans' Administration or Armed Forces based on disability; to the Committee on Finance.

By Mr. NEUBERGER:

S. 3906. A bill directing the Administrator of General Services to withhold further action relating to the disposal of certain land in the city of Roseburg, Oreg.; to the Committee on Government Operations.

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

By Mr. CASE of South Dakota:

S. 3907. A bill for the relief of Clarence C. Ewing; to the Committee on the Judiciary.

By Mr. EASTLAND (by request):

S. 3908. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on the Judiciary.

By Mr. KERR:

S. 3909. A bill for the relief of Mrs. Mathilde Ringol; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. CASE of South Dakota):

S. 3910. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. CAPEHART:

S. 3911. A bill granting the consent of the Congress to the consolidation for investment purposes by the State of Indiana of certain Congressional township funds in each State; to the Committee on Labor and Public Welfare.

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

By Mr. PASTORE (for himself and Mr. HICKENLOOPER):

S. 3912. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

COMMISSION TO INVESTIGATE THE GOLD MINING INDUSTRY

Mr. MURRAY. Mr. President, I submit, for appropriate reference, a concurrent resolution providing for the establishment of a Commission to study the gold mining industry. This concurrent resolution is intended to be in lieu of Senate Joint Resolution 16, previously reported out by the Senate Interior and Insular Affairs Committee, but which has not yet been acted upon by the Senate.

It is my hope the Committee on Interior and Insular Affairs will be able to report this concurrent resolution promptly.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 91) was referred to the Committee on Rules and Administration, as follows:

Whereas during World War II, mining operations in many gold mines throughout the United States were discontinued pursuant to Government order; and

Whereas during World War II and subsequent thereto, the cost of mining operations has greatly increased; and

Whereas the price of gold in the United States was fixed during the period of low operation cost at the rate of $35 per ounce by the Federal Government and that price has continued until the present time; and

Whereas as a result of the foregoing conditions more than 90 percent of the gold mines scattered throughout the United States have been forced to close: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Commission, to be known as the Commission on the Gold Mining Industry (hereafter referred to as "Commission") which shall be composed of 16 members as follow: (1) Five members who are Members of the Senate; (2) five members who are Members of the House of Representatives; and (3) six members from persons in private life who are familiar with the gold mining industry. The members who are Members of the Senate and the three of the members from private life shall be appointed by the President of the Senate, and the members who are Members of the House of Representatives and three of the members from private life shall be appointed by the Speaker of the House of Representatives, but not more than three of the Members appointed from either House of Congress shall belong to the same political party. The members of the Commission shall serve without compensation other than compensation received as Members of the Senate and House of Representatives, but they shall be reimbursed, in accordance with Senate regulations, for travel, subsistence, and other necessary expenses incurred by them in connection with the performance of the duties vested in the Commission.

SEC. 2. Vacancies in the membership of the Commission shall not affect the power of the remaining members to execute the functions of the Commission, and shall be filled in the same manner as in the case of the original selection. The Commission shall select a Chairman and a Vice Chairman from among its members at the organization of the Commission and at the beginning of the 86th Congress. The Vice Chairman shall act in the stead of the Chairman in the absence of the Chairman.

SEC. 3. The Commission may hold such hearings, sit and act at such places and times, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, take such testimony, procure such printing and binding, and make such expenditures as it deems advisable.

SEC. 4. The Commission may appoint such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The Commission may utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

SEC. 5. It shall be the duty of the Commission to make a full and complete study and investigation of the gold-mining industry in the United States and to report to the Senate and House of Representatives not later than December 31, 1959, the results of its study and investigation together with its recommendations as to legislation necessary to reestablish as an integral part of the American economy the production of gold in the United States, and the Commission shall cease to exist and all authority conferred by this concurrent resolution shall terminate upon the submission by the Commission of its report provided for by this section.

SEC. 6. The expenses of the Commission, which shall not exceed $200,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

LIBERALIZATION OF TARIFF LAWS FOR WORKS OF ART

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to amend the Tariff Act of 1930 to liberalize the tariff laws for works of art and other exhibition material, and for other purposes.

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

The bill (S. 3900) to liberalize the tariff laws for works of art and other exhibition material, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Finance.

Mr. JAVITS. Mr. President, in the other House a similar measure is being introduced by Representative FRANK THOMPSON, JR., of New Jersey.

The recommended changes would first, modernize the definition of "works of art" that can be imported duty free to encompass works made of any material and in any form, including collages, along with certain abstract sculptures, lithographs, and modern tapestries, and, second, increase the availability of works of art and other articles for educational and cultural use throughout the United States and in exhibitions, including display in commercial galleries, but not for sale.

Yesterday I had a press conference in New York City at one of the museums, which was attended by all the museum representatives, at which specific pictures were made of what may be imported duty free and what may not be. It was obvious an arbitrary distinction is made, one which frustrates the reputation of the United States as a country which is interested in new cultural development.

Statements have been made, in and out of Congress, reflecting on modern art as some abstraction to such an extent as to give an impression to the world that many in the United States are reactionaries on such subjects. This is far from the fact, as anyone knows who has visited the United States. Our people are alert to and appreciative of modern art and sculpture, and our artists are original, productive, and world famous.

Yet the cultural prestige of the United States is on trial in the artistic centers of the Free World because of the dated tariff regulations and customs rulings which severely limit the original works of art allowed free entry following purchase abroad by United States art museums, and dealers, as well as private collectors, who must rank as potential donors to museums. The amendments I am submitting would bring us up to date with the modern art world and keep us abreast of future developments in this fast changing field whose very vitality is so often expressed in nonconventional forms.

Communist and Fascist societies have long been infamous for their attempts to stifle artistic creations which vary from their political line and to demand absolute conformity of their artists in every field. As the world's leading democratic society dedicated to the freedom of individual expression in all forms, we cannot afford outmoded laws which frustrate the free interchange of works of art between the United States and other countries.

The key amendment we are proposing would enlarge the definition in paragraph 1807 of the Tariff Act of 1930 to admit duty free original works of art not only done in oil, pen and ink, water colors, and other more traditional mediums but also in any other mediums, including applied paper and other materials, manufactured or otherwise, such as are used on collages," and original sculpture and statutory "constructed from any material or made in any form," not limited to conventional materials and representative forms.

Under the present act as administered an original Picasso or Matisse painting would be imported duty free, but a Picasso or Matisse collage on precisely the same subject, valued perhaps at as high as $20,000, as some are, would very likely be subject to a customs levy of $4,000. That is because collages—a recognized fine arts medium in which the artist frequently glues or nails various materials such as paper, cloth, and even manufactured objects to a surface—are not now considered works of art, and the Treasury Department reports that it is usual for the Customs Bureau to classify them according to the component material of chief value. They are frequently dutiable at the normal high rate, however, based on their value as a work of art.

In addition, although a famous court decision regarding the bird in space sculpture ruled in favor of free importation of sculpture which did not represent a form in its true proportions, abstract sculptures which represent neither the human nor some other form of nature cannot enter free. That is why we consider it essential to classify original works of art made of any form and out of any material not subject to duty.

These changes and others we are submitting to remove the import restriction on certain printing processes such as lithographs not over 20 years old, hand-woven tapestries by modern artists, "models of inventions and other impovements in the arts" for use by architectural schools and other groups, and to encourage the acquisition and preservation of "ethnographic and artistic objects" from primitive societies made 50 years prior to their date of entry if enacted into law will be welcomed at home and abroad. They will continue to contribute to the recognition that we as a people are not solely concerned with material development but are deeply interested in cultural advancement which has been symbolic of most great civilizations. It is also consistent with the achievement of our announced goal of world peace upon which all cultures depend if they are to prosper aesthetically as well as economically.

To help increase the people's opportunities for art appreciation in all forms, now so often limited to the larger cities and even there to specialized groups, we are also proposing amendments to paragraph 1807 to allow free entry for the sculptor's model and 10 replicas, compared to the 2 allowed at present, to answer the demand for original casts by museums and collectors. Another

change in paragraph 1809 would encourage the exhibition of works of art throughout the country by allowing their importation for display purposes "within the territorial limits of the United States." And finally, to expand the potential audience size for exhibitions, an amendment to paragraph 1809 would provide that works of art "may be transferred temporarily to a commercial gallery or other premises of educational, scientific, agricultural, or cultural purposes or for the benefit of charitable organizations, and not for sale."

In every way we must seek to keep the tariff laws abreast of the modern situation.

Mr. President, our country is recognized in the world as the Free World leader not only by virtue of its productive power, but also by virtue of its inventive genius, artistic inspiration, and cultural attributes. The bill about which I am speaking is a move toward establishing that fact firmly.

Mr. President, I remind Senators that a great sensation in international relations was recently created by a brilliant young pianist from Texas, Mr. Cliburn. I think this fact indicates the power of artistic creation in terms of international relations when one has a forward looking and open point of view. The purpose of the bill is to foster that idea, Mr. President. I hope very much it will have the early attention of the appropriate Senate committee.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill, an analysis of the need for passage of the bill, and an article from the New York Times of today, entitled "Javits Bill To Ask End to Art Duties."

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

Be it enacted, etc., That paragraph 1720 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1201, par. 1720), is amended to read as follows:

"PAR. 1720. Models of inventions and of other improvements in the arts, to be used exclusively as models and incapable of any other use, except as they may be used in educational and cultural exhibitions."

SEC. 2. Paragraph 1807 of such act, as amended (19 U. S. C., sec. 1201, par. 1807), is amended to read as follows:

"PAR. 1807. Original paintings in oil, mineral, water, or other colors, pastels, original drawings and sketches in pen, ink, pencil, or water colors, or original works of art in any other media, including applied paper and other materials, manufactured or otherwise, such as are used on collages, artists' proof etchings unbound, and engravings and woodcuts unbound, lithographs not over 20 years old, or prints made by other hand-transfer processes unbound, original sculptures or statuary, but the terms 'sculpture' and 'statuary' as used in this paragraph shall be understood to include professional productions of sculptors only, whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, metal, or other materials, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, alabaster, or from metal, or other material, or cast in bronze or other metal or substance, or from wax or plaster, or constructed from any material or made in any form as the professional productions of sculptors only, and the term 'original' as used in this paragraph to modify the words 'sculptures' and 'statuary,' shall be understood to include the original work or model and not more than 10 castings, replicas, or reproductions made from the sculptor's original work or model, with or without a change in scale and regardless of whether or not the sculptor is alive at the time the castings, replicas, or reproductions are completed. The terms 'painting,' 'drawing,' 'sketch,' 'sculpture,' and 'statuary,' as used in this paragraph, shall not be understood to include any articles of utility or for industrial use, nor such as are made wholly or in part by stenciling or any other mechanical process, and the terms 'etchings,' 'engravings,' and 'woodcuts,' 'lithographs not over 20 years old,' or 'prints made by other hand-transfer processes,' as used in this paragraph, shall be understood to include only such as are printed by hand from plates, stones, or blocks etched, drawn, or engraved with hand tools and not such as are printed from plates, stones, or blocks etched, drawn, or engraved by photochemical or other mechanical processes."

SEC. 3. Paragraph 1809 of such act, as amended (19 U. S. C., sec. 1201, par. 1809), is amended to read as follows:

"PAR. 1809. (a) Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities, and artistic copies thereof in metal or other material, imported in good faith for exhibition purposes within the territorial limits of the United States by any State or by any society or institution established for the encouragement of the arts, science, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this provision within 5 years after the date of entry hereunder and such articles shall be subject at any time within such 5-year period to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this paragraph shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

"(b) In connection with the entry of works of art and other articles claimed to be free of duty under this paragraph, surety on bonds may be waived in the discretion of the collector.

"(c) Articles entered under this paragraph may be transferred from one institution to another, subject to a requirement that proof as to the location of such articles be furnished to the collector at any time, and such articles may be transferred temporarily to a commercial gallery or other premises for educational, scientific, agricultural, or cultural purposes or for the benefit of charitable organizations, and not for sale, upon an application in writing in the case of each transfer under this subparagraph describing the articles and stating the name and location of the commercial gallery or premises to which transfer is to be made, and provided in the case of any such transfer the sureties, if any, on the bond assent in writing under seal or a new bond is filed. No entry or withdrawal shall be required for a transfer under this subparagraph."

SEC. 4. Paragraph 1811 of such act, as amended (19 U. S. C., sec. 1201, par. 1811), is amended to read as follows:

"PAR. 1811 (a) Works of art (except rugs and carpets made after the year 1706), collections in illustration of the progress of the arts, works in bronze, marble, terra cotta, parian, pottery, or porcelain, artistic antiquities, and objects of art of ornamental character or educational value which shall have been produced prior to 100 years before their date of entry, but the free importation of such objects shall be subject to such regulations as to proof of antiquity as the Secretary of the Treasury may prescribe. Antique frames on original works of antique or modern art may be entered at any port of entry.

"(b) Violins, violas, violoncellos, and double bases, of all sizes, made in the year 1800 or prior year.

"(c) Ethnographic or artistic objects made in the traditional aboriginal styles of the North, Central, and South American countries and of the Caribbean Islands, the countries of the African Continent, and of the islands of Micronesia, Melanesia, Polynesia, southeast Asia, and Australia, and made at least 50 years prior to their date of entry."

SEC. 5. Paragraph 1812 of such act, as amended (19 U. S. C., sec. 1201, par. 1812), is amended to read as follows:

"PAR. 1812. Gobelin and other handwoven tapestries used as wall hangings."

STATEMENT ON NEED FOR BILL TO LIBERALIZE THE TARIFF LAWS FOR WORKS OF ART AND OTHER EXHIBITION MATERIAL, AND FOR OTHER PURPOSES

Paragraph 1720: Paragraph 1720 provides for the free entry of models. At present the words "to be used exclusively as models and incapable of any other use" prevent the free entry of architectural and other models for use in exhibitions.

The phrase "except as they may be used in educational and cultural exhibitions" is added so that museums may import architectural and other models free of duty for study and exhibition at schools of architecture and other organizations such as the Architectural League, New York. (Museums may now import such models under par. 1809 (q. v.), but many potential exhibitors may not, and models so imported may not be transferred to commercial galleries. The use of material entered under permanent exhibition bond (par. 1809) will be facilitated if proposals listed below are adopted. Organizations such as the Architectural League will, however, be required to pay duty unless par. 1720 is amended.)

1. GENERAL REMARKS

Paragraph 1807:

The obvious intent of this paragraph is to allow free entry to all bona fide original works of art. This is a great advantage to American art museums and dealers as well as private collectors, who are potential donors to the museums.

However, the wording of the paragraph, which has not been revised since 1930, has permitted the development of regulations which make certain works dutiable under paragraph 1547 as "works of art not especially provided for" or even (frequently) under paragraphs which were not intended to cover original works of art and which work considerable hardship when applied to very valuable objects. Two paragraphs often used in this way are 1023 (20 percent ad valorem) and 1413 (17½ percent ad valorem) for "manufactures not especially provided for" of hemp and paper respectively. When these paragraphs are used, the duty is invariably based upon the value as works of art which is often in excess of $10,000. When as "manufactures of hemp and paper" this value might be 15 cents. These regulations vastly increase paperwork for importers and the customs service. They cause needless delay and have sometimes forced importers to take court action against the Government. Above all, they frustrate the intent of Congress.

2. MATERIALS

Paragraph 1807 includes a list of traditional artists' materials, which was apparently meant to include all those used in bona fide works of art. But artists are constantly using new materials, many of which are not manufactured as "art supplies"; and works incorporating such materials are excluded by implication.

For example, more and more artists in this country and abroad are making "collages," that is pictures or abstract compositions made of paper, cloth, small objects (manufactured or not), etc., pasted, glued, sewn, pinned, or nailed together and often combined with drawing or painting in traditional mediums. Collage as a fine arts medium was invented by Picasso and Braque about 1912. The best collages of these artists are now valued as high as $20,000. Collages by Picasso, Gris, Braque, Matisse, Schwitters, Burri, and other important 20th century artists are in the collections of most of the great art museums of the United States, including

(a) The Metropolitan Museum of Art, New York.
(b) The Art Institute of Chicago.
(c) The Philadelphia Museum of Art.
(d) The Baltimore Museum of Art.
(e) The Museum of Modern Art, New York.
(f) The San Francisco Museum of Art.
(g) The Columbus Gallery of Fine Arts.
(h) Yale University Art Gallery.

Several are illustrated in Masters of Modern Art edited by Alfred H. Barr, Jr., Museum of Modern Art, New York, 1954.

Neither the esthetic nor the commercial value of modern works of art depends in any way on the materials of which they are made. This is generally recognized by artists, dealers, scholars, collectors, and museum officials. Paragraph 1807 is therefore modified to include some of the materials typical of colleges and the words "in any other media" added to allow free entry to these and works in any new mediums that may come into use by professional artists.

3. PRINTING PROCESSES

In the same way original prints in limited editions printed by hand can be made in other ways than those listed in the paragraph, especially by lithography, and the purpose of the paragraph is defeated by the implied limitation to specified techniques. The paragraph has therefore been changed to include prints made by other hand-transfer processes.

4. EDITIONS OF SCULPTURE

Three-dimensional works of art other than unique models and constructions are customarily cast from molds or reproduced by other quasi-mechanical means in strictly limited editions of usually no more than 10 replicas. Each unit is finished by hand, and the first is not more valuable or original than the last. In exceptional cases an edition is completed by associates after the death or incapacity of the sculptor. In addition to the edition one sculptor's model made by hand in less permanent material is often preserved. This too is considered an original work of art.

Such editions are a normal feature of professional production in sculpture and do not constitute mass-produced commercial reproductions. The practice is traditional and not a recent innovation. It is recognized in the present wording of the paragraph; but the limitation to 3 replicas, the customs regulation that they must be the first 3 made, and failure to mention the sculptor's model raise obstacles to the importation of certain works identical with those admitted free.

In view of the large number of American museums and private collectors interested in casts of the same work, the wording is changed to admit the sculptor's model and not more than 10 replicas.

5. ABSTRACT SCULPTURE

The present language of the paragraph would seem to allow free entry to all bona fide sculpture without regard to its form or title. However, a Treasury ruling of 1916 (T. D. 36309) requires sculpture to consist of "imitations of natural objects, chiefly the human form * * * in their true proportion of length, breadth, and thickness * * *." As a result of the famous Brancusi Bird in Space decision of 1928 (T. D. 43063) sculpture, though still required to represent a natural form, need no longer render it in its exact proportions. Although in his decision in the Brancusi case Judge Waite recognized that "There has been developing a so-called new school of art, whose exponents attempt to portray abstract ideas rather than to imitate natural objects," customs officials are still required to follow the 1916 ruling and deny free entry to all frankly abstract sculpture, which makes no claim to derivation from any natural form. (At the same time paintings and drawings are admitted whether abstract or not if made from traditional materials.) Thus it happens at times that free entry for sculpture hinges entirely upon its title. Recently a piece of sculpture—not purely abstract—with the French title "Masque" was first denied free entry on the grounds that a mask is not a natural object, but was later admitted when it was shown that "Masque" may also be translated "masker" or "masquerader" and that this was the correct rendering in the particular case in hand.

Abstract sculpture is being produced here and abroad by many artists who have forsaken the idea of duplicating or distorting the human or animal form. Their works are included in many museum and private collections and are commonly illustrated in publications on the art of our time.

Since the 1916 ruling bars a large and increasing proportion of all the sculpture being made from duty free entry, we have inserted the words "made in any form."

1. TRANSFER WITHOUT PERMISSION

Paragraph 1809 (c): Since all institutions privileged to use this paragraph must first establish their noncommercial character, there is no risk that objects freely transferred from one to another might be put to illegitimate use. Thus the permission required for each move imposes a useless burden on the institutions and the Government.

2. TRANSFER WITH PERMISSION

Benefit and other nonprofit exhibitions must often be held on the premises of commercial organizations. It would be useful if material entered under exhibition bond might be shown in such exhibitions with permission.

The changes in this paragraph have therefore been made to simplify the work of the Customs Service as well as that of institutions privileged to use the paragraph and to increase the availability of such material for educational and cultural use.

Paragraph 1811 (a): Because of the specific date used in paragraph 1811 as a criterion for free entry it applies every year to older material. An importer must now establish an age of 128 years instead of the 100 which was the original intent of Congress. This paragraph is constantly of use to American museums and collectors, but its usefulness diminishes with the passage of time.

Paragraph 1811 (c): Objects representing the material culture of primitive peoples may be considered antique at an earlier age than is customary for other artistic antiquities. Some reasons for this are:

1. Within the past 50 years many of the cultures represented by such objects have disappeared, diminished, or changed radically.

2. In the absence of records it is often impossible to be certain of the age of such material.

3. The very preservation of such material frequently depends upon its posession by a museum, especially when it is no longer valued by its makers.

4. In many culture areas objects more than 50 years old are almost nonexistent because of the perishable materials used and the corrosive effect of climate and vermin in the local environment.

These objectives are seldom if ever capable of any use other than study and display, and they do not compete with any American products. An age of 50 years is more than enough to bar all modern commercial products and imitations made for the tourist trade.

Paragraph 1812: It would be a great convenience to American museums if the many modern tapestries not made at the Gobelin factory could be imported as duty free works of art. At present many tapestries designed by Picasso, Lurçat, Maillol, Miro, and Léger, and other modern artists are denied free entry because they are not Gobelin tapestries. In this bill the paragraph is amended to allow free entry for other hand-woven tapestries made for use as wall hangings.

[From the New York Times of May 27, 1958]

JAVITS BILL TO ASK END TO ART DUTIES—CUSTOMS CHANGES SOUGHT TO EXEMPT IMPORTED COLLAGES AND ABSTRACT SCULPTURE

(By Sanka Knox)

An abstract sculpture or a collage may be a thing of beauty to its owner, but it is dutiable merchandise to the Government.

A move to win official art standing for certain kinds of creative foreign works that now are disparaged by the tariff law was announced yesterday by Senator JACOB K. JAVITS.

The New York Republican, in a meeting with museum officials, said he planned to introduce in the Senate today legislation designed to correct antiquated rulings on what constitutes a work of art. The meeting took place at the Museum of Primitive Art, 15 West 54th Street.

According to the Tariff Act of 1930, which defines an original work of art, such objects as abstract sculptures, collages, lithographs and primitive carvings are ruled out of the art family.

SUBJECT TO LEVIES

They are subject to customs levies, while original works of art may enter the country free of duty. In many cases the Customs Bureau will levy a high tax on a collage, which is a picture consisting of varied materials applied in a pattern.

It was recalled at the meeting that in 1956 an imported collage by Alberto Burri was classified by Customs as a manufacture of vegetable fibers because it had a background of burlap.

But, although it was not art, according to Customs, it received a levy of $90, or 20 percent of its declared value of $450. Its owner, Donald Peters, protested the tax, saying that if his import was vegetable matter, then it was worth $1 and the Government was entitled to 20 cents. Mr. Peters lost the argument.

Collage as an art form was invented about 1912 by Pablo Picasso and Georges Braque. One of Picasso's earliest collages, Man With a Hat, a charcoal, ink and pasted paper construction now owned by the Museum of Modern Art, is valued in five figures, a spokesman said.

BOND HAD TO BE POSTED

The museum posted a 5-year bond to bring it in duty-free, but under the law it could not dispose of the work during the

bond period without paying duty. The museum was also prevented from lending it without permission.

A small collection of works from the Museum of Modern Art was assembled at the meeting to point up the alleged inconsistencies of the tariff law. One object, a geometric painting by Piet Mondrian in oils on canvas, was allowed free entry because it was composed of traditional materials.

Another work, a sculptural relief in the same general style by Ben Nicholson, was taxable. The museum was permitted to import it under bond, but a private collector or dealer would have had to pay duty.

Under Treasury requirements, levy-free sculpture must consist of "imitations of natural objects, chiefly the human form * * * in their true proportion of length, breadth and thickness."

Senator JAVITS said the rulings concerning the free admission of collages and sculpture "have become so artificial in terms of development of art today that they have made us almost an object of ridicule."

WITHHOLDING ACTION RELATING TO DISPOSAL OF CERTAIN LAND IN ROSEBURG, OREG.

Mr. NEUBERGER. Mr. President, I am submitting for the RECORD a letter I addressed to Franklin G. Floete, Administrator, General Services Administration, on May 14, and a letter I received in reply from Mr. Floete this morning. I believe these letters are self-explanatory.

In keeping with my expressed plan, as mentioned in my May 14 letter to Mr. Floete, I introduce, for appropriate reference, a bill which would direct the Administrator of the General Services Administration to take no further action prior to December 31, 1958, relating to the land designated in the bill. It is my hope, Mr. President, that even if the Administrator is unable to defer further the sale of the property at this time, the proposed law will be helpful, in the event the bids on this property are rejected, the possibility of which Mr. Floete indicates in the last paragraph of his letter. An identical bill is being introduced in the House, today, by Representative CHARLES O. PORTER, of the Fourth Oregon District.

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

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

The bill (S. 3906) directing the Administrator of General Services to withhold further action relating to the disposal of certain land in the city of Roseburg, Oreg., introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Administrator of General Services shall take no further action, prior to December 31, 1958, relating to the disposal of the following described tract of land situated in Douglas County, Oreg.:

All of lots 6 and 7, block 29, city of Roseburg, Douglas County, Oreg., except that portion of said lot 6 described as follows:

Beginning at a cross chiseled in the sidewalk in the west line of said lot 6 from which the street monument at the intersection of Rose and Washington Streets bears north 62 degrees 02 minutes west 30.0 feet and north 28 degrees 01 minutes east 90.26 feet; thence south 62 degrees 02 minutes east 35.67 feet to a brass cap; thence south 28 degrees 01 minutes east 8.63 feet to a brass cap; thence north 62 degrees 01 minute 30 seconds west 35.7 feet to the east line of Rose Street; thence south 28 degrees 01 minutes west 8.63 feet to the point of beginning.

The letters presented by Mr. NEUBERGER are as follows:

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
May 14, 1958.

Mr. FRANKLIN G. FLOETE,
Administrator, General Services Administration, General Services Building, Washington, D. C.

DEAR MR. FLOETE: I appreciated your courtesy in sending me a copy of your May 2 letter addressed to Representative CHARLES O. PORTER in which you point out that the remainder of the Lillie Lela Moore property in Roseburg, Oreg., about which Mr. PORTER had written on April 24 has been withheld from disposal since June 2, 1953. I appreciate, too, the cooperation and counsel you provided which served as a guide to the House Committee on Government Operations in amending H. R. 6995 in such a way that it won support in the House. This bill is now pending before the Senate Committee on Government Operations and I am hopeful that it will win the support of the Senate before the 85th Congress adjourns.

This bill, once enacted, will go far toward achieving the splendid goal set by the Douglas County Historical Society and its hundreds of friends. This organization has shown great perseverance in its effort to establish a museum and historical landmark in Roseburg, Oreg., which would serve the entire county and its more than 70,000 inhabitants.

With the society so near to achieving its main objectives, I think you will agree that it would be most unfortunate if every possible step were not taken to bring its full plan into realization. That plan was discussed at some length Tuesday when Mr. Jones, my administrative assistant, talked with Mr. Brunson, of your staff. Briefly, that plan calls for the construction of a historical museum on the two lots which are presently the subject of bids now scheduled to be opened May 28. In your letter to Representative PORTER, you took cognizance of the possible interest the Douglas County Historical Society might have in acquiring these two lots, when you suggested that the society "may submit a bid therefor in response to the advertising. The property may be purchased for cash on terms requiring 20 percent down, the balance payable in 40 equal quarter-annual installments with interest at 5 percent per annum."

In a call from the society's president, I was informed that the Douglas County Historical Society would very much like to buy this property. However, the situation, at this particular time makes it practically impossible for the organization to enter a bid. For this reason, members of the society and their broad group of supporters throughout Douglas County and the State of Oregon are gravely concerned, lest these lots will be acquired by private interests who are completely indifferent, it seems, to the public interest and historical uses to which these lots might be turned. Letters expressing this public concern have been received in my office in the last few days. Congressman PORTER has received similar requests.

If these lots could be the subject of bid—or even better—of negotiation, a few months later, this could very possibly be worked out in terms satisfactory to the General Services Administration, the Douglas County Historical Society and the citizens of the county. Under the plan proposed by spokesmen for the society, and by the authority provided in their charter, voters of the county would be asked in the November election to approve a levy which would provide funds for their County Historical Society for use in purchasing the lots to construct the museum building thereon. Oregon law empowers them to do this as a chartered public organization.

In view of these plans for the realization of their objectives which have been propounded in concrete, realistic, and practical terms by the society officials, and in consideration of the evident wide support from the public, I am having a bill drafted which would facilitate and expedite their proposals. Perhaps there is administrative authority without such a bill, the measure, however, would certainly lend direction and emphasis to the accomplishment of the society's major objectives.

It seems to me that the ultimate fulfillment of these plans now hinges on the suspension for a few more months of the proposed and imminent opening of bids scheduled for May 28. However, at this time, postponement of the sale for a few more months certainly will have no adverse effect on any other use for which the property conceivably may be purchased. Accordingly, I would like to request that the General Services Administration, in the interest of the general public, delay until in November any further action on disposal of the subject lots.

I have discussed this proposed bill with Representative PORTER who is well aware of the deep interest of his constituents in preserving the Moore property intact and establishing a historical center in the county. He concurs completely in my request.

Your cooperation and understanding of these matters are greatly appreciated.

With kind regards, I am

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., May 23, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We are unable to consider favorably the request made in your letter of May 14 that we withdraw our public offering of the remaining portion of the Lillie Lela Moore property at Roseburg, Oreg.

Prolonged delays in the disposal of surplus real property are, in our judgment, inimical to the basic provisions of the Federal Property and Administrative Services Act of 1949 relating to the disposition of such property. A decision to delay this sale is made more difficult by the fact that the property has been extensively advertised for sale and the scheduled bid opening on May 28 is imminent. It would be impracticable to notify interested bidders of the change in plan and would tend to lessen the confidence of the bidding public in the competitive bid procedure, on which we rely for a substantial portion of our sales.

In the event we do not receive a bid commensurate with the appraised fair market value of the property, all bids will be rejected, in which event we will defer a further offering of the property until November. At that time we will favorably consider the negotiated sale of the two lots to the Douglas County Historical Society at the current appraised fair market value of the property, provided legislation is enacted which will renew or supplant our expiring negotiating authority now provided under section 203 (e) of the act cited above.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

CONSOLIDATION FOR INVESTMENT PURPOSES BY STATE OF INDIANA OF CERTAIN CONGRESSIONAL TOWNSHIP FUNDS

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a bill granting the consent of the Congress to the consolidation for investment purposes by the State of Indiana of certain Congressional township funds in such State. I ask unanimous consent to have printed in the RECORD and appropriately referred a joint resolution of the General Assembly of the State of Indiana, relating to the subject matter of the bill.

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

The bill (S. 3911) granting the consent of the Congress to the consolidation for investment purposes by the State of Indiana of certain Congressional township funds in such State, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The joint resolution presented by Mr. CAPEHART was referred to the Committee on Labor and Public Welfare, as follows:

Senate Enrolled Joint Resolution 15

Joint resolution memorializing the Congress of the United States to enact appropriate legislation to permit the State of Indiana to manage and invest the money in the Congressional township fund

Whereas in 1785 the Continental Congress of the United States set aside section No. 16 in each Congressional township for the use of the schools by the inhabitants of such township; and

Whereas these sections of land so set aside have been sold, and the money realized from the sale thereof has been put into a trust fund which is now invested by the respective counties;

Whereas it is opinion of the various county auditors of the State that the investment of the small amount of money in such funds is of little financial value to the citizens of their counties; and that the money in such funds would realize a larger return if invested by the State: Therefore be it

Resolved by the General Assembly of the State of Indiana—

SECTION 1. The Congress of the United States is hereby memorialized and requested to enact appropriate legislation to permit the State of Indiana to manage and invest all money in the Congressional township fund for the benefit of the inhabitants of each Congressional township.

SEC. 2. The secretary of the Senate of the Indiana General Assembly is hereby instructed to forward a copy of this resolution to the House of Representatives and the Senate of the Congress of the United States; and to send a copy to each Member of the House of Representatives and the Senate who represent the State of Indiana in the Congress of the United States.

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

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

TEMPORARY ADDITIONAL UNEMPLOYMENT COMPENSATION—AMENDMENTS

Mr. CAPEHART submitted amendments, intended to be proposed by him, to the bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. COOPER (for himself, Mr. REVERCOMB, and Mr. JAVITS) submitted amendments, intended to be proposed by them, jointly, to House bill 12065, supra, which were ordered to lie on the table, and to be printed.

Mr. DOUGLAS submitted an amendment, intended to be proposed by him, to House bill 12065, supra, which was ordered to lie on the table, and to be printed.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENT

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was ordered to lie on the table, and to be printed.

NOTICE OF HEARING ON THE NOMINATION OF EDWARD T. WAILES TO BE AMERICAN AMBASSADOR TO IRAN

Mr. GREEN. Mr. President, I wish to announce that the Senate has today received the nomination of Edward T. Wailes, of the District of Columbia, to be Ambassador to Iran.

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

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

CARDINAL STRITCH

Mr. PROXMIRE. Mr. President, the world has been made poorer by the death of Cardinal Stritch.

The brilliant scholar and priest showed, from an early age, the bright promise which was to be so completely fulfilled in his life. He graduated from grammar school at 10, and had his bachelor of arts degree at 16. When he was named Bishop of Toledo, Ohio, he was at 34 the youngest member of the Roman Catholic hierarchy in the United States.

When he was only 43 he was made Archbishop of Milwaukee. The people of Wisconsin will remember him particularly for the memorable 10 years in Milwaukee. He was next appointed Archbishop of Chicago, the largest Archdiocese in the United States, with an estimated 2 million communicants. Then, in 1945, his career reached a climax with his appointment as a Cardinal of the Roman Catholic Church.

Samuel Cardinal Stritch was the first American-born Cardinal of the Roman Curia, the central government of the Roman Catholic Church. He ascended to this position last March 1, when Pope Pius XII appointed him Pro-Prefect of the Congregration of the Propagation of the Faith, with the responsibility for supervising the worldwide missionary activity of the church.

America and the world can ill afford the loss of so stout-hearted a fighter for freedom and the dignity of the human spirit. Samuel Cardinal Stritch will be mourned wherever men place value on the things of the spirit.

SECOND HOOVER COMMISSION REPORT—RESOLUTION OF SUPPORT BY NEW JERSEY STATE FEDERATION OF WOMEN'S CLUBS

Mr. SMITH of New Jersey. Mr. President, the New Jersey State Federation of Women's Clubs, at its convention this month, adopted a resolution of support for the implementation of the Second Hoover Commission Report. It made particular reference to certain recommendations including reorganization of the Federal budget and accounting system, and expansion of the program within the Department of Defense for basic and applied research.

Mr. President, this outstanding organization represents over 46,000 clubwomen in New Jersey. I ask unanimous consent that a copy of the aforementioned resolution be printed in the RECORD at the conclusion of my remarks.

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

SECOND HOOVER COMMISSION REPORT

Whereas there is great demand by thoughtful and public-spirited citizens for economy and a more efficient Government; and

Whereas the New Jersey State Federation of Women's Clubs (by resolution at the annual convention, 1950) endorsed and supported the reorganization plan for the first Hoover Commission appointed by Congress to effect savings in Government; and

Whereas the second Hoover Commission empowered by Congress to study Government operations has reported waste, duplication, and disregard of economy in Government operations as well as inefficiency in basic and applied research within the Department of Defense; and

Whereas there are comparatively few recommendations brought in by the second Hoover Commission which have been acted upon to date, and we believe that immediate implementation of the remaining recommendations would save the Government billions of dollars, the most urgent among them being:

1. Elimination of nonessential services in competition with private enterprise;

2. Reorganization of the Federal budget and accounting system—

(a) by fixing appropriations under an annual accrued spending formula;

(b) by halting the stockpiling of unspent funds from past budgets (as provided by H. Res. 8002 now before Congress);

3. Establishment of a supply and service administration within the Department of Defense, thereby centralizing procurement and distribution of nonmilitary goods and services commonly used by all the Armed Forces;

4. Expansion of the program within the Department of Defense for basic and applied research;

5. Establishment of a senior civil service: Therefore be it

Resolved, That the New Jersey State Federation of Women's Clubs in convention assembled, May 1958, endorses and supports the implementation of the recommendations of the second Hoover Commission, and respectfully urges the appropriate committees of the Senate and the House of Representatives to take immediate action (and to work for their enactment into law); and be it further

Resolved, That copies of this resolution be forwarded to the President of the United States, Dwight D. Eisenhower; to His Excellency, Gov. Robert B. Meyner; to the resolutions chairman of the General Federation of Women's Clubs, and to all Senators and Representatives currently representing the State of New Jersey in the Congress of the United States of America.

AIR SAFETY

Mr. MORTON. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Kentucky may proceed.

Mr. MORTON. Mr. President, the tragic air accident which occurred a week ago today involving a Capital Airlines Viscount and a National Guard jet trainer reemphasizes the need for more effective control of the airways. The administration and the Congress share the responsibility for action that will bring about greater traffic safety for aircraft.

Last week the President issued a 5-point directive and gave Gen. Pete Quesada emergency powers to accelerate air safety action. I commend the President for what he has done. I think it will be necessary to go much further if these accidents are to be prevented, and it is my belief that legislation is required.

On the day following the accident, I made a flight from Andrews Air Force Base in one of the newest jet interceptors, which will soon be delivered to the Air Force. The plane was the JF-101B, commonly known as the Voodoo, and it is produced by the McDonnell Aircraft Corp., of St. Louis. It is one of the fastest operational planes in the world. The plane itself is a two-seater, with powerful jet engines and a unique airbrake. It carries 2 atomic rockets, as well as 2 conventional high explosive rockets. It is designed to intercept approaching enemy bombers and destroy them with the air-to-air weapons which it carries. The atomic rockets are designed for use against a formation of bombers, and the conventional rockets against single bombers.

We were in the air only 30 minutes on this flight. During this time we attained a speed of well over 1,000 miles an hour, and were at an altitude of more than 50,000 feet. In fact, we were at 40,000 feet in just over 2 minutes after leaving the ground. During these 30 minutes, the plane consumed in excess of 13,000 pounds of fuel.

It was a bright, clear day, with almost perfect visibility. The plane handles easily and is very smooth in flight. There was no feeling of high speed or excessive vibration. The only way that I could tell that we had gone through the sound barrier was by watching the instrument panel.

The climb of the plane is so rapid that we attached our oxygen masks before takeoff. This mask has built into it a microphone which permitted me to talk to the pilot during the flight. Before we left the ground, I was fully briefed on how to operate the emergency safety devices. I was shown how to throw off the canopy over the cockpit and how to fire the charge which would blow me out of the plane and automatically open my parachute at the proper time. I confess to some degree of nervousness while receiving these instructions.

The terrific speed of this plane convinces me that we must, as soon as possible, establish joint control over military and civilian aircraft in flight. There have recently been four bad crashes involving military jets and conventional commercial airlines. As the airlines begin using jets, the danger will increase. The increasing and alarming number of near misses reported by airline pilots lends further substance to the fact that the day of see-and-be-seen flight operations is rapidly drawing to a close.

During my supersonic flight in the Voodoo, I saw another jet aircraft approaching on a crossing course at such a distance it was barely visible. The intervening distance was closed so rapidly that I could hardly believe it. The speed of our jets is simply fantastic—we were flying more than 17 miles a minute. This problem of speed is of great concern to all of us, from an air safety standpoint.

Unified control and supervision of all aircraft is absolutely imperative if these tragic accidents are to be avoided. Some have suggested that we curtail military operations, but this, in my opinion, would be suicidal to our national defense. The United States Air Force is today the greatest deterrent against major war. Unless it flies, it cannot remain proficient. The answer to these tragic accidents is not to stop flying, but to establish traffic control on the airways.

I commend the Senator from Oklahoma [Mr. MONRONEY] for sponsoring and vigorously supporting his bill, S. 3880, entitled the Federal Aviation Act of 1958. This bill will create an independent agency directly responsible to the President and the Congress. It gives to that agency the authority to regulate the use of all air space of the United States by both civil and military aircraft. It transfers to this agency the responsibilities now assigned to CAA and the Airway Modernization Board. In order to obtain the proper liaison with military aviation, it provides for the appointment by the Secretary of Defense of a special military adviser to the administrator of the new agency.

There undoubtedly will be strong opposition to the Monroney bill. During the course of the hearings, some other plan may be developed to accomplish the purpose of the proposed legislation. Be that as it may, prompt and full hearings on this measure will, I feel sure, lead to whatever legislation is necessary to achieve greater safety on the airways.

Naval vessels at sea or in harbor abide by the rules of the road, just as do commercial or private vessels. Army trucks abide by the traffic laws, along with private or commercial motor vehicles. There is no reason why a unified traffic-control system cannot be worked out covering military, private, and commercial aircraft. The speed of today's aircraft makes it important; the speed of tomorrow's aircraft makes it essential.

EMERGENCY HOUSING PROGRAM

Mr. SPARKMAN. Mr. President, I invite the attention of Senators to the fact that under the emergency housing program enacted into law in the early part of this year, which I had the honor of sponsoring, the new housing starts and applications for loans continue to increase. In a recent statement of the Federal National Mortgage Association covering low- and moderate-priced housing, a report for April 1 through May 15, 1958, it is shown that there have been total commitments of $179,870,000.

Mr. President, I ask unanimous consent that the statement from FNMA be printed at this point in the RECORD as a part of my remarks.

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

Weekly report—Special assistance program No. 10, covering low- and moderate-priced housing, Apr. 1, 1958–May 15, 1958

[Commitments to purchase FHA-insured and VA-guaranteed mortgages not exceeding $13,500 covering housing on which construction has not been started]

Week ending—	FHA-insured		VA-guaranteed		Combined	
	Number	Amount	Number	Amount	Number	Amount
Apr. 10	410	$3,989,000	199	$2,455,000	609	$6,444,000
Apr. 17	989	11,384,000	907	11,059,000	1,896	22,443,000
Apr. 24	1,657	19,002,000	1,227	15,292,000	2,884	34,294,000
May 1	1,682	18,503,000	1,437	17,973,000	3,119	36,476,000
May 8	1,607	18,705,000	2,036	25,578,000	3,643	44,283,000
May 15	1,567	18,276,000	1,398	17,654,000	2,965	35,930,000
Total	7,912	89,859,000	7,204	90,011,000	15,116	179,870,000

NOTE.—These commitments cover housing in 465 communities located in 36 States, Hawaii, and Puerto Rico.

Mr. SPARKMAN. Mr. President, in the same connection, quite an interesting article was published in the current issue of the U. S. News & World Report under the heading "Housing: Where Business Is Getting Better." The article relates to a survey throughout the country and indicates the great progress which is being made in the field of housing. I ask unanimous consent that the article be printed in the RECORD as a part of my remarks.

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

HOUSING: WHERE BUSINESS IS GETTING BETTER

Signs are growing that a new boom in home building is to offer strong medicine for an ailing United States economy.

Consensus of builders and lenders—surveyed by U. S. News & World Report—points to a 10 percent rise in starts in 1958.

Warmer weather, an abundance of mortgage money, and new rules for easier borrowing are behind this new upturn.

All across the country now, home builders and mortgage lenders are reporting an upsurge in home financing and building, and a quickening of interest among home-hunting families.

It is a shift that has come only in the past few weeks.

Talk to these builders and lenders—as members of the board of editors of U. S. News & World Report have just done in a nationwide survey—and you get the idea that home building can be a stout prop for a sagging economy in 1958.

Warmer weather, after a dismal winter, is bringing out thousands of families to view model homes. And new credit rules make buying easy—GI loans with no downpayments, and very low downpayment loans insured by the Federal Housing Administration. Result: Families are ordering. Many builders are months behind in filling orders.

Outcome of this new trend, builders and lenders predict, is to be the start of about 1,150,000 homes this year—up more than 10 percent from 1957—despite a slow beginning in bad weather. To start that many homes, builders will have to keep up an average annual rate of 1.25 million for the rest of 1958. Only in the years 1950 and 1955 have more than 1.25 million homes been started.

EASY-CREDIT MAGIC

In the suburbs of Kansas City, Kans., a home builder reports that liberalized rules on FHA and GI mortgages have helped a lot. He is building homes in the $17,000–$20,000 price range, and 85 percent of them are selling with no downpayment.

"Our buyers," he explains, "are mostly young white-collar workers with 2 or 3 children. They earn good money—$6,000 to $10,000 or more a year, and they can afford monthly payments on a home. But they have little cash for downpayments. When the downpayment requirement for GI homes was dropped, they started home hunting."

In the San Antonio, Tex., area, a builder foresees a 30 percent rise in housing starts this year, despite a slow beginning. This means an additional 1,500 to 2,000 starts in that community. "We're working," he says, "to catch up with demand now." He reports that home builders who were squeezed out by tight money last year are coming back into operation now that they can get financing easily.

For their part, mortgage lenders in most communities admit frankly that they can't find enough good applications for all the funds they have available, despite a rise in demand.

"There's been an increase in demand for real estate loans, but not in proportion to the amount of money available," says a mortgage-company official in San Francisco.

"We're out looking for borrowers, advertising widely," says a savings and loan official in Memphis, Tenn. He credits better weather with most of the shift.

In Massachusetts, mortgage money is superabundant and lenders are offering loans at 4¾ percent interest, a full half of 1 percent under the FHA limit. One builder operating in a south shore suburb 20 miles out of Boston has expanded his plans for 1958 by 50 percent since January 1. He is 3 months behind in filling orders. He attributes his huge demand, though, to the fact that he has the low-cost land and the setup to build homes at $10,000.

BUILDER PROBLEMS

It is in low-cost and medium-cost homes that demand has risen most sharply in most communities.

"We find," says an official of a savings and loan association in St. Petersburg, Fla., "there has been a 20- to 25-percent increase in mortgage-loan applications—practically all in the low-priced homes. The trend is toward the $13,500 level. I think 90 percent of the efforts of home builders and mortgage bankers will be concentrated in low-priced homes—that's where the market is."

An official of the Dime Savings Bank of Brooklyn, N. Y., one of the country's biggest home-mortgage lenders, notes that "sales of new homes have picked up in the medium-priced range, and also in the low-priced range."

More and more builders, however, are beginning to complain that they can't build low-priced homes with costs what they are. A Los Angeles builder says, "Low-cost homes are becoming a joke. Land costs are up $300 to $400 in just the last couple of years to an average of $1,800 for a 60-foot lot."

A Cleveland builder says, "We consider a $16,500 to $17,000 home a small, or low-cost home in Cuyahoga County. You have to cross over the county line to find much building in the $15,000-and-below class." He adds, though, that "there's been a decided upturn in activity, with lenders, builders, and buyers showing more enthusiasm now."

SOME RAISE DOUBTS

Many lenders are wondering whether the spurt in FHA and GI loans means a real increase in home financing, or just a shift from conventional loans—those not backed by Government. An official of a big insurance company—one of the country's largest mortgage lenders—says the rise in FHA and GI loans may be robbing the conventional market to some extent.

A high official of another big insurance firm doubts this. "My inclination," he says, "is to feel that any pickup would be among people who didn't quality for conventional loans."

The head of a large bank in Dallas, too, believes the spurt in home building under Government-backed mortgages is real, not just a shift from conventional financing.

Dissenting views come from cities hard hit by the recession.

The head of a savings and loan office in Detroit says loan applications there still are declining. Where people are afraid for their jobs, he reports easier credit is no help.

A Chicago banker reports that the trend of home building in that city—though not in all of its suburbs—is still down.

San Francisco lenders are cautious in their predictions. Says one: "It will take 5 or 6 months to know whether the public will respond to the easing of Government regulations. Easy terms already have raised demands for mortgages from builders themselves. When these homes are created, we will find out if sales will hold up to the expectations of builders."

CONSENSUS: OPTIMISTIC

Most builders and lenders, however, are confident.

In the Dallas area, building is really booming. Housing starts financed by FHA mortgages in the first 4 months totaled 1,516, against 746 in those months of 1957, with conventionally financed starts rising to 981 from 690. GI starts were down, but a banker reports that in the first 3 weeks of May alone more GI homes were started than in January, February, and March together.

The manager of a development company selling homes from $23,350 up, in Marin County, just north of San Francisco, reports his sales jumped 60 percent in the first month after rules were liberalized on GI loans. "The demand for homes has never stopped," he says, "but financing problems and this little recession slowed down our sales. We had to reduce our building. But we're moving now."

A Baltimore, Md., savings and loan official reports: "Terms now being advertised by lenders here are the most attractive in the past year—25 years and 5 percent on conventional loans. We've taken in more loan applications in 2 months than in any similar period in a year and a half."

And from a Topeka, Kans., lender, "I'd say applications have picked up 30 to 40 percent in Lawrence and the Kansas City area where we operate."

These reports leave no doubt that a recovery in home building is underway. If it lasts, it could go far toward ending the recession.

TAX REDUCTION FOR SMALL BUSINESS

Mr. SPARKMAN. Mr. President, immediately following that article in the U. S. News & World Report is another very interesting short article entitled, "Tax Break for Small Business."

The article indicates that there may be tax relief for small business, and states five different points which the Secretary of Commerce, Sinclair Weeks, has advocated.

Mr. President, it happens that every single one of the points listed was recommended by the Select Committee on Small Business at the beginning of this year. As a matter of fact, most of those items were proposed last year or even 2 years ago, and were opposed by the administration.

Earlier this year the distinguished Senator from Minnesota [Mr. THYE], the ranking minority member of the Select Committee on Small Business, and I appeared before the House Committee on Ways and Means to present a bill which the Senator from Minnesota and I had sponsored in the Senate and on which some 37 different Senators had joined in cosponsorship. We appeared before the House Committee on Ways and Means and presented our program.

I am delighted, Mr. President, to observe the administration is swinging into line, at least in part. I congratulate Mr. Weeks, the Department of Commerce, and the administration for this belated action in endorsing a tax relief program for small business. I hope the administration will remain faithful to the proposal.

I heard over the radio this morning that the President in his message to the House of Representatives relating to excise taxes had virtually ruled out any tax relief for this year, but I observed in the newspapers a note to the effect that there might be some compromise on the point, and that the administration might

agree to some tax relief for small business, if it had to.

Mr. President, it is the last part of the statement which rather disturbs me. I wish the administration would stand firm. If the administration favors tax relief for small business, as Mr. Weeks professes in his presentation to the House Committee on Ways and Means, and to the Congress, I hope the administration will stand firm. Goodness knows that small business throughout this country needs tax relief. I hope, Mr. President, we shall be able to get tax relief legislation passed at the present session of Congress.

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

Mr. SPARKMAN. I am glad to yield to the Senator from Louisiana.

Mr. LONG. I am pleased to hear the Senator from Mississippi make that statement. I should like to say to him that the Senate will vote tax relief for small business, whether the administration stands firm or not. I believe that decision has about been made by Senators.

Mr. SPARKMAN. I am glad to hear that comment from the Senator from Louisiana, who is a member of the Finance Committee of this body. I have felt the same way. I have felt Congress was planning to give tax relief to small business this year. I am delighted the Senator from Louisiana has made that statement.

Mr. LONG. It would be helpful if the administration would stand firm and support the proposal, but I believe tax relief will be provided.

Mr. SPARKMAN. It would be of great help to have the administration support the proposal. The Senator will remember that only a year ago the Senate was considering a tax bill and was about to pass it when the telephones reaching Senators across the aisle became very busy with calls directly from the administration. One Senator stated on the floor of the Senate, as can be found in the CONGRESSIONAL RECORD, that he had just been notified by Secretary Humphrey that if the Senate would refuse to agree to the action proposed at that time, before the session of Congress was completed the administration would sponsor a program to give tax relief to small business. Such a program never materialized. That is one reason I refer to the belated action of the administration. I hope the administration will stand firm.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point as a part of my remarks.

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

TAX BREAK FOR SMALL BUSINESS

Small businessmen in this country are to get tax relief and a new avenue to long-term loans and equity capital, if Congress approves a plan urged last week by Secretary of Commerce Sinclair Weeks.

Here is what Mr. Weeks, in testimony before the House Committee on Banking and Currency, urged Congress to do:

Encourage investment in small firms by liberalizing tax deductions on losses taken in such investment. Right now, capital losses can be charged to ordinary income only in a limited way. The plan is to allow ordinary loss deductions up to $50,000 a year for new investments in small firms—companies with a paid-in capital of a half million dollars or less and a net worth of $1 million or less.

Let taxpayers use faster tax writeoffs for depreciation of used machinery and equipment. "The life history of most new businesses," said the Secretary, "starts with used equipment."

Give small corporations the privilege of being taxed as partnerships. Idea is to let small firms adopt a corporate status without its tax disadvantages.

Offer a 10-year stretchout for payment of estate taxes where an estate is made up largely of investments in closely held firms. Purpose: to avoid the sale of firms to pay estate taxes.

Create a new system to provide small firms with long-term loans and equity capital. Funds would come from new investment companies, which would be set up with private capital but would get loans from the Government. These investment companies and their own stockholders would get to deduct against their ordinary income all the losses they sustain in these operations.

This plan is given a good chance of adoption by Congress this year.

EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. MURRAY. Mr. President, my distinguished colleague from Montana [Mr. MANSFIELD] and I were among the cosponsors of S. 3244, which provided for unemployment reinsurance grants to the States, as well as other purposes. Those of us who come from States seriously affected by the recession, such as Montana, are particularly aware of the shortcomings of H. R. 12065, which provides merely for loans to States.

Last week Montana's Acting Governor, the Hon. Paul Cannon, telegraphed me and other Members of the Montana Congressional delegation concerning H. R. 12065. Governor Cannon pointed out why he and the Attorney General of the State of Montana, the Hon. Forrest H. Anderson, concur in the recommendation that H. R. 12065 be amended to provide for unemployment reinsurance grants. Governor Cannon stated his and Attorney General Anderson's position as follows:

I have this day sent the following telegram to Senator PAUL DOUGLAS:

"I have this day received an opinion from Montana Attorney General Forrest H. Anderson stating that he has examined H. R. 12065 and our State unemployment acts as thoroughly as time limitations will permit and he is of the opinion that none of our State laws or constitutional provision will prevent us from taking advantage of this Federal legislation if it is passed. Mr. Anderson did state, however, that H. R. 12065 provides only for loans to the States which must be negotiated through a formal agreement between the State and the Federal Government. He stated this machinery is cumbersome and time consuming and may prevent the funds being granted under the bill from reaching the unemployed workers when they are needed most. He further stated legislation previously introduced in Congress provided for direct grants-in-aid to the States for the purpose of extending unemployment benefits for a longer period and these direct grants could be made from presently existing surplus Federal funds in this respect relative to the direct grants-in-aid I am in absolute accord with the recommendation of the attorney general of Montana I would request therefore that due to the serious continuing unemployment problem in Montana together with mounting exhaustions of workers benefit periods that your honorable body will approve H. R. 12065 with above proposed amendment incorporated therein as expeditiously as possible."

Mr. President, the entire Montana Congressional delegation—Senator MANSFIELD, Representative LEE METCALF, Representative LEROY ANDERSON and I concur in the position taken by these two officers of our State. Laboriously negotiated loans to the States will not do the job in Montana, which for many weeks had the highest rate of unemployment of any of the States. H. R. 12065 should be amended to provide for increased grants to the States.

EFFECT OF UNITED PRESS-INTERNATIONAL NEWS SERVICE MERGER

Mr. KEFAUVER. Mr. President, yesterday, I had called to my attention news accounts of Sunday, May 25, announcing the merger of the United Press Association with the International News Service.

From the news accounts it is my understanding that, acting upon rumors that such a merger was pending, the Antitrust Division of the Department of Justice sent telegrams on last Friday night to United Press and International News Service asking that both parties talk with the Justice Department before consummating the deal. It is my understanding that officials of both of these organizations replied by saying that the merger agreement had already been signed on May 16.

Mr. President, the seriousness of this merger cannot be overestimated. Prior to this merger, there were three news services in the United States. The Associated Press is a cooperative newsgathering organization limited exclusively to its own membership and which offers none of its services for sale to anyone other than members. Heretofore, United Press and International News Service competitively offered their services to smaller newspapers and radio stations all over the country. In effect, these small newspapers and radio stations have had the benefit of competitive rates to choose from. Unless voted into membership by Associated Press, these small radio stations and newspapers now face an absolute monopolist in securing news service.

Not only is this future effect created by the merger of these two news services for the small newspapers and radio stations but an immediate disaster has apparently fallen on some 400 International News Service employees who, I understand, have already received notice of severance.

From the newspaper account it is my understanding that officials of the Antitrust Division of the Department of Justice are presently seriously considering the application for a preliminary injunction pending litigation of this matter. I have commended Hon. Victor R. Hansen, Assistant Attorney General in charge of the Antitrust Division of the Department

of Justice, for the promptness with which he has acted in this matter as well as the report that he is seriously considering the application for a temporary injunction. However, Mr. President, I am afraid that this action by the Department of Justice may possibly be too late. I hope this is not the case, but I say this because there is presented in this merger a perfect example of the scrambling of assets which, even though litigation proves successful, may for all practical purposes prove impossible to unscramble. In my opinion, Mr. President, this is a perfect demonstration of the need for premerger notification legislation which is now pending before the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, of which I am chairman. Hearings have been held on bills dealing with this subject which will in the very near future be reported to the full Judiciary Committee.

A similar bill has been reported by the House Judiciary Committee. The bill is sponsored by Representative CELLER and other Members of the House, and is now pending in the Rules Committee of the House, awaiting a rule for consideration on the floor.

Had there been such a requirement in the law, United Press and International News Service could not have consummated this merger without giving notice to the Federal Trade Commission and the Department of Justice. Had this been done, quite obviously, either one of these agencies could have been afforded the opportunity of studying the proposal and if it were believed that section 7 of the Clayton Act would be violated, a preliminary injunction might have been applied for in the Federal district courts. In this manner irreparable harm could have been avoided by precluding the scrambling of the assets and cessation of certain operations, as well as the discharge of valuable employees.

I shall follow with a great deal of interest the manner in which the Department of Justice handles this matter. Speaking for myself as one of the coauthors of the Celler-Kefauver amendment to section 7 of the Clayton Act which was passed in late 1950, I certainly support the questioning of this merger. There is presented here a simple question of arithmetic. Prior to the merger there were two news services offering service generally to the small newspapers and radio stations throughout the United States. Today, there is only one. This is not a tendency toward monopoly. This is monopoly. Mr. President, I ask unanimous consent that the articles from the New York Times of May 25, 1958, describing the merger of United Press and International News Service be made a part of the RECORD, as well as my letter of yesterday to Mr. Hansen.

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

UNITED PRESS AND INTERNATIONAL NEWS SERVICE AGENCIES MERGE; ANTITRUST ISSUE RAISED BY UNITED STATES

(By Russell Porter)

The United Press Association and the International News Service announced yesterday they had merged into a new agency called United Press International.

The announcement had been expected to be made today. It was put ahead a day after action by the Antitrust Division of the Justice Department. The Department, hearing rumors of the merger, sent telegrams Friday night asking both parties to talk with it before consummating the deal. The agency said that a serious antitrust question was involved.

Officials of both news-gathering organizations replied in telegrams saying they did not believe the merger raised any such question. They said the merger agreement had been signed May 16 but announcement had been postponed pending completion of physical and operational changes.

It was understood the International News Service, a Hearst organization, would contend it has been losing money. The Supreme Court has held that the merger of a business that is losing money does not violate the antitrust law.

About 400 International News Service employees are expected to lose their jobs because of the merger. An International News Service spokesman said all would receive severance pay. The International News Service had from 400 to 450 editorial employees in the United States and foreign countries, about 150 clerical and business employees and 65 teletype operators.

United Press and International News Service bureaus were notified yesterday noon to carry United Press International credit lines on their news and feature stories beginning immediately.

It was reported no buying or selling was involved in the deal, but information on this was withheld. Whether there was an exchange of stock could not be learned.

However, William Randolph Hearst, Jr., editor in chief of the Hearst Newspapers, and two other Hearst executives were named to the new United Press International board of directors. The other Hearst directors are J. D. Gortatowsky, chairman of the board of Hearst Consolidated Publications, and G. O. Markuson, vice president and treasurer of the Hearst Corp.

Frank H. Bartholomew, United Press president, was named president of the new agency. Its vice president is Kingsbury Smith, who was International News Service general manager.

The United Press International takes over more than 5,000 clients from the United Press and 3,000 from the International News Service. It also takes over physical facilities, including teletype machines, office equipment, and photographic equipment of International News Pictures, which is included in the deal.

The merger included the still-picture service of both wire services. United Press Movietone will be operated by United Press International, but Telenews, a television news-film service that was operated by the International News Service, was not included in the merger. Telenews will be continued separately by the Hearst organization.

FIRST DISPATCH SENT

Both United Press and International News Service wires carried the merger announcement in a story marked with the United Press International credit.

It said:

"This is the first dispatch of the new service, which will embrace the largest number of newspaper and radio clients ever served simultaneously by an independently operated news and picture agency."

The Associated Press, the other big American news agency, is a cooperative news-gathering organization.

The Associated Press supplies news to 7,275 newspapers, radio, and television stations. Both the Associated Press and the United Press International gather and distribute news both in the United States and in foreign countries.

The United Press International story announcing the merger included the following statement by Mr. Bartholomew:

"The consolidation of the two services will assure a stronger competitive news and pictorial-news report to newspapers, radio, and television stations throughout the entire civilized world.

"Like the newspapers dependent upon us for news, ours will be a business organization, collecting and distributing one of the world's most perishable products, news. We believe private enterprise with a profit incentive is the best guaranty of objective coverage of world news, exactly as it is for the subsequent publishing of that news in the great independent newspapers of the world.

"The combining of the two services will guarantee broader and more efficient news and pictorial reporting on a worldwide basis.

"Economics was an important factor in the creation of the great new news network. Costs of covering the world news fronts have risen steadily with rapidly improving means of transmitting both news and pictures by leased wires and electronic processes."

The United Press International announcement said work on the merger had been underway since last September.

Replies to the Justice Department inquiries were sent by Mr. Bartholomew and Richard E. Berlin, president of the Hearst Corp. Both said they would be glad to discuss the merger with the Department and furnish it with information.

ANTITRUST STATUS OF MERGER SIFTED—JUSTICE DEPARTMENT CALLS FOR TALKS—SEES SERIOUS QUESTION OF LEGALITY

(By Anthony Lewis)

WASHINGTON, May 24.—The Justice Department warned the United Press and International News Service today that their merger "may raise a serious question under the antitrust laws."

Victor R. Hansen, Assistant Attorney General in charge of the Antitrust Division, gave the warning in a telegram to the two news services. He added that he would "like the opportunity to discuss the matter with you before any such merger is consummated."

Although no official statement was made, it was evident that the Justice Department was giving serious consideration to legal action to stop the merger. Antitrust lawyers worked through the day at the Department on a hurried study of the merger.

The relevant antitrust law is section 7 of the Clayton Act of 1914. It prohibits mergers whose effect may be substantially to lessen competition, or to tend to create a monopoly.

If the Justice Department does not decide to act against the merger, its most likely step would be to go into a Federal district court—presumably in New York—and ask for a preliminary injunction against it.

According to Department lawyers, fast action will be necessary if any is to be taken at all. The feeling is that once the United Press has disbanded the staff and machinery of International News Service it will be most difficult to put it back together.

LIKE UNSCRAMBLING AN EGG

In general, mergers are much easier to stop before they are consummated. As lawyers put it, trying to break up a completed merger is like trying to unscramble an egg.

This explains why Mr. Hansen's telegram sought some consultation with the news services before their amalgamation was completed.

But in the telephone conversation with the Justice Department today, United Press officials indicated that they had moved as quickly as possible to consummate the merger.

They said among other things that they had already sent dismissal notices to unwanted International News Service employees. A Justice Department lawyer said this action had brought the merger close to an accomplished fact.

Whether the United Press-International News Service merger does violate the Clayton Act is an extremely complicated question. The answer depends, among other things, on factual data that the Justice Department does not yet have.

FINANCES A FACTOR

For example, the courts have construed section 7 not to apply to the situation when one of two merging firms is, as the Supreme Court put it, "a corporation with resources so depleted and the probability of rehabilitation so remote that it faced the grave probability of business failure."

If International News Service were shown to be in bad financial shape, in short, the Government could not use the antitrust laws to make it stay in business. But no one here knows whether International News Service qualifies for this doctrine of the "failing corporation."

The fact that two news-gathering concerns are merging might, however, make the courts apply the Clayton Act with particular stringency.

The theory of any Government action in the case probably would be that a reduction in the number of wire services from three to two would not only give newspapers less choice in the placing of their business but also deprive the public of a valuable variety of news sources.

PLAN FOR MERGER CONSIDERED IN 1927—INTERNATIONAL NEWS SERVICE ABANDONED IDEA FOR LINK TO UNITED PRESS AS HEARST EXPANDED NEWS AGENCY

The merger of International News Service with the United Press, announced yesterday, was tentatively explored as long ago as 1927.

In that year, newspapers owned by the late William Randolph Hearst and serviced by the Hearst-owned International News Service found themselves in a conflict of interest with the Associated Press, to which several Hearst newspapers belonged. The Associated Press charged that the two news services were unnecessarily competing, pirating each other's news and creating an uneconomic situation.

According to newspaper historians, the Hearst organization then considered the possibility of joining forces with the United Press. This idea was shortly abandoned when the Hearst newspaper chain expanded its own news-gathering service.

The United Press and International News Service were the second and third major news agencies, respectively, to be formed in the United States. The first was the Associated Press, founded 100 years ago in New York.

The founding of the Associated Press was the result of stiff competition for news between the Wall Street, or financial, newspapers, and the uptown newspapers, known then as the penny press. Enterprising newspapers maintained swift ships to sail out of New York Harbor, meet slower incoming ships from Europe, skim them of news and speed back to New York.

PONY EXPRESS USED

Wealthier paper used their own pony express to bring news of Congress to New York. Other papers found it necessary to establish their own pony expresses and build their own swift news boats. Expenses for these services ran high. In the late 1840's, James Gordon Bennett of the New York Herald and David Hale of the financial district's Journal of Commerce met and called a truce. This resulted, in 1848, in the formation of a jointly sponsored news-gathering service known as the Associated Press.

As more and more newspapers sprung up in the Nation, other news services were formed. In 1907 the United Press was founded. It was first designed to serve four links in the Edward W. Scripps chain of newspapers, in Cleveland, Cincinnati, St. Louis, and Kansas City. It started with a staff of 12, including the copy boy.

MAY 26, 1958.

Hon. VICTOR R. HANSEN,
Assistant Attorney General,
Antitrust Division,
Department of Justice,
Washington, D. C.

DEAR JUDGE HANSEN: I have had called to my attention articles respecting the merger of the United Press Associations and the International News Service, which appeared in the New York Times on May 25, 1958.

From these articles and from other information that I have had called to my attention it is my understanding that, prior to this merger, there were three principal news services in the United States. They were the Associated Press, the United Press Associations, and the International News Service. It is also my understanding that the Associated Press is a cooperative news-gathering organization, principally referred to as a membership association which does not offer for sale news service to anyone other than its members. I have been informed that both United Press and International News Service were competing news services offering services generally to any buyer.

I note from the press reports that when this matter came to your attention, you immediately contacted the United Press Associations and the International News Service requesting that both parties talk with the Antitrust Division before consummating the deal and that you were informed that the agreement had already been signed. May I commend you upon the promptness with which you proceeded in this matter considering the seriousness of this merger. This seriousness is exemplified by the fact that some 400 INS employees are expected to lose their jobs because of the merger. Even more important, however, is the threatened elimination of the competition that existed between these two services, especially for the small newspapers and radio stations throughout the United States. In my opinion, the AP service may be discounted when considering this matter because its service is only furnished to its members. With the merger of UP and INS, in practicality, the small newspaper and radio station is now faced with an absolute monopoly of national news, it having no other source to turn to unless it is voted into membership by AP.

From the press account, I note that the Department is considering applying for a temporary injunction in this matter pending litigation. May I again commend you for this consideration and urge that you very seriously consider this move. As previously pointed out, the merger of these two news agencies is a merger of, not only facilities, but persons. Once this merger has taken place and employees are cut adrift, it will be most difficult to unscramble the situation in the future and practically impossible to ever restore the true service picture after many employees have been cut adrift and gone to other endeavors.

The circumstances of this merger also impress me with the great need of pending premerger notification legislation. As I understand the news account, you had no notice of this merger until after it was consummated. The eggs have been scrambled and the need of a preliminary injunction, even at this late date, is all the more apparent.

I shall follow with great interest the manner in which you proceed in this matter.

Sincerely,

ESTES KEFAUVER,
Chairman.

NEED FOR CENTRALIZED AIR TRAFFIC CONTROL

Mr. KUCHEL. Mr. President, the people of California are airminded. The State of California is the center of the aviation industry in this country. All of us who live within the confines of that great Commonwealth recognize the fast worsening problem of proper and effective air traffic control.

The Los Angeles Times of May 24, 1958, recounted what a veteran airline pilot had to say about the air traffic conditions over the metropolitan Los Angeles area, as follows:

Los Angeles is probably the most congested airspace we have in the country today.

Earlier this week I indicated something of the hazard of congestion in northern California. One of my constituents wrote to me stating that there was a near miss between a commercial airline plane upon which he was traveling and two military jet aircraft in the vicinity of San Francisco. One, the commercial plane, was under control of the Federal CAA. The two fast traveling military jets were not under control of the CAA.

The unhappy fact is that in the past 15 months California has been the scene of several grievous air collisions, with all the tragedy which ensued. God alone knows how many near misses there have been.

The Los Angeles Sunday Examiner of May 25, 1958, made the following comment:

Civilian-military flight friction can be stated simply: Airliners fly mapped routes and need CAA permission by radio even to change altitude; military planes, the jets at 500 to 600 miles per hour and faster, fly as they please, under no control but the pilot's.

Earlier I was very glad to join as coauthor, with the distinguished junior Senator from Oklahoma [Mr. MONRONEY] and other Senators, of a bill introduced in the Senate to create one single centralized Federal agency to be charged solely with the responsibility of controlling all air traffic above the geographical area of continental United States except in time of emergency. I believe that such a measure is in the public interest. I believe that legislation of that character should be enacted expeditiously. I was delighted to read the editorials which appeared a few days ago in the two great southern California newspapers to which I have referred. I ask unanimous consent that the full text of the editorials be printed in the RECORD.

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

[From the Los Angeles Sunday Examiner of May 25, 1958]

ROULETTE OR SAFETY?

The civilian-military aircraft collision high over Maryland, almost on Washington's doorstep, was in a zone through which both

the President and Vice President had flown in separate planes a short time before.

Thus it dramatized as no other recent midair collision the weaknesses and the inadequacy of the Federal air-traffic-control system.

President Eisenhower moved swiftly by ordering the quickest action possible to separate military and civilian flights. Five restrictions against military planes ranging the skies without limit were given immediate effect.

Congress reacted dramatically, in a quick and heartening way and with an overall sense of urgency.

Already at hand were legislative proposals and the factfinding and conclusions of committees and boards that had been given impetus but not urgency by:

1. Three near misses every day on commercial air routes;

2. Two hundred and forty-eight previous deaths in collisions in less than 2 years; and

3. Four previous military-civilian collisions fatal to 160 persons.

The day after the Maryland tragedy, bills were introduced in both Houses to create a new, single civilian agency to control both military and commercial flights except in time of war.

The House Appropriations Subcommittee exacted a promise from the Civil Aeronautics Administration and the Air Force for new safety measures, then took to the President himself the plan on which he acted for immedate CAA emergency control of military flights.

On the second day, the House Government Operations Subcommittee started an inquiry into the Maryland collision and a review of Federal aviation policies. So did the Senate Aviation Subcommittee, before which CAA revealed it had already taken over control of military flights in some congested areas.

Simultaneously, President Eisenhower ordered a top-level White House study of air safety under a Presidential assistant, retired Lt. Gen. Elwood R. Quesada, which started last Friday. The administration had announced just last Sunday a 5-year, $1 billion modernization of existing facilities for air-traffic control.

Civilian-military flight friction can be stated simply: Airliners fly mapped routes and need CAA permission by radio even to change altitude; military planes, the jets at 500–600 miles per hour and faster, fly as they please, under no control but the pilot's.

Representative PRINCE H. PRESTON, JR., Democrat, of Georgia, chairman of the Appropriation Subcommittee, states it even more simply:

"Brother, it's Russian roulette."

The sense of urgency and the temper of the Congress to give this priority add up happily to one answer: The Nation may have a sound plan for safe air-traffic control before the summer's end.

[From the Los Angeles Times of May 24, 1958]

AIR TRAFFIC OVER LOS ANGELES

Los Angeles is now to be classified as a high-density air-traffic area by the Civil Aeronautics Administration.

COLLISION DANGERS

While this offers some encouragement in the matter of air safety the surprising thing is that the action was not taken long ago in view of the fact that this is one of the busiest air-traffic centers in the Nation. More important is that for several years we have been up among the leaders in the frequency of near collisions in the air, a distinction that is frightening to say the least.

It could be that technical and operating difficulties were in part responsible for the seeming reluctance to classify Los Angeles as a high-density air-traffic center. The Civil Aeronautics Administration is reported to have held back on the basis that such action might lead to the possible disruption of civil aviation—for example, two-way radios will become mandatory for all aircraft using the area.

Not only that, all aircraft entering the area will be required to notify control towers and maintain communication through radio, meanwhile holding their speeds to reasonable levels.

No one pretends that this is going to solve the problem. Actually, State Assemblyman Frank Bonelli, a member of the legislative Subcommittee on Aeronautics, says that the Los Angeles air-traffic situation can go only one way—get worse.

TESTIMONY OF PILOT

His statement has support in the view expressed by Carl Christenson, a veteran United Airlines pilot, who testified before a Senate committee in Washington that "Los Angeles is probably the most congested air space we have in the country today."

Others have pointed out that when high-speed jet airliners go into service, the numerous problems in handling present traffic will be increased.

Maj. Gen. Joseph Caldera, Air Force director of flight safety, says that the collision hazard could be substantially reduced if all en route traffic is required to fly under instrument flight rules, regardless of weather. This would bring all aircraft under ground control; under visual flight rules, it is the responsibility of the pilot to see and be seen and no ground control is involved.

In line with this, President Eisenhower himself has taken a hand in the situation nationally, ordering the implementation of a 5-point emergency air-safety program pending development of a long-range plan expected to be ready in 3 months.

ACTION BY PRESIDENT

Although the CAA had initially protested that invocation of instrument-flight regulations would overload ground control facilities now hard pressed to handle civilian traffic, the President's program applies instrument flight rules to jet trainers flown by students on civilian airways, requires them to stay off civilian airways when traveling from higher to lower altitudes, and brings military operational flights on civilian airways under both IFR and CAA control.

Additionally jet planes on cross-country and similar flights will have to file flight plans with the CAA and jet trainer pilots must keep away from civilian airways in making proficiency flights. If these undertakings are carried out there should be a diminishment in the air collision hazard.

Some remedial measures have already been taken; new CAA programs to apply cooperative local flight rules over trouble spots such as Las Vegas where heavy civilian traffic is likely to merge with military traffic. New air regulations require that all pilots henceforth be especially vigilant when operating under visual flight rules since it has been shown that 98 percent of air collisions occur under these conditions.

Suggestions have also been advanced urging the prohibition of all military flying over the Los Angeles Basin as well as in other localities where commercial traffic is heavy. It has been proposed that military air installations be shifted out—far out—of populated areas but the question of expense and national security must also be considered in relation to these matters.

But an effective Federal airways control system is at least 5 years away in the opinion of experts. It is increasingly evident that we must have it.

FORT CLATSOP NATIONAL MEMORIAL AT ASTORIA, OREG.

Mr. NEUBERGER. Mr. President, Presidential action is imminent on a bill to authorize establishing of a National Memorial at Fort Clatsop, Oreg. Affirmative action by the President on our bill, S. 3087, will lead to creation of the first historic shrine in Oregon and the first national recognition anywhere along the Lewis and Clark trail of the epic-making expedition which brought the flag of the United States overland across the North American Continent, for the first time. In the winter of 1805–06, Fort Clatsop was the encampment of the intrepid explorers, Meriwether Lewis and William Clark, and the band of men whose westward trek opened the hinterlands of our vast continent. Fort Clatsop National Memorial will give fitting recognition to this climactic event in American expansion.

Fort Clatsop National Monument can be established by the Secretary of the Interior when title to not less than 100 acres in the vicinity passes to the Federal Government. Shortly after the legislation which I introduced for establishment of Fort Clatsop Memorial was passed by the House of Representatives, I wrote to National Park Service Director Conrad Wirth to urge that acquisition of this land be expedited. If this is accomplished, it will be possible for the Secretary to designate the memorial during the coming year, when the State of Oregon celebrates its 100th anniversary of statehood in 1959. It is my hope that Fort Clatsop National Memorial can become a reality during Oregon't centennial year.

I ask consent to have printed in the RECORD in connection with my remarks an editorial from the Astorian-Budget, of Astoria, Oreg., for May 20, 1958, entitled "Fort Clatsop Park Nearer," and an editorial from the Oregon Journal, of Portland, for May 23, 1958, entitled "Fort Clatsop Goal Won," both of which give expression to the widespread approval I have heard for memorializing the history-making Lewis and Clark Expedition with a suitable national shrine. Both editorials are particularly informative and instructive. I also desire to include in the RECORD, Mr. President, an editorial from the Oregonian of Portland of May 25, 1958, which describes the foresight of the Oregon Historical Society in retaining and preserving the original site where Fort Clatsop was constructed by Lewis and Clark a century and a half ago.

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

[From the Astorian-Budget of Astoria, Oreg., of May 20, 1958]

FORT CLATSOP PARK NEARER

Completion of Congressional action on the Fort Clatsop national memorial park bill is great news for this area.

Establishment of this quarter million dollar park at the site of one of the Northwest's greatest historical events is bound to create a tourist attraction of enormous drawing power.

Thanks of this community and of the whole Northwest are due to Senator NEUBERGER who initiated the national memorial park legislation, and Representative NORBLAD, who carried the bill through the House.

There seems no serious obstacle left to prevent dedication of the new park at the 1959 Oregon centennial.

Officials of the Clatsop Historical Society report they are overjoyed, and rightly so. After years of discouraging effort by this organization to preserve the site in reasonable attractiveness, its greatest dreams are realized by the Federal acquisition.

Permanent management and custodial care will insure that tourists always will be welcomed at the site.

It is to be hoped that the National Park Service will make good personnel selection for management of the park. A local superintendent with a solid background in historical lore of this area, seems the most logical choice.

In money alone, the Fort Clatsop memorial park project is going to mean quite a bit to this area.

The House-passed bill provided for initial expenditure of $284,600, plus $22,000 a year for administrative expenses. The $284,600 included $30,000 for acquiring land, $236,000 for development of the area and $18,600 for repairs to existing facilities.

That $236,000 for development ought to be enough to make a highly attractive project out of old Fort Clatsop.

[From the Oregon Journal, Portland, Oreg., of May 23, 1958]

FORT CLATSOP GOAL WON

It takes a little while to grasp the full meaning of Congress' action in approving the establishment of Fort Clatsop, near Astoria, as a national memorial under the National Park Service. The House this week passed without opposition the measure introduced by Representative WALTER NORBLAD. It awaits now the President's signature.

This will put the spot where Lewis and Clark wintered in 1805–6, at the end of their historic trek across half a continent, in the same classification with the Lincoln Memorial and Thomas Jefferson Memorial, both in Washington, D. C., and the Lee Mansion, Arlington, Va.

Not even the most loyal Oregon resident will assert that Fort Clatsop has quite the same historic interest nationally as these others. But when one considers that the Lewis and Clark expedition made secure the United States claim to the great Pacific Northwest, and when he further considers that what has now just happened makes Fort Clatsop the most important spot along the whole Lewis and Clark trail, he cannot doubt the national significance of this designation.

The recommendation for it came only after a thorough study by the National Park Service, which is faced by all kinds of requests that other historic spots be similarly recognized. Senator WARREN D. MAGNUSON, Democrat, of Washington, made such a plea in behalf of Fort Columbia, the Lewis and Clark overnight camp in southwest Washington, after learning of Senator RICHARD L. NEUBERGER'S initial action which led to the Fort Clatsop designation.

There has been some confusion of terminology, since the first requests were for national monument instead of memorial status. The Park Service defines monuments as "landmarks, structures, objects or areas of scientific or prehistoric interest—" and memorials as "structures or areas devoted to the commemoration of ideas, events or personages of national significance." It is easy to see that Fort Clatsop more readily fits the latter category.

The bill carries with it an appropriation of $284,600 for improvement of existing facilities, acquisition of more land and area development. It is hoped that the Park Service can move quickly enough on this project that Fort Clatsop can be dedicated in connection with Oregon's centennial celebration next year.

We should not fail to mention the unselfish role played by the Oregon Historical Society in all this. It has owned the site since 1901. With the cooperation of many Clatsop County community interests, it has built and preserved a replica of the expedition's log fort. With the same cooperation, it has worked hard to win national recognition, and it stands ready now to turn the property over to the National Park Service free and clear.

The Journal has commented before on the mutuality of interests of all the people along the Oregon coast. Here is something in which all can properly rejoice. It is, in fact, a gain for all of Oregon and all of the Pacific Northwest.

[From the Oregonian, Portland, Oreg., of May 25, 1958]

FORT CLATSOP TRIUMPH

Now that unanimous action in both Houses of Congress has assured the establishment of a Fort Clatsop National Memorial Park at a Federal expenditure of some $280,000, it is well to take note of the foresight that made the project feasible.

It was more than a half century ago, in 1901, that the Oregon Historical Society acquired title to 6½ acres atop a grassy knoll south of Astoria as the site of 1805–6 winter encampment of the Lewis and Clark Expedition. Even then, the society was reasonably certain of the site's authenticity, confirmed by a study of old photographs, the accounts of early settlers and Indians, and record-book entries.

In the intervening years, however, the validity of the location has been questioned by excavators who seemed to expect to uncover something like the Parthenon on the bank of the Lewis and Clark River. Although their spades turned up clear evidence of fire pits, the archeologists shook their heads and muttered about the need to discover buttons, or buckles or pottery. Thomas Vaughan, director of the Oregon Historical Society, explained logically that such objects had been quickly appropriated by Indians. But the exasperating doubts continued to exist in some parts of the Federal bureaucracy, even after a county-wide civic undertaking succeeded in completing a replica of the 1805–6 fort on the society's property.

The Fort Clatsop National Memorial Park Act is a triumph of historical conservation. If it had not been for the action of the Oregon Historical Society in fixing the location of the site long ago and battling for its recognition since then—if it had not been for the Clatsop County cooperative effort in rehabilitating the site in 1953 (at the urging of the Oregonian) and constructing a replica of the fort—the most important historical site of the Northwest would probably have been lost to posterity. Thanks to this forehandedness, the Pacific Northwest and all the Nation gain a major new shrine worthy of the visits of millions of Americans.

It is not often that the State and county historical societies demonstrate so spectacularly their great worth to the people as a whole. With the Oregon centennial almost upon us, thousands of Oregon citizens might profitably seek membership in their State and local societies to do their part in an important conservation task which is now borne by a total of fewer than 4,000 persons at both levels. That is less than one-half of 1 percent of the population of Oregon, a sorry showing for a State with the truly great historical heritage that is Oregon's.

DR. ALVIN RADKOWSKY AND NUCLEAR REACTORS

Mr. CASE of New Jersey. Mr. President, yesterday at Shippingport, Pa., the first United States nuclear reactor producing electric power in quantity was dedicated.

The reactor represents the achievement of many men in private industry and in the Government. Among them is a distinguished scientist from the State of New Jersey, Dr. Alvin Radkowsky.

Dr. Radkowsky was born in Elizabeth, N. J., a city in my own home county of Union. He received both his elementary and high-school education in the Elizabeth public schools. A graduate of the College of the City of New York, he received his master of arts in physics from George Washington University, and in 1947 his doctorate from Catholic University.

Since 1950, he has been senior physicist in the Naval Reactors Branch of the AEC, headed by Admiral Rickover. In 1955 he attended the first international conference on peaceful uses of atomic energy held in Geneva, and he has submitted two papers for the forthcoming conference to be held in Geneva this fall.

In addition to several contributions made to science while a student studying under Dr. Teller and later while working as an electrical engineer for the Navy, Dr. Radkowsky has made significant advances in the field of reactor technology. One of these is the development of a method for increasing the life of a reactor core. This development, commonly referred to as the burnable poison method of reactor control consitutes a major contribution to nuclear power engineering and to the effectiveness of the United States Navy. In recognition of its significance, the Navy, in 1954, conferred upon Dr. Radkowsky the Navy's highest civilian award, the Distinguished Civilian Service Award.

Essentially, as I understand, the use of the burnable poison method opens the way to build cores of almost unlimited life and allows the number of control rods in a nuclear power reactor to be substantially reduced. A control rod, when inserted in a fissionable reactor core absorbs neutrons and slows the rate of fission. Early reactors required a relatively large number of such control rods and expensive mechanisms to activate them. Dr. Radkowsky conceived the idea of built-in controls in the core itself. He proposed putting in the core itself neutron-absorbing material in such a manner that it would be burned out at a rate roughly proportional to the rate at which the fissionable material was consumed. This continuous and homogenous check rein on reactivity has made it feasible to operate a reactor safely with far fewer control rods and has greatly extended the lifetime of the core. It is now being utilized in a large number of naval reactors.

Another one of Dr. Radkowsky's accomplishments is the conception of the "seed and blanket" principle for reactor cores, which is used in the nuclear powerplant which was dedicated yesterday.

Uranium as it is found in the earth's surface consists of a very small percentage—about seven-tenths of 1 percent—of U–235 and the remainder, for all practical purposes, is U–238. It is, of course, the small percentage of U–235 which furnishes the preponderance of

fissions in uranium. Means have been devised progressively to remove U–238 from U–235, making the uranium richer in U–235 and thereby a better reactor fuel. But the separation or enriching process is expensive.

In a reactor moderated with ordinary water, some fuel enrichment is necessary to allow the reactor to go critical and sustain a chain reaction. This enrichment can be disbursed homogenously through the core, or in segregated small areas commonly called spikes, or in zones and in annular rings. In the annular ring, the seed is made of fully enriched uranium and is surrounded on the inside and the outside by a natural uranium blanket. It is this scheme which is in use at the Shippingport plant, and it was developed largely through the efforts of Dr. Radkowsky and Westinghouse.

In addition to simplifying control, since only the seed need be controlled to control the entire reactor, this scheme tends to utilize more fully the supply of fissionable material and to permit reactor operation to continue until a large portion of the natural uranium is consumed or fails mechanically.

This type of core shows promise of substantially reducing future costs of nuclear power in large central station plants, as well as in nuclear power plants for large ships. Even greater improvement may be expected, I am informed, by combining the burnable poison concept with the seed and blanket core.

Mr. President, even to a layman like myself, these are significant developments. And it is on such developments that we rely for maintaining our scientific preeminence and our defense strength. Behind them lies the deep devotion and hard work of men like Alvin Radkowsky.

THE MURA HIGH SPEED ACCELERATOR PROJECT, MADISON, WIS.

Mr. WILEY. Mr. President, it was my privilege to appear before one of the joint committees today, in relation to the need for immediate authorization for the MURA high speed accelerator project in Madison, Wis. Among other things, I stated that it would be a national tragedy if we allowed 18 months more or less to go by without meeting that particular situation head on.

I ask unanimous consent that my statement be printed in the RECORD.

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

SENATOR WILEY URGES AEC IMMEDIATLY RECONSIDER AUTHORIZATION OF MURA ACCELERATOR AT MADISON—SAYS IT WILL BE NATIONAL TRAGEDY IF 18 MONTHS MORE ARE LOST

Gentlemen, I appreciate the opportunity of appearing before you today.

My purpose is simple: I am here respectfully to recommend that you direct the Atomic Energy Commission to reexamine immediately its decision which was, unfortunately not to request the authorization of funds for the construction of the high-speed accelerator near Madison, as recommended by the Midwest Universities Research Association.

In my judgment, if the AEC refuses to reconsider its position, the result will be a national tragedy.

I use my words very carefully, I assure you.

Why will it be a national tragedy?

For these reasons:

1. Competent observers believe that the United States is now behind the Soviet Union in high-speed physics experiments.

2. The outcome of our race with the Soviet Union for research in high-speed physics may well affect the future capacity of the United States to be supreme in nuclear warfare.

3. The loss of 12 to 18 months in going ahead on the MURA project will mean that the gap between ourselves and Russia, instead of being narrowed by us, will become even wider—to our worse disadvantage.

4. And we will have lost 12 to 18 months of precious opportunity to train the brilliant minds of young American scientists.

Now, gentlemen, I do not presume to be an expert in science as a whole, or on this MURA project, in particular.

I am only a layman.

I have tried, however, to examine the key issues. I have discounted from my thinking the fact that this project will be established in my own State.

So far as I am concerned, the issue is not where it will be built, but (a) when it will be built; and (b) whether it will be built in the freest possible atmosphere of a university, as against the more closed atmosphere of a Federal laboratory.

Here, in this room, you have present before you the three men who know this project best: Dr. R. O. Rollefson and Dr. Keith Symon, and Dr. H. R. Crane. They are prepared, and are qualified, to answer any technical question which you may wish to put to them.

Although all three of these gentlemen are officials of MURA (Dr. Rollefson being director, Dr. Symon being technical director, and Dr. Crane being president of MURA), Dr. Crane is at the University of Michigan and professor of physics there. He is, therefore, in a position to speak as an outsider about the work which has been going on at Madison, Wis.

I may say that these gentlemen have not come down here on their own initiative. Had it not been for my personal request, they would not be here today. They have never wanted to become involved in a controversy of any kind. They are scientists. They believe in working closely with the AEC. But they are here at my request, because they sense, as I do, the crucial factor of time. They are here to provide information to the committee. And I hope their statement will serve to correct some of the misstatements and misunderstandings which have gained currency about the MURA program.

The strength of the MURA technical group and the scientific contribution it has made have been amazing. This is particularly true in view of the fact that only for a few months of its existence (from November 1955 to May 1956) has the MURA group seemed to have an assured future. It is fortunate that in spite of this uncertainty, it has held so many of its key people. However, this will not continue true much longer. You now have the opportunity to give assurance to the future of the MURA group.

Gentleman, you have heard it many times before. But it is nonetheless true. Time is of the essence.

If the Joint Committee on Atomic Energy chooses not to direct the AEC to reexamine its position, then 1958 is lost, and 1959 is lost. The very earliest the project could presumably be authorized would be mid-1959. And work would probably not be commenced until the start of 1960. Even if the authorization is given now the machine cannot be completed until 1963 at the earliest—and some say 1966.

Is there anyone in this room who could say with assurance that the loss of these 18 months would not be significant, in terms of our technical race with the Soviet Union?

Last October Professor Crane said on his election to the presidency of MURA: "We can regain the lead in high energy physics if we can forget the idea that we cannot afford it, and if we act quickly. Such a machine as MURA proposes would cost about $100 million, and would require 8 years to build. But it would make possible discoveries in physics in a range we have not yet entered. What the physics of the super energy range will lead to in the next decade or two, we cannot even imagine, but we would like to be the first to find out. This is the kind of research that looks far into the future. We must not forget that the high-energy physics of the twenties and thirties culminated in the release of atomic energy.

"In times when the Nation is worried, as it is now, there is a strong tendency for the Government to pour its resources into 'crash programs' that will give short-range results, and to curtail basic, long-range research. Basic science in this country has been suffering from this policy, and acutely, since sputnik. Congress should realize we are not in this race for a matter of months, but probably for decades. It should support the agencies that are responsible for our scientific future so they can be ready for the challenges before they come, not after.

"Shortly after the Geneva Conference on atomic energy in 1955, at which Russian scientists boasted of their IO–BEV accelerator, the United States Atomic Energy Commission announced its intention to finance a super accelerator that would insure our position for at least 10 years. The urgency was short-lived, and financing for construction of such a machine never materialized. The AEC has supported the model studies, however, and this contract has just been renewed."

Now, back on the issue of allowing the status quo to continue—a status quo of uncertainty as to MURA's future—perhaps, a status quo of 18 months.

Is there anyone in this room who could dispute the fact that a delay of this kind might well prejudice the safety of the United States?

Let not future Congresses look back upon this date and say, "If only the Joint Committee on Atomic Energy had seized the initiative and insisted that the AEC revise its position. If only more precious time had not been lost."

MURA IS READY TO GO AHEAD

Last February, Dr. Symon testified before the Subcommittee on Research and Development as follows:

"Representative PRICE. Dr. Symon, do you believe that you have done enough development work up to this point that if you were given the go-ahead signal on the full-scale accelerator you would be in a position to start immediate detailed design work?

"Dr. SYMON. Yes, sir; I think we would.

"Representative PRICE. That would indicate then, that a failure to get approval of the proposal at the present time is the only thing holding you back.

"Dr. SYMON. Yes; or at least it begins to hold us back if it is delayed very much longer.

"Representative PRICE. With respect to the full-scale accelerator that you hope to have some day, would that be the concept of the two counteracting beams within the same tube?

"Dr. SYMON. Yes, sir."

Gentlemen, the MURA project may be a theory. And yet, it is a theory grounded in reality. The working model for MURA works. The scientists who built that model

are among the best in the land. To authorize a green light for them is to save money, not waste money. I urge, therefore, that you give your favorable consideration to a mandate to the AEC, directing that it reconsider its position.

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

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

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

ADDITIONAL UNEMPLOYMENT COMPENSATION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. R. 12065, Calendar No. 1655, the Temporary Unemployment Compensation Act of 1958, and that, notwithstanding the expiration of the morning hour, the Senate continue with its consideration.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12065) to provide for temporary additional unemployment compensation, 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.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, after consultation with the distinguished minority leader, I announce that there will be no votes before 3 o'clock this afternoon, because Senators of the minority party are having an important conference.

It is uncertain whether action can be completed today on H. R. 12065, the temporary unemployment compensation bill, but it is planned to have the Senate remain in session until a reasonable hour this evening to do so. If action on the bill is not completed today, it will be considered again tomorrow. It is expected that action on the bill will be completed tomorrow; but if not, consideration of the bill will be resumed on Thursday. Late sessions will be held on Wednesday and Thursday nights, if late sessions should be necessary, in order to complete action on the unemployment compensation bill.

It is not expected that the Senate will vote on the mutual-security bill this week. We do expect to make it the pending business and to have the chairman of the Committee on Foreign Relations explain the bill to the Senate on Thursday. It is planned to give all Senators adequate time to prepare to address themselves to the subject, and no votes are expected to be taken on the bill on Monday or Tuesday of next week.

A number of States will have primary elections next Tuesday; therefore, in an endeavor to accommodate Senators, no votes will be scheduled on Tuesday.

If necessary, the Senate will convene early on Wednesday, June 4, and will remain in session late on that day in an attempt to pass the mutual-security bill and any other bills of an emergency nature, including appropriation bills, which may be reported in the meantime.

Senators may make their plans to be away from Thursday of this week through Tuesday of next week without missing any votes on the mutual-security bill, assuming the Senate passes the unemployment compensation bill. All these plans, of course, are based on the assumption that action on the unemployment compensation bill will be completed before Thursday of this week.

ORDER FOR SENATE TO CONVENE AT 9:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the hour for the convening of the Senate tomorrow be 9: 30 a. m. At that time the Senate will proceed to the rotunda of the Capitol to attend the services for the unknown soldiers.

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

THE 1934 TRADE AGREEMENTS ACT

THE MOST IMPORTANT LEGISLATION BEFORE CONGRESS IN A CENTURY

Mr. MALONE. Mr. President, the House of Representatives will soon consider the most important piece of legislation to the future of this Nation in a century of time.

They call it reciprocal trade, probably because that phrase does not occur in the act—and never was a part of it from its inception. It was a trick phrase to make it palatable to the American people.

RECIPROCAL TRADE—A CATCH PHRASE

It never was reciprocal—never intended to be—and does not operate that way. It is the 1934 Trade Agreements Act, first enacted as an emergency and extended 10 times, always an extended emergency, and now expires on June 30 of this year.

The act was simply a further transfer of the constitutional responsibility of Congress to the executive branch. Continuing the trend of destroying the division of powers of the three branches of Government. If the act is not extended beyond June 30, it means that from that date forward the State Department, acting for the Executive, cannot make any more bilateral trade agreements, and 36 competing foreign nations sitting in Geneva, Switzerland, operating under the General Agreement on Tariffs and Trade, cannot make any more multilateral trade agreements. It means that after 2 months' notice had been served on the Secretary General of the United Nations, all the products included in trade agreements or the multilateral trade agreements would be canceled and control over such products returned to the Tariff Commission, an agent of Congress.

After 6 months' notice had been served on nations which are parties to bilateral trade agreements made by the State Department, in representing the President of the United States, the bilateral trade agreements would be canceled, and the tariff or duties on the products covered by such bilateral trade agreements would likewise be returned to the control of the Tariff Commission, an agent of Congress.

The adjustment of the duties or tariffs on all such products reverts to the Tariff Commission at the statutory rates to be adjusted in accordance with the provision of section 336 of the 1930 act—Public Law 361 of the 71st Congress.

The Tariff Commission, under the 1930 Tariff Act, section 336, is definitely instructed to adjust the flexible duties or tariffs on each product to represent the difference in the cost of production of the domestic article and the article of a like byproduct in the chief competing nations.

The Tariff Commission shall do this on their own motion, on the request of the President, on the request of Congress, or of any consumer or producer. Not the high cost nor the low cost, but the reasonable cost of production in each case must be determined by the Commission; and the difference is recommended as the duty or tariff—and the American workingmen and investors are back in business.

The Commission may consider that differences in cost every year, or every 5 years, or whenever they consider it to be necessary to keep the flexible duty or tariff adjusted to preserve the difference between the effective labor cost, the taxes, and the cost of doing business in this Nation and the costs in the chief competing nation, giving the American producer equal access to his own markets. They are then competing for the American market on an equal basis with any foreign nation.

But that has not been the case for 25 years. All the propaganda which has been issued about this act and all the foreign trade it has developed is misinformation.

If we deduct the amount of money given the foreign nations and deduct the subsidies paid on the exports, and the cost of the national defense materiel given them, it will be seen that we are exporting a less percentage of our exportable goods today than we were in 1934, when the act was first passed.

As a case in point—and I shall mention only one, although thousands of such cases could be reviewed, and will be, if the bill ever reaches the Senate floor. I refer to the regulation of the domestic production of sugar—and consumption which exceeds such production.

In the hearings on the sugar bill last year before the Senate Committee on Finance, of which I am a member, the question became pertinent as to the amount of production in certain nations beyond the continental United States.

During World War II the United States allotted about 88 to 90 percent of the excess production to Cuba. In the meantime, I had visited all the nations of the world, including those in South America and the Western Hemisphere.

I was aware that Peru and other nations sought markets in which to dispose of their sugar, and that even 1 percent of the production would mean much to them. I thought we might rearrange the allocation to a small extent. The State Department, however, was adamant that we retain from 88 to 90 percent of the excess production for Cuba.

I asked why. The State Department said that Cuba bought our wheat. I said that was very interesting and asked, "When they buy our wheat, do they pay our support price for it, or do they pay the world price?"

There was some hesitation. Finally, the State Department replied, "They pay the world price."

Then I asked, "When we buy sugar from Cuba, do we pay our support price for the sugar, or do we pay the world price, where Cuba sells the remainder of its sugar and makes a considerable profit?"

After considerable hesitation, the State Department representatives replied, "We pay our support price."

This appears in the testimony early in 1956.

I calculated at that point in the record that every 100 pounds of wheat which Cuba buys from us costs the United States taxpayers $1.35. Yet we call that foreign trade. On that basis, we have had about all the foreign trade which the taxpayers can stand.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Our Money and Trade Patterns Are Leading Us Into International Socialism—Congress, Alone, Can Put an End to Our Ruinous Trade Practices," which was published in the American Mercury magazine for June 1958; an article entitled "Don't Give Our American Market Away—There Is a Way To Return the Control of Tariffs to Congress," which was published in the American Mercury magazine for May 1958.

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

OUR MONEY AND TRADE PATTERNS ARE LEADING US INTO INTERNATIONAL SOCIALISM

(By Senator GEORGE MALONE, of Nevada)

CONGRESS, ALONE, CAN PUT AN END TO OUR RUINOUS TRADE PRACTICES

We are dividing our cash and our markets, inflating our money, and pricing our products not only beyond our domestic ability to buy, but out of every market in the world.

The entire pattern (from the abandonment of the gold standard in 1933, the passage of the Trade Agreements Act in 1934, the transfer to Geneva in 1947 of the constitutional responsibility of Congress to regulate our foreign trade, and the inception of the four corporations to encourage American capital to invest in foreign, low-wage standard nations—the mutual security giveaway program) is to distribute American markets and dollars among the lower wage and living standard European and Asiatic nations.

It all adds up to international socialism in its worst form. The United States is the only producing nation in the world today that does not protect its own workingmen and investors by a duty or tariff, by import and exchange permits, or both. Thirty-seven foreign, competitive nations are sitting in Geneva, Switzerland, regulating our foreign trade through multilateral trade agreements under the auspices of the General Agreement on Tariffs and Trade.

This distribution of our foreign trade between such foreign competitive nations is being carried on under the 1934 Trade Agreements Act (so-called reciprocal trade), and now subject to death if Congress refuses to extend it.

Under this act, more than $30 billion of American capital has been invested in such foreign low wage standard of living nations to compete with American labor and investors in the textile, livestock, mining, crockery, glass, precision instrument, machine tool, chemical and electro-chemical and several hundred other fields. Congress can retain its constitutional responsibility to regulate foreign trade and the national economy through allowing the 1934 Trade Agreements Act to expire in June 1958. The contest is between the American workingman and investors working for American wages and paying American taxes, as opposed to the international investor paying the foreign low standard of living wages and no American taxes.

The Congress can stop inflation and return to honest money through a reorganization of the Federal Reserve System.

A strong nation has always led in establishing a sound currency. We should no longer retain our managed-dollar currency.

We have stored in various depositories in this country, including Fort Knox, $22,406,000,000 in gold, but a statement from the Treasury tells me that $16,200,000,000 of dollar credits are now owned by foreign nations and individuals, and that it is customary to honor these dollar credits of foreign nations in our gold when presented for payment.

The individually owned foreign dollar credits can be, therefore, at any time converted to foreign-nation owned credits—and thereby quickly and suddenly subject to redemption in United States gold payments. If all foreign dollar credits today were honored by gold payments in the customary manner, we would then have only $6.2 billion of United States gold left in the United States Treasury to back the $27.4 billion of outstanding United States paper currency, which is not up to the Congressionally required 25 percent by law.

On April 1, 1957, I introduced Senate bill 1775 which provides in part: "That notwithstanding any other provision of law, gold in any form, mined subsequent to the enactment of this act, within the United States, its Territories, and possessions may be melted, smelted, concentrated, or otherwise treated so as to prepare it to be sold, or held and stored as is, or has been customary with gold, and it may be bought, held, sold, or traded upon the open market within the United States, its Territories, and possessions for any purpose whatsoever without the requirement of licenses and it may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever."

Then on April 16 I introduced Senate bill 1897 which provides in part: "All money of the United States, including money issued by banks, shall be maintained on a parity with the standard gold dollar by freedom of exchange at its value with standard gold bullion or coin at the United States Treasury."

Congress is our legislative body. It cannot shift the responsibility. The Constitution distributes the powers among the three branches of government and it is no defense for Senators and Congressmen to say that the President recommends specific legislation or that propaganda has wrongly influenced public opinion. Legislative decisions are theirs alone to make.

The Export-Import Bank was established on February 12, 1934. It is completely financed by the American taxpayers who are obligated by Congressional action to finance individuals and corporations up to $5 billion to build plants and operate mines in foreign nations—with their sweatshop labor—and to import such goods into this Nation, in direct competition with American workingmen and investors. This organization is now asking for an additional $2 billion for that purpose.

The International Bank for Reconstruction and Development was established on July 31, 1945, and the American taxpayers are obligated for $3.15 billion to finance foreign nations to build plants and mines to be operated by low-wage labor and import their goods into this country.

The International Monetary Fund was established on August 11, 1945, and Congress has obligated the taxpayers of the Nation for $2,750 billion for the same purpose of financing foreign operations, using cheap foreign labor, and importing the goods into the United States.

The International Finance Corporation was established on August 11, 1955, and the Congress has obligated the taxpayers to the amount of $35,168,000 for the purpose of financing foreign operations and production with cheap labor and then importing the goods into this Nation under the free-import policy.

It will be noted that the Export-Import Bank was established in the same year that the 1934 Trade Agreements Act, the free-import act, was passed by Congress; that the International Bank for Reconstruction and Development was established in 1945; that the International Monetary Fund was established in 1945; and that the only new organization to finance foreign production is the International Finance Corporation, established in 1955.

The pincers movements, including five methods of disbursing the wealth and the markets of the United States throughout the world, is an important part of the grandiose, international socialist scheme to make the economic system of this Republic a part of the nations of old Europe and Asia, and again to join us to the interminable trade wars of old Europe.

This pincers movement—to control and destroy the free American economic system—includes these five major operations:

First. In 1933, we followed England off the gold standard and immediately priced ourselves out of the world markets, through inflation.

Second. In 1934, Congress transferred its constitutional responsibility to regulate foreign trade through the adjustment of the duties, which we call tariffs, to the executive branch, with the full right to sacrifice and destroy all or any part of any industry in this Nation, if it were judged by him that his foreign policy of securing agreements and treaties with foreign nations would thus be furthered. Free imports—trade—will inevitably be tied to free immigration and the free movements of goods and people throughout the world.

Third. In 1947, the Executive did transfer that constitutional responsibility of Congress to regulate foreign trade, through the adjustment of such duties or tariffs, to Geneva, Switzerland, into the complete power of competitive foreign nations, under the auspices of the General Agreement on Tariffs and Trade—GATT—which he caused to be set up under the 1934 Trade Agreements Act as extended to June of 1958.

Under this act, 37 foreign competitive nations have proceeded to divide the American markets among themselves, through multilateral trade agreements over which the Congress has no control whatever.

Fourth. In 1946, following World War II, the Congress started the worldwide distribution of American taxpayers' money, through the $3¾ billion gift-loan to England. This gift-loan was immediately followed by the so-called Marshall plan of $17 billion for 5 years—and now must be a permanent annual drain on the American taxpayer, according to the testimony of our Secretary of State.

We have poured more than $70 billion of the taxpayers' money into Europe and Asia to build production facilities to compete with our own American workingmen and investors. We have built up their dollar balances to claim our gold reserves.

Fifth. Our tax dollars are going into four organizations for the sole purpose of financing foreign nations and American corporations and individuals in the construction of manufacturing and processing plants, including mining operations. Those financed utilize the cheap foreign labor and import the products into this Nation to compete with American labor and investors.

So far as I am concerned, if five other Senators will stand with me on this issue, free trade bill, no vote will be taken on the bill. If the bill is killed, then the lumber business, the machine tool business, the precision instrument business, and 5,000 other American businesses will begin to revive; because when the bill is killed American businesses will again have something to say about the American market.

As the situation now stands, today the American market is not controlled by Americans. Instead, the representatives of 37 other nations, sitting in Geneva, laugh at us while they divide the American market among their own countries. At this time the administration wishes to have authority for an additional 5 years to permit those 37 foreign nations to continue to divide the American market more and more profitably for foreigners and foreign-based industries.

I believe we can entirely kill the bill, because at last the people of the United States are waking up to the true situation.

The people of the country were slow to wake up; they were slow to realize just what the Congress has done to them in the last 24 years, beginning in 1933, when the country went off the gold standard. Since then, no one has tried to prevent inflation in the United States. No attempt to prevent inflation was made under either the Roosevelt or the Truman administration, and no attempt to prevent inflation is being made today, during the Eisenhower administration.

DON'T GIVE OUR AMERICAN MARKET AWAY—THERE IS A WAY TO RETURN THE CONTROL OF TARIFFS TO CONGRESS

(By Senator GEORGE W. MALONE, of Nevada)

We now have the prospect of Eric Johnston moving in with his "Coxey's Army" of 600 to 700 employees, trying to intimidate Congress to extend the very thing that is destroying the United States of America, namely, the policy of easy imports of the products of $2.50-a-day labor, with the help of American capital, which is encouraged to go abroad to build foreign plants and then ship their products back into the United States, duty free.

It does not make very much sense.

We have been confronted with a request which the President, through Secretary Weeks, has sent to the Congress. In private life, Secretary Weeks was in a business in which he could not have lived for 30 days without the existence of an adequate duty or tariff, to make up for the difference between the wages and cost of doing business in the United States and the wages and cost of doing business in the chief competitive nations.

Now the President has requested a 5-year extension of the 1934 Trade Agreements Act, as extended to June 1958. The present administration is the first free-import administration the Republicans have ever had in the nearly 100 years of their history, beginning with Abraham Lincoln.

The free imports advocates, supported by the low-wage foreign nations, work around the clock. In 1934, they were able to pass the Trade Agreements Act—so-called reciprocal trade—as an emergency measure for 3 years. This act has been periodically extended until it now expires in June of this year.

There has been developed a pincers movement to destroy the economic and social structure of this Nation, of which the free imports act is only one part.

The following major moves were methodically made to accomplish the purpose:

First. In 1933, Congress took this Nation off the gold standard, thus removing the only stabilizing anchor that our money ever had. Uncontrolled inflation was the inevitable result.

Second. The 1934 Trade Agreements Act transferred the constitutional responsibility of the Congress to regulate foreign trade, through the adjustment of the duty or tariff on imports, to the Executive, with the power to transfer that responsibility to foreign competitive nations at Geneva, Switzerland, which he did in 1947.

Third. The billions of dollars to Europe and Asia, about $70 billion since World War II—beginning with the three and three-fourths billions to England in 1946—the Marshall plan in 1948, and successive plans.

Fourth. Four official organizations, largely financed by this Republic, were created for the sole purpose of promoting American investments in foreign countries to utilize cheap foreign labor in the production of goods to send back to America under the free imports act.

The organizations include: The Import-Export Bank; the International Bank; the International Monetary Fund—organized by Marxian Harry Dexter White and the International Finance Corporation.

Only one of these moves was placed before the Congress at a time. Never are they mentioned together so that it can be called a coordinated plan.

We are the only Nation in the world today that does not protect the jobs of its workingmen or the domestic investments of those who invest their money in America.

There are two gimmicks involved in this matter. One was brought about when the 1934 Trade Agreements Act transferred the constitutional responsibility of Congress to regulate and to adjust duties, imports, and excises on imports—so-called tariffs—to the President, so that the teeth of the Tariff Commission were pulled. The Commission has no more authority over that matter than the man in the street. All the Commission can do is make recommendations to the President.

Testimony given by Mr. Dulles before the Finance Committee, brought out by my questioning, was that, if the President believes that through the sacrifice of a part of or an entire American industry—whether textiles, machine tools, livestock, or whatever industry it is—he can further this Government's foreign policy in securing agreements and treaties, then he may do that.

Never before in the history of the United States has such a proposal even been suggested, nor has such a proposal ever been put through the Congress.

Secretary Dulles also testified that, through the 1934 Trade Agreements Act, the President had full authority to transfer this authority to Geneva, Switzerland, under the auspices of 37 competitive foreign nations, organized as the International General Agreement on Tariffs and Trades, or GATT.

Article I, section 8, of the Constitution gives Congress the power to regulate foreign trade. Until the day comes that we take the profit out of the low sweatshop wages at the water's edge there will be no fundamental change in the wages in the foreign countries. The American investors are working with the foreign investors of those countries, and they are running those countries through kings, queens, and dictators. By holding the wages down in those countries, using our machinery and knowhow, they can bring the products here and sell them for whatever the traffic will bear.

All the colonial possessions of the world were founded by greedy mother countries that forced raw materials to come to them as cheaply as possible, held down wages and costs of processing and manufacturing the material, and forced the colonies to buy back the finished products, not allowing them to have any manufactures at all.

It is still our American market that Great Britain prizes. It is the American market that all nations with whom we trade prize. It is the market that the 37 foreign members of GATT prize, one which our State Department has, in large measure, given them. It is our market that the State Department now wishes to give more of to these GATT nations. It is our market that the supporters of the 1934 Trade Agreements Act gave them in large measure, and the market that has been given them in progressively larger measure, in each of the successive extensions of that act.

Our tariff and foreign-trade policies are established not by our sovereignty but by 37 foreign nations, each with one vote, devising and maneuvering our foreign-trade policy at sessions of GATT, meeting in far off Geneva, Switzerland.

At 12 separate sessions, since 1947, delegates to GATT have adroitly schemed ways to divide our wealth and markets with countries, commonwealths, and colonies around the world, and with their conclusions and their policies our State Department has concurred.

This is not independence. It is not economic independence, industrial independence, moral independence, or political independence. It is subjecting our citizens to the purpose and whims of 37 shifting, uncertain, and—frequently—covertly, if not openly, antagonistic foreign governments.

When we become dependent upon a foreign nation for something, we cannot fight without—especially something outside the hemisphere and across a major ocean—we can be blackmailed in peacetime into further agreements and business treaties, and in wartime compelled to do anything foreign nations wish us to do, because we cannot obtain the materials.

We do not create technical knowledge and skills through free imports of cheap labor goods in competition with our own workingmen and investors. We certainly cannot do it by substituting foreign production and the product of foreign skills for our own, which is the objective of free trade, free imports, and free traders. Nor, can they be created overnight by merely voting billions of dollars while mines, mills, and factories throughout many areas of the Nation are curtailing output or closing down because of the free import policy of our State Department and other nonmilitary agencies in our Government.

The purpose of these agencies is to increase imports, either directly, by removing tariffs or rendering them innocuous; or indirectly, by encouraging or financing competing industries in foreign countries to produce a greater flow of imports, thus crushing American industry and enterprise, so vital to our defense.

What it does is to crush the workingmen and investors of America. That is what the Congress of the United States is debating.

Senators rise on the floor of the Senate and complain of unemployment. Unemployment where? The mines are closed down. Textile mills and factories are closing down. Why? Largely because of American investments abroad, encouraged by the four organizations I have already mentioned. We encourage them to take their money abroad and to use it to pay $2.50-per-day labor and $3.50 labor, to make the materials which are brought in and sold from our shelves. It is impossible to make monkey wrenches in the United States today, when it is necessary to pay $16 or $17 a day, as against American machinery and know-how in foreign countries, with $2.50 labor.

The internationalists wish to push the Nation further and further during the next 5 years toward the brink of complete free trade, so that more and more foreign raw materials and more and more foreign manufactured goods—metals, textiles, electrical products, precisions instruments, and I could name a hundred other products—may pour into this country to flood our markets and supplant our miners, millhands, artisans and mechanics.

Why? Because our European friends, just as they did in 1776 and throughout the existence of this Republic, want our markets; and our State Department—for the past 22 years—has felt that in the interest of our foreign relations, our markets should be given to them.

This Nation fought two wars to win our independence and for 158 years, or until 1934, our statesmen sought to preserve it. Since 1934, it has been progressively whittled away. Five more years of economic disarmament such as is now proposed, and where will we be? How much more of our independence will we have forfeited, and how much more will we be dependent on foreign nations for our survival?

Economic disarmament of the United States is precisely what Soviet Russia wants; what Red China wants; what the entire Communist world wants; what in my opinion, many of our trade competitors in the so-called Free World also want—and which they have been striving for throughout our history. Economic disarmament of rival nations and peoples is what every predatory power has always wanted, but this is the first time in history that a country of free people has been advised by some of its officials in Government to destroy or disarm their own economy, which is the object of our free import policy.

For 23 successive years, administrations have been obsessed with the fallacy that our life, our economy, our wealth, and property are dependent on our foreign trade. From some of the publications of the Commerce and State Departments it would seem that nothing else matters; we must encourage more imports.

We must turn this great Nation into a dumping ground for all the wares of Europe and the Orient, good products, poor products, junk, and shoddy, it does not matter, just so foreign stuffs clog our markets.

What if our mines do close down, throwing thousands of miners out of work or on part time? What if our textile mills, or scores of other plants and factories, have to shutter, bringing distress to whole communities? What if American jobs are given to coolie, peon, and sweatshop foreign labor and the products of this cheap labor do supplant those of American workers in our markets?

Now foreign trade is not all bad, and it is definitely not all good. I take the position that trade which brings distress to American workers and communities and restricts the development and advancement of American industries—or which lessens our national defense capacities—is detrimental to our Republic. I have never objected to foreign trade conducted on a basis of fair and equal competition. In other words, I draw a distinction between sound foreign trade and destructive foreign trade, which our State Department and its free-trade champions do not. To them all foreign trade is wonderful.

There is no question that if the free and unrestricted imports continue, our Nation will be headed for the level of wages and living conditions in European and Asiatic countries. When we reach that level, it will be too late to do anything about it. We are on the way.

In 1934, the Congress abdicated its responsibility to the people as expressly stated in the Constitution—article I, section 8—and turned over its powers to regulate tariffs and the national economy to the Executive.

The Executive passed it on to the State Department. Actually, it was the State Department which made the treaty.

In 1947, the authority was transferred to the General Agreement on Tariffs and Trade, more familiarly known as GATT.

The United States, as do the 37 other foreign countries, sends a delegation to GATT to assist in dividing up our markets with every low wage country of the world—but not one single American elected official is a member of that delegation.

As for GATT, itself, Congress has no official cognizance of it. It has never been submitted to Congress for approval or rejection.

The Washington bureaucrats come in left-handed, with what is called the OTC—the Office of Trade Cooperation. If you approve trade cooperation, you approve GATT. If you do not approve it, well, the other nations will continue, anyway, to get our assistance under the old 1934 Trade Agreements Act. This was testified by Mr. Dulles under my questioning in the Senate Committee on Finance in 1955, when the act was renewed for 3 years.

The entire GATT operation is completely insulated from any vote or votes by any American citizen. You cannot vote for or against the United States delegate at GATT even should he turn your job over to a foreign worker or destroy your industry, because he is not an elected official. He is a State Department underling.

You cannot express your satisfaction or dissatisfaction with any Member of Congress because of what GATT may do to you or to your business, because no Member of Congress participates in these 37-nation sessions, nor, for that matter, have we ever been given an opportunity to vote for or against this international monstrosity itself?

The authority now transferred to Geneva, for the regulation of our foreign trade and national economy by 37 competitive nations, will—unless this Congress extends the Trade Agreements Act again—automatically revert to the Congress of the United States. Then all the multilateral agreements and bilateral agreements—as made by our Secretary of State, who worked for Dean G. Acheson until the Republican administration took over the Government—will also fall, void, by the wayside. Then all tariff authority will automatically revert to the United States Tariff Commission, under the 1930 Tariff Act—which provides that the Tariff Commission shall determine the cost of producing an article or a similar article in the chief competitive foreign nations.

The Commission will be able to do that every day or every 6 months or every 2 years, at the invitation of the President, at the invitation of a Congressional committee, or at the request of a supplier or seller.

Moreover, the Commission will be able to review any tariff regulation at its own motion, whenever it sees fit to do so.

Mr. MALONE. Mr. President, in closing I wish to say that in my opinion the erroneous data that have been issued—whether honestly or otherwise—through special writers, through magazine articles, and through speeches by persons in the State Department and others, have been responsible for extending the Trade Act the 10 times it has been extended since it was passed in 1934 as an emergency act.

Mr. President, during these 24 years since 1934 the American economy has been kept going on emergencies, including two wars and preparations for war.

Today we are living on a war economy of $40 billion a year; and I believe the Congress is getting ready to appropriate an additional $10 billion, so that next year our war economy will approximate $50 billion. Perhaps enough of this money can be spent to level off our economy, or even to raise it a little. But we are still living on a war economy.

Our American markets are being further divided among the other nations of the world through bilateral and multilateral trade agreements, under the 1934 Trade Agreements Act, as extending to June 30, 1958.

In 1933, the United States went off the gold standard, and, through inflation priced itself out of all the markets in the world, unless we pay the difference between the cost of production in the United States and the cost of production in such world markets. Mr. President, you will remember that we have given these foreign nations more than $70 billion since World War II—to do what? To build plants to use the cheap labor and produce goods to compete with the goods produced by our own American workingmen and investors.

The fruitless purpose of these gifts has been to build up a foreign dollar balance against our gold supply. That is entirely another subject; but, Mr. President, if you will examine the records you will find that if the foreign dollar balances that could be converted to nation balances were presented in to our Treasury, we would have left only about $5,700,000,000 of our gold supply—which is not a very happy prospect.

Then, Mr. President, more than $50 billion of American capital has been invested in foreign countries, to build plants of the latest American machinery to operate with what? To operate those plants with the foreign low-cost labor, returning the products to the American markets, underselling our own high living standard workingmen and investors.

Now is the time for the Congress to let the 1934 Trade Agreements Act, as extended, die. Then the Congress, the legislative branch of the Government, will regain its constitutional responsibility to regulate foreign trade, through the adjustment of duties, imports, and excises, which we have come to call tariffs; and then the workingmen and the investors of the United States will be back in business.

So, Mr. President, I say to you that the greatest harm that has been done to this country in the last quarter of a century has been the transfer of the constitutional responsibilities of Congress to the Executive. One by one, Congress has relinquished its constitutional powers, with the result that today about all Congress has left is the power to approve Presidential appointments and the power to make appropriations, which never vary more than 5 percent from that which the Executive recommends. Con-

gress is helpless so long as these acts remain in effect.

Mr. President, you may know that the President, through the State Department, can trade all or any part of any American industry to a foreign country if he believes it will further his foreign policies. Testimony to that effect was given by Mr. Dulles before the Senate Finance Committee in 1955.

Mr. President, you may also know that the rules which govern GATT—the General Agreement on Trade and Tariffs—state specifically that the 36 foreign competitive nations which are members of GATT do not have to keep their part of the multilateral agreements, so long as they can show that they are short of dollars balance of payments; and they can show that until all of our wealth, markets, and cash are equally divided.

So, Mr. President, today we are in a very precarious position.

The House will consider the 11th extension of the 1934 Trade Agreements Act next week.

If they just do not pass anything—let this act, the misnamed "Reciprocal Trade" Act, expire on June 30 of this year—and the American workingmen and investors are back in business.

POLITICS—THE BUSINESSMAN'S BIGGEST JOB IN 1958

Mr. GOLDWATER. Mr. President, of late much attention has been directed to the businessmen of the country and to their responsibilities relative to our constitutional Republic and free enterprise system.

The theme of the recent meeting of the Chamber of Commerce of the United States, which was held in Washington, D. C., was mainly that the businessman should interest himself in politics.

Recently, in the Arizona capital city of Phoenix, at the annual meeting of the Phoenix Chamber of Commerce, Mr. L. R. Boulware, vice president of the General Electric Co., addressed himself to that gathering on the subject I have just mentioned. I ask unanimous consent that Mr. Boulware's remarks be printed at this point in the RECORD, in connection with my remarks.

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

POLITICS: THE BUSINESSMAN'S BIGGEST JOB IN 1958

(Address by L. R. Boulware, vice president, General Electric Co., before annual meeting of Phoenix Chamber of Commerce)

I realize how presumptuous it is even to try to suggest what you good folks out here have as your biggest problem in 1958. But my interest and zeal are simply so great that they overreach my discretion.

You are most fortunate here. I'd like to see you and the other businessmen of Arizona not just successful in defending and preserving your opportunity to serve all Arizona citizens through your growing and advancing businesses; I'd also like to see you go on to improve and expand that opportunity so you and your businesses can live up to the full potential of your usefulness to all the public here and in the rest of our still privileged land.

I'd like to see your business climate not just match, but outdo, your wonderful physical climate. My interest in your success in this is not academic but very real. My company has chosen Phoenix as the location where the current good business climate can still be improved in a way that will help us make here the important expansion we expect our exciting new computer department to undergo in pursuing its obviously great technological and volume potential.

National and local businesses in 1958 have the common problem that they are being prevented, by political causes, from living up to their full usefulness to all the public. This is for the reason that we businessmen have failed to see to it that we both deserved and achieved the full understanding, warm approval, and stout support for our intentions, procedures, manners, and results across the whole area of both the material and emotional needs and wants of those whose understanding and cooperation we need and who affect our fate at work, at the market place and at the voting booth.

Evidence of our failure to have business and our economic system understood is in the fresh mistakes the citizens seem about to make again—in spending, inflation, taxes, productivity, and freedom—mistakes which, while bad for all concerned, will be represented as good for the many and too likely be accepted as good by the vast majority. These mistakes are the vital concern of the business leader—both as a responsible manager and as a freedom-loving citizen. If you will write me, I'll be glad to send to you the specific recommendations made on these particular issues before a conference on recovery in New York yesterday by our company's chairman, Mr. Cordiner.

But in the sixty-odd years since the Sherman Antitrust Act first warned business it was in real and deserved political trouble, we businessmen have continued to concentrate on what used to be our whole job but which, while still vastly important, is now only a part of our job. We have heedlessly neglected to pay enough attention to politics and politicians. We have thus failed even to recognize, much less equip ourselves to meet, the new and unfamiliar managerial requirements in connection with the political problems of such constantly mounting importance.

Unless we businessmen now promptly change course and quickly do enough good work to deserve and achieve a new credibility and effectiveness with the public in political matters, we will have little or no ability to prevent a majority of our fellow citizens from being misled into further damaging the usefulness of business to themselves but also into making other very costly mistakes and perhaps this time bringing final disaster to individual freedom and well-being.

People—the many—now see what we businessmen do for them. But they do not think it is enough; don't believe it as much as we could do if we were fair or only interested in them from their standpoint. We do not help them see and appreciate all the claimants, all the something-for-something arithmetic, and all the other compelling circumstances we face—how well we do already in those circumstances, how we are further trying, and, in particular, what's the good of what we meanwhile are doing for the many.

Our neglect of our political obligation has created an opportunity which others have seen and embraced. A very important one of the more demagogic political skills is persuading the many that abuses of them by the wicked few are being redressed.

And, unless the facts to the contrary are constantly explained, business is a natural for being made to look like the few oppressing the many.

As could only be expected, opportunistic politicians have capitalized on our lack of alertness. We businessmen have become the whipping boys for opponents who have a different ideology from the one on which the unprecedented services of American business to the public have been based. As the inevitable result of our taking this whipping in silence, too many politicians of both parties are acting on the assumption that more people are against us than for us, and the rate at which politicians are rallying under the support of our detractors represents a gathering storm.

As a result we businessmen have specific political problems right now about what is the best way to speed recovery; about how thereafter to have good business, good employment, and no further inflation; about how to help head off the Russian menace and make friends with good people around the world; about how, in the public interest, to get up and stay up equal with antibusiness forces in politics. All these political problems are just one problem. Solve one, and we solve all.

Let's take as a case history, for instance, the development of the political intentions, organization, resources, and activities of the top union political group, since it is by all odds the most aggressive and effective of those forces in politics which take an antibusiness position or a position so generally opposite to what businessmen believe is good for the country. It just happens that the citizens who have embraced their opportunity to become the successful politicians involved here are union officials instead of business officials—are antibusiness instead of probusiness.

We cannot quarrel with the right of any citizen—in fact, we earnestly support his right—to seek through political action political solutions to what he considers his problems. The first amendment is everybody's protection. While we need not support every man's method or his goal, we must defend his right to pursue them. And this is no less true for union officials than it is for businessmen or any other person in society.

And in studying this case history, I think we businessmen must, in all fairness, recognize that it was our failure to carry out our own political duty in the public interest that has let what was a potential force for good develop into an imbalance of power that not only impairs the economic usefulness of private business to the public but also appears to be threatening freedom itself to an important degree.

The announced objective of the unions is very good. It is to act as agent for the worker where he wants someone to take his place in dealing with the employer on economic matters and working conditions. Much good has been accomplished in particular circumstances.

But the union officials have gone beyond any redressing of the economic balance at the bargaining table and now too generally impose an economic imbalance that is injuring workers along with the other citizens served or affected by business. And, as the McClellan committee has shown, too many union officials have gone from protectors to abusers of the workers in the areas of freedom, dignity, and self-respect. Once the responsive and useful servant of the worker, the union official has become too frequently the worker's dictatorial and harmful master in matters affecting the human spirit as well as in inflation and other economic livelihood matters.

How did such a departure from the original objective come about? Through shifts among the three types of activity on which the union officials depended.

The first type of activity is at the bargaining tables on economic matters and on nonmaterial working conditions involving the worker as a human being. But the union officials didn't like this orderly or tedious persuasion process. Their final argument was force, and once started away from the original voluntarism and down the route of force, the appetite was thereafter hourly

greater for more and more power with which to avoid bargaining and to exercise unilateral force instead.

So the union officials became attracted more and more to a second kind of activity which, for lack of a better name, I'll call political bargaining or negotiating in the newspapers months ahead of arrival at the bargaining table. This has a double objective. The first is to establish a foundation of credibility with the public to get widespread belief that union officials are the ones who are fighting for and achieving what's fair and good for people, good for the many.

Along with this selling of their good intentions, they too generally promoted the something-for-nothing, inflationary, foreign socialistic brand of antibusiness economics that has failed wherever tried—including here. But they nevertheless got the cooperation of all sorts of people who normally would know better—this only proving that it can happen here, just as abroad, when only one side is talking.

You have only to look at who's overly prominent now in community chest and civic affairs, and with whom the top politicians want their pictures taken, as well as at what kind of economics is being taught in too many schools and from too many platforms to see how completely successful has been this investment by so many of the union officials in their public or community relations programs aimed at securing credibility with the public ahead of negotiations. In too many instances these programs take the form of relentless ideological warfare.

Meanwhile—against this background of credibility achieved amid the silence and inactivity of employers—the political type of union official would publicly announce his demands and start negotiating with still silent employers in the newspapers, on TV, before Congress, in speeches, and in publicized wires and letters to the President of the United States and to the president of the company or companies in question. You recognize *this* as the invention of John L. Lewis and copied since by the McDonalds, Careys, and Reuthers.

The objective is to come to the so-called bargaining table with the determinative bargaining all done and with the political pressure on. And we must recognize how very little bargaining (worthy of the name) is actually done any more by the union official at the so-called bargaining table when he comes there with these three accomplishments:

1. The workers have been sold on the idea that something has been stolen from them which the union official is going to get back for them if they only support him.

2. The public has been persuaded a great wonderful new social gain is to be achieved, not just for employees but for everybody else—for the many—and at no cost to any one except to a few wicked, vicious, and undeserving fat-cat owners.

3. The public servants—at city, county, State, and national posts—have been shown that it is good politics to be on the side of the union official—right or wrong—because he has sold workers and public on what he proposes.

If the employer balks at unwarranted demands and a strike results, he, too, often finds that there is no adequate protection available from city, county, or State law enforcement authorities and that private or public intervention on the side of the union officials may sometimes be expected even from Washington.

In this political bargaining activity, the union officials have attempted to rid themselves not only of the inconvenience of what they regarded as the slow, tedious, silly bargaining at the bargaining table, but also to rid themselves of the need to be responsive to the membership.

Also, through sole bargaining power and compulsory membership arrangements with employers, they have acquired a virtual monopoly of the labor market in critical mass production, defense output, and interstate commerce transportation. The freedom to use politically the money and manpower, which that monopoly put in their hands, has enabled the union officials to all but finish the job of becoming the masters, in contrast to the original status as servants, of the workers.

Perhaps the most significant development to note here is that the union official has long since passed from economic agent status out into the open as an unalloyed politician in his own right. It is very important that we recognize the union problem from here on as primarily a political problem.

Of course, the natural human appetite of the union officials for power and security—and the easy going the union officials were experiencing against ideological competitors who wanted to sell voluntarism and private enterprise but were too bashful to call on the customers—made it inevitable that union officials would go on to the third stage.

This is the all-out political effort we now see in their attempt to dominate both parties and all government, and this year to elect a Congress obligated to be subservient to their every wish for further protection against citizens and dominance over citizens in ways far beyond any connection with bargaining table matters.

As George Meany has so candidly said: "The scene of battle is no longer the company plant and the picket line. It has moved into the legislative Halls of Congress and the State legislatures."

Total union income—exclusive of welfare and pension funds—runs into hundreds of millions. There are supposed to be half a million union officials. Politics seem now to be their principal interest, and Victor Riesel recently stated to a study group that "85 percent of the international unions' income goes for public relations and politics and only 15 percent for the old 'bread and butter' union activities." Union officials join with other antibusiness elements in politics, and they have been and are financing and manning most of the activities which businessmen believe are contrary to the best interests of all the people.

In addition to direct money contributions, union-supported candidates receive aid from incalculable numbers of free campaign workers, union treasuries pay for untold hours of radio and TV time, paid "organizers" are sent in to do political work, "friends" of the candidates insert full-page ads in the local newspapers, wives of zealous union supporters man telephone brigades contacting voters, teen-age sons and daughters undertake baby-sitting chores while mothers and fathers go to the polls. Meanwhile, the labor press gives full play to the election, and to the merits of their particular candidates. Special election editions are issued and distributed.

The 1st session of the 85th Congress passed no legislation contrary to the recommendations of AFL–CIO; neither did the entire 84th Congress; and I judge that not a single bill in the present session of the 85th has a chance of passing if it is against the will of the AFL–CIO.

As you know, some courageously constructive Democrats and Republicans in the House and Senate has been publicly listed for political extinction by the AFL–CIO this year. There is double dilemma here. First, in the absence of better support, the extinction may be accomplished. Second, there are too many others who were left off the black list—8 Republicans and 12 Democratic Senators, for instance, who might want to demand that AFL–CIO put them on the list to make their independence clear.

In the present Congress, the union officials reportedly feel sure of the support of 38 Senators and 177 House Members.[1] That's why no bill can be passed which they oppose. And we hear that certain anxious political leaders in both parties are pleading with the top union command to permit some really corrective labor union legislation to go through Congress.

But the union officials seek a majority—so they will not have to be on the defensive but can pass all the bills they want. They believe they can do it this year. They only need to pick up 11 friends in the Senate and 41 in the House to add to their present 38 Senators and 177 Representatives.

"In an atmosphere of business letdown with several million persons jobless and many others worried about losing their jobs, union officials feel they have a real chance to take over in November."

That last paragraph is not mine but a quote from page 46 of U. S. News & World Report of March 28. I urge you to read that issue not only for the particular article quoted but for some other politically alarming ones along with David Lawrence's editorial quoting from the CONGRESSIONAL RECORD the claim that $725,000 was spent by 1 union for 1 Senator's election. This Senator, incidentally, was the only committee member, Democrat or Republican, who did not sign the McClellan committee report.

Let's look at just these few consequences of all this in areas beyond the employee-employer relationship.

1. We have the kind of corruption and abuses of liberty and dignity brought to light by the McClellan committee.

2. We all have a lower level of living—probably by 20 percent or more—because the productiveness of our talents and facilities is arbitrarily reduced by inspired featherbedding, resistance to technological progress, opposition to, rather than cooperation with, management in what people want done and what's good for everybody—the waste being easily as great as the whole $80 billion our Federal Government cost us last year.

3. We have inflation not just from the wage increases in excess of 2 percent a year but also from the inflationary measures union officials have the power to press on Government. Too many union officials like inflation—mistakenly want inflation—regardless of what they say. It makes them look useful, and the dedicated Socialists among them know inflation is quietly the most brutal socializer of them all.

4. We have the corrupting of businessmen—who should be moral leaders. Collusion in compulsory membership, rigged markets, and other serious immoral or illegal acts are too often required as the price of survival in full view of Government officials who do not dare try to enforce the law.

5. We have, of course, the present depressed sales and unemployment situation which some people are coming to term the "Reuther recession." Congressman RALPH W. GWINN, Republican of New York, ranking minority Member of the House Labor Committee, said May 3 on TV, that he did not believe that we had a general recession in this country, but, instead, a recession "in certain areas where the labor union is the toughest and tightest and where the largest wages are paid, because they've priced themselves out of the market like they did in the coalfield. * * *" Mr. GWINN went on to say that he thought the present trouble "could quite properly be described as a Walter Reuther-CIO–AFL-Socialist depression of American variety." Former Senator Owen Brewster, Republican of Maine, told Human Events (May 5): "The Reuther recession is the issue. In short, Reuther—heading up the whole labor boss aggrega-

[1] U. S. News & World Report, p. 46, March 28, 1958.

tion—stands as the main issue today. Reuther and the wage-price spiral, culminating in the automobile industry's present plight and its effects on the economy—that's the real focus of the national problem today. Real labor reform, to control this dangerous power, is a must in this session."

6. There are other consequences, like the political extinction decreed for those who disagree, or like the snuffing out of free speech, but my time doesn't permit going on.

The challenge to us businessmen and to other citizens in all this is that such economic and political power derived from the money and manpower yielded by such a monopoly of the labor market has gone beyond the point where it is the concern only of workers, managers, and union officials. This force is now the concern of every citizen, and is the local, State, and National political matter of first importance.

As already indicated, this case history is significant, not because the politicians involved are union officials, but simply because these union officials happen to be the citizens who have developed and currently run what I believe is admitted on all sides to be not only the most powerful political organization in the country, but also the only one really organized and effective in influencing the course of both parties today. It is only by chance these powerful politicians are union officials and antibusiness. If so great an unregulated or unchecked imbalance of political power were in the hands of any other special-interest group—any business, or military, or other group—the peril to freedom and economic well-being would be just the same, as all history here and abroad has shown.

Our State and Federal constitutions, and, in fact, the whole theory of American democracy, call for and depend on effective checks and balances to protect the public interest against excessive, unchecked power. But these checks and balances can be only partly built in. Beyond the constitutions and the laws, the successful operation of our democracy demands an electorate which is alert, enlightened, and vigorous enough to reinforce these built-in checks and make them work in the public interest.

The growth and use now by one special-interest group of political power which has no effective check is not the fault primarily of those who achieved the power, for it is their right to try. Rather, the fault is principally on the part of those who, by inactivity and silence, allowed it to happen—let a special-interest group achieve power which it can use to injure all the people.

We businessmen cannot look elsewhere for citizens to blame. We have long had the opportunity and responsibility to do our very considerable part, not in trying to destroy unions or in seeking any unfair advantage, but rather in restoring the balance needed in this situation in the public interest; but we have just as long failed to accomplish anything like our full part or even to put forth anything like the full effort we should.

But a word of wisdom here. This full effort to redress the balance must in all respects be consonant with the legal and moral standards our society and our governments have so wisely set forth. The use of corporate funds to further the candidacy of any person is outlawed, and so it should be. Also outlawed, by a law honored more in the breach than in the observance, are certain uses of union funds to promote individual candidacies. This union practice is to my mind legally and morally intolerable, especially because so much of the money available to unions is extracted from unwilling contributors suffering the indignity of compulsory union membership contracts.

There should be no double standard here, and we must neither seek nor tolerate one. Nor need we do so, for the remedies available to us, under the strictest moral and legal standards, are adequate to do the needed job—if only we will use them.

We businessmen, of course, don't like politics—don't want to get into politics. But we had no choice. We have been dragged unwillingly into politics by our ideological competitors and intended executioners who were politically skilled and felt the political arena was where they would look good and we, in contrast, would put up the sorriest spectacle and thus do the most damage to people's confidence in us. Yet too many of us keep trying to look the other way or to shift the job to somebody else—to a few leaders or to a few trade association spokesmen, while we managers go on with our familiar work at what, as an oversimplification, might be called "metal cutting and paper shuffling."

Yet being politically effective, as I see it, is now a continuing part of every manager's work and every citizen's duty to himself. It cannot be done by others. We must each do our part—and be publicly identified over our own names as doing it—and must each help equip and encourage others up to a safe majority of the public to do theirs.

I do not believe I am overstating the case in the least when I say that the prompt attainment and immediate sound use of political effectiveness by the private-enterprise manager—and by the citizens he and his associates can properly influence—is at once the most difficult and most urgent task facing our free country today for our own self-preservation, much less the preservation of any chance of going on to attain the stuff our dreams are so legitimately made of.

Happily what the manager and other alert and alarmed citizens need for overall political effectiveness in doing their part to help correct the present imbalance is no more than what is needed to bring the manager up even with the union official at the bargaining table—no more than what is needed to get cooperation, productivity, profit, growth, and security all day long in each business large and small for the good of the whole public.

Fortunately, most of the need is in this nonpartisan political field where work can still be carried on by businessmen and where the good people of both parties should be able to rally as one without being self-conscious in the slightest:

1. We need economic understanding and eager facility in its public and private use. We businessmen must ourselves understand—and then help others understand—the fundamentals of our free jobs and free markets—how our level of living has been and can be raised—how business serves this process as a highly creative clearinghouse where people come together and are helped, by good ideas and common facilities, to do more for each other than they could or would if left to their own devices.

We have to help people adjust their false expectations of the moment to reality and understand that a business has no "magic" resources, no "money tree," nothing to give away. Business is a something-for-something process, and so is life and freedom for that matter.

We businessmen—we so-called business leaders, before we are leaders, in the full sense now required—must deserve and achieve the deep conviction on the part of the public that we know our economics, understand how to run business for the good of the many, and are doing so. The public does not so believe now—does not understand the good of what we do—with what justice I'll leave to you. We all need a continuous daily study course in the way our business and economic system works and can work. We especially need to understand and teach right now that Government has nothing to spend but people's money—that a so-called tax cut, without a like cut in Government spending, is not a tax cut at all but merely a shift from visible tax collection to the invisible collection of the tax by inflation.

2. The second skill we must develop is in the knowledge and use of good human relations intentions and practices. We particularly need right now a better understanding all around of the morals required for the freedom and well-being we want in our association with one another.

We must strengthen our moral courage and not only stand firm for what is right but fight valiantly in public against the person or idea that is morally or ethically wrong. The misinformation about the true economics of freedom and the abuses of unbridled power can only exist in the shadows, so we must courageously expose deceivers and usurpers. For lack of alertness and courage in free speech by businessmen, freedom of speech is withering on the vine.

It's accepted as being quite impossible to be in some businesses in some localities today without being a lawbreaker under the whip of the unions. Too many businessmen not only give in to unsound economic settlements and to illegal and immoral collusion but having done so, they compound the damage, and even try to fool people, by talking and acting as if they thought what they had done was good for employees and public instead of bad.

The remedy for this can come and must come through the individual businessman making the moral investment that our very survival requires be made in better knowing the truth and then publicly telling the truth about what's going on, no matter who has to be contradicted.

3. We thus must not only develop more demagog-proof political maturity in ourselves but must then help our neighbors do so.

Too many of us haven't felt it was our kind of a job to engage in the hubbub of rough and tumble public debate with demagogs who were trying to fool people by character defamation and by falsely appearing even to support free enterprise. But it is becoming increasingly obvious that it is not only proper but required in the best interests of employees, employers, and the rest of the public for us businessmen, as individuals, to develop and practice the skills needed to meet our ideological or demagogic competitors and to debunk the false claims by which they try to make bad measures against business and people look good.

There is hope rather than despair in how bad the situation is. Most of the trouble is due to misinformation—misinformation that is easily and quickly corrected once enough truthful and courageous businessmen and other thoughtful citizens start making proper public inquiries of office seekers and office holders and start otherwise speaking up in the public interest about what voters have a right to know. It will not take long to debunk the false charges about business and the false idea that any other economic system comes anywhere near our free choice, something-for-something, competitive system of incentives and rewards.

But the three foregoing—economics, morals and demagogproof political maturity—are only the base—the foundation—needed for the constituency of both parties to judge correctly the issues, candidates, and office holders.

Fortunately, the most important issues transcend any usual party lines. And you in Arizona have a most encouraging history of the good people in both parties rallying as one on the main things. For instance, on right to work: both your Senators—1 a Democrat and 1 a Republican—have been for it right along. The voters have balloted on right to work three times—twice under Democratic governors and once under a Republican governor—and the voters' verdict for right to work has been by an increasing percentage each time. Incidentally, a very

important factor in General Electric's decision favoring Arizona over the other contenders for our computer business was the combination of the fact that you do have a right-to-work law and the fact that a growing majority of the citizens are so obviously coming to appreciate and support voluntarism as opposed to compulsion in union membership.

However, the right-to-work issue is not settled in Arizona to any comfortably greater degree than it is in other States or in the Nation. The most desired result the top union politicians seek from their election activities is to have State legislatures and a Congress and Senate that will outlaw right-to-work laws and thus reverse the current healthy trend that is away from compulsion and toward voluntarism. Right to work is a very active political issue and no one can truthfully say it is not. Voters have a right to know on this issue—as on all issues—just how candidates will vote if elected. No candidate—who is embarrassed by the question of how he will vote on right to work—should be permitted to sweep the question under the rug. Voters should know whether a candidate—if elected to Congress, for instance—will be one of the 41 Representatives or 11 Senators the union politicians are seeking, to give them the absolute majority they want in both Houses.

But beyond the nonpartisan work on business time and money is the second duty of the businessman—this time as a citizen on his own time and with his own money engaging in party politics—working in the party of his own free choice. Not only money—and lots of it—but lots of volunteer legwork and mental sweat is needed to restore the balance and have both parties supporting good programs and good public servants who will not be obligated and subservient to any special interest but will serve the balanced best interests of all citizens.

When one or all of us businessmen come to this crossroads and have to make the critical choice of either doing our part of the tough uphill climb to effective help to a party or a candidate, or of continuing on the downhill path to oblivion, we keep wishing we didn't have to make the decision. Yet the vital problem is on the way down the road to meet each and every one of us, and there is something each and every one of us can and must do. Your Mayor Jack Williams gave a brilliant demonstration of what one man can do. The remaining members of your nonpartisan city council have, since 1950, been demonstrating what dedicated individuals can do for the public good. I understand the examples of what some so-called political unknowns were able to accomplish over in Tucson earlier this year were likewise impressive.

But it's not just to the advantage of you in the cities and towns to defend and improve the business climate; it is just as advantageous to the agricultural counties to avoid having antibusiness attacks and developments ever get under way there and to help ward off elsewhere in the State any new attacks while aiding recovery from the effects of prior bad teaching or action.

The final partisan political work is done by an individual persuasively talking the economics and morals of the issues and candidates with another individual or family, and then another * * * then getting those and few other right-minded individuals out to vote on election day. This is work every citizen can and should do—at night and on weekends—just like the antibusiness opposition is quietly doing all the time right here in your midst and just as a little more conspicuous horde of hundreds of imported experts are likely to be suddenly found doing between September 9 and November—a period which will then be too short and too late for businessmen to train and organize themselves as volunteer-citizen political workers. The time for the previously inactive citizen to start political work is obviously now.

In the process of such an accomplishment, the businessman will have brought the neglected areas of the businessman's responsibility up even with his technical and financial accomplishments, will have brought himself up even with union officials at the bargaining table, will have given the unions back to the members and the Government back to the people, will have restored law enforcement, will have helped the public start regaining the benefits of the 20 percent or more of productivity now wasted, will have arrested inflation, will have revived free speech, will have silenced the professional, unwarranted kind of criticism of business and will have quieted the present panic of both parties on the Potomac.

These are no small challenges, I know, for all of us. But this is it this time, and I simply see no other way to seek our survival as free citizens in a free society but by facing up to these critical challenges and overcoming them—no matter who of great or little power now has to be opposed or contradicted in the process.

If we can measure up to these challenges, then what is economically sound and morally right will, as it should, be politically invincible.

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

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

S. 2498. An act for the relief of Matthew M. Epstein; and

S. J. Res. 166. Joint resolution authorizing an appropriation to enable the United States to extend an invitation to the International Civil Aviation Organization to hold the 12th session of its assembly in the United States in 1959.

ADDITIONAL UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes.

Mr. BYRD. Mr. President, I wish to speak on the bill, H. R. 12065, to provide for temporary additional unemployment compensation, and for other purposes.

The bill reported by the Committee on Finance is identical with the House-approved measure. It has the unqualified approval of the Administration, including the Secretary of Labor.

I should like to comment briefly on the House action on H. R. 12065. During consideration of the measure reported by the House Committee on Ways and Means, the Herlong bill was substituted. The HERLONG measure removed the mandatory features of the original administration bill, and left it optional with the States whether they would enter into agreements to secure the Federal funds provided for.

The administration measure, as amended by the Herlong bill, was substituted for the House Committee measure by a vote of 223 to 165. Final passage of the House bill, which is the bill now before the Senate, was by a vote of 370 to 17. H. R. 12065, as approved by the House, was referred to our committee, and we held 4 days of hearings, beginning on Tuesday, May 13, and ending Friday, May 16. The Finance Committee reported the bill by a vote of 11 to 4.

As might be expected, a variety of views were expressed in the course of the hearings. Some were of the opinion that the current economic situation did not indicate the need for any legislation at all. Others were of the opinion that, if economic circumstances in particular States did warrant legislation, the matter should be left to the affected States. Others were of the view that more far-reaching Federal action was necessary than was proposed in the measure the Finance Committee was considering.

After consideration of these varying viewpoints, the majority of our committee reached the conclusion that the measure, as approved by the House, constituted the best method of lending the assistance of the Federal Government to the States for the purpose of alleviating the current unemployment problem. Accordingly, the measure was favorably reported by a vote of 11 to 4, and all amendments were defeated in the committee by a vote of 10 to 4.

Certainly, we should not, under the stress of current and temporary conditions, act to substantially alter the structure of State systems or impair their functions. H. R. 12065 does neither. It simply provides Federal funds to any State which may elect to receive them for the specific purpose of extending benefit payments to individuals who have exhausted their benefit rights under the unemployment compensation laws of the electing States. The proposed legislation would expire on April 1, 1959. The content of State laws is in no manner affected, nor is the administration of provisions governing the payment of benefits.

Let me briefly summarize, at this point, just what H. R. 12065 does.

It provides Federal funds to any State entering into an agreement to receive them and to make additional payments of benefits in the amounts specified in the measure. It is entirely optional. As I have stated, payments are to be made to individuals who have exhausted their State benefit rights. Any person who has exhausted his benefit rights subsequent to July 1, 1957, and is currently unemployed at the time this measure is designed to go into effect

would be eligible. However, a State entering into an agreement may select a later cutoff date for eligibility of exhaustees, for example, making only those individuals who had exhausted benefit rights after January 1, 1958, eligible for payments. The period of payments is the period following 15 days after the enactment of the legislation and ending April 1, 1959.

Now as to amount of payments: The measure specifies that the maximum aggregate amount of benefits paid to exhaustees shall be 50 percent of the rights he had had under State law. Thus, an individual who had received 26 weeks of benefits, which I understand is the representative maximum in the large industrial States, would be entitled to an additional 13 weeks. Many individuals in States having variable duration of benefits would not, of course, receive the maximum duration provided. Let us assume some individuals received only 12 weeks of benefits, by reason of their short work experience. Such individuals would receive 6 additional weeks of benefits. The additional weeks of benefits would be paid at the same weekly rate which applied to the individuals while receiving State benefits.

There is nothing in this bill, Mr. President, which changes the rate of compensation. The benefits may be extended if a State desires to exercise its option to do so.

Insofar as financing is concerned, the measure provides that the Federal Government is to be reimbursed for advances made to an electing State. That is the same plan which has been in existence for a long time. A fund of $200 million has been available for the purpose of making loans to States.

I consider this provision eminently sound and far preferable to making an outright grant to the States. First of all, the States trust fund reserves are, as a whole, in much better condition than the Federal Treasury. I made reference to this on the floor yesterday.

Secondly, I do not believe that we can maintain the integrity of State systems and assure a sense of responsibility on the part of State legislatures and State officials if we start handing out money for State programs.

Under the pending measure an electing State may within a period of 4 years act on its own volition to restore to the Federal Government the sums advanced to it. This restoration may be from any State moneys or may be in the nature of a diversion of moneys in the State's unemployment trust fund.

If a State does not thus act to liquidate the advance—and this is entirely within the discretion of the State; there is no pledging of State faith and credit in this transaction—the three-tenths of 1 percent tax levied by the Federal Government on employers of the State under the Federal Unemployment Tax Act is increased. The increased tax for the first year would be one-and-a-half tenths percent, making the total tax four-and-a-half tenths percent. For each year thereafter, and until the Federal advance was liquidated, the Federal tax would be progressively increased by one-and-a-half tenths percent. The revenue derived from these tax increases would be used to liquidate Federal advances made to the State. I again emphasize that only applies to the States which exercise the option given to them to come under the proposed legislation.

I believe that the optional feature of the measure permits Federal assistance to be best utilized in the current economic situation. From data given our committee and set forth in the hearings, it is quite apparent that the incidence of unemployment is far heavier in some States than in others. Exceptional unemployment is to be found mainly in our large industrial States in which basic industries are largely concentrated. The Secretary of Labor emphasized this in a statement made this spring:

> Now because unemployment is concentrated and restricted to certain types of activities; because our heavy manufacturing itself is concentrated geographically, we find that certain places—such as steel, automobile, machinery, and aircraft centers—have borne the brunt of the business downturn while others have been affected hardly at all.

H. R. 12065 permits States having exceptional and prolonged unemployment to avail themselves of the Federal funds provided. Many States having no serious amount of unemployment would presumably not be interested in using the Federal funds which it is proposed to provide.

There is another factor to be considered in addition to the degree of unemployment, and that factor is the size of the reserve fund of the State. The reserve fund position of most States is adequate to permit the States to make any needed extension of unemployment benefits which is warranted in the judgment of the legislature.

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

Mr. BYRD. I yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Virginia has just made the statement that most of the States have reserves adequate to provide for an extension of the period during which unemployment compensation is to be granted. Is that statement rooted in the calculations made by Federal officials about the adequacy of the reserves to warrant increased payments?

Mr. BYRD. I think the testimony of the Secretary of Labor was to the effect which I have just noted; namely, that unemployment is largely concentrated in certain areas. The Senator from Ohio has been reading the figures. If he will read the amount of money available to the different States I think he will find that nearly all the States have available funds which they could use if they should choose to use them. For example, I think New York has available $1.3 billion.

Mr. LAUSCHE. I know that Ohio has $500 million-plus available.

The fact is the fund was so large that about 3 years ago, contrary to my wishes, the Legislature of Ohio authorized refunds to employers.

What does the Senator from Virginia understand the general situation to be in most industrial States concerning the adequacy of the funds?

Mr. BYRD. I will say to the Senator from Ohio, I think it depends upon which State is being considered. I imagine Ohio is one of the States suffering from unemployment. I think the Governor of Ohio stated there were 220,000 unemployed on the rolls.

Of course, Michigan is one of the States which has had a heavy drain on its compensation benefit funds. If the Senator will read the amount available for Michigan, I think he will find it interesting.

Mr. LAUSCHE. I observe California has $916 million in the reserve. Illinois has $454 million in the reserve.

Mr. BYRD. I think in a great majority of the States the funds are available. The action of the Senate Committee on Finance was taken in the belief that a large majority of the States had ample funds.

The House bill, which we now present to the Senate, provides that States can borrow from the Federal Government, as they could have been doing for a good many years.

I note the distinguished Senator from Georgia [Mr. TALMADGE] is in the chair. Some 10 or 15 years ago, the late Senator George, of Georgia, succeeded in having Congress provide a fund of $200 million, I think it was, from which States could borrow on a temporary basis if the need arose. Only a very small amount of that fund has been loaned in the present recession. Only one State has made an application; namely, the State of Oregon.

Mr. LAUSCHE. Earlier in the Senator's statement he said something to the general effect that the program would induce irresponsibility on the part of State governments. By that statement does the Senator mean States will not be careful in the development of an adequate fund if the Federal Government intermittently steps in? Will the States become unmindful of careful management of the fund, and of the need to create proper reserves and otherwise make the fund adequate to meet emergencies which might arise?

Mr. BYRD. The Senator, from Ohio has been a great governor of a great State. I have also been the governor of a State. I think the Senator will agree with me that if these funds were temporarily given to the States, standards might be established which perhaps the States wolud have to meet later, whether they desired to do so or not. There might be a permanent federalization of this program.

The Senator from Ohio knows, as well as I do, that this is one of the few programs that is not subsidized either by the State government or the Federal Government. All the funds come from a tax on employers, in order to pay benefits for those in their employ who become unemployed.

Mr. LAUSCHE. Yesterday the Senator from Virginia made a statement pointing out that the Governor of Ohio has called a special session of the legislature contemplating action by Ohio free

from Federal aid and contribution, to help solve its own problem. Am I correct in my understanding that, in general, that was the spirit and purpose of the law when it was passed?

Mr. BYRD. Entirely so. The States all have varying duration periods and pay varying benefits. The operation is entirely State controlled.

I commended the Governor of Ohio yesterday on the floor of the Senate for taking the action which he took. He said that he did not want to call on the Federal Government. There is approximately $523 million on hand to the credit of the State of Ohio. To extend the duration period by 50 percent would cost $50 million, which would still leave a very substantial balance to the credit of Ohio.

Mr. LAUSCHE. I subscribe to the statement made by the Senator from Virginia, to the effect that a great majority of the States are in better financial position to help solve this problem than is the Federal Government itself.

Let me ask the Senator from Virginia, based upon his intimate knowledge of Federal finance, what he anticipates the Federal deficit will be, even though no tax reduction is granted?

Mr. BYRD. The Senator from Ohio asked that question of the Senator from Virginia about 60 days ago, I believe. My answer then was that we expected a deficit of about $6 billion. Now it appears definitely, from the testimony of the Director of the Budget and the Chairman of the Federal Reserve System, that the minimum deficit will be $10 billion in the next fiscal year. It might be higher. That is independent of any tax reduction which may be made.

Mr. LAUSCHE. And if there is a tax reduction such as has been discussed, what does the Senator from Virginia anticipate the deficit then will be?

Mr. BYRD. If there is a general tax reduction, it will certainly cost the Treasury from $6 billion to $8 billion. That would produce a deficit of approximately $18 billion.

Mr. LAUSCHE. How would the deficit eventually be paid, if I may ask that elementary question?

Mr. BYRD. I recently had long talks with the Director of the Budget and the Secretary of the Treasury. Neither of those distinguished officials—and they are both able men—would set a date when he thought the budget would be balanced, even with a $10 billion deficit. With a $18 billion deficit, I venture the assertion that I would never expect to see a balanced budget again in my lifetime. The Senator from Ohio is somewhat younger than I am, and will probably live a little longer. If the deficit should go to $18 billion, there would be terrific inflation. It would increase the interest on the public debt. It would have most disastrous consequences. It would be twice the largest peacetime deficit we have ever had in our history.

Mr. LAUSCHE. I understand that the purchasing power of the dollar is now 48 cents, on the basis of its 1940 value of 100 cents. We cannot stand much more depreciation of the dollar without getting into serious trouble. I have discussed this question with the Senator from Virginia, and I think he shares my view that one method of paying the deficit is to take from those who have saved a bit, to take from those who have a pension or annuity, and take from the housewife in the purchasing power of the dollar, and thus try eventually to pay off the deficit.

Mr. BYRD. The Senator is exactly correct; but the result would not be to pay off the deficit, for this reason: The Federal Government is now approaching annual disbursements of $80 billion. If there were an inflation, the cost of everything the Federal Government buys would go up. There would be an endless circle. It would not only be destructive of fixed incomes, but it would require the Federal Government to spend more money for the things it bought. The Federal Government makes purchases in almost every category of our economic life. Under the circumstances suggested, the Federal Government would pay more money than it would pay without inflation.

Mr. LAUSCHE. Will the Senator from Virginia, drawing upon his recollection of the testimony, state what the unemployment figures were in 1940 and 1939?

Mr. BYRD. I have a table which shows the figures. The 1939 unemployment figure was close to 10 million.

Mr. LAUSCHE. What is the present figure?

Mr. BYRD. Five million five hundred thousand, so far as has been announced. There is expected to be a slight increase in that figure.

Mr. LAUSCHE. I thank the Senator.

Mr. BYRD. There is another factor to be considered besides the degree of unemployment, and this factor is the size of a State's reserve fund. The reserve fund positions of most States are adequate to permit them to make any needed extension of unemployment benefits which are warranted in the judgment of their legislatures.

The State of Connecticut has acted to increase the duration of benefit payments without reference to Federal action. As I stated yesterday, the Governor of Ohio has expressed an intention to call a special session of the State legislature for the specific purpose of extending benefit payments under the Ohio law. The Governor made it clear that Federal moneys would not be needed for this action. It is my understanding that there is a distinct possibility of legislative action in a few other States where the incidence of unemployment is the greatest.

The table I inserted in the RECORD yesterday was compiled by the Treasury Department, and now, at this point, I should like to insert in the RECORD a table prepared by the Department of Labor showing the size of State reserve funds as of March 31. Also the table sets out a multiple figure which shows the number of years that the State would be able to pay benefits out of its accumulated reserves with a rate of annual payment equal to that of the benefits paid in the last year. This does not take into account the very considerable tax collections paid into the State reserves during the period in which benefits were being paid out.

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

Unemployment insurance reserves in dollars and as multiples of benefits paid during 12-month period ended on Mar. 31, 1958

State	Amount of reserves	Multiple[1]
	Thousands	
United States	$7,955,205	3.6
Alabama	82,094	3.6
Alaska	1,188	.2
Arizona	57,680	9.7
Arkansas	42,271	4.1
California	925,852	4.4
Colorado	74,197	8.5
Connecticut	228,855	4.8
Delaware	13,212	2.1
District of Columbia	57,943	11.2
Florida	91,723	5.4
Georgia	146,520	5.1
Hawaii	22,676	7.6
Idaho	32,943	4.2
Illinois	461,016	4.2
Indiana	192,830	3.7
Iowa	110,507	9.9
Kansas	82,240	6.4
Kentucky	112,933	3.2
Louisiana	152,044	11.0
Maine	41,376	3.2
Maryland	101,989	2.7
Massachusetts	289,624	3.2
Michigan	225,812	1.2
Minnesota	103,080	3.3
Mississippi	31,835	2.4
Missouri	216,973	6.7
Montana	38,789	3.6
Nebraska	37,666	5.5
Nevada	17,359	2.7
New Hampshire	23,463	3.7
New Jersey	397,853	2.7
New Mexico	40,202	10.2
New York	1,277,743	4.3
North Carolina	174,571	4.5
North Dakota	8,087	2.7
Ohio	563,118	4.3
Oklahoma	50,455	3.7
Oregon	26,465	.7
Pennsylvania	263,340	1.1
Rhode Island	26,599	1.2
South Carolina	73,067	5.1
South Dakota	13,584	7.9
Tennessee	81,587	2.0
Texas	290,567	7.4
Utah	37,967	5.9
Vermont	15,578	3.9
Virginia	88,097	5.4
Washington	188,274	4.1
West Virginia	60,029	3.2
Wisconsin	245,632	6.6
Wyoming	15,200	5.7

[1] Number of years benefits of past 12 months could be continued without income.

Mr. BYRD. I think that in order to have before us the complete picture as to the role of the Federal Government in assisting State unemployment compensation programs in the current situation, reference should be made to existing law which enables States to secure repayable advances for the purpose of making benefit payments. The Administrative Financing Act of 1954, which amended the original George loan fund, sets up a Federal unemployment account in the unemployment trust fund. This account, through the excess of a three-tenths of 1 percent tax collection over grants made to States to administer their laws, has accumulated a $200 million fund. Any State which has a seriously depleted reserve account may secure a repayable advance from this fund.

I repeat what I said a few moments ago, that although the fund has been in operation since 1954, aside from Alaska, only one State has made application for a loan, and that is the State of Oregon. The advance may be used only for the purpose of paying benefits provided under State law. This advance is to be liquidated in exactly the same manner as the procedure for repayment contained

in the bill here considered. Alaska and the State of Oregon are the only jurisdictions that have thus far sought to avail themselves of advances from the $200 million fund, which has been available for approximately 14 years.

If the pending measure be enacted, there will then be two ways in which States may receive the assistance of Federal funds. Any State having dangerously low reserve accounts may seek advances from the $200 million fund to pay the benefits provided in its own law. It may at the same time, if it wishes, secure advances under the provisions of the current measure to extend benefit payments beyond the terms provided in its law.

Many States, though they may have accumulated reserves sufficient to pay not only benefits provided in their laws, but also to extend through legislative action the periods of the benefit payments may, nevertheless, find it advantageous to secure advances under the provisions of the measure for extending benefit payments, rather than to finance extensions out of reserves.

I point out that this is one of the advantages of the pending measure over existing law. Under existing provisions for making advances to States, the State's reserve account must be very low. Under the pending measure a State, regardless of the size of its trust fund or reserve account, may secure advances.

The advantage to a State having a very adequate reserve account in securing advances under this measure, rather than financing extended benefit payments out of its own funds, is that by securing advances the State's reserve account will not become depleted through having to finance extra benefits. This depletion might well run the State reserve account down to the point where an additional tax—in some instances a very appreciable tax—would have to be levied on employers. A State might well consider that an increased payroll tax on employers in this current recession might not be advisable. While a State might like to extend its benefit payments it might not want to do so at the cost of imposing higher taxes at this particular time.

The pending measure provides a solution to this problem. A State may secure advances to increase its duration of benefits and postpone for 4 years the increased payroll taxes necessary to pay for them. Certainly we are most hopeful, and I think most of us agree, that in 4 years our economy will be in a much better position to assume increased payroll taxes than it is at the present time.

In summary, our committee recommends the speedy enactment of H. R. 12065, for extending speedy and effective assistance to States which find themselves in need of it. Such extension would be made in a manner which would not change or hamper in any degree existing Federal-State relations.

I am, of course, fully mindful of the fact that some persons consider that the recommended measure does not go nearly far enough in the provision of Federal funds and Federal authority over State systems. Conversely, there are others who believe that the recommended measure goes too far; indeed they think no Federal legislation is indicated or warranted. With respect to this latter opinion, I may say that the pending measure, in the opinion of the majority of our committee, constitutes Federal legislation in the most palatable form. If Federal assistance is not indicated in a particular State and is not desired by the State, such State is in no manner affected. Federal assistance is extended only to these States who desire it.

Now, I shall speak of those who feel that the pending measure represents inadequate participation. Those holding this viewpoint, in general, are those who feel that there should be very substantial alterations in the existing Federal-State unemployment compensation program. Those having this viewpoint argue that the States have been derelict in the discharge of their responsibilities given them under the original social-security enactments. The weekly benefit amounts provided by State legislatures, the duration of benefit payments, the disqualifications and eligibility conditions likewise provided in State laws, are held to be either inadequate or improper for the attainment of the objectives of unemployment compensation as those objectives are evaluated by those holding this opinion. Without arguing the case at this point, I can only state that I radically disagree with this opinion.

I believe that the Congress in enacting the social security legislation wisely left a responsibility on State governments for the enactment of legislation particularly suited to their conditions and for the full measure of State responsibility in administration. When I speak of social security legislation I refer to that part of it that relates to unemployment insurance.

In my estimate, the record bears out the statement that the States have effectively discharged their responsibilities, taking into consideration the viewpoint of State legislators and State officials. I cannot understand why we in the Congress should be called upon to superimpose our judgment as to what constitutes proper State programs over the judgment of some 7,000 elected State legislators and the governors and other officials of the States.

Be all this as it may, I certainly feel—and I believe that all other Senators will feel—that this is not the proper time or place to entertain the proposal of making substantial alterations in State laws. Before the Federal Government acts to take over, in effect, existing State systems and reduce State legislatures to the performance of the ministerial function of incorporating in State laws what the Federal Congress writes into the Federal laws, the most careful study and deliberation should be afforded. There has been no real consideration given to the matter, either before the House committee or before the Senate Finance Committee. If we become engaged in undertaking substantially to alter the existing structure of Federal-State programs, then it may well mean no legislation. We must remember that after debate in the House some of the measures which will be offered in the Senate as amendments to the bill were defeated by majorities of more than 50 votes.

Our purpose is to consider a legislative item specifically prepared to meet a current and temporary situation. Any attempt to go beyond this scope can but delay this measure of assistance which we seek to provide for the current problem with the result that the problem of providing for the currently unemployed will become progressively aggravated.

For the reasons I have given, I ask that H. R. 12065 be given prompt approval.

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

Mr. BYRD. I yield.

Mr. DIRKSEN. I should like to ask the Senator from Virginia a question with respect to one item in the report. There seems to be an intimation that some States would not avail themselves of the benefits provided by the bill. Does the testimony indicate what States they are?

Mr. BYRD. The only testimony we had was in the form of a telegram sent by the Senator from Illinois [Mr. DOUGLAS]. Some of the governors, in reply, stated that they had no intention of calling upon the Federal Government for assistance. Of course, we are dealing with an optional measure, as the Senator knows.

Mr. DIRKSEN. That is true.

Mr. BYRD. I believe that in a matter of this importance, when unemployment is so extensive, in the States where it is not possible to obtain the loans without legislative action the legislatures will be called into session. Quite a number of State legislatures have been in session recently. I have in mind the State of Michigan and the State of New York. A number of States have made changes in their unemployment laws. I believe Connecticut has, and also New York. New York has increased the benefits. No question has been raised by anyone that if the legislature of a State asked for such loans as are made possible by the pending bill, if enacted, the State could obtain the benefits of the legislation. Probably some States could obtain them without their legislatures taking action.

Mr. DIRKSEN. I should like to ask the Senator one more question. Were amendments offered in committee which proposed to lengthen the time of the benefit payments and to increase the amount of the benefits?

Mr. BYRD. Yes. The Senator from Massachusetts [Mr. KENNEDY] offered amendments. Of 15 votes in committee, his amendments received 4 votes. The Senator from Illinois [Mr. DOUGLAS] also offered a series of amendments, and those amendments also received 4 votes. All the amendments were offered as a substitute for the House bill.

VISIT TO THE SENATE BY DR. FRANCISCO SATURNINO BRAGA, A MEMBER OF THE CHAMBER OF DEPUTIES OF BRAZIL

Mr. SPARKMAN. Mr. President, we are honored to have visiting us in the Senate today a distinguished member of

the Chamber of Deputies of Brazil, Dr. Francisco Saturnino Braga.

Many of my colleagues have met Dr. Braga, as he was chairman of the Brazilian delegation to the Interparliamentary Union meetings held in 1955, 1956, and 1957. It is hoped that some of us will see him again when the Brazilian delegation is host at the annual Interparliamentary Union meeting, which is to be held this year in Rio de Janeiro.

Dr. Braga in private life is a civil engineer. He has had a distinguished career both in private and in public life. I feel honored in being privileged to present him to the Senate.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). On behalf of the Senate the Chair wishes to state we are very happy to have the distinguished visitor from Brazil with us today.

[Applause, Senators rising.]

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a short biographical sketch of Dr. Braga.

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

Personal data: Date of birth, May 1905. Place of birth, state of Rio.

Home address: Rua Domingos Ferreira 178, Apartment 201, Rio de Janeiro, Brazil.

Academic background: Graduate of University of Brazil in civil engineering.

Present position: Federal Deputy, State of Rio (Social Democratic Party), elected in 1950 and re-elected in 1954; Vice Chairman of the Interparliamentary Union.

Previous positions: Chief of the National Department of Public Works and Drainage; Director of the Department of Roads, State of Rio; Director-General, National Department of Highways.

Membership in organizations: Engineering Club; Brazilian Highway Association; organized the Interparliamentary Union group in Brazil. Dr. Braga will be the host to the Interparliamentary Union meeting in Rio in July 1958.

ADDITIONAL UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes.

Mr. BYRD. Mr. President, I ask unanimous consent that Mr. Charles E. Hawkins, Legislative Reference Officer of the Social Security Administration, and Mr. Merrill G. Murray, Assistant Director of the Bureau of Employment Security of the Department of Labor, be granted the privilege of the floor during the consideration of the temporary unemployment compensation bill (H. R. 12065).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

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.

Mr. KENNEDY. Mr. President, I call up my amendment designated "5–26–58–G." I ask unanimous consent that the reading of the amendment be dispensed with, but that the amendment may be printed at this point in the RECORD.

There being no objection, Mr. KENNEDY's amendment was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"SECTION 1. This act may be cited as 'the Unemployment Compensation Act of 1958.'

"TITLE I—TEMPORARY SUPPLEMENTATION OF UNEMPLOYMENT COMPENSATION

"SEC. 101. (a) When used in this section—

"(1) The term 'State' includes the District of Columbia, Alaska, and Hawaii.

"(2) The term 'compensation' means cash benefits payable to individuals with respect to their unemployment, exclusive of any payments with respect to dependents.

"(3) The term 'weekly benefit amount' means the amount of compensation to which an individual is entitled (exclusive of any portion thereof payable with respect to dependents) with respect to a week of total unemployment, under the provisions of a State unemployment compensation law, title XV of the Social Security Act, or title IV of the Veterans' Readjustment Assistance Act of 1952, whichever is appropriate.

"(4) The term 'benefit year' means the period prescribed by State law, but not in excess of 52 consecutive weeks, for which an eligible individual may receive weekly unemployment compensation benefits.

"(5) The term 'adjusted weekly benefit amount' means the sum of (A) the State weekly benefit amount of an individual, and (B) any supplementary compensation payable with respect to a week of total unemployment under an agreement or regulation pursuant to this section.

"(6) The term 'average weekly wage' means, in the case of any individual, the amount of wages (as defined by State law) paid to such individual during the period used for determining his compensation for a week of total unemployment (A) in case the period used is the calendar quarter in which such individual was paid his high quarter wages, divided by 13; or (B) if some other period is used, divided by the number of weeks, during the period used, in which he performed services in employment (as defined by State law).

"(b) The Secretary of Labor (hereinafter referred to as the 'Secretary') is authorized on behalf of the United States to enter into agreements with any State, or with the unemployment compensation agency of any State, under which such State agency will make, as agent of the United States, payments of compensation on the basis provided in subsection (c) with respect to unemployment.

"(c) Any such agreement shall provide—

"(1) that such State agency shall pay every unemployed individual, eligible for compensation under the State unemployment compensation law, title XV of the Social Security Act, or title IV of the Veterans' Readjustment Act of 1952, or under this section, adjusted weekly benefit amounts equal to (A) two-thirds of the average weekly wage earned by employees within such State during the last full year for which necessary figures are available, or (B) an amount (exclusive of any compensation payable with respect to dependents) equal to not less than one-half of such individual's average weekly wage as determined by the State unemployment compensation agency, whichever is the lesser;

"(2) that such State agency shall continue to pay such weekly benefit amounts to any eligible individual during his benefit year, notwithstanding the exhaustion of his benefit right under State law, title XV of the Social Security Act, or title IV of the Veterans' Readjustment Act of 1952, or reduction of his benefit rights or cancellation of his wage credits until he has been paid an amount equal to compensation for 39 weeks of total unemployment within a benefit year.

"(d) (1) No agreement under this section shall be effective before 60 days after the date of enactment of the act, or after July 1, 1959.

"(2) Any agreement under this section shall provide that compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any payment made pursuant to such agreement.

"(e) (1) Each State entering into an agreement under this section shall be entitled to be paid by the United States an amount equal to the additional cost to the State of payments of compensation made under and in accordance with such agreement which would not have been incurred by the State except for the agreement.

"(2) In making payments pursuant to this subsection, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this section for each calendar quarter; reduced, or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar quarter were greater or less than the amounts which should have been paid to the State. The amount of such payments may be determined by such statistical, sampling, or other method as may be agreed upon by the Secretary and State agency.

"(3) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment, at the time or times fixed by the Secretary, in accordance with such certification from funds appropriated to carry out the purposes of this section.

"(4) All money paid to a State under this subsection shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned to the Treasury, upon termination of the period for which the agreement is effective.

"(5) An agreement under this section may require any officer or employee of the State certifying payments of disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this section.

"(6) No person designated by the Secretary, or designated pursuant to an agreement under this section, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this section.

"(7) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided in paragraph (6) of this subsection.

"(f) (1) Determination of entitlement to supplementary payments of compensation made by a State unemployment compensation agency under an agreement under this section shall be subject to review in the same manner and to the same extent as determina-

tions under the State unemployment compensation law, title XV of the Social Security Act or title IV of the Veterans' Readjustment Assistance Act of 1952, whichever is appropriate, and only in such manner and to such extent.

"(2) For the purpose of payments made to a State under title III of the Social Security Act, as amended by this act, administration by the State agency of such State pursuant to an agreement under this section shall be deemed to be a part of the administration of the administration of the State unemployment compensation law.

"(g) The agency administering the unemployment compensation law of any State shall furnish to the Secretary such information as the Secretary may find necessary or appropriate in carrying out the provisions of this section, and such information shall be deemed reports required by the Secretary for the purposes of paragraph (6) of subsection (a) of section 303 of the Social Security Act.

"(h) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

"TITLE II—PROVISIONS OF STATE LAW AND GRANTS TO STATE UNEMPLOYMENT FUND

"Part I—Provisions of State laws

"SEC. 201. Subsection (a) of section 3306 of the Internal Revenue Code of 1954 is amended to read as follows:

"'(a) Employer: For the purposes of this chapter, the term "employer" means any person who, at any time during the taxable year, has one or more individuals in employment.'

"SEC. 202. Section 3304 (a) of the Internal Revenue Code of 1954 is amended by redesignating paragraph (6) as paragraph (9), and by adding after paragraph (5) the following new paragraphs:

"'(6) compensation shall not be denied to any eligible individual for any week of total unemployment during his benefit year by reason of exhaustion or reduction of benefit rights or cancellation of his wage credit, until he has been paid unemployment compensation for not less than 39 weeks during such year;

"'(7) the maximum weekly compensation (exclusive of any compensation payable with respect to dependents) payable under such law shall be an amount equal to at least two-thirds of the average weekly wage earned by employees within such State, such average to be computed by the State agency of such State on July 1, 1959, and on July 1 of each succeeding year on the basis of the wages, including amounts excluded therefrom under section 3306 (b) (1), paid during the last full year for which necessary figures are available;

"'(8) the weekly compensation payable to any individual shall be (A) the maximum weekly compensation payable under such law, or (B) an amount (exclusive of any compensation payable with respect to dependents) equal to at least one-half of such individual's average weekly wage as determined by the State agency, whichever is the lesser;'.

"SEC. 203. Section 3306 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsections:

"'(o) Benefit year: For the purposes of this chapter, the term "benefit year" means the period prescribed by State law, but not in excess of 52 consecutive weeks, for which an eligible individual may receive weekly unemployment compensation benefits, except that if such State law does not define a benefit year, the period prescribed by the Secretary.

"'(p) Base period: For the purposes of this chapter, the term "base period" means the period prescribed by State law beginning not prior to the first day of the fifth full calendar quarter immediately preceding the beginning of the benefit year.

"'(q) High quarter wages: For the purposes of this chapter, the term "high quarter wages" means, in the case of any individual, the amount of wages (as defined by State law) paid to such individual in the calendar quarter of the base period for which his total wages were highest.

"'(r) Average weekly wage: For the purposes of this chapter, the term "average weekly wage" means, in the case of any individual, the amount of wages (as defined by State law) paid to such individual during the period used for determining his compensation for a week of total unemployment (1) in case the period used is the calendar quarter in which such individual was paid his high quarter wages, divided by 13; or (2) if some other period is used, divided by the number of weeks, during the period used, in which he performed services in employment (as defined by State law).'

"Part II—Unemployment reinsurance

"SEC. 204. Section 902 of the Social Security Act is amended to read as follows:

"'SEC. 902. Whenever any amount is transferred to the Unemployment Trust Fund under section 901 (a), it shall be credited (as of the beginning of the succeeding fiscal year) to the Federal Unemployment Account.'

"SEC. 205. Section 903 of the Social Security Act is hereby repealed and the last sentence of section 904 (b) of the Social Security Act is revised by striking out 'section 1202 (c)' and inserting in lieu thereof 'section 1201 (e).'

"SEC. 206. Title XII of the Social Security Act is amended to read as follows:

"'TITLE XII—GRANTS TO STATE UNEMPLOYMENT FUND

"'SEC. 1201. (a) (1) Except as provided in paragraph (2) and paragraph (3), a State shall be entitled to a reinsurance grant for any calendar quarter, commencing with the quarter beginning on July 1, 1959, if the balance in such State's unemployment fund on the last day of the preceding quarter is less than the amount of the compensation paid from such fund under the State unemployment compensation law during the 6 months' period ending on such last day.

"'(2) A State shall not be entitled to a reinsurance grant for any calendar quarter commencing after the computation date for the first taxable year beginning after December 31, 1960, and prior to the computation date for the first taxable year beginning after December 31, 1965, if with respect to any taxable year beginning after December 31, 1960—

"'(A) the balance in the State's unemployment fund on the computation date for such year was less than an amount equal to 6 percent of the most recent annual taxable payroll or less than the amount of the compensation paid from such fund under the State unemployment compensation law during the 2 years immediately preceding such date, whichever amount is greater; and

"'(B) the minimum rate of contribution required to be paid into the State fund during such taxable year was less than 1.2 percent.

"'(3) A State shall not be entitled to a reinsurance grant for any calendar quarter, commencing after the computation date for the first taxable year beginning after December 31, 1965, if with respect to any year within the five most recently completed taxable years—

"'(A) the balance in the State's unemployment fund on the computation date for such year was less than an amount equal to 6 percent of the most recent annual taxable payroll or less than the amount of the compensation paid from such fund under the State unemployment compensation law during the 2 years immediately preceding such date, whichever amount is greater; and

"'(B) the minimum rate of contribution required to be paid into the State fund during such taxable year was less than 1.2 percent.

"'(4) A reinsurance grant shall be an amount estimated by the Secretary of Labor (hereafter referred to as the "Secretary") to be equal to three-fourths of the excess of the compensation which will be payable under the provisions of the State unemployment compensation law during the calendar quarter for which such grant is made over 2 percent of the taxable payroll for such quarter.

"'(5) As used in this section, the term "computation date" shall have the same meaning as when used in section 3303 of the Internal Revenue Code of 1954, as amended.

"'(b) The Secretary is authorized and directed, on application of a State agency, to make findings as to whether the conditions entitling a State to a reinsurance grant provided for in subsection (a) hereof have been met; and if such conditions have been met, the Secretary is directed to certify to the Secretary of the Treasury, from time to time, the amount of such grant, reduced or increased, as the case may be, by any sum by which the Secretary finds that the amounts granted for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Secretary deems necessary or relevant to the performance of his duties thereunder.

"'(c) The Secretary of the Treasury shall, upon receiving a certification under subsection (b), make payment from the Federal unemployment account in the unemployment trust fund, prior to audit or settlement by the General Accounting Office, in accordance with such certification.

"'(d) All money paid to a State under this title shall be used solely for unemployment compensation benefits; and any money so paid which is not used for such purposes shall be returned to the Treasury and credited to the Federal unemployment account unless such State is eligible for a reinsurance grant.

"'(e) There are hereby authorized to be appropriated to the Federal unemployment account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this title.'

"SEC. 207. The amendments made by the preceding sections of this title shall be effective as of July 1, 1959."

Mr. KENNEDY. Mr. President, there are additional cosponsors of the amendment. I shall submit later a list of the Senators who have cosponsored the amendment with the senior Senator from Illinois [Mr. DOUGLAS] and myself.

As a solution to the economic problems caused by widespread unemployment H. R. 12065 is completey ineffective. It offers the illusion of assistance to the 5 million unemployed—soon to be 6 million by the estimate of the Secretary of Labor—without the substance of effective help. It attempts to discharge a responsibility to the jobless, their families, and their communities by little more than a pious admonition of concern.

The present recession has focused attention upon the inadequacies of the present unemployment compensation system. The testimony upon the bill

has revealed almost universal dissatisfaction with its operation. Unfortunately, it is only under such circumstances that basic revisions in legislation of this kind become possible. In spite of this, the bill now before us offers neither emergency relief nor permanent cure for the obvious failings of the present law.

H. R. 12065 provides, in essence, that any State, if it wishes, may enter into an agreement with the Federal Government under which the Federal Government will advance it funds to pay unemployment compensation for up to 50 percent more weeks than its law presently provides. Either the funds must be repaid by the State, or the Federal Government will assess a tax upon all covered payrolls at progressive rates beginning at 0.15 percent the first year and increasing in succeeding years.

Mr. President, the bill will do nothing whatever for most of the workers it is designed to cover. Most States will fall into 1 of 3 categories, and in none of these States can the State officials enter into the kind of agreement contemplated by the bill.

First. There are the States which lack constitutional or statutory authority to participate in this program. The American Law Division of the Library of Congress informs me that it can find no State constitution in which the governor is granted the power to obligate the State in fiscal matters. In many States, even if the legislature could be summoned to pass enabling legislation, the State constitution has been interpreted to prevent the incurrence of this kind of obligation. I call attention to the replies received by the senior Senator from Illinois [Mr. DOUGLAS] to telegrams sent to the chief executives of the 48 States, Alaska, and Hawaii asking them whether they or the State agency administering unemployment compensation had authority to enter into the agreements contemplated by H. R. 12065. Excerpts from replies received from 37 States are printed in the minority views. In only 3 States is it clear that the unemployed might receive some benefit under the bill.

Second. There are the States financially unable or unwilling to accept the harsh repayment features of this bill. Many States constitutionally able to enter into this program may refuse because its ultimate effect would be worse than their present circumstances. This program gives them no money. It simply makes money available now which will have to be repaid later, either by the State or its employers. The latter is clearly undesirable, when employers in other States not joining the program will be paying lower taxes. And repaying these funds from State sources, including the payment of a share of Federal administrative expenses as well, is not as advantageous as paying for extended benefits now from their own resources, without paying the Federal costs. Moreover, States that do not have the financial resources to make the payments which the Federal loan provided by the bill might permit do not need the bill to obtain those funds. The so-called Reed Act, enacted in 1954, set up a $200,000 fund for exactly that purpose. Moreover, so long as participation is optional, no State will want to require an increased tax on its employers which will not be paid by competing employers in other States. In short, those States which have no legal incapacity to enter into the agreement with the Federal Government contemplated by the bill will find no financial advantage in doing so. The unemployed in these States will therefore not receive any relief under H. R. 12065 either.

Third. There are States in which the authorities are opposed to participation in this program for policy reasons. Even if there are States where it would be legally feasible and financially desirable to request these funds, there is no assurance of their participation. The bill leaves that decision entirely up to the political processes of each State—to individual governors or legislatures which may, for reasons ranging from conscientious belief to partisan maneuvers, decline to participate. This will leave their unemployed workers out of this program, too.

Most, if not all, States will fall into one of these categories. If the bill shall become law I am afraid Congress will be embarrassed a year from now by a statute which will be little more than a reminder of the serious unemployment crisis that exists today.

But this is not all. Even if a State should participate, the bill offers little or no relief for most of the unemployed in that State. The more than 5 million jobless in the labor force may be divided into those ineligible for benefits, those who are receiving benefits and those who have exhausted their benefits.

Unemployed workers ineligible for benefits are not covered by the bill. Again and again it has been pointed out, by the President and by others, that it is wholly illogical to extend coverage to employees in shops employing four or more, and to withhold it from shops employing less than four. Yet nothing is done. The requests have been made; the State machinery is ready; and the need is great; but this bill is silent.

The second category, unemployed workers who are receiving benefits at present, receive benefits so inadequate that their families cannot subsist on it. A man drawing a benefit of less than $20 a week, and forced to turn now to public relief or private charity, is not helped by extending that small benefit a few more weeks. Neither to any extent are the taxpayers or relatives who support him or the merchants who are waiting for their bills to be paid. The President has long urged recognition of a decent standard as 50 percent of a man's wages, up to a maximum of two-thirds of the State's average wage. This is small enough to prevent deliberate idleness, and large enough to make possible a decent standard of living and health. But the pending bill ignores this problem entirely. It ignores the fact that the cost of living has more than doubled since the original act was passed; that wages have similarly increased; but that unemployment benefits, which once met the President's standard, have not kept pace, and will not, unless Congress acts.

The third category of unemployed, those who exhaust their benefits, is the only one this bill purports to help. But even here the bill is of little or no assistance. The bill does not extend the benefit period. It merely authorizes the State legislatures to extend the benefit period up to a maximum of 50 percent—something they could do without the bill. They can also extend it, under this bill, as little as 1 percent; and the incentive to do as little as possible will be great, inasmuch as this will reduce the financial disadvantage to be suffered, in comparison with other States. But even if they extend it a full 50 percent, this only will continue present inequalities—and will mean for some unemployed an extension of only 3 or 5 weeks. Why should we pretend this bill will help them?

In short, this bill accomplishes nothing—does nothing for the great bulk of our unemployed workers, does not restore the purchasing power so sorely missed in the current recession, and is wholly inadequate even as an emergency bill. It does not even purport to reach the basic problem of an unemployment law with antiquated standards and inadequate benefits.

Mr. President, I urge that the Senate reject this proposal, and, instead, take this opportunity to enact a suitable law.

Let me reemphasize our responsibility. This 85th Congress is the first Congress to sit with unemployment at this level since the 76th Congress was elected in 1938. We cannot adjourn this summer without having taken some constructive step to help nearly 6 million unemployed. We cannot fulfill our responsibility by passing a do-nothing bill that will only disillusion those who think we are helping them. We must enact an effective, constructive measure that will meet this problem now and in the future.

Mr. President, I call up my amendment G, which is designed to make H. R. 12065 an effective instrument of our Federal-State unemployment insurance program and to provide emergency relief for those now unemployed. Both purposes must be considered at the same time, for it will not do to attempt merely to patch up the 23-year-old law with a provision limited in life to 1 year. At the end of that year, when the patch wears out, there will be need for more patches, and we shall still have the same malfunctions in the statute. Let us do now the job which should be done.

My amendment is cosponsored by 15 other Senators, as follows: Senators CLARK, MCNAMARA, MANSFIELD, MURRAY, PROXMIRE, DOUGLAS, GREEN, MORSE, NEUBERGER, HUMPHREY, JACKSON, CARROLL, CHAVEZ, PASTORE, and MAGNUSON. It has three fundamental purposes.

First. It broadens the coverage of the unemployment compensation law. At present, only those employed in establishments having four or more employees are covered. This amendment makes the bill applicable to employers with one or more employees. Eighteen States already have adopted this standard. The President has long requested it. It is impossible to justify paying benefits

to a worker who has lost his job in a shop of four employees, and paying nothing at all to his neighbor who lost a job in the same industry, possibly next door, because the shop had only three employees—particularly when another neighbor just across the State line will receive benefits, even though there are only three employees in his shop.

Second. The amendment increases weekly benefits, so as to bring the program into line with the increase in wages and the increase in the cost of living. It proposes a uniform benefit standard equal to 50 percent of the worker's average weekly wage, or two-thirds of the average weekly wage in the State, whichever is less. This is approximately the same proportionate amount provided when the laws were first enacted, and it is what the President urged upon the States in 1953. Inflationary processes since 1935 have eroded the purchasing power contemplated when the State and Federal laws were passed. This will bring them more into balance.

Third. The amendment adopts a uniform 39 weeks during which benefits may be paid. This is the same maximum applicable to the majority of States, which now have a maximum of 26 weeks, under H. R. 12065.

It is this kind of approach, I am convinced, that we need today in order to assist our unemployed—those receiving inadequate benefits, those who have exhausted their benefit rights, those unable to draw any benefits at all—men and women who have exhausted their inflation-eaten savings, who must conceal their pride, and must turn for assistance to their relatives, or to private charity, or to the public-assistance rolls.

How will the new benefits be financed? The amendment does not change the basic financing provisions of the existing system. It would not increase the Federal tax of 3 percent; neither would it decrease the 2.7-percent credit which employers are allowed against this Federal tax. It would permit States to continue to reduce rates under existing systems of experience rating if they so desired.

The amendment also contains a reinsurance provision to assist States whose reserves are drawn down because of heavy unemployment. If such a State imposes a maximum tax, and still finds its reserves below a safe minimum, it will be eligible for Federal grants to assist it in making benefit payments. This system of reinsurance will preclude the falling of an onerous tax burden on employees in any State where unemployment is excessive.

Mr. BYRD. Mr. President, will the Senator from Massachusetts yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Virginia?

Mr. KENNEDY. I yield.

Mr. BYRD. I should like to ask the Senator from Massachusetts what the cost would be to the general Treasury for the first year of the operation of his amendment.

Mr. KENNEDY. Federal grants would be made for only 1 year; and the amendment would cost $1,500,000,000 to July 1, 1959.

Mr. BYRD. But the Senator from Massachusetts just said the amendment would bring about an increase in the insurance rates of the States. However, after the first year, the rates would have to be increased by $1,500,000,000.

Mr. KENNEDY. No; I said the amendment would not increase the Federal tax of 3 percent against which the Federal credit is allowed.

Mr. BYRD. But the amendment would actually increase the cost of the entire system, would it not?

Mr. KENNEDY. That is correct.

Mr. BYRD. There would be $1,500,000,000 added to the demands on the general Treasury of the Federal Government. This would be added to the deficit, for the first year; and after the first year the same amount would have to be handled by the States.

Mr. KENNEDY. Yes.

I would be reluctant to accept a proposal for a payment of $1½ billion, which has been proposed for the States, without requiring them to take immediate affirmative action; but I am willing to provide for the grant if we can also provide for the enactment of minimum standards of unemployment compensation all over the land. That would be such an important step forward that I think the $1½ billion expenditure up to July 1959 would be warranted.

Mr. BYRD. The Senator proposes permanent compensation. It is not temporary compensation that he proposes.

Mr. KENNEDY. The expenditure by the Federal Government is to be temporary. After that the States would provide it.

Mr. BYRD. At the end of the first year the $1½ billion cost would fall upon the States in the way of increased taxes. Is that correct?

Mr. KENNEDY. That is correct.

Mr. BYRD. I wanted to make that clear, because I understood the Senator to say there would be no increase in taxes.

Mr. KENNEDY. No. I said there would be no increase in Federal tax of 3 percent. Of course, it would be necessary to increase the State taxes. As the Senator knows, in some States the payment is as low as 0.5 or 0.6 percent.

Mr. BYRD. The Senator's proposal provides benefits for 39 weeks' duration. No State provides such benefits of such long duration.

Mr. KENNEDY. That is correct.

Mr. BYRD. The cost of that additional benefits will have to be paid by the employers.

Mr. KENNEDY. The Senator is correct.

Mr. BYRD. I wanted that to be made clear because the impression that the Federal Government will have to pay such cost is incorrect.

Mr. KENNEDY. I may point out that the States now have reserves of $8 billion. The problem is that it is impossible to have a law enacted providing for minimum standards of duration and amount to assist the States in the period prior to July 1959, because the State legislatures may not meet before then. I do not really see how the proposal advanced by the committee is going to make it possible for any State to accept the program without the State legislatures meeting. In many cases the State legislatures will not meet until next year. I am attempting to indicate why the provisions of the bill will not assist any unemployed worker.

Mr. BYRD. I believe it was testified that some States can act without action of their legislatures.

Mr. KENNEDY. That is correct. Three States can.

Mr. BYRD. If there is very acute unemployment in a certain State, does not the Senator think that is justification for the governor to call the general assembly into session to enact whatever legislation may be needed?

Mr. KENNEDY. Why is it necessary for the Federal Government to be involved at all, if the States can take care of the situation? Why is it proposed to involve the Federal Government, if the State governors can handle the situation?

Mr. BYRD. The bill as it came from the committee makes it absolutely optional, and that, in my opinion, is the way it ought to be. A bugaboo has been raised by the Senator from Illinois by sending out telegrams saying there would have to be special sessions of the State legislatures. If the situation is acute, if there are thousands and thousands of exhaustees, those no longer receiving unemployment compensation, the State legislatures should meet and take care of the situation. I am certain they will do so when such a situation exists.

Mr. KENNEDY. What relief does the Senator's bill offer unemployed workers that the States cannot now offer?

Mr. BYRD. This bill provides, if a State avails itself of the option, it may provide additional benefits up to 50 percent increase of the period of duration.

Mr. KENNEDY. The States could provide for 1 day's additional benefits, or up to 50 percent.

Mr. BYRD. Then the Senator's amendment provides loans variously estimated at from $600 million up to $1 billion, in addition to the money now available.

Mr. KENNEDY. The States now have $8 billion in their trust funds. The Reed fund now is available for State aid. Any State legislature is free to meet and do anything it desires to do in that connection. I do not believe the Senator's bill provides relief for an unemployed worker. It merely makes such aid discretionary; there is no obligation.

Mr. BYRD. If the States have $8 billion available, why have they not used it?

Mr. KENNEDY. One State may not want to provide additional benefits, because of the disadvantage it may suffer compared with other States without such benefits. The States fear there may be a flow of industry into States which impose lower taxes.

Mr. BYRD. The Senator wants to change the whole concept of unemployment compensation insurance. The original concept was that it was a State function. The Senator wants to have the Federal Government control, and dictate to the States exactly what compensation shall be paid, and exactly

what the duration of the benefits shall be, although conditions vary in the States, and necessarily so, because unemployment varies in the States.

Mr. KENNEDY. The Senator is quite correct. I and the sponsors of my amendment want to provide national minimum standards for unemployment benefits and duration of the benefits. I feel the unemployment insurance program has deteriorated since its inception in 1935. Wages have increased greatly. Unemployment compensation has not increased. Unemployment compensation will not increase, because the States are reluctant to tax employers in their States more than they are taxed in adjoining States.

Mr. DOUGLAS rose.

Mr. KENNEDY. I yield to the Senator from Illinois.

Mr. DOUGLAS. I congratulate the Senator from Massachusetts on the speech he is making. I should like to start my interruption, if I may, by asking him a question.

The Secretary of Labor, when he appeared before our committee, said that, in his judgment, the governors would be able to accept this measure by executive action without any additional legislative authority. The Senator from Virginia has referred to the bugaboo which I have raised by sending telegrams to governors to ascertain whether or not that is so.

I sent the telegrams because the Secretary of Labor had not sent them. The Secretary of Labor—as he conceded in the Senate hearings—had made no check whatsoever to ascertain whether his assumption was correct. So I addressed telegrams to the governors of the States, the text of which is printed in the hearings, and is paraphrased in the minority views, in which I asked whether the advance of funds by the Federal Government under agreement with the States, and later repayment by employers in the States, was action which governors could accept without legislative action.

We had 35 replies, and reports on two other States, or reliable information from 37 in all. In 26 States and Territories, the governors declared that new State legislation would probably be required. In one State, a State which has perhaps been hit as hard as any, Rhode Island, the Governor said a popular referendum would also be necessary.

In three States the governors declared that probably constitutional changes were necessary. In six more States the governors stated it was at least doubtful whether they could act.

In only three States, as the Senator from Massachusetts has said, did the governors say they had authority to act without action by the State legislatures, and I am a little doubtful about one of them, namely, my own State of Illinois.

What the Senator from Massachusetts is contending, therefore, is that, first, there will be delays in acceptance, and, second, there is doubt whether many State legislatures will act, because if they accept the moneys, they will create added obligations for their employers to pay. Is that not correct?

Mr. KENNEDY. That is correct.

Mr. DOUGLAS. In the past there has been fear of competition from companies in other States if the obligations of employers in one State but not in others were increased; and it is that very fear which would, in many cases, act to prevent acceptance of the House bill.

Mr. KENNEDY. That is correct. As wages continue to rise, as they will in the coming years, the disproportion between the amount of unemployment compensation a worker gets and his wage will continue to be accentuated. In view of the present cost of living there is not really any State that is paying their unemployed worker adequate benefits.

Mr. DOUGLAS. The average unemployment compensation is approximately $30 a week; is it not?

Mr. KENNEDY. That is correct. The Bureau of Labor Statistics has said it costs $51.50 to maintain a single woman on a marginal subsistence in New York City, and the average unemployment compensation payment is only $30 a week. The States allow benefits sometimes for as few as 10, 12, 14, or 16 weeks. Thereafter, the worker must go on public relief. The present unemployment compensation system is obviously in need of improvement.

As the Senator from Illinois has frequently pointed out, we shall never improve the system if we leave the matter entirely to the States. Some States feel they cannot make larger unemployment payments, for if they do and a neighboring State does not, it will be necessary for them to increase the tax on employers, and they may lose their industries.

Mr. DOUGLAS. Am I correct in my understanding that the Senator from Massachusetts has presented an amendment which will do two things? First, it will provide for paying more adequate benefits to those persons who have exhausted, or will soon exhaust, their claims to benefits under the State laws.

Mr. KENNEDY. The Senator's statement is correct.

Mr. DOUGLAS. Second, there is laid the basis for a future permanent improvement of the laws governing unemployment compensation in all the States, to conform in most respects to the standards which the President has advocated.

Mr. KENNEDY. That is also a correct statement.

Mr. DOUGLAS. In one respect there is a higher provision of 39 weeks, instead of the 26 weeks recommended by the President.

Mr. KENNEDY. That is correct.

Mr. DOUGLAS. I think the Senator from Massachusetts is to be congratulated for the position which he is taking. The Senator has quite effectively riddled the alleged panacea of H. R. 12065.

Mr. KENNEDY. I think the Senator is correct. It is possible that some Senators may not be satisfied with the provisions of my amendment, but it would seem the Secretary of Labor, according to the article in the New York Times, very clearly sees the advantage. According to that story, the bill presently under consideration is, to all intents and purposes, of no use at all. I regret that the Secretary of Labor did not so state more firmly to the Committee on Finance.

Mr. DOUGLAS. Is it not true that when the Secretary of Labor testified before the House Committee on Ways and Means he was asked whether he would favor a bill with optional provisions, and he said "No," that he thought under such a bill many States would delay in acting, or would not act?

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. However, after a combination of conservative Republicans and conservative Democrats joined together in support of a bill containing optional provisions, Secretary Mitchell came before the committee and completely reversed himself, endorsing the bill, did he not?

Mr. KENNEDY. The Senator is correct. I feel that it would have been far more wise if the administration had not endorsed the bill presently under consideration but had stuck to the original program, which at least would have made it mandatory that every State participate and extend its benefits 50 percent.

Mr. DIRKSEN. Mr. President, if my colleague has finished, will the Senator from Massachusetts yield to me?

Mr. DOUGLAS. I have completed my colloquy.

Mr. KENNEDY. I yield to the Senator from Illinois.

Mr. DIRKSEN. I should like to obtain a clarification as to a line of inquiry opened up by the Senator from Virginia [Mr. BYRD]. First, is the amendment of the Senator to be permanent legislation?

Mr. KENNEDY. It is; yes.

Mr. DIRKSEN. It is to be permanent legislation?

Mr. KENNEDY. The Senator is correct.

Mr. DIRKSEN. I am speaking of the amendment offered by the Senator.

Mr. KENNEDY. That is correct.

Mr. DIRKSEN. Once the amendment is adopted, it would be grafted into the permanent law?

Mr. KENNEDY. The Senator is correct.

Mr. DIRKSEN. And it would become applicable hereafter.

Mr. KENNEDY. The Senator is correct.

Mr. DIRKSEN. What is the estimated cost of the amendment under the first year's operation?

Mr. KENNEDY. One and a half billion dollars.

Mr. DIRKSEN. One and a half billion dollars?

Mr. KENNEDY. That is the correct figure.

Mr. DIRKSEN. Of course, such sum would come from the Federal Treasury, and would be a direct charge upon the Treasury, for the first year?

Mr. KENNEDY. The Senator is correct.

Mr. DIRKSEN. The legislation, however, would remain applicable in subsequent years?

Mr. KENNEDY. The Senator is correct.

Mr. DIRKSEN. Who would have fiscal responsibility under the amendment after the first year?

Mr. KENNEDY. After July 1959, the States would have to meet the stand-

ards I have suggested, and the burden would fall upon them and upon their trust funds. With respect to the States which would be unable to maintain the standards, which are prescribed, they would receive a reinsurance grant from the Federal Government.

Mr. DIRKSEN. If we assume that a situation comparable to the present, with the same number of unemployed who have exhausted or who have nearly exhausted their benefits, should obtain in some subsequent year, such as 1961, 1962, or 1963, then we can assume there would be an equivalent burden of $1.5 billion to be paid by the States in one way or another?

Mr. KENNEDY. It is conceivable, if there were widespread unemployment in this country.

Mr. DIRKSEN. I am making that assumption.

Mr. KENNEDY. If the unemployment were continuous and the States made the maximum effort to sustain their people of course the Federal Government would be obliged to assist, provided the tax in the State was at least 2.7 percent.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MARTIN of Pennsylvania. As I understand the proposal advanced by the Senator from Massachusetts, after the first year it would be necessary for the States to act, exactly as is provided in the bill reported by the Committee on Finance. However, the amendment offered by the Senator from Massachusetts would provide a delay of 1 year.

Mr. KENNEDY. No. As the Senator knows, under the provisions of the bill presently under consideration, the States which wished to act could act, since the law would be available to them, but there would be no compulsion on them to act. The point I am making is that, considering the provisions of the bill which came from the Committee on Finance, I doubt if any State would act. I will explain why I feel that way.

The amendment I have proposed would compel the States to enact the standards set forth. However, until July 1959, the Federal Government would bear the burden.

Mr. MARTIN of Pennsylvania. As I understand the proposal, that would delay necessary action by the States for approximately 1 year?

Mr. KENNEDY. No. The amendment would provide that from July 1959, on, the States, within the period given them of about 13 months, would have to enact the minimum standards which I have suggested. Until that time the Federal Government would bear the burden.

It seems to me the Senator should reconsider his position with reference to the bill. I do not think the bill presently under consideration would be of any use to the States. At least the original proposal which was made by the administration would have made it mandatory that States participate and extend benefits 50 percent.

The bill which has come from the Committee on Finance, after having been passed by the House, merely makes it discretionary for the States to act. Therefore, the States will receive loans only if they choose to. Many legislatures either do not want to assume the burden or will not be in session until next year or the year after.

My honest judgment is that the bill would not be of value. As the Senator from Illinois [Mr. DOUGLAS] stated, only three States could act without legislation, and those States would have to decide to do so. The Senator from Illinois said that at least one of those three States might not be able to act.

I really feel that the pending bill would provide almost no relief to any unemployed workers.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield further?

Mr. KENNEDY. I yield.

Mr. MARTIN of Pennsylvania. The States would have the opportunity to act. I am not fully in agreement with the distinguished Senator from Massachusetts as to whether the States could act without the legislatures meeting. Even if that were necessary, the States could have special sessions of the legislatures and take advantage of the legislation if the bill which has been reported were enacted.

Mr. KENNEDY. Yes. However, I will say to the Senator that there is now $8 billion in the trust fund. The States could take action now. I do not see what the Federal Government would be doing other than giving the States loans if they ask for them. I think that under the Reed Fund the States could receive loans anyhow. My judgment is that the bill under consideration would bring no relief. The people, however, would gain the impression that Congress had acted upon unemployment compensation; but I do not think that would be a correct impression.

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

Mr. KENNEDY. I yield.

Mr. BENNETT. Does the Senator feel that if the amendment were adopted no action by any State legislature would be required?

Mr. KENNEDY. No. But it is provided that the Federal Government will act up to July, 1959, so any State could act before then.

Mr. BENNETT. Then the amendment suffers from the same weakness which might be ascribed to the bill, in that time might be required.

Mr. KENNEDY. No, because I have provided for a grant to go into effect, until July 1959, so that, unlike the provisions of the bill which has come to the Senate for consideration, assistance would be granted to those in need.

Mr. BENNETT. Such a grant would be administered by a Federal official in each State, would it not?

Mr. KENNEDY. No; it would be administered by a State official.

Mr. BENNETT. Does the Senator believe every State has an official qualified by State law to administer the grant?

Mr. KENNEDY. Yes.

Mr. BENNETT. Without any further authorization by the State legislature?

Mr. KENNEDY. There is no doubt in my mind on that point. The States would not be accepting a burden on the State treasuries comparable to the one which the loans contemplated by the bill presently under consideration would place on them.

Mr. BENNETT. I talked to the Governor of my State this morning, and he expressed the belief that because of qualifications under which the State welfare board acts in operating other programs in which Federal funds are involved, if the State welfare board were to be expected to distribute Federal funds it would have to have some authorization from the State legislature.

Mr. KENNEDY. If the State welfare board has served as the agency for the distribution of Federal funds, I do not think the governor's concern is justified. However, if the Senator desires to offer an amendment which would provide that in those States which are constitutionally or legally prohibited from distributing Federal assistance the Federal Government will do it directly, I would accept the amendment. However, I believe the governor's fear is unfounded.

Mr. BENNETT. Is it possible, under the terms of the amendment, for a State to decline to accept such Federal funds?

Mr. KENNEDY. I did not understand the question of the Senator.

Mr. BENNETT. Is it possible for a State to decline to accept the funds?

Mr. KENNEDY. No. The States must accept the funds, in accordance with a Federal law.

Mr. BENNETT. Is it not possible that a State welfare agency could decline to act as an agent of the Federal Government?

Mr. KENNEDY. I will say to the Senator I think the States already act for the Federal Government in the case of Federal employees and veterans. I do not think there is any real constitutional problem about the administrative provisions of the amendment.

Mr. BENNETT. I am trying to get the matter clear in my own mind.

Mr. KENNEDY. I would say to the Senator the answer is "no."

Mr. BENNETT. Is it the feeling of the Senator from Massachusetts that if the amendment were adopted every State would be forced to accept the money whether it wished to or not?

Mr. KENNEDY. Yes.

Mr. BENNETT. That is a very interesting point of view, and I think it marks the end of State-Federal partnership in welfare programs.

Mr. KENNEDY. We are not providing for a partnership in this program. We are providing for a Federal grant from the Treasury. The State would serve merely as the administrative agency. I do not believe the arrangement could be described as a partnership. The Federal Government would be carrying the entire burden.

Mr. BENNETT. The Senator would deny to the State and the State welfare agency, which is assumed to have some knowledge of the general programs in the State, any area of judgment or decision. The grant would be an automatic

grant, which the Federal Government—if I may use the word—would "force" on the State.

Mr. KENNEDY. No.

Mr. BENNETT. And through which it could bypass the State authority.

Mr. KENNEDY. The grant would not be forced on the State. It would be forced on the unemployed worker, who, I believe, would accept it. If he did not wish to accept it, he would not have to show up at the unemployment office.

Mr. BENNETT. Suppose the State welfare agency should say, "We do not choose to act as the agency of the Federal Government." How would the benefits be distributed?

Mr. KENNEDY. The Federal Government would then administer the program. It is a Federal program. It is not a State program. There is no partnership involved, in the sense in which the Senator uses that word.

The Federal Government has enacted a law for the benefit of veterans, which the States administer. I do not believe the States would refuse to cooperate in executing a law which the Federal Government had enacted for the benefit of the unemployed. If such a case should arise, I think the Federal Government could administer the law directly.

Mr. BENNETT. In such a case, would the administration of the law require a parallel organization inside the State, financed by Federal funds?

Mr. KENNEDY. I have given the Senator my opinion. I do not believe that such a situation would arise.

Mr. BENNETT. It is the opinion of the Senator from Utah that it could very well arise in his own State.

Mr. KENNEDY. I doubt whether it would. The money we are talking about comes from general taxation, paid for by the people of Utah as well as the people of other States. If the unemployed worker were to be assisted by a Federal grant, it seems unlikely that the State of Utah would refuse to be the agent to pass on the money to the unemployed worker. Of course, we are living in a world in which nearly everything is possible. However, I do not believe it is likely that the situation which the Senator describes would ever arise.

Mr. BENNETT. If it should arise, a Federal agency would have to be set up within the State to distribute the funds.

Mr. KENNEDY. Yes.

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

Mr. KENNEDY. I yield.

Mr. DOUGLAS. Earlier in the colloquy with the Senator from Utah, the Senator from Massachusetts placed his finger on what I think is the essential legal difference between his proposal and that of House bill 12065. Earlier he correctly pointed out that House bill 12065, in essence, involves a loan and not a grant.

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. The money would be advanced by the Federal Treasury, and unless the advances were restored to the Treasury by some more direct payment, they would be repaid by means of an assessment upon the employers of the particular State. The employers in the State would return the amounts advanced to the State. So the amounts later returned in Federal taxes would differ from State to State, and those States which had the heaviest burden of unemployment would have to pay back the most.

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. As I remember, the Senator from Massachusetts stated that his proposal does not involve a loan. It is an outright grant by the Federal Government to cover the added costs of increased and extended benefits during the intervening, emergency period. Because it would be a grant, the Governors would not have to convene the legislatures, but they could operate directly, because no added expense upon the taxpayers of the State would be involved. Is that true?

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. It is hard to imagine that any State would be perverse enough to refuse to pay out any money to its own unemployed.

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. I cannot believe that the people of Utah, who are so fine, and so well represented by kind men in the Senate, would be so hardhearted as to refuse to pay out money to the unemployed. I think the Senator from Utah does not have sufficient faith in the kindness of the splendid people whom he, in part, represents in the Senate.

Mr. BENNETT. Mr. President, will the Senator yield for one further observation?

Mr. KENNEDY. I yield.

Mr. BENNETT. The point is made that the program would cost the people of the States nothing. Obviously, if the State is to administer the program, there must be an administrative charge, which I assume would be borne by the State.

Mr. KENNEDY. As the Senator knows, the Federal Government has been very generous with the States. Under the act of 1954, it recently gave them $80 million. The Federal Government's charge for administrative costs has been 0.3 percent, and the Federal Government has raised more money than it needed for administrative costs. It has just returned to the State governments a substantial sum of money on its own initiative.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield for one further question?

Mr. KENNEDY. I yield.

Mr. DOUGLAS. The emergency benefits for the next year could be accepted by the governors without legislative action. Am I correct in understanding that the legislative action which would be required would be action raising the permanent, not the temporary, standards, so that after the 1st of July 1959 the standards of payment, duration of benefits, coverage, and so forth, would be the basic minimums provided in the Senator's amendment.

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. But the States would have a year in which to meet such standards.

Mr. KENNEDY. Yes.

Mr. DOUGLAS. Legislative action would not be required for the immediate improvements in the care and protection of the unemployed.

Mr. KENNEDY. That is true.

Mr. BENNETT. Mr. President, will the Senator yield for one further question to continue the colloquy on the same subject?

Mr. KENNEDY. I yield.

Mr. BENNETT. Suppose the State did not act within a year to continue the program beyond the point where Federal funds would be available? What then would be the situation?

Mr. KENNEDY. The Federal Government would not permit the States to continue to take the tax credit which they formerly took. The tax credit is now 3 percent. Originally, the Federal Government more or less required the States to enact unemployment compensation laws. If a State were not permitted to continue the present 3-percent tax on the employer, the action suggested would be so unwise that I believe no State would follow such a course.

Mr. BENNETT. In order to put force behind the grant program, if the States should decide not to continue under the program, the Federal Government would destroy the present State-Federal relationship, and the Federal Government would take over the administration of unemployment compensation laws in that State.

Mr. KENNEDY. In the first place, there is no force behind the grant. I am talking about the period after July 1, 1959.

Mr. BENNETT. That is correct.

Mr. KENNEDY. This is a Federal program, and we permit the States to take a tax credit of 3 percent. The Federal Government does not charge the 3 percent which it is authorized to charge the States unless the States enact unemployment compensation laws. I should say that the present procedure would continue. The States would have to meet certain standards in order to be eligible for the tax credit.

Mr. BENNETT. If they chose not to meet them, the present program in the States which may have standards lower than those prescribed in the Senator's amendment would be administered by whom?

Mr. KENNEDY. In the event the States did not meet the requirements of the Federal Government, the Federal Government would administer the program. The situation would be no different from that which exists at present.

Mr. BENNETT. There would be a difference in this sense, that under the previous program no State refused to cooperate.

Mr. KENNEDY. There would be the same incentive as exists today, namely, the tax credit.

Mr. President, I read from the first page of the New York Times for Sunday, May 25, 1958:

Jobless-aid rise is likely to help in only six States: Labor Department officials blame

optional choice in accepting benefits: Tax increased to repay United States a stumbling block.

The Department of Labor states, on the front page of the New York Times for last Sunday, that emergency legislation to provide extra benefits for unemployed workers, as now written, would benefit the unemployed in only six States. I hope that any action taken by the Senate will not be on the assumption that it will not be helping the workers in 42 other States. The Secretary of Labor clearly indicates that the bill would bring no help to the unemployed in 42 States of the Union.

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

Mr. KENNEDY. I yield.

Mr. FLANDERS. I have risen to the defense of what may be called either the obstinacy or the independence of the State of Utah.

In the 1930's I traveled over a road from Boulder south to—is the name Escalante?

Mr. BENNETT. Yes; Escalante.

Mr. FLANDERS. I traveled to Escalante in an automobile, over a well-built road. Escalante had previously been in contact with the rest of Utah only by pack train. I made the journey by automobile. I was told that that road was built by CCC labor. However, because the State of Utah—certainly the Mormon population—was taking care of its own underprivileged, there were no Utah people enticed into the CCC camps, and the CCC workers who built that road had to be imported from outside the State.

Therefore, I wish to have it on record that the independence—if we wish to call it that—or the obstinacy—if we wish to call it that—of Utah is attested by past history, and I would not be surprised to see it rise again.

Mr. KENNEDY. Utah has done an excellent job on its own in taking care of its unemployed, and the figures so show. I certainly credit the State and its representatives for doing it. What we are concerned with is that other States do at least as much.

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

Mr. KENNEDY. I yield.

Mr. DOUGLAS. From time to time the argument is made that since the States have approximately $8 billion in their unemployment reserve funds, no legislation is needed; and that, therefore, the amendment offered by the Senator from Massachusetts is unnecessary.

Is not the difficulty with the argument the very simple fact that if the States extend their benefits, or raise the level of their benefits, it will eventually lead to a drawing down of the reserve; and is it not also correct to say that in virtually every State, as the reserves go down, the assessments upon the employers go up?

Mr. KENNEDY. The Senator from Illinois is correct.

Mr. DOUGLAS. Therefore, what has happened under the system of unemployment insurance in effect today has been to pile up reserves which are immobilized in separate State funds and which employers in the various States do not want to have drawn down by paying more adequate benefits, because that will mean an increase in the current assessments.

Mr. KENNEDY. The Senator is correct. What the Senator and I agree on is that if we do not do it now, we will never get it done. That is the first thing to keep in mind.

Second, it is obvious, ever since the President made his appeal in 1953, that the States will not do it themselves. I should very much dislike to have the Senate pass the bill which has been reported by the Committee on Finance and have word go out to the country that we have acted in this field, when even the Department of Labor admits that the bill will not do much good.

Mr. DOUGLAS. Does the Senator refer to the Labor Department view as of last Saturday? I ask that question because in the preceding week the Department of Labor pointed out that it would do some good, and the week before that the Department of Labor seemed to say it would not do anything.

Mr. KENNEDY. Did the Secretary of Labor change his position that only six States would be benefited by the pending bill?

Mr. DOUGLAS. No; he did not. He implied—and the testimony before our Finance Committee is pretty clear on it—that he believed the governors would accept this proposal quite uniformly. He cited as proof of that statement the fact that the governors had accepted grants to administer unemployment compensation for civilian employees of the Government and for veterans. However, those were grants, not loans.

The advances under H. R. 12065 would be in effect loans. The Senator from Massachusetts could with justice point to the experience of governors in accepting grants for the payment of unemployment compensation to civilian employees of the Government and to veterans as a precedent in support of his amendment, because if they accepted grants in one case they would almost certainly accept grants under the proposal advanced by the Senator from Massachusetts.

Mr. KENNEDY. The Senator is correct.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MARTIN of Pennsylvania. I appreciate very much the effort being made by the distinguished junior Senator from Massachusetts. However, what worries me about this subject is that when we start from the Federal standpoint on a matter of this kind, we begin to usurp a great number of the States' prerogatives. Is there not the danger, if we should adopt the Senator's proposal, that it would be the entering wedge for the Federal Government to take over the whole field of unemployment compensation?

Mr. KENNEDY. I will say to the Senator from Pennsylvania, that as I recall it, when the law was enacted in 1935, only one State, Wisconsin, had an unemployment compensation law which was at all satisfactory. Of course the reason other States did not have such a law—and every witness in 1935 stated the reason—was that they disliked to add to the tax burden of the employers of their States, when another State, with which they were in industrial competition, had no unemployment compensation law or tax. Consequently in 1935 the Federal Government made it obligatory. Therefore we already have Federal intervention in this field. Of course I would not like to have the Federal Government take over in this field, but, on the other hand, I do not believe that prescribing standards constitutes such action. Furthermore, I will say to the Senator from Pennsylvania that his own State has done more to extend benefits than have most of the other States. It has the highest benefit duration of any State in the country, namely, 30 weeks.

Mr. MARTIN of Pennsylvania. When I was Governor of the Commonwealth I had a great deal to do with extending the duration of the benefits. However, does not the distinguished Senator from Massachusetts recall that after World War II, when the Federal Government had assumed so much control over unemployment insurance, the States were very anxious to get it back fully and completely under their own control?

Mr. KENNEDY. That is correct. The State legislatures have not enacted the standards which I propose by the amendment. I have attempted to indicate that economic competition prevents their doing so.

Mr. MARTIN of Pennsylvania. Is it not a part of our free-enterprise system that the different States conduct things of this kind as their local conditions warrant?

Mr. KENNEDY. There is allowance made for some differences. The amendment does not prescribe for them a national minimum, so far as the amount is concerned, but a proportionate amount of the weekly wage within a State. There will be differences in the amount of pensions paid and the amount of the benefits paid. They would be fixed in proportion to a State's individual wage scale. There would still be left some room for variation, but not for competition as to which State could pay the lowest benefit.

Mr. MARTIN of Pennsylvania. Is it not possible that there will be competition to pay the larger benefits in order to invite more skilled labor into a community, just as a particular State enacts favorable tax laws in order to invite industry to come into the State?

Mr. KENNEDY. As the Senator knows, we will be quite a long way from bringing about such a condition in Pennsylvania or in any other State of the Union. There are many people out of work. I doubt that over the next years there will be many periods when there will be such a shortage of workers that that kind of legislation would be enacted, in order to get a sufficient number of workers to take care of a State's needs.

Mr. MARTIN of Pennsylvania. I should like to see unemployment compensation as a type of insurance. That to my mind upholds the dignity of labor. That is one of the things for which I have

always contended in all my governmental work on the local, State, and Federal level. I am afraid that if we should undertake a plan like the one the Senator from Massachusetts is proposing, eventually the system would be entirely federalized, and we would get away from the old-fashioned American idea that each community should try to better itself in order to invite industry and skilled labor into the community.

Mr. KENNEDY. I appreciate the views of the Senator.

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

Mr. KENNEDY. I yield.

Mr. FLANDERS. The distinguished Senator from Pennsylvania mentioned the matter of diminishing the trespassing upon a State's prerogatives. I may say that I am more concerned about trespassing on a State's responsibilities. It seems to me that that is one of the most dangerous things that has been going on, and it is particularly dangerous in this kind of proposed legislation.

It seems to me that the States should be forced by their own citizens to assume the responsibilities which are involved in this particular situation of unemployment compensation. So rather than being concerned with prerogatives, I am concerned with the evaporation of the States' responsibilities, which is an extremely serious thing, in my judgment.

Mr. KENNEDY. Since 1953 President Eisenhower has requested the States to adopt a standard which in amount is equal to the amount in the amendment. The duration I propose is 39 weeks; the President's proposal is for 26 weeks. But not one State has made such a provision. That was almost 6 years ago.

Just as no State, except Wisconsin, had an unemployment law before 1935, I do not think we will find that any State will want to increase the tax on its employers sufficiently to enable them to meet the President's standard, unless Congress sets the President's standard as the national minimum.

Mr. FLANDERS. The Senator from Massachusetts is saying, then, that in his judgment the States are not meeting their responsibilities; therefore, the Federal Government should intervene.

Mr. KENNEDY. That is correct.

Mr. FLANDERS. I should like to have spread on the RECORD the statement that the States are not meeting their responsibilities; then we will see whether the States rise to their responsibilities. If the States do not meet their responsibilities, the situation in this country is pretty bad.

Mr. KENNEDY. The President and the Secretary of Labor have been very clear in what they have asked the States to do. One State has done it in 6 years. So it is necessary to come to the conclusion that the States are not going to do it. The reason is that States like Vermont and Massachusetts do not want to increase the employer taxes when they are trying to attract industries into their States, at a time when other States impose no taxes, or very small taxes. So unless a national minimum can be set, the States will not agree to meet the President's request.

Mr. FLANDERS. So far as my past history is concerned, I was connected with industry, and the industries with which I was connected backed the Unemployment Compensation Act when it was first proposed. It was turned down by the legislature despite our protests, and a special session of the legislature was required to enact the law.

I am not at all certain that the industries of my State will oppose the pending proposal. I do not know exactly how the industries can outvote the mass of the population. It is the mass of the population which has to be appealed to.

Mr. KENNEDY. From January to June, 1957, the average weekly benefit in the Senator's State of Vermont was only $23. It is true that the duration was 26 weeks. But $23, even for 26 weeks, is not very much.

In relation to the average weekly wage in covered employment, in 1956, Vermont——

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

Mr. KENNEDY. I yield. The Senator's information may be more up to date. Has there been a change in the amount since then?

Mr. AIKEN. Yes; there has been a change in the law. I think the amount now paid in Vermont is $28 a week.

Mr. KENNEDY. I am glad to hear of that improvement.

Mr. AIKEN. That is a considerable improvement. Vermont, I think, is 1 of 9 States which continue their payments for the entire 26 weeks.

Mr. KENNEDY. That is correct. The State does well on extended benefits. I do not know if the senior Senator from Vermont was in the Chamber when I cited the Bureau of Labor Statistics figures for New York City, which is probably not the most expensive place. For a single person to exist, $51.28 is the amount which is deemed to be necessary. So $28 a week is not too much.

Mr. AIKEN. I think that $28 for 26 weeks puts Vermont well ahead of the average figure. It must be recalled, with respect to our means to pay, that in Vermont we do not have the large source of income which other States have.

Whether any of the States which are now making larger payments have changed their laws in the last year, I am unable to say. I know that a few States pay more than $28 a week. One State pays as much as $41 a week. Whether that amount was put into effect 5 years ago or last week, I am unable to say.

I simply point out that the $23, shown in the record from which the Senator from Massachusetts is reading, is not correct at the present time.

Mr. KENNEDY. I appreciate the correction. These are the figures I had as of January 1.

Mr. AIKEN. I think it is quite generally understood in Vermont that our social security and unemployment compensation laws will undoubtedly be reviewed by the next legislature, so as to adapt those laws to changed conditions.

Mr. KENNEDY. In 1939, Vermont paid a maximum weekly benefit of 66 percent of the average weekly wage. Before the recent rise from $23 to $28, the benefit was 41 percent. The average weekly wage in Vermont, again referring to 1956, was $68.

Mr. AIKEN. I thank the Senator from Massachusetts for pointing that out. The Senator may recall who the Governor of Vermont was in 1939.

Mr. KENNEDY. I am glad to make that statement for the RECORD. The Governor was the present senior Senator from Vermont.

Mr. AIKEN. While I am pointing out various things, I may say Vermont was the first State to cooperate with the Federal Government in all five phases of the social-security program.

Mr. KENNEDY. I appreciate that comment by the Senator from Vermont.

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

Mr. KENNEDY. I yield.

Mr. DOUGLAS. Has not the discussion in the last few minutes, vindicating the honor of Vermont, steered us off on a sidetrack? Is not the fundamental issue the question of what to do for idle workers who have exhausted their claims for benefits?

Is it not true that in 4 months—January, February, March, and April—more than 700,000 unemployed persons exhausted their claims to benefits?

Mr. KENNEDY. That is correct.

Mr. DOUGLAS. And that this number is continuing to increase at the rate of 200,000 a month?

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. So it is probable that by the end of the year more than 2 million persons, during the course of the year, will have exhausted their claims to benefits, and will be receiving no benefits at all if they continue to be unemployed.

Mr. KENNEDY. That does not include employers who employ less than four employees, who are not even covered statistically.

Mr. DOUGLAS. That is correct. So the fundamental issue now is not so much whether the unemployed get adequate benefits if they are covered under unemployment insurance, but the question is, What shall we do for the persons who have exhausted all their claims for benefits and who are excluded by State laws? What the Senator from Massachusetts is trying to do is to give them added protection up to a total of 39 weeks for the benefit year. Is that not correct?

Mr. KENNEDY. The Senator is correct.

Mr. DOUGLAS. I think this puts the discussion in sharper focus than the question whether Vermont has a maximum of $23 or $28.

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

Mr. KENNEDY. I yield.

Mr. AIKEN. The Senator from Illinois has put sharply in focus the fact that the emergency legislation should have been enacted 3 months ago. Instead of talking about revising the entire social security program, we should have enacted legislation. If we did not do it then, doing it tomorrow is better than not doing it at all. Then let us have a

general review of the entire social security program, particularly that part of it which pertains to unemployment compensation.

Mr. DOUGLAS. The Senator from Massachusetts is proposing that we take care of those who have exhausted their claims for benefits; but he also knows that if we postpone dealing with the permanent system of unemployment insurance, we will never do so.

I shall not mention the State to which this story is ascribed, but we all know the story of the man who had a leaky roof. He would never mend the roof in sunny weather because he did not need to do so then. He never did it in rainy weather, because it would not be of help after the rain stopped falling.

Mr. AIKEN. Mr. President, will the Senator further yield?

Mr. KENNEDY. I yield.

Mr. AIKEN. We heard some arguments about 4 weeks ago when the disclosure bill was before the Senate. It was said then that, if we did not add amendments to that bill, the objective would never be accomplished. The Senator from Massachusetts has amply demonstrated in the past few weeks that there can be full hearings on an extensive program. I am confident that his committee will, within the next few days, report a bill to the Senate—and a good bill, too. So what we can do in that case can be done equally well in this case.

Mr. KENNEDY. Of course, it may take a year or more before the various States meet and are able to adopt legislation according their unemployed the benefits I have outlined. In view of the serious effect upon the economy, and the personal hardship upon those unemployed today, of a weak and ineffective bill, it is also important that we provide some measure of emergency relief for the unemployed. Every week, as the Senator from Illinois [Mr. DOUGLAS] has stated, approximately 50,000 workers exhaust their unemployment benefits. In my home State of Massachusetts, jobless workers are exhausting their benefits at the rate of approximately 9,000 per month.

Mr. REVERCOMB. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. KENNEDY. I yield.

Mr. REVERCOMB. I have not had the privilege of hearing all the presentation the Senator from Massachusetts has made, and I should like to ask him a question about this matter. Does his amendment pertain only to emergency relief, or does it relate also to the establishment of a new plan of Federal control of unemployment insurance?

Mr. KENNEDY. It provides for both emergency relief and minimum Federal standards.

Mr. REVERCOMB. Then the amendment does not call for only an emergency relief program; instead, it goes beyond that. Is that correct?

Mr. KENNEDY. That is correct. I think the emergency has been prolonged, and I believe it will continue for more than 1 year.

Mr. REVERCOMB. Perhaps so; I do not know. But if I may be so bold as to suggest it, I believe that if the amendment of the Senator from Massachusetts dealt with emergency relief for a certain number of weeks, in the case of any State, we would be able to bring the question into focus. I believe we can do that if at this time we deal only with emergencies, and take up later the question of a permanent method for the control of unemployment insurance. I make that observation because the matter is one which I believe should be considered seriously.

Mr. KENNEDY. But it seems to me that this is an appropriate time to consider not only the program for the emergency period but also the program for a longer period. I would be reluctant to propose, as some Senators have, that a grant of $1,500 million be made from the Federal Treasury to the States, when the States have $8,500 million in their own trust funds, without requiring them, on the other hand, to do something on their own behalf.

So I believe the amendment constitutes a combination of a measure for a permanent system and a measure for a temporary system; and I believe the combination will be satisfactory, because we would only require the States after July 1, 1959, to write into law what the President himself has requested, namely, that instead of providing for a period of 36 weeks, there be a national standard of 39 weeks.

Mr. REVERCOMB. The Senator from Massachusetts has referred to the $8,500 million in the reserve funds of the States. But let me point out that that amount is not equally divided among the States; neither is it divided among them on the basis of population.

Mr. KENNEDY. That is correct.

Mr. REVERCOMB. Some States that I know of do not have adequate funds, and therefore do not have adequate unemployment insurance.

Therefore, I think the measure which is to be enacted should be one which can quickly be enacted and can quickly be taken advantage of. That is why I raise this point. I believe that if at this time nothing is done, by way of amendment or otherwise, to make the present proposal a permanent one, then the measure can quickly be enacted. Certainly, emergency relief is needed now.

Mr. KENNEDY. Of course, the amendment provides for emergency relief, as well as for relief for a longer term.

Senators may disagree regarding the necessity for making provision for the longer term; but I desire to point out, first, that I do not believe the bill the House has passed will provide emergency relief.

Second, the measure under discussion provides for a Federal grant to the States. I am reluctant to see the Federal Government pay $1 billion or $1,500 million to the States when they have $8,500 million of their own, without requiring them to do what the President has been asking them to do, but what they have been either unwilling or unable to do.

Mr. REVERCOMB. But in this case is there not a middle ground—one where there can be direct emergency relief from the Federal Government? I repeat this point because I am impressed by the seriousness of it.

Mr. KENNEDY. Let me say that if this amendment fails of adoption, there will be submitted an amendment which will provide, first, that participation by every State be mandatory; second, that repayment will be excused either if a State adopts the standards recommended by the President for the amount, duration, and coverage, or if a State's trust fund is in a precarious condition, despite an average 2.7-percent tax; and, third, that the duration of benefits be extended for a flat 16 weeks immediately.

That amendment in the nature of a substitute—which may be more attractive to the Senator from West Virginia—will be offered if the pending amendment is rejected.

Mr. REVERCOMB. I thank the Senator from Massachusetts. I believe our debate has been revealing and helpful.

Mr. KENNEDY. I thank the Senator from West Virginia. If unemployment continues, this exhaustion situation will worsen. This condition has a serious impact upon both the communities directly affected and the economy as a whole. I have noticed with some concern that the areas listed by the Department of Labor as areas of substantial labor surplus have been constantly increasing. Without the purchasing power represented by a modest insurance program, this trend will tend to accelerate.

Therefore, the amendment provides that, until the various States can adopt an adequate program, a person unemployed through no fault of his own shall be entitled to receive a weekly benefit equal to two-thirds of the average weekly wage earned by employees within his State, or 50 percent of his average weekly earnings, whichever is lesser, and that the payments shall continue for 39 weeks. These payments are to be financed by the Federal Treasury. But it is a mistake to analogize them to relief checks. Although the payments during this emergency will be financed by a grant, the grant is but a part of a larger program looking toward the continuation of unemployment compensation pursuant to sound insurance principles.

A common fault of many of the so-called supplementation bills which rely upon Federal funds to improve payment levels is that they bypass the $8.5 billion now held in State unemployment reserves—a fund relatively untouched because State standards are so low. The $8.5 billion would be flowing into our economy today if we could raise the benefit standards and could extend the coverage.

But whatever system of financing they employ, the great fault of all the proposals for temporary Federal supplementation is that they are just that, and nothing more. Such a proposal encourages the State legislatures to do nothing so long as they know that Congress will bail them out every time there is a

downturn. It encourages the Congress to do nothing on a long-range program, so long as they can provide a stopgap, patchwork measure when the need arises. It ignores the role our permanent unemployment insurance system was intended to play, and establishes, instead, a precedent for falling back on temporary remedies whenever the system is really needed. It ignores the fact that the standards of the system, even in a relatively mild recession, have proven inadequate. It ignores real deficiencies which are apparent to all, and leaves the system in the same weakened condition it was in before.

This amendment provides for the immediate payment of adequate benefits to all unemployed workers, pursuant to a sound system of compensation, and requires the Federal Government to make up any difference which results from the lag in the adoption of State laws. This is Federal supplementary action, to be sure; but it is action which depends upon, instead of discourages, long-range, permanent action by the Congress and the State legislatures.

Mr. President, this concludes my remarks.

I ask unanimous consent that the names of Senators CLARK, MCNAMARA, MANSFIELD, MURRAY, PROXMIRE, DOUGLAS, GREEN, MORSE, NEUBERGER, HUMPHREY, JACKSON, CARROLL, CHAVEZ, PASTORE, and MAGNUSON be added to the list of cosponsors of my amendment.

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

Mr. KEFAUVER. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. KEFAUVER. As I understand, the State legislatures would have until July 1959 to amend their own laws so as to be in conformity with the Federal standards. Is that correct?

Mr. KENNEDY. The Senator from Tennessee is correct.

Mr. KEFAUVER. Under the provisions of the amendment, up to that time any amount paid to unemployed persons would be paid from the Treasury of the United States, would it?

Mr. KENNEDY. That is correct.

Mr. KEFAUVER. Would any part of that amount be taken from the amounts on hand by the various States at a later time?

Mr. KENNEDY. No; it would not, because we have no right to deal with those funds.

Mr. KEFAUVER. I thank the Senator from Massachusetts.

Mr. KENNEDY. Of course, those trust funds will be subject to some drains when the States make compulsory the Federal standards we have suggested.

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

Mr. KENNEDY. I yield to the Senator from Oregon.

Mr. MORSE. As a member of the Senator's subcommittee, I wish, on the floor of the Senate, to express my appreciation to the Senator from Massachusetts for the leadership he has given us as chairman of the subcommittee, and for the very able report he has submitted to the Senate this afternoon. I certainly cannot possibly improve on what the Senator from Massachusetts has done. I seek only to try to be helpful in emphasizing, through one or two questions I wish to ask him, what I think the RECORD should show was certainly the Federal policy we had in mind in offering the pending amendment to meet an emergency situation.

Does the Senator from Massachusetts agree with me that those of us who are sponsoring the proposal feel a very serious economic situation exists, because of which a great many thousands of our fellow Americans find themselves in the position of having exhausted their unemployment insurance benefits, and therefore the Federal Government has a moral obligation to meet that emergency and see to it that they have at least some means to buy the bare necessities of sustenance?

Mr. KENNEDY. The Senator is correct.

Mr. MORSE. Does the Senator agree with me that in taking our position we are not seeking to encroach upon the responsibilities of the States, but are seeking only to have the Federal Government carry out its clear responsibility in light of the national emergency that confronts us?

Mr. KENNEDY. I agree with the Senator.

Mr. MORSE. Does the Senator agree with me that when a total population suffers from an emergency—an emergency which is no respecter of State lines—under our constitutional system the Federal Government should come to the assistance of its people and do for them what they cannot do for themselves, or, in this instance, what happens to be the case of the States apparently being unable to provide help for their people?

Mr. KENNEDY. That is correct. On the last point made by the Senator from Oregon, I may point out that we have given the States since 1953 to make such provision on their own account. After 6 years, I think most of us have a pretty clear idea what the future is going to bring in this regard. It is not as if we are asking for something concerning which we have had no experience. We have had the experience of the President making such a request for 6 years, and not one State has done anything about it. In 1954, when we attempted to apply compulsory standards, the argument was made, "Let the States do it." Now, 4 years later, we know pretty well what the pattern is going to be.

Mr. MORSE. My last question goes to the matter of what I personally consider to be a great deal of misinformation which is abroad in the land as to what the effect of the pending legislation will be upon businessmen and employers. It was apparently easy to create the impression that, if legislation were enacted aimed at meeting an economic emergency confronting large numbers of people, in some way, somehow, it would prove to be to the disadvantage of businessmen and employers.

Does the Senator agree with me that it is in the interest of employers, on a nationwide basis, to institute a program of standardization in the field of unemployment compensation insurance, because it will have the effect of eliminating unfair competitive advantages resulting from employers in low-standard States taking advantage of employers in high-standard States?

Mr. KENNEDY. The Senator is correct. As a member of the Committee on Labor and Public Welfare, I may point out that this question came up at the time the minimum wage was adopted. It was long ago decided to be wise public policy not to permit one employer to engage in unfair competition with another employer by paying a wage below $1 an hour. It seems to me the same basic question is before the Senate. The amendment would not permit an employer in one State which failed to meet the standards to compete unfairly with an employer in another State which did meet the standards.

I wish to thank the Senator from Oregon. I may point out that every member of the subcommittee who has had any contact with the problem labor is facing is a cosponsor of the amendment.

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

Mr. KENNEDY. I yield to the Senator from North Carolina.

Mr. ERVIN. If I construe the Senator's proposed amendment right, his proposal would bring under coverage of the unemployment compensation system every person who employed as many as one person for as much as a fraction of a day. Is that correct?

Mr. KENNEDY. The Senator is correct. Eighteen States have the standard down to one, but he who is eligible for unemployment compensation would be eligible for 39 weeks.

Mr. ERVIN. As I understand the present law, the minimum requirement thereby prescribed requires the coverage of those who employ as few as 4 persons for as many as 20 days annually. Is that correct?

Mr. KENNEDY. Except that the State is free to lower the requirement if it desires.

Mr. ERVIN. A State may lower its minimum requirements, but what I have stated is the minimum requirement prescribed in that respect by the Federal Government. Is that correct?

Mr. KENNEDY. That is correct. I may say to the Senator I am quite anxious that the States shall continue to apply the same principle which now applies, namely, that a worker has to be willing to work. The proposal is not intended to offer anyone a free ride, any more than the present law does. Under the provision that unemployment benefits would be paid for 39 weeks, the worker would have to report, as he does now, and be willing to accept comparable work.

Mr. ERVIN. As I construe the proposed amendment, it does not prescribe any fixed sum as the minimum unemployment compensation, but fixes it by reference to a percentage of the salary or wage, to be determined by the State

agency administering the act. Is that correct?

Mr. KENNEDY. Yes, that is correct.

Mr. ERVIN. What is the percentage? I tried to study the amendment without having the act before me, and I am rather confused as to whether the minimum compensation is two-thirds of the salary or wage or one-half.

Mr. KENNEDY. It is one-half of his wage, up to a maximum of two-thirds of the average State wage.

Mr. ERVIN. In other words, the average would be arrived at by considering the wage of everyone engaged in labor in the State. In the case of a particular person who is unemployed, his unemployment compensation would be one-half of his wage, but not to exceed two-thirds of the average wage, and he would get the benefits for 39 weeks. Is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. ERVIN. Did the evidence taken by the committee disclose what the increase would be? Of course, I realize that under the present setup, different employers in different States have different amounts of taxes to pay.

Mr. KENNEDY. That is correct. On the average, the amount would be increased from 1.3 percent to 1.7 percent to 2 percent.

Mr. ERVIN. How much would the total amount of the tax increase be, if the Senator has that information?

Mr. KENNEDY. It would depend upon the circumstances.

Mr. ERVIN. How much additional tax would the employers have to pay?

Mr. KENNEDY. I would say to the Senator that all we are talking about is an average percentage, because the tax would depend upon what the unemployment compensation amounted to in the particular year. The figures indicate, after a reasonable study of the past and an estimate for the future, that the average in the United States of 1.3 percent would go to between 1.7 and 2 percent if the standards I have suggested were adopted.

Mr. ERVIN. As I understand the provisions of the bill, they would broaden the present system to such an extent that a person who came anew into the labor force and worked for an employer 1 day, if he should cease work, would be eligible for compensation for 39 weeks, in the event he were unable to obtain other employment during the 39 weeks.

Mr. KENNEDY. The original bill we introduced, which is not offered at this time, provided for a change in the base period. Such a change is not provided in the pending amendment. The law would continue as it is today. The worker would be required to work for the same period he is now required to work to be eligible under the State standards. Once eligible, he would be entitled to the amount to be paid. The only change is the reduction from the 4 employees to the 1.

Mr. ERVIN. As the Senator points out, the standards of the States vary from 1 day up to 20 weeks.

Mr. KENNEDY. Yes. The provision would be the same as that which exists today in each State. The only change would be in the States which do not provide for less than 4 employees, and it would require the 50 percent payment and the duration change.

Mr. ERVIN. I thank the Senator for the information he has given, and for his courtesy.

Mr. KENNEDY. I do not think my answers have enchanted the Senator any more, probably, than the amendment. I hope, however, the Senator will examine the bill presently under consideration, because I must say that the bill which is presently before the Senate would provide no relief at all. That being true, I think Viscount Falkland's classic definition of conservatism applies:

When it is not necessary to change, it is necessary not to change.

The bill is not necessary; therefore, I think we would be better off if we did not act. Therefore, I have suggested a more reasonable substitute.

If the amendment is rejected, I shall offer another substitute, perhaps not quite so extensive as this one, which I hope the Senator will support.

Mr. ERVIN. I will be perfectly frank with the Senator. I have some of the misgivings which were expressed by the distinguished Senator from West Virginia a moment ago. I have the feeling it would be better to deal with the emergency arising out of the existing unemployment in one bill, and then proceed through the appropriate committee to consider whether the system should be changed in another bill. In the time now at the disposal of the Senate, I am unable to reach a conclusion as to the impact of the amendment on our economy.

Mr. KENNEDY. As I have stated, there are two proposals. One is the loan proposal. In this form or in any other form I think it is quite obvious, from the testimony and from the comment of the Secretary of Labor of last Sunday, that only six States would be likely to accept any loan provision. The alternative is a grant. However, I am reluctant to give the money away for a year or so to the States, without requiring the States to do something about the matter.

We are faced with a difficult problem. I think the best solution would be to provide for a grant, which would help in the emergency, but, at the same time, require the States to do something. I say to the Senator the States will not do anything on their own without some indication of determination by the Congress.

Mr. ERVIN. The Senator believes the proposal will not work without the use of the carrot or the stick, and the bill proposes to use the carrot.

Mr. KENNEDY. The original bill?

Mr. ERVIN. It is proposed to use a little bit of both the carrot and the stick. The amendment proposes to use the carrot method. It proposes to make grants, I understood the Senator to say.

Mr. KENNEDY. It would use the carrot for about 14 months, and then would use the stick.

Mr. ERVIN. Yes. The proposed amendment contemplates using a billion dollars to be paid from the Treasury, which is not to be paid by the employers, but to be paid by the taxpayers generally.

Mr. KENNEDY. I do not see how else it could be done. We intend to require the States to do something in the future. We are talking about a billion dollars which can only be paid to those persons who are out of work and who desire to get jobs.

Mr. ERVIN. That is true.

Mr. KENNEDY. I do not think we could call the money wasted. In return for that expenditure of money, which is large, we would require the States to do something in the future years. I think that is a pretty good bargain. If we were merely to give the $1 billion without requiring the States to do anything, that would be a bad bargain.

Mr. ERVIN. It might help those who were unemployed to the extent of a billion dollars.

Mr. KENNEDY. Yes.

Mr. ERVIN. At the same time, the taxpayers—rather than the employers—would foot the bill.

Mr. KENNEDY. Since the States have $8½ billion available, and they have failed to take such action themselves, if the Federal Government should bail them out, then the States would never do anything. If the States feel that the Federal Government will come to their assistance whenever unemployment becomes a national problem, as it is today, then the States will never do anything about increasing the tax on the employers, because they will feel that in 1961 or 1962, if we are faced with widespread unemployment, the Federal Government will bail them out again.

I believe this is the best approach. If we provide for a grant without requiring the States to do anything, we are bound to halt the upward march the States are making, even though I believe the upward march is inevitable.

Mr. ERVIN. I am concerned about the national debt, and the additional billion-dollar expense to the taxpayers. Would it not be better for the States to do something about the matter, out of the $8 billion they have, instead of offering another billion dollars to be added to the taxpayers' burden?

Mr. KENNEDY. The problem is how to force the States to take action. There are some constitutional or statutory limitations affecting the rights of governors to obligate the States for repayment of loans. In some States the legislatures cannot meet. I think there is involved a legal question as to whether we could force the States to accept loans. I think it is a difficult problem.

Mr. ERVIN. I agree with the Senator that it is a very difficult problem. That is the reason why I, as an individual Senator would rather take the problem in two doses.

Mr. KENNEDY. I do not think there are two doses. I do not think the compulsory loan program would be useful. I think there is not any doubt that the governors cannot obligate the States without action by the State legislatures.

Many of the State legislatures will not meet for another year. I think the alternative is to do nothing for the States, or permit them to get a loan now, if they want to. They can do that now.

Mr. ERVIN. I am aware of that.

Mr. KENNEDY. We have the alternative of doing nothing, or providing for a grant. My opinion is that if we are going to give them the amount of money suggested, we ought to make them do something. Otherwise, the loan program will be of no use.

Mr. ERVIN. I thank the Senator.

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

Mr. KENNEDY. I yield.

Mr. CLARK. I regret I was unable to be present in the Chamber when the Senator made his principal address, but I was most interested in the questions asked by my good friend, the Senator from North Carolina [Mr. ERVIN], which have raised 1 or 2 questions in my mind.

Can the Senator inform me whether the procedure which he favors using of attempting to persuade the States to jack up their unemployment compensation standards is the procedure used in the first instance, when the original law was passed?

Mr. KENNEDY. The Senator is completely correct.

Mr. CLARK. All the Senator is proposing is that we use a well-tested and well-tried procedure to bring national standards up to somewhere near the point they were at the time the original legislation was enacted by the Congress. Is that correct?

Mr. KENNEDY. I would say that is correct. In 1939 I think there was only one State which provided less than 60 percent of the average wage in the State as unemployment compensation. Now, as the Senator knows, the payments are down to less than one-third.

Mr. CLARK. It occurs to me to hazard this observation: I wonder whether my friend from Massachusetts would agree that one's philosophy towards the bill must be governed to a substantial extent by whether one believes we have a national labor market or 48 separate labor markets. The philosophy of the original bill was that we had a national labor market; was it not?

Mr. KENNEDY. That is my conception of it.

Mr. CLARK. Unless we utilize some such procedure as the Senator from Massachusetts suggests, we are inevitably thrown back on the theory that we have 48 separate labor markets and 48 separate sovereign States, each utilizing what I am sure my friend from North Carolina [Mr. ERVIN] would call States rights, but which I am afraid I would call States wrongs, with the end result that we have a situation in which those States which have the greatest interest in their working people, the finest sense of compassion, and the most earnest desire to prevent and mitigate the hardships of unemployment, are of necessity prejudiced because they are at a competitive disadvantage compared with States having lower standards.

Mr. KENNEDY. The Senator's own State of Pennsylvania has done more than any other State in extending such benefits to a reasonable duration.

Mr. CLARK. I thank my friend for that comment.

Mr. KENNEDY. Perhaps the Senator can tell us what arguments were used in the Pennsylvania Legislature at the time this question arose. Was not the argument used, with some vigor, that such a program would put the State of Pennsylvania at a competitive disadvantage in bidding for new industries?

Mr. CLARK. Not only was that argument made strenuously at that time, but it is being made today. And it is an argument which has a certain amount of appeal. In my Commonwealth the duration of unemployment compensation benefits is 30 weeks. In view of the fact that the coal mining industry is in a depressed condition we are trying not only to hold our present industries, but to encourage the creation of new industries, in competition with States which have far lower standards. For this reason it must be abundantly clear why I support the amendment of the Senator from Massachusetts and urge the point of view that we have a national labor market. This point of view the Senate adopted when we passed the area-redevelopment bill. I hope that we shall soon pass a couple of bills to help small business on a national basis.

It seems to me that, both as an antirecession measure and as a sound procedure to prevent the States from taking competitive advantage of one another to the detriment of the workingman, the amendment of the Senator from Massachusetts is very well conceived.

I thank the Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator for his support of my amendment.

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me for a few brief observations?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. If the Senate will adopt the amendment to the House passed unemployment compensation bill along the lines proposed by the distinguished junior Senator from Massachusetts [Mr. KENNEDY], an unemployed worker in Montana earning the State average of $75 a week who is now drawing maximum weekly benefits of $32 for 22 weeks, will be eligible for 16 additional weeks, or an additional $512 during the recession emergency, estimated at 1 year.

Also, permanent standards would provide an additional $6 a week for a total period of 39 weeks, an increase of 17 weeks and $102 over the present State law.

Such improvements are long overdue. They will help purchasing power and restore production and employment. These amendments are especially needed in distressed areas with high unemployment, such at Butte, Mont.

As of the 23d of this month, there were 2,091 dues-paying miners in Butte, in March there were only 1,827. This is compared with 5,109 miners who were working in the mines in January 1957. Butte is a mining community and the men who have been laid off cannot find other work. They must depend on unemployment compensation until there is more activity in the copper mining industry.

Early in December of last year I brought the serious Butte situation to the attention of the Secretary of Labor, urging that additional benefits be granted to these people.

Mr. President, I ask that my letter of December 6, 1957, addressed to the Secretary of Labor, James P. Mitchell, and his reply of December 23, 1957, be printed at this point in the CONGRESSIONAL RECORD.

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

DECEMBER 6, 1957.

Hon. JAMES P. MITCHELL,
Secretary of Labor, Washington, D. C.

DEAR MR. SECRETARY: I would appreciate your advising me whether or not anyone who has received the maximum unemployment benefits could be reinstated for additional weeks due to an unemployment situation not created by himself. As you are perhaps aware, there are a great many miners in Butte, Mont., who have been laid off during the last 6 months because of the lead and copper situation, and at this time there does not appear to be any relief forthcoming which would put these men back on the payroll and the welfare funds at this time do not appear to be adequate to take care of such great numbers if this situation continues for any length of time. I have been informally told by the Board of County Commissioners of Silver Bow County that they understand that if conditions do not improve, there will be several hundred additional men laid off not only in Butte, but in Anaconda and Great Falls from the smelters.

I would appreciate your advising me if there is anything in the Department's regulations which would take care of an emergency such as this.

Thanking you and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

UNITED STATES DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, December 23, 1957.

The Honorable MIKE MANSFIELD,
United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: This is in reply to your letter of December 6, concerning the growing unemployment among miners in Montana. This is a matter of great concern to us also. Under the Social Security Act the State legislature has the authority to decide whether or not to extend the duration of unemployment insurance benefits in situations such as you describe. At this time no State law provides for such an extension.

The duration of benefits provided by State laws varies from State to State. In Montana benefits are payable for 22 weeks during a 1-year period to all eligible claimants. After that year, if a claimant has meanwhile earned sufficient wages, he can qualify for an additional 22 weeks of benefits. As you know, the President has recommended that all State unemployment insurance laws provide benefits for 26 weeks during a 1-year period for people who qualify for benefits, but a number of States have not followed this suggestion.

If we can be of any further assistance, please let us know.

Sincerely yours,

JAMES P. MITCHELL,
Secretary of Labor.

Mr. MANSFIELD. The administration's proposals are entirely inadequate and I feel that we in the Senate have an obligation to enact a more liberal and improved unemployment compensation program; and I think this is it.

Mr. KENNEDY. I thank the Senator.

Mr. MANSFIELD. 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.

The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. KENNEDY].

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Kennedy amendment.

The yeas and nays were ordered.

Mr. KEFAUVER. Mr. President, while I am not satisfied with all the provisions of the pending amendment, I shall vote for it because the bill reported by the committee does almost nothing to relieve the distress of the unemployed.

There is no more urgent need today than that we do something to provide for those who are economically distressed owing to our present recession.

With all due respect to the Committee on Finance, I was deeply disappointed by the bill that was reported. It seemed obvious to me that the bill passed by the House of Representatives was so weak and unsatisfactory that I was certain the Senate would undertake to rewrite and strengthen it. Now I regret to find that the Finance Committee has reported out the same bill with all of its limitations.

The weaknesses of this bill are legion, but it may be helpful to suggest a few of the more grievous ones. Perhaps the most serious weakness is its ineffectiveness. It is clear that this legislation will be useless in most States including my own State of Tennessee unless the governors call special sessions of their legislatures in order to obtain authority to obligate the States to repay the Federal loans. This would require an intolerable delay and there would be no certainty that the legislatures would grant the authority even if they were called into special session. In Tennessee, the legislature is already engaged in special session, called for the specific purposes of considering impeachment proceedings and I do not see how any other matter could be disposed of.

Secondly, this bill, because of its optional provisions allowing the States to accept or reject the Federal loans, works an unfairness on the States that do accept the loans. They will be required to repay the loans by a higher tax on employers while those States that refuse the loans, because of lesser need, will enjoy a lower tax on their employers. This will put the States acknowledging the need for the Federal assistance at a serious competitive disadvantage.

Thirdly, this bill would extend the benefit payment period up to a maximum of 50 percent. In some States where the benefit period is already extremely limited, this would provide no more than a few weeks assistance. And the States in their discretion could decide to provide benefits for a much shorter period of time because the 50 percent figure is only a maximum. Nothing is done, of course, to increase inadequate payments which are now given in so many States.

I sincerely hope that the Senate will support these amendments which will eliminate these weaknesses and actually provide some assistance to our unemployed working people. It would be cruel to pass such a bill as the one now before the Senate. It would give hope to those who need help and then dash their hopes when the emptiness of it was realized.

In Tennessee 60,445 persons were drawing unemployment compensation as of May 10. During the January-April period, 19,015 employees exhausted their compensation. Something must be done to assist these people and others who may meet a similar fate. The committee bill will be of no assistance to them. The amendment will help. I had rather leave the application of coverage to further committee consideration. But if the substitute is adopted it will be subject to further amendments.

The problem of unemployment in our economy is more serious than we tend to realize. The unemployment figures which are given out, totaling over 5 million, include only those who are receiving unemployment compensation. They do not cover those who are not covered by unemployment compensation nor do they cover those who have exhausted their benefits. Although we constantly hear from the executive branch confident statements about the future, there has been no significant improvement in the unemployment situation.

This unemployment affects all sectors of the economy. Most directly, of course, it affects the worker who is laid off the job. But it also destroys purchasing power and slows down the wheels of the productive machine even further. These amendments would stimulate an economy, now badly in need of stimulation, and would help reverse the trend toward further unemployment of men and plant facilities.

We too often look at unemployment as a statistical exercise rather than as a human problem. These people who are unemployed are not the creators of their present fate; they are suffering the effects of economic forces which none of us understands perfectly. We provide assistance to others who are distressed because of catastrophes over which they have no power. We would be doing less than living up to our full responsibilities if we failed to provide for their needs. I hope that the Senate will adopt these amendments and then by amendments, some of which I will support, we can improve the bill.

Mr. NEUBERGER. Mr. President, I desire to speak very briefly in support of the amendment offered by the distinguished Senator from Massachusetts [Mr. KENNEDY], in behalf of himself and a considerable number of other cosponsors, of whom I am privileged to be one.

I help to represent in the Senate a State which for the past 4½ years has had a grieviously high rate of unemployment. That has been due to the adverse impact of inflated interest rates on residential construction throughout the United States. Oregon is the leading lumber-producing State, and as new housing starts have declined, so has Oregon's vital lumber industry, because approximately 75 percent of our lumber production goes into the construction of new homes in the United States.

For our State to rely upon a program of Federal loans would merely mean that the employers in the State of Oregon eventually would have to pay back those loans. This would saddle upon those people a rate of payroll taxes which many of them could not reasonably be expected to bear. Therefore I feel that the only type of program which will benefit our State fairly and will not discriminate against a State with high unemployment like Oregon, is a system of Federal grants, such as is provided in the Kennedy amendment.

Mr. President, in March of 1958, the unemployment compensation benefits of 4,552 persons expired in the State of Oregon. In the month of April, the number who exhausted benefits rose to 5,287. In these 2 months, this means that the purchasing power of these unfortunate individuals virtually evaporated from the economic scene. Some 9,839 persons were added in less than 9 weeks to the growing list of those without income for the basic necessities of life—food, clothing, shelter, and medical attention. For these people—and for those from whom they made purchases—this drying up of any source of income was a disturbing and unnerving deepening of the current economic recession.

The continuing high rate of unemployment-benefit expirations tends to discount claims, at least in my State, that the recession is bottoming out. For instance, I have been informed by the Oregon State Unemployment Compensation Commission an estimated 56,500 persons were unemployed in my home State on the 1st of May. This is a drop of 9,800 from the previous month but is 20,100 above the estimate for a year ago when the number of jobless was 36,400. The April 1958 unemployment figure in Oregon is exactly double the number registered at this time in 1956. This is the largest total active job seekers in the State for any month of May since World War II.

High unemployment, plus the rate at which unemployment benefits are expiring throughout the Nation, lends urgency to the task of Congress for immediate and extensive revision of benefit legislation. Although haste is a prime requisite, it is also essential that the changes meet the realities of current economic facts. The House of Representatives has passed new unemployment compensation proposals which embody suggestions of the administration.

These same features are embodied in the bill approved by the Senate Finance Committee, presently before the Senate. All of the reports which I have received from my home State, indicate that the administration bill is virtually meaningless as a means of coping with the situation in Oregon. Many groups and individuals have had an opportunity to compare the need for benefit payment improvement with the provisions of the House-passed bill. I have been informed by these persons that H. R. 12065, the administration program, is entirely inadequate for the problems which confront the unemployed in my State, and for employers who shoulder the costs.

I think it is most significant that the 17-member Oregon Governor's Advisory Committee on Unemployment Compensation—made up of representatives of labor, management, and the public—has unanimously voted its disapproval of H. R. 12065. Indeed, Governor Robert D. Holmes of Oregon has informed me that neither he nor the Unemployment Compensation Commission can request Federal funds that would constitute a loan repayable by the State or by an additional tax on employers, and use those funds for payment of benefits not now provided for by State law. Existing State legislation would severely limit—if not preclude—Oregon's participation in the administration's program. That program could not benefit Oregon.

So that the Senate may be apprised of the objections raised in Oregon to the provisions of H. R. 12065, I ask unanimous consent to have printed in the RECORD in connection with my remarks a telegram received from Mrs. Cecelia P. Galey, chairman of the Oregon Governor's Advisory Committee, a message received from Governor Holmes, suggesting improvements in the pending legislation, and resolutions and messages from various and representative Oregon groups and individuals who recognize the shortcomings of the administration's proposals.

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

SALEM, OREG., *May 15, 1958.*

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

This is to advise you that Governor Holmes' Advisory Council on Unemployment Compensation consisting of 17 members representing labor, management, and the public, in a regular meeting May 14, 1958, unanimously opposed passage of H. R. 12065 now being considered by Senate Finance Committee.

CECELIA P. GALEY,
Chairman, Governor's Advisory Committee.

SALEM, OREG., *May 13, 1958.*

Hon. RICHARD NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.:

I wired PAUL H. DOUGLAS the following message this date:

"Reurtel May 7 re House Resolution 12065. I am convinced that neither the Governor of Oregon nor the Unemployment Compensation Commission can request Federal funds that would constitute a loan repayable by the State or by an additional tax on employers and use those funds for payment of benefits not now provided for by State law. Our law puts a top limit on benefits of not more than $40 a week for not longer than 26 weeks. We could not pay benefits from such a loan fund beyond the present statutory amounts without special authorization of our State legislature. Additional legislative action would be required to permit Oregon to operate under the terms of H. R. 12065 as it is now pending. The only way Oregon can make payment of extended benefits to exhaustees without additional legislation is by use of granted not loaned Federal funds for benefits and administrative costs. We now have a cooperative arrangement for payments under unemployment compensation for Federal employees and unemployment compensation for Veterans under the Veterans' Readjustment Assistance Act of 1952 using Federal funds and we could proceed under a similar arrangement for temporary additional benefits. I urge that Congress pass legislation which will provide Federal grant funds for payment of extended benefits. For 18 years before the Reed Act re distribution the Federal Government has collected and retained taxes far in excess of the administrative costs of the Unemployment Compensation program; the amount is approximately $1,800,000,000. In view of this the Federal Government should grant to the States the amounts necessary for payment of extended benefits and administration thereof rather than offer a loan which most States and certainly Oregon cannot accept. The provisions of the Kennedy bill are the most desirable for long-range strengthening of the Unemployment Compensation program and I strongly urge favorable action on the Kennedy bill.

ROBERT D. HOLMES,
Governor of Oregon.

PORTLAND, OREG., *May 27, 1958.*

Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Oregon State conference on social welfare believes H. R. 12065 as reported by Senate Finance Committee inadequately meets unemployment problems. Urge you fight in Senate to provide 16 additional weeks mandatory coverage from Federal grant. Urge need for Federal matching fund for general assistance given individuals not eligible for unemployment insurance and urge enactment of Federal standards for unemployment insurance.

CORA BANFORD,
President.

SALEM TRADES AND LABOR COUNCIL,
Salem, Oreg.

Whereas the plight of our unemployed has reached such proportions that the very stability of our community is threatened; and

Whereas families are unable to exist on the average unemployment-insurance benefits of $34.93 now being paid in this State; and

Whereas the number exhausting their benefits is mounting each month, last month (March) 4,552, and many are not under covered employment; and

Whereas the House of Representatives has passed a wholly inadequate measure and our State may not even be able to participate immediately in such a Federal program as that enacted by the House; and

Whereas the Senate is now considering improvements in unemployment insurance: Therefore, be it

Resolved, That the Marion and East Polk County Labor Council, located at Salem, Oreg., requests that the United States Senate and particularly the Senators from our State be urged to give their full support toward the enactment of urgently needed improvements in unemployment insurance, including raising the benefit amounts, extending the weekly duration, and broadening coverage both for the emergency and for the long run by the enactment of Federal standards for State laws, in order that the purchasing power of our community be maintained, that recovery be encouraged, and the plight of millions of wage and salary workers and their families be alleviated.

Respectfully submitted by:

H. E. BARKER,
Secretary, Marion and East Polk County Labor Council.

PORTLAND, OREG., *May 26, 1958.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

H. R. 12065 as passed by Senate Finance Committee inadequate to meet unemployment problem. Urge Senate floor action to provide 16 weeks mandatory additional coverage and Federal standard for unemployment insurance. Also urgent need for Federal matching for general assistance category of public assistance.

DOLORES HURTADO.

OSWEGO, OREG.

RESOLUTION ON UNEMPLOYMENT INSURANCE

Whereas there is no standard unemployment insurance law in the Nation at the present time; and

Whereas there are bills coming before Congress dealing with unemployment insurance: Therefore be it

Resolved, That the Klamath Basin District Council, No. 6, IWA, oppose the Herlong bill on unemployment insurance benefits and go on record urgently requesting our Senators to oppose the Herlong bill and support in its place, legislation that would establish Federal minimum standards such as the provisions contained in the Kennedy bill and to notify Senators NEUBERGER, MORSE, and DOUGLAS at the earliest possible date.

PENDLETON, OREG., *May 24, 1958.*

Senator DICK NEUBERGER,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: We are very much concerned in the unemployment situation now existing in the State of Oregon particularly so on the situation as it effects Umatilla County where we now have more than 500 people unemployed through no fault of their own. We are asking you to support the following resolution:

"Therefore be it

"*Resolved,* That the Pendleton Oregon Labor Council requests that the United States Senate and particularly the Senators from our State be urged to give their full support toward enactment of urgently needed improvement in unemployment insurance including raising the benefit amounts extending the weekly duration and broadening coverage both for the emergency and the long run by the enactment of Federal standards for State laws in order that the purchasing power of our community be maintained, that recovery be encouraged and the plight of millions of wage and salary workers and their families be alleviated."

Thanks for past cooperation.

Fraternally yours,

MYRA BECK,
Secretary, Pendleton Oregon Labor Council.

PORTLAND, OREG., *May 27, 1958.*

Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Urge amending H. R. 12065 making mandatory and adding 16 additional weeks coverage out of Federal grants, need for legislation for Federal standards for unemployment compensation like S. 3244 and even 100 percent matching funds for general assistance if necessary.

ELIZABETH GODDARD.

OSWEGO, OREG.

Mr. MANSFIELD. Mr. President, I shall suggest the absence of a quorum. Before I do so, I should like to have the attachés of the Senate notify all Members that it will be a live quorum. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUSH in the chair). The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Morton
Allott	Green	Mundt
Barrett	Hayden	Murray
Beall	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Hoblitzell	Potter
Bridges	Hruska	Proxmire
Bush	Ives	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Johnson, Tex.	Russell
Carlson	Johnston, S. C.	Saltonstall
Carroll	Jordan	Schoeppel
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kennedy	Smith, Maine
Chavez	Kerr	Smith, N. J.
Clark	Knowland	Sparkman
Cooper	Kuchel	Stennis
Cotton	Lausche	Symington
Curtis	Long	Talmadge
Dirksen	Magnuson	Thurmond
Douglas	Malone	Watkins
Dworshak	Mansfield	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Yarborough
Ervin	McClellan	Young
Flanders	McNamara	
Frear	Morse	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. JENNER] and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate as a member of the World Health Conference.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment in the nature of a substitute which has been offered by the Senator from Massachusetts [Mr. KENNEDY].

Mr. AIKEN. Mr. President, I do not intend to vote for the amendment offered by the Senator from Massachusetts, and I should like to state why I cannot vote for it.

About 1 month ago, there was before the Senate proposed legislation known as the welfare funds disclosure bill; and there were offered to that bill a great many amendments. Many of those amendments had much merit. However, I voted against all of them, for the simple reason that they had not gone through the regular legislative processes. In other words, I felt that they should have been considered by the committee, and that the interested parties should have had an opportunity to appear before the committee and to discuss the various proposals.

The same criticism applies to the pending amendment. As the bill has come to the Senate from the House of Representatives, in my opinion it is not an effective bill. I cannot see that it will do a great deal of good in many States. I believe there should be offered to the bill an amendment which would make it more workable.

But as for amendments which contain provisions to revise the Social Security Act, and particularly the unemployment compensation provisions of that act, I cannot vote for them today, even though undoubtedly I shall support some of them in large measure after they have gone through the regular legislative channels.

I do not pretend to be a good parliamentarian or an authority on parliamentary procedure; but in this body we have Members who are good parliamentarians, and I have been looking over some of the remarks they made at the time when the welfare funds disclosure bill was before the Senate. It was before the Senate on Thursday, April 24, 1958.

At this time I should like to quote from a statement which was made on that day by the senior Senator from Oregon [Mr. MORSE], who is one of the best parliamentarians in the Senate. At that time the Senator from Oregon stated—in reference to the welfare funds disclosure bill and the amendments which had been proposed to it:

I wish to say one word further. I believe we are demonstrating again tonight the inadvisability of passing legislation on the floor of the Senate as a Committee of the Whole. I believe all Senators know my point of view on that subject. I do not intend to reopen it at any length at this time.

Committee procedures, in my judgment, are vital to sound legislative processes in the Senate. This proposed legislation should be handled by the committee.

The next day the Senator from Oregon received substantial support for the position which he took on Thursday, April 24; he received very able support from the junior Senator from Massachusetts [Mr. KENNEDY]. On page 7352 of the CONGRESSIONAL RECORD for April 25, 1958, the junior Senator from Massachusetts stated:

The Senator from Indiana [Mr. JENNER] has stated that the Taft-Hartley bill was written on the Senate floor, but there were 7 or 8 weeks of hearings. We are dealing with a complex matter. To adopt such an amendment as is now before the Senate, and 35 other amendments, without having had the benefit of committee study, without any report, without any statements or suggestions from conflicting groups, would be a great mistake.

On the same day the Senator from Oregon stated as appears on page 7357 of the RECORD:

Mr. President, it is my contention that these amendments should not be taken seriously at this stage of the consideration by the Senate of proposed labor legislation. I believe the amendments should not be taken seriously at this stage, for the reason which I stated briefly on yesterday, when I restated my consistent position that the Senate should not bypass committee procedures in the consideration of proposed legislation, but, to the contrary, it should seek to have proposals go through our committees and have a committee record made.

Later in the day the views of the Senator from Oregon were again upheld by the junior Senator from Massachusetts, who speaking on the same bill and the amendments to the welfare funds disclosure bill stated, beginning on page 7372 of the RECORD:

However, for the same reason, I would think that—as we stated in connection with the previous amendments—even though I approve in principle a good deal of the language of the amendment of the Senator from California, I believe this matter should be examined by the subcommittee. This amendment seeks to regulate employers. I favor giving them the same protection that we have talked about this evening for employees. Therefore, I believe the employers should have a right to appear before our committee, and to testify there, and to state their reasons for objecting to the amendment—if they do—or to state their reasons for supporting it—if they do.

I think those statements which were made on the floor during the debate on the amendments to the welfare funds disclosure bill state my position precisely as to why I cannot support the many amendments which are offered to the bill which is before the Senate at this time.

I am sure I would support many of the provisions of the proposed amendments. I am sure we should have one amendment to the bill which would make it more workable than it is now. Such an amendment should be entirely germane. It should be one which would give all States equal opportunity to share in whatever benefits would come from this proposed legislation.

I should also like to have assurance, as we had it in the case of the welfare funds disclosure bill, that the subject of the many amendments offered to the bill will be considered in hearings before the proper committee.

I congratulate the junior Senator from Massachusetts for holding hearings on the amendments which were proposed to the disclosure bill. I think he has demonstrated clearly the benefit of following the routine procedure, and following it promptly. I am sure the results were effective in that case; and I think the same procedure should be followed in this instance.

Congress should have enacted legislation 3 months ago extending unemployment compensation benefits to those whose income and funds from such sources were expiring. We have not done it. It is better to do it now than not to do it at all. I hope we can consider such legislation without tangling it up with any general proposals for revising the social-security program as a whole, as many of the amendments before the Senate now purport to do. I believe the time has come when we not only must have a general and complete review of the entire Federal social-security laws, but I hope every one of the 48 States will also review its laws and make them adaptable to the changing conditions which now confront us.

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

Mr. AIKEN. I yield.

Mr. MORSE. I wish to say to my friend from Vermont that I pay very great attention to his views in the Senate. I have listened attentively to the procedural problems which he has raised. The Senate has before it, of course, a House bill H. R. 12065. Does the Senator from Vermont believe that the House bill is not subject to amendment on the floor of the Senate, in view of the hearings the Finance Committee has held on the general subject of unemployment insurance benefits? Does he think that the Kennedy amendments should go back to the Finance Committee?

Mr. AIKEN. I stated I think there should be one amendment to this bill. I do not think the bill, as it has come to the Senate from the House, even though it is very important, will be workable. I do not think it will be equally fair to the States. I understand some States could perhaps get some benefits from it without calling special sessions of the legislatures, but I think more States would not get any benefits from it. Among those States I would include my own. I am sure Vermont could not derive any benefits from it without specific action by its legislature. Although we should amend the bill in that respect, I think we should extend the time for payments under the unemployment compensation law for a reasonable length of time. I would go so far as to extend them for the remainder of this year. I do not think we should have entangling and mystifying provisions in any amendment. I feel we could well have the Federal Government pick up the tabs for the expenditures and not have the different States call special sessions of their legislatures. We know how reluctant governors are to call the legislatures into session at any time except when they are to meet in the regular course according to law.

I should like to see one amendment added to the House bill that would make the bill workable. Then I should like to see the proper committee of the Congress consider at once the general social security laws now in the statute books, and which in many respects are inadequate. I am satisfied I would support a good many of the provisions which are contained in some of the amendments before the Senate today, but I should like to see them adopted in the course of orderly procedure, just as was the case with the welfare funds disclosure bill.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. MORSE. I desire to make sure I understand the Senator's position. I agree with him that the bill should be amended at least in the particulars to which he has referred. The Senator would consider amendments to the House bill dealing with the emergency situation, to which he believes the House bill devotes itself, but any amendment which goes beyond the emergency situation, and seeks the enactment of legislation to provide for permanency and standardization of unemployment insurance benefits for all the people across the Nation, would not be germane to this proposed legislation, but ought to be handled in a separate bill. Is that the position of the Senator from Vermont?

Mr. AIKEN. The Senator from Vermont does not know what should be enacted by way of additional legislation. I am satisfied that corrective legislation is needed with relation to our social-security laws.

I cannot find in the report of the committee on the bill which was reported any recommendations relating to the amendments which are being offered today. I think there should be committee consideration of the amendments. I am satisfied that I will support a considerable part of them.

The Senator from Oregon knows of the expression, "Buying a pig in a poke." I do not know what all the amendments mean. We have no report from the committee as to what the amendments mean. I want to know what they mean before I vote on them.

I do not think we should undertake general legislation in connection with the pending bill. I do not think we should possibly jeopardize the passage of the bill by writing too much general legislation into the bill before it goes to conference, simply because the House bill is not considered by some to be a good bill. We would have to deal with the conferees of the other House. I would rather not give them any reason for delaying action on a good bill.

Mr. MORSE. Am I correct in my understanding that because the committee report does not specifically show what the committee did, if anything, with respect to the particular amendments now pending, the Senator from Vermont does not feel we are in a position to vote on the amendments in the Senate this afternoon?

Mr. AIKEN. The Senator from Vermont does not feel he is in a position to vote for the amendments at this time, although he is in full accord with giving them adequate, proper, and prompt consideration. I think we should enact what might be considered emergency legislation, and then consider the other proposals as soon as we can.

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

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AIKEN. I shall be glad to yield the floor.

Mr. DOUGLAS. I appreciate the sincerity of the statement of the Senator from Vermont, but I think that due to the haste with which the proposed legislation has come to the Senate, the Senator is perhaps not perfectly informed as to what happened.

I would agree that in general it is bad policy to offer amendments about which testimony has not been taken in the committee and which have not been offered in the committee.

If the Senator from Vermont will turn to page 275 of the hearings, he will find that Dr. Lester, who is the chairman of the New Jersey State Employment Security Council, testified at some length as to the desirability of permanent standards.

If the Senator will look at page 388 of the hearings he will find that Mr. Cruikshank, a very able man in the field of social security, testified at great length as to the desirability of permanent standards.

If the Senator will turn to the testimony of Mr. Richard Brockway, who is the executive director of the New York State division of employment, he will find that Mr. Brockway also testified as to permanent standards.

The Senator will also find that the Senator from Massachusetts [Mr. KENNEDY] appeared before the committee and gave very thorough testimony on the subject.

These questions of permanent standards were covered very thoroughly in the testimony before the committee. An amendment was presented by me in the committee. The amendment was substantially similar to, though not identical with, the amendment offered by the Senator from Massachusetts. I had the honor of presenting that amendment. It commanded four votes. That certainly was not a majority of the Committee on Finance, but it was a respectable minority.

If the Senator from Vermont will look at his desk he will find then not only a majority report but he will find minority views, signed by the Senator from Oklahoma [Mr. KERR] and the Senator from Illinois, which go into the subject very thoroughly.

I may say that the Senator from Oklahoma and the Senator from Illinois are frequently not in agreement, but this time we are in complete agreement with each other, or virtually complete agreement.

So I say to my good friend from Vermont, whom we all respect very much that this is a different situation from that which came up on the floor a few weeks ago.

Furthermore, I think one reason the Knowland amendments were turned down was that the Senator from Massachusetts pledged himself to hold immediate hearings on the subject and to report by a day certain.

I should like to inquire of the Senator from Vermont whether he has obtained a similar pledge from the Chairman of the Committee on Finance, that he will immediately call the Committee on Finance into session and deal with these matters and report by a day certain. So I suggest to my good friend, whom we all respect very much, that there should be no reason, because of his past votes, to refrain from voting for the Kennedy amendments.

Mr. McNAMARA and Mr. CARLSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. AIKEN. Mr. President, I do not doubt that the Senator from Illinois is giving the Senator from Vermont some very good advice. I have to plead guilty to not having read the 478 pages in the report of the testimony. I do not doubt that there were proponents of certain amendments who ably expounded the merits of those amendments. At the same time, I maintain that those who

may possibly be opposed to the amendments should also have an opportunity to be heard.

I believe it is important in considering legislation on the floor of the Senate to have hearings held by the committees so that people of the country may have a right to be heard as well as the right of petition.

I simply rose to explain that although I intended to vote against the proposals offered as amendments to the bill, I do not want my action to be taken to mean that I oppose the provisions of the amendments, because I have not studied them and there is no way of telling at this time whether I am opposed to them.

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

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Kansas?

Mr. AIKEN. I will yield first to the Senator from Michigan, who I think was on his feet first.

Mr. McNAMARA. Mr. President, I appreciate the Senator's yielding. I thought the Senator was ready to yield the floor. I will be glad to make a short statement, with the Senator's permission.

Mr. AIKEN. I shall be glad to relinquish the floor. I am not holding it by choice.

Mr. McNAMARA. Mr. President, do I have the floor?

The PRESIDING OFFICER. Does the Senator from Vermont yield the floor?

Mr. REVERCOMB. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. Mr. President, I yield to the Senator from West Virginia, and I shall yield the floor as soon as possible.

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. AIKEN. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I was very much interested in the remarks of the able Senator from Vermont with respect to the pending amendment, offered by the Senator from Massachusetts. To clarify the situation, did I correctly understand the Senator from Vermont to say he was not entirely in accord with the committee bill, but was in favor of some amendments to it?

Mr. AIKEN. The Senator is correct.

Mr. REVERCOMB. The Senator from Vermont has taken the position that the present is no time to provide a permanent method of dealing with the subject of unemployment benefits.

Mr. AIKEN. That is also correct.

Mr. REVERCOMB. Is the Senator willing at this time to take the position that we may amend the bill reported by the committee to the extent of providing direct payments by the Federal Government for an extended unemployment-compensation program on a temporary basis?

Mr. AIKEN. That is correct also.

Mr. REVERCOMB. I am glad to hear the Senator say that, because it is a view which appeals very strongly to me.

Mr. AIKEN. I believe we should take such action promptly, so that those whom we really intend to help may receive the benefits of the action.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield further.

Mr. REVERCOMB. When the Senator says "promptly," I take it he refers to the consideration of the question before the Senate at this time.

Mr. AIKEN. That is correct. Some time this afternoon would be prompt action.

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

Mr. AIKEN. I yield to the Senator from Kansas.

Mr. CARLSON. In view of the statement made by the Senator from Illinois [Mr. DOUGLAS] with respect to the action of the Senate Committee on Finance and the holding of hearings, let me say to the Senator from Illinois that there has been a feeling of comity, I believe, between the House of Representatives and the Senate with respect to this proposal for years. I think there is a feeling that the House Committee on Ways and Means should originate legislation of this character and hold hearings first.

Mr. AIKEN. Mr. President, did the Senator from Kansas say "comity" or "comedy"?

Mr. CARLSON. "Comity," I hope.

It has been the policy in the past for the House Ways and Means Committee to hold hearings and for the Senate to act later.

Mr. DOUGLAS. Mr. President, does the Senator from Kansas mean that we have no power to amend bills sent over to us by the House?

Mr. CARLSON. No. However, I say that when it comes to hearings on proposed legislation dealing with social welfare, I think it has been the policy, since 1935, for the House Committee on Ways and Means to hold the hearings and and originate proposed changes.

Mr. DOUGLAS. The House committee did hold hearings. I have a copy of the hearings on my desk. There was testimony by President Meany, of the AFL, and others, emphasizing the need for permanent standards, as well as for extension of emergency benefits on a temporary basis.

It is true that the House committee did not recommend the inclusion of permanent standards, but dealt purely with the temporary emergency. However, it did consider the question; and it seems to me that after the Senate committee received testimony on this subject, after it was at least considered, even though the proposal was rejected by the subcommittee, the Senate has the right, on the floor, to consider and adopt such amendments.

Mr. AIKEN. Let me say one further word, and then I shall yield the floor.

When a person comes before a committee of the Congress with a proposal and expounds the proposal, to which he may have given a great deal of thought, I do not consider that as constituting a hearing on the proposal itself.

Mr. McNAMARA. Mr. President, I wish to mention a few figures as they apply to my State, in connection with the nationwide depression in which we now find ourselves.

In the State of Michigan at this time 465,000 people are unemployed, or 15.9 percent of the labor force. As of April, the recipients of unemployment benefits were 19,548, or just under 20,000. Up to the present time, 82,000 have exhausted their unemployment insurance benefits. These are official figures from the State of Michigan Employment Security Commission.

In view of these facts, I am heartily in favor of the amendment offered by the Senator from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. President, I shall be very brief. Let me say to the Senator from Vermont that at least 10 major witnesses before the committee endorsed the proposal which is now before the Senate, including Professor Lester, of Princeton University, who spoke for such distinguished economists as Dr. Clark Kerr, of the University of California, Prof. Sumner H. Slichter, of Harvard University, and others. We have an opportunity to do the job as a whole today.

I think what the Senator from Illinois said was quite correct, that the only reason the amendments of the Senator from California were not voted upon—and they were not nearly so germane as this amendment—was that we agreed that by June 10 we would report a bill or the committee would be discharged. No similar guaranty is made in this case. It is my opinion that if we do not act now on the long-range problem, we shall have no further opportunity to act this year or any other year.

Let me say to the Senator from Vermont that if he hopes to improve the pending bill, he should improve it not only for today, but also for the long run. If the Senator will examine the printed hearings, he will find that the amendment was endorsed by some extremely responsible witnesses. It has been before the Senate for some time. It merely seeks to carry out the recommendations of the President to extend benefits to a period of 39 weeks. He has been calling for a similar extension since 1953.

Mr. President, I hope the Senate will accept the pending amendment.

Mr. POTTER. Mr. President, I intend to vote against the Kennedy amendment.

What is the purpose of the pending legislation? Since the President made the proposal to Congress several weeks ago, many Members of Congress have taken the floor and deplored the fact that many of the unemployed have exhausted their unemployment compensation benefits. Our main job is to act as quickly as possible to get the money into the hands of those who have exhausted their benefits.

The House has taken definite and conclusive action, by a yea-and-nay vote. If the Senate adopts a major amendment and causes the bill to be sent to conference, we all know that it will be delayed for weeks, and perhaps killed entirely.

This is no time for us to play politics with those who are unemployed and

who have exhausted their unemployment compensation benefits. This is no time to engage in a philosophical debate as to whether or not Federal standards are to be imposed on the States to qualify them to receive unemployment compensation payments. That question is something to be considered in connection with permanent legislation. I hope the committee will consider legislation dealing with permanent standards, but this is an emergency piece of legislation. This is a measure which we should enact as quickly as possible so that the President may sign it, and the funds may be placed in the hands of those who are to receive the benefits as soon as possible.

If we are sincere in our desire to provide benefits for those who have exhausted their unemployment compensation benefits, let us push through this emergency measure, which would maintain the State standards. The question of imposing Federal standards on the States is a highly controversial area. It is a question which has been before the Congress for many years. We know that the House has taken very definite action in this field.

If the amendment of the Senator from Massachusetts is accepted, we know that the bill will be tied up in conference, and there will be weeks of delay, if the result is not to scuttle the bill entirely.

Let us meet the issue before us. Let us provide for extended benefits under State programs, so that the unemployed who have exhausted their benefits will get the money as soon as possible. That is the job before us today.

Mr. AIKEN. Mr. President, the proponents of these intricate amendments seem to fear that they will not be able to obtain hearings before the Finance Committee on the subject of the amendments. I do not control the committee. I do not know whether I would have any influence with it. I have not heard any requests made on the floor for the committee to hold such hearings; but I would be willing, in order to allay the fears of some of my friends, to vote for the extension of the emergency payments until such time as the committee sees fit to hold hearings. I do not see how the proponents of the amendments could find fault with that.

Mr. POTTER. The Senator from Vermont has had a long and distinguished career in the Senate. He knows how charged with controversy is the question of imposing Federal standards on the States in this particular field.

Mr. AIKEN. The Senator is correct.

Mr. POTTER. In the House of Representatives the question is even more controversial. There was a vote in the House of Representatives on a proposal similar to the amendment offered by the Senator from Massachusetts, and the House took decisive action, by a yea-and-nay vote. We can play politics; we can adopt amendments which will tie the bill up in conference, and kill it, or we can act now to carry out the program which the committee has brought before the Senate; the President can sign the bill tomorrow, and we shall have effective legislation.

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

Mr. POTTER. I yield.

Mr. AIKEN. It is my belief that if we enact legislation imposing further requirements on the States by the Federal Government without giving the States an opportunity to be heard, the bill will be killed deader than a doornail, and will never become law, no matter how much benefit in the way of emergency legislation it may include. That would be a good way to kill the bill.

Mr. POTTER. Mr. President, let me conclude by saying that there is probably no other State in the Union which has such a serious unemployment problem as exists in the State of Michigan. In Michigan there are more unemployed who have exhausted their benefits than in any other State. There is no more necessitous case than that of the worker who is unemployed and who has exhausted his benefits. If we are sensitive to the problem, let us pass the emergency measure which is before the Senate, so that it may become law.

Very few hungry stomachs are fed with philosophical debate in the Senate. I say to the Senate that if we wish to do something for those who are unemployed and who have exhausted their benefits, we should pass the emergency legislation now before us, and then give the committee an opportunity to hold hearings to consider permanent legislation if it desires to do so. However, let us do first things first.

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

Mr. POTTER. I yield.

Mr. CLARK. I should like to ask my good friend from Michigan, whom I respect very much, to tell us why he thinks it is playing politics to support amendments to a bill which, as presently drafted, will do my State no good and, in my judgment, will do his State no good; whereas if we adopt the pending amendment we will get a law on the statute books which will give some unemployment benefits to many idle workers.

Mr. POTTER. I am not certain of the effect it will have in Pennsylvania, but, so far as Michigan is concerned, our legislature is still in session, although in recess, and it will be able to act under the proposed legislation if it desires to do so.

Mr. CLARK. I should like to ask the Senator one more question. Will not the employers in his State take the same action that the employers of my State no doubt will take, namely, put the whole act into litigation in the courts, on the ground that it will extract a tax from them to reimburse the Federal Government for a temporary extension of the benefits?

Mr. POTTER. The tax law is on the books now. The Reed bill has been passed. Whether our employers will like it or not—no doubt some will not like it—we do have a trying situation confronting us. Either we can act quickly, so that the recipients of the benefits will receive them as soon as possible, or else we can tie the whole subject up in an argument in Congress, and then no one will receive any benefits.

Mr. CLARK. I thank the Senator for his statement, and I regret that I do not find myself in agreement with his view.

Mr. COOPER. Mr. President, will the Senator from Michigan yield, so that I may ask a question of the Senator from Pennsylvania? I should like to address myself to the Senator from Pennsylvania in connection with a statement he has just made, namely, that the bill would not be of any value to the State of Pennsylvania.

I have heard the same statement made with respect to my own State, and with respect to other States. I should like to ask the Senator from Pennsylvania the basis for his statement.

Mr. KENNEDY. Will the Senator yield to me on that point?

Mr. POTTER. I yield for that purpose.

Mr. KENNEDY. In the first place, the Secretary of Labor, according to the front page of last Sunday's New York Times, said that the bill would be acceptable to and would help only 6 States in the Union. He said that it would help only 6 States. I believe that such help would be inadequate.

Mr. COOPER. I ask the Senator upon what factual basis the statement was made.

Mr. KENNEDY. I explained the reason in my speech. The reason is that there are constitutional and statutory provisions which make it unlikely that most States of the Union will be able to participate in the program. The Senator from Illinois [Mr. DOUGLAS] has said that, after sending telegrams to 48 Governors, he found that only 3 States would be able to participate in the program.

Mr. COOPER. The statement has been made with reference to my State; namely, that it could not take advantage of the provisions of the pending bill. I have been concerned that the bill would not help Kentucky, and I have inquired if payments made under the provisions of the bill would constitute loans to a State which it would have to repay. I have talked today with the office of the solicitor of the Department of Labor, and I was told that these are the facts. First, there is no question of any advancement or loan to the States. To the contrary, the bill makes the States the agents of the Federal Government, to make the payments which are prescribed in the bill. The Secretary of Labor made a similar statement before the House and Senate Committees.

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

Mr. COOPER. Repayment, of course, will come from the employers. Therefore I do not know why the States are limited in any way, by reason of fearing the obligation of debt.

Mr. KENNEDY. Mr. President, if the Senator will yield, Mr. V. E. Barnes, Commissioner of the Department of Economic Security and Executive Director of the Bureau of Employment Security of the State of Kentucky, stated:

The State has no authority with or without legislative action to create an obligation to repay funds that have been advanced

under H. R. 12065 by the Federal Government to pay unemployment insurance. Nor can I enter into an agreement to that effect.

Mr. COOPER. Mr. President, Mr. Barnes is a good friend of mine, I respect his judgment very much, and he had telegraphed me to that effect. However, I have talked to the solicitor of the Department of Labor with reference to the legal implications of the bill, and I was assured that there would be no charge upon the States in any way; that there would be no obligation upon the States to repay any payments from their general tax funds, or from any State funds.

It would be a charge upon the employers of the States. So I say it is my judgment that if the States wish to accept the payments which would be made available under the bill, they could do so, and repayment would be made by employers through the Federal employment tax.

Mr. KENNEDY. The bill does not make it mandatory, although the President's original recommendation did. There is no obligation on the part of a State to accept the funds.

Mr. COOPER. I am addressing myself to the Senator from Pennsylvania, who made the statement to which I took exception. That is the argument that is being made in the Senate, and by others who are asserting that the bill will not permit those who are out of work to secure the benefits provided by the bill. I believe the real problem is whether a State is willing to say to its employers: "You have got to pay back this money."

Mr. KENNEDY. Apparently Mr. Barnes, from the Senator's own State, has misled us, if we have been misled.

Mr. COOPER. I have high regard for Mr. Barnes. I do not believe he has misled anyone. However, I believe in this respect he is incorrect about the legal implications of the bill.

Mr. POTTER. If I still have the floor, Mr. President——

Mr. COOPER. I agree with the argument of the Senator from Michigan, that we are considering emergency legislation. The amendment of the junior Senator from Massachusetts goes to the permanent improvement of the Federal Unemployment Compensation system. I agree that it ought to be improved; but the issue today is whether we will pass a bill which will give help now to the people who are out of work. For 4 months we have been talking about the recession and about antirecession measures. But the Congress has been delinquent in failing to take effective steps to help the ones who are really suffering, those who are out of work now—as urged for months by the President. That is the reason I will vote against the Senator's amendment, and to give immediate help to the people in need—those out of work now.

I hope we will adopt an amendment to the bill which will make payments available to all covered, whether a State makes an agreement or not.

Mr. POTTER. I now yield to the distinguished chairman of the Committee on Finance.

Mr. BYRD. Did I understand the Senator from Massachusetts to say that the Secretary of Labor has criticized the bill?

Mr. KENNEDY. The Secretary of Labor stated, according to the New York Sunday Times of last Sunday, that he argued against the bill in administration circles, but was overruled. In the New York Times article it is stated:

It is understood that James P. Mitchell, the Secretary of Labor, fought hard in administration councils to have the White House oppose the option amendment to the plan, but that others persuaded the President to endorse it.

Mr. BYRD. If the Senator from Massachusetts will read the record of the hearings, he will see that the Secretary of Labor strongly endorsed the bill. I have received a letter from him dated today, May 27, in which he states:

UNITED STATES DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, May 27, 1958.

The Honorable HARRY F. BYRD,
Chairman, Senate Finance Committee, United States Senate, Washington, D. C.

DEAR SENATOR BYRD: In my testimony before both the House Ways and Means Committee and the Senate Finance Committee, I urged that expeditious action be taken by the Congress to enact legislation which will make available, as promptly as possible, additional unemployment compensation to individuals who have exhausted their regular benefits under State or Federal laws.

The benefits which will be provided under the bill passed by the House and reported out by the Senate Finance Committee are necessary to meet a temporary emergency situation. It is essential, therefore, to get these benefits to the individuals who need them without delay. For this reason, I urge the enactment of H. R. 12065 as reported out by your committee.

Sincerely yours,
JAMES A. MITCHELL,
Secretary of Labor.

The Secretary of Labor came before the committee and, in response to questions asked by me, said he was unequivocally and strongly for the bill. Now he has made a statement, so the newspaper account says, to the effect that the Department of Labor takes a different view. But many things are reported in the newspapers which are not correct.

Mr. KENNEDY. Let me quote from the statement of the Secretary of Labor before the House committee:

If this program were to be made optional—

And it was made optional in the House bill on the floor of the House—

If this program were to be made optional, it seemed to us that this might well require individual State legislative action in order to decide whether or not the State wished to take the option * * *. It would seem to me that this would delay the implementation of the program.

Mr. BYRD. But this letter, dated today, contains the latest information.

Mr. KENNEDY. The Secretary of Labor is a loyal member of the administration.

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

Mr. POTTER. I yield.

Mr. KNOWLAND. I have attended a number of meetings at the White House. I do not think I have missed any of them. The Secretary of Labor strongly supported the bill which is now before the Senate. He made it clear at those meetings, as he did in his testimony before the Committee on Finance, that he supported the bill as passed by the House and as reported by the Committee on Finance. Regardless of newspaper reports to the contrary, to the best of my knowledge and belief, that was the position of the Secretary of Labor and the administration.

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

Mr. POTTER. I yield the floor.

Mr. CLARK. The Senator from Kentucky a few moments ago asked me why, in my judgment, the bill would be of no use to the Commonwealth of Pennsylvania. It is my understanding that the Attorney General of Pennsylvania is in grave doubt whether the bill can be accepted by the Commonwealth without calling the legislature into special session to pass an act which would authorize the acceptance from the Federal Government of the temporary unemployment payments which the bill provides.

The legislature—and I say this in no partisan sense at all—happens to be Republican. The governor is a Democrat. In my judgment, the Republican legislature will never pass the legislation which would be necessary in order to make the payments by the Federal Government available to the unemployed workers of Pennsylvania.

The Chamber of Commerce of Philadelphia has already indicated to the authorities at Harrisburg that it will institute litigation to prevent the State from taking advantage of the legislation, if the governor should attempt to make it effective without calling the legislature into session.

While I do not want that to be a partisan statement, nevertheless it is a very practical reason why, in my opinion, the bill will be of no use whatever to the Commonwealth of Pennsylvania.

Mr. COOPER. The Senator from Pennsylvania and the Senator from Massachusetts have departed a long way from the first statements they made, in which they attempted to lay the onus of any failure to give payments to those unemployed—upon the bill. Now they have left that argument and are placing the blame upon the legislatures of the States.

I return to my position, which is a consistent one, namely, that there is nothing in the bill which will deny any payments to persons out of work, if the State will accept the benefits.

The argument was made that the bill limits payments to the States. Now it is said that the legislatures will not actually accept the payments. I do not know which argument is maintained. I should like to read from the testimony of Secretary of Labor Mitchell at page 88 of the Senate hearings:

I would like also to comment on the fact that much of the publicity with respect to the administration's proposal and H. R. 12065 as passed by the House characterizes the initial Federal payment of the cost of the program out of the general funds of the Treasury as a loan to the States.

Neither the administration's proposal nor H. R. 12065, as passed by the House, provides for loans to the States. Both provide for the payment of Federal benefits out of Federal funds by States which agree to act as agents of the Federal Government for this purpose.

The legislation would authorize appropriation of the money for these benefits from the general funds of the United States Treasury. Although provision is made in the legislation for ultimate restoration to the Treasury of the amounts so used, this provision is an exercise of the Federal taxing power wholly separate from the terms of any agreement with a State to carry out the program for paying temporary additional unemployment compensation.

No State would agree to assume an obligation to repay the funds; the legislation merely provides that the moneys used to carry out the program in each State shall ultimately be restored to the Treasury from future Federal taxes on employers in the State if not restored in some other manner.

Mr. CLARK. I shall not detain the Senate long, because I know that Senators desire to vote. I have never participated in the controversy about the Secretary of Labor. So far as the question of his views is concerned, they are of relatively little importance to me.

All I ever said was that, so far as the Commonwealth of Pennsylvania is concerned, the proposed legislation will be of little, if any, benefit unless one or more of the amendments offered by the Senator from Illinois and the Senator from Massachusetts shall be adopted. If the bill shall be passed without those amendments, then, in my judgment, the unemployed workers in Pennsylvania will never get the benefits to which the bill intends to entitle them.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. MARTIN of Pennsylvania. I do not wish to engage in controversy with my distinguished colleague from Pennsylvania, but having had experience of almost 50 years in different governmental positions in Pennsylvania, I think I have some knowledge of that great Commonwealth.

Pennsylvania could not accept a loan without the consent of the legislature. But, speaking personally, after going into the matter very carefully—of course, the final decision must be made by the attorney general of Pennsylvania—I think the payment would not be a loan. I think the distinguished Senator from Kentucky [Mr. COOPER] has explained the situation very clearly. But even if the attorney general of Pennsylvania decided that the payment was a loan, it would then be very easy to call a session of the legislature. Regardless of the fact that both Houses of the Pennsylvania Legislature are controlled by the Republican Party, there has never been any real controversy in our Commonwealth relative to questions of this kind.

When I was Governor of Pennsylvania, I had a very small majority in the legislature. I think it was a majority of only three. Nevertheless, I had no trouble in having legislation passed which was for the benefit of the State.

So while I dislike to disagree with my distinguished colleague, I do not think we need to have any worry along that line. This money will not be in the nature of a loan; it will be taken care of by taxes, as was so very plainly explained by the Senator from Kentucky.

Mr. CLARK. I do not like to find myself in disagreement with my very able senior colleague, who has been so kind to me since I came to the Senate. I shall detain the Senate no longer than to say I am sorry I do not agree with my colleague on this question.

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

Mr. CLARK. I yield.

Mr. KNOWLAND. My only question is, What is wrong with having the governor of the State call a meeting of the legislature? Certainly, in the Federal-State relationship, if the constitution or laws of a State require that a legislative session be called in a matter of this importance, there is no reason why the State should not assume its share of the responsibility.

Mr. CLARK. The Senator from California is eminently correct in what he says. It so happens that my judgment as to how this problem should be solved is radically different from his. I do not think the employers of Pennsylvania should be required to pick up an extra heavy burden. We are confronted with a national emergency. Unemployment is nationwide. I think that whatever assistance is given should be given on a national basis.

Mr. MORSE. Mr. President, I wish to make a few, brief comments in reply to some of the statements which have been made by my friend, the Senator from Vermont [Mr. AIKEN]. I shall make them because the Senator from Vermont knows that his views on any subject carry great weight with me. Over the years, I have worked with him on various committees, including the Committee on Labor and Public Welfare, and, more recently, the Foreign Relations Committee. So it is that when the Senator from Vermont speaks on any matter, and particularly when his remarks involve me, I am all ears, and he can influence me a great deal.

I wish to say that if I agreed with the analysis the Senator from Vermont has made—namely, that the situation presented by the amendments which some time ago were offered on the floor of the Senate to the welfare fund and pension bill is on all fours with the situation brought about by the pending amendment, insofar as the procedural situations which confronted the Senate on the two occasions are concerned—I would join the Senator from Vermont in voting on procedural grounds against the Kennedy amendment, I believe that in my 13 years in the Senate I have demonstrated that I do not favor circumventing the Senate committees and I will not be a party to the elimination of what I consider to be the very important checking procedures by means of the Senate committees, for I believe that those procedures guarantee to the American people that reasoned judgment will be exercised by the appropriate committees on the measures which are brought to the floor of the Senate.

I believe that the difference I have with the Senator from Vermont is only an honest difference of opinion as to what is reasonable procedure in regard to the handling of proposed legislation.

However, in view of the fact that my friend, the Senator from Vermont, thinks that if I vote this afternoon for the Kennedy amendment, my vote in favor of that amendment will be inconsistent with the position I took regarding the amendments which were offered on the floor of the Senate to S. 2888, the welfare fund and pension bill, I believe that in fairness to myself I should make this brief statement.

I do not think the two situations are similar at all. There is now before the Senate, House bill 12065, which deals with the subject of unemployment insurance benefits. The bill came to the Senate from the House of Representatives, and was referred to the Senate Committee on Finance; and copies of the printed committee hearings are before us at this time. The committee heard from witness after witness who made statements on the proposals which were advanced by the Senator from Massachusetts [Mr. KENNEDY]. I have been advised by members of the committee that the amendments of the Senator from Massachusetts were considered within the committee, and were voted down there. There is no question that the committee had jurisdiction of the subject matter. Certainly we properly cannot take the position that when a committee which has jurisdiction of the subject matter has held hearings and has heard from witnesses in regard to the various proposals relative to the subject matter covered by the committee hearings, that procedure does not give the Senate the committee-hearing procedure to which the Senate is entitled in connection with proposed legislation of major importance.

PENDING BILL WOULD NOT MEET EMERGENCY

This afternoon one Senator said the pending bill is an emergency measure, and that the Senate should take prompt action to deal with the emergency. I say most respectfully that if we wish to call the pending bill an emergency measure, certainly it is one only in the sense that if the bill is enacted, it will guarantee a continuation of the emergency, because the record which I hold in my hand shows very clearly that many State governors have stated that if the bill as passed by the House is enacted, it will continue the emergency which exists today in the field of unemployment insurance.

Mr. President, I have not read every word contained in the committee's report; but I have studied the report enough to have a fairly good idea of what happened in the committee, and I have a fairly good bird's-eye view of the positions taken by the proponents and opponents, respectively, of the amendments of the junior Senator from Massachusetts [Mr. KENNEDY].

If my colleagues will examine the beginning of the volume of the committee hearings, they will find that some very outstanding authorities in the Nation testified in regard to unemployment-

insurance benefits; and when we check their testimony, we find they testified on the gamut, let me say, of the unemployment-insurance-benefit problems; and we also find that authority after authority among the proponents of proposals of the type advanced by the Senator from Massachusetts thought the Senate should go all the way as regards proposed legislation on standards and other legislative proposals, including proposals to increase the benefits, proposals to increase the length of coverage, and proposals to increase the coverage of employees, if the Senate really is to meet the unemployment problem which has been created by the recession.

Of course we can disagree with the judgment of those authorities; but certainly the amendment of the Senator from Massachusetts was germane and was apropos to the subject matter which was before the committee.

At this time I see on the floor of the Senate the Senator from New York [Mr. JAVITS]. He was one of the witnesses who appeared at the committee hearing. The testimony he gave there shows that he did not think the bill as passed by the House of Representatives went far enough; and from the hearings we find that he favored a broader bill, as he testified. Other Senators so testified at the hearings. The Senator from Massachusetts [Mr. KENNEDY] testified there at great length; and in that connection I call attention to page 347 of the committee hearings, where we find that, in the course of his statement before the committee, he said:

> My own bill, S. 3244, attempts to do so in a fair and uniform manner.

And the Senator from Massachusetts offered the bill as an amendment, and the committee pondered it.

The committee heard from other witnesses in regard to that matter. This afternoon I shall not take the time of the Senate to refer to all the witnesses who testified in that connection, but anyone who can read can see that what I have said is correct; it is only necessary to refer to the committee hearings themselves. On that occasion, witness after witness testified before the committee in regard to this amendment and also in regard to amendments which are not included in the amendment of the Senator from Massachusetts.

So I wish to say most respectfully that I understand the position taken by my friend, the Senator from Vermont [Mr. AIKEN]; but I do not think his argument by analogy is sound, because I see no analogy between the procedural situation involved in connection with the welfare fund and pension bill, when amendments which had not been considered at all in the committee hearings were offered on the floor of the Senate, and the procedural situation in connection with the pending amendment of the Senator from Massachusetts. I respectfully submit also that the committee's hearings on the amendments of the Senator from Massachusetts were very full ones, too; in fact, I do not know how a committee could deal more adequately with amendments. However, the amendments of the Senator from Massachusetts were rejected by the committee.

Mr. President, what is the correct procedure when an amendment has been rejected by a committee which has jurisdiction of the subject matter? Certainly the Senator who proposed the amendment in the committee then has a right to propose the amendment on the floor of the Senate; and that is what the Senator from Massachusetts has done.

Therefore, Mr. President, the Senator from Massachusetts has followed a proper procedural course; and in my judgment it is not correct to argue that committee hearings have not been held on the amendment.

REQUIREMENT OF ACTION BY STATE LEGISLATURES

I wish to refer to a comment which was made by my friend, the Senator from Kentucky [Mr. COOPER], during the debate this afternoon. He pointed out that the States can act on the bill as passed by the House of Representatives, if they wish to act, and that therefore, it is not fair to say that the bill as passed by the House of Representatives is at fault. I think I have paraphrased accurately the statement he made.

In that connection, Mr. President, I turn to the minority views. I have also checked the fuller statements which appear in the committee hearings themselves. The minority views are exceedingly able. They were written by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Oklahoma [Mr. KERR]. In the minority views we find, beginning on page 7, some very interesting statements which were made by a large number of State governors who testified regarding the effect of the bill as passed by the House of Representatives, if it were enacted into law. Among them we find a statement by Governor Holmes, of Oregon, who stated specifically that he recommended the Kennedy amendments or the Kennedy bill. In the minority views the Senator from Illinois and the Senator from Oklahoma quote Governor Holmes, of Oregon, in part as follows:

> Additional legislative action would be required to permit Oregon to operate under the terms of H. R. 12065 as it is now pending.

On page 8 we find that Governor Knight, of California, said:

> Accordingly California legislation would be required before an agreement and consent could be entered into pursuant to H. R. 12065.

So we find statement after statement by governor after governor who pointed out that special sessions of the State legislatures apparently would be required.

However, it is argued that this proposed legislation is of an emergency type. On the other hand, Mr. President, if the Congress waited for the States to act, much time would pass, whereas at this time we have an opportunity to pass a measure which would be of immediate benefit.

In that connection, of course, I say good naturedly and facetiously that what we really need in regard to this matter is a special session of the White House, in order to have the White House change its course of action, and, in view of the hearings and in view of the statements made by the State governors, to make a recommendation that the Congress proceed along the line of the proposal of the Senator from Massachusetts.

If the States wish to conform to the standards called for by the amendment of the Senator from Massachusetts, then, in the future, further consideration by the States will be required. But the amendment of the Senator from Massachusetts will bring immediate benefits to the several million unemployed, or at least to a great many thousands of the unemployed who have exhausted their unemployment-insurance benefits.

So I say most respectfully I think it becomes an argument of semantics, if we join with the Senator from Kentucky, as to whether the bill would be at fault, or the failure of the States to call special sessions of the legislatures would be at fault, because the effect on the unemployed would be the same. Under the House bill as it is before the Senate, the unemployed are not going to get immediate relief, because the matter will require prolonged attention on the part of the State legislatures, and, I may add, will result in great expense. I suggest the extra cost of the special sessions of the legislatures might very well go into the pockets of the unemployed by way of a saving.

Furthermore, I say to my friend from Kentucky, we need to keep in mind the fact that it is not the employers who raise or refuse to raise taxes. They have nothing to do with it. They are subject to the law when it is enacted. The taxes have to be raised by the State legislatures, and such proceedings will be very time consuming.

I urge that we keep in mind the two points I have been trying to outline. First, I think the committee has followed the correct procedural course. The Senator from Massachusetts has followed the correct procedural course. He submitted amendments to the committee. Hearings were held on them. They were rejected. He now offers the amendments. It is proper Senate procedure.

Second, I think it is perfectly clear, as one reads the Douglas-Kerr minority views, that if the House bill is passed in its present form, unemployment compensation benefits will not be forthcoming to the unemployed and to those whose benefits have been exhausted.

Mr. JAVITS. Mr. President, the Senator from Oregon mentioned the fact that I testified before the committee. Hence my reason for rising. I did. I feel the No. 1 priority in this recession is legislation to deal with unemployment compensation for those whose eligibility has expired. This is essentially a recession of unemployment. The fear of losing one's job, and therefore not having purchasing power, has caused an inhibition of buying on the part of consumers and of an inhibition of expansion and buying of productive equipment on the part of manufacturers.

It is very clear that it has been the diminution of inventories without replacement and the diminution of capital goods and replacement, as distinguished from the years 1955 and 1956 and the first three quarters of 1957, which have caused our difficulty.

Accordingly, I deem it my duty, in the interest of my State, which is the largest, in terms of commercial activity, in the United States, to vote upon this measure in terms of the highest priority. I believe the highest priority and the greatest expedition will be gained if the States are not required to have their State legislatures meet in order to make arrangements with the Federal Government, as is contemplated by the bill sent to the Senate by the House.

I ask unanimous consent to have printed in the RECORD as a part of my remarks a schedule of the regular meeting time of State legislatures.

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

Regular meeting time of State legislatures

State	Time and term	Place
Alabama	Odd years in May	Montgomery.
Arizona	Annually in January	Phoenix.
Arkansas	Odd years in January	Little Rock.
California	Odd years in January; budget sessions, even years in March	Sacramento.
Colorado	Annually in January	Denver.
Connecticut	Odd years in January	Hartford.
Delaware	do	Dover.
Florida	Odd years in April	Tallahassee.
Georgia	Annually	Atlanta.
Idaho	Odd years in January	Boise.
Illinois	do	Springfield.
Indiana	do	Indianapolis.
Iowa	do	Des Moines.
Kansas	Annually in January	Topeka.
Kentucky	Even years in January	Frankfort.
Louisiana	Even years (60 calendar days), odd years (30 calendar days in May).	Baton Rouge.
Maine	Odd years in January	Augusta.
Maryland	Odd years in January; even years in February	Annapolis.
Massachusetts	Annually in January	Boston.
Michigan	do	January.
Minnesota	Odd years in January	St. Paul.
Mississippi	Even years in January	Jackson.
Missouri	Odd years in January	Jefferson City.
Montana	do	Helena.
Nebraska	do	Lincoln.
Nevada	do	Carson City.
New Hampshire	do	Concord.
New Jersey	Annually in January	Trenton.
New Mexico	Odd years in January	Santa Fe.
New York	Annually in January	Albany.
North Carolina	Odd years in February	Raleigh.
North Dakota	Odd years in January	Bismarck.
Ohio	do	Columbus.
Oklahoma	do	Oklahoma City.
Oregon	do	Salem.
Pennsylvania	do	Harrisburg.
Rhode Island	Annually in January	Providence.
South Carolina	do	Columbia.
South Dakota	Odd years in January	Pierre.
Tennessee	do	Nashville.
Texas	do	Austin.
Utah	do	Salt Lake City.
Vermont	do	Montpelier.
Virginia	Even years in January	Richmond.
Washington	Odd years in January	Olympia.
West Virginia	Annually in January	Charleston.
Wisconsin	Odd years in January	Madison.
Wyoming	do	Cheyenne.
Alaska	do	Juneau.
Guam	Twice annually in 30-day sessions	Agana.
Hawaii	Odd years in February	Honolulu.
Puerto Rico	Annually in January	San Juan.
Virgin Islands	Unicameral legislature meets each year in April for 60 days	Charlotte Amalie.

Mr. JAVITS. Mr. President, this schedule shows that 31 of the 48 State legislatures will be meeting in odd years, beginning in January. There are not too many State legislatures which are in session now.

Fortunately, the legislature of my own State of New York has adopted enabling legislation, so that our State government can take advantage of the bill even if it is passed in its present form; but that is very much the exception rather than the rule.

Mr. President, I deeply feel the need of expedition, because the matter is one of the very highest priority, and there is a need for some reasonable grant basis to supplement the unemployment compensation which cannot be forthcoming from the States.

Also, I feel the matter of standards is important, because it represents a very important element of competition for business between the States. When the competition is fair, we are satisfied even if we in the large industrial States lose business. When the competition is expressed in terms of depreciation of the standards of those may receive unemployment compensation then I think we have the right to feel that competition would be fairer by having in effect a decent basis of unemployment compensation for those in the country who are contributing to our national production.

For all those reasons, I shall support the amendment of the Senator from Massachusetts.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bennett	Bush
Allott	Bible	Butler
Barrett	Bricker	Byrd
Beall	Bridges	Capehart
Carlson	Hruska	Neuberger
Carroll	Jackson	Pastore
Case, N. J.	Javits	Payne
Case, S. Dak.	Johnson, Tex.	Potter
Chavez	Johnston, S. C.	Proxmire
Clark	Jordan	Purtell
Cooper	Kefauver	Revercomb
Cotton	Kennedy	Robertson
Curtis	Kerr	Russell
Dirksen	Knowland	Saltonstall
Douglas	Kuchel	Schoeppel
Dworshak	Lausche	Smathers
Eastland	Long	Smith, Maine
Ellender	Magnuson	Smith, N. J.
Ervin	Malone	Sparkman
Flanders	Mansfield	Stennis
Frear	Martin, Iowa	Symington
Goldwater	Martin, Pa.	Talmadge
Green	McClellan	Thurmond
Hayden	McNamara	Watkins
Hennings	Morse	Wiley
Hickenlooper	Morton	Williams
Hill	Mundt	Yarborough
Hoblitzell	Murray	Young

The PRESIDING OFFICER. A quorum is present.

Mr. BRIDGES. Mr. President, I am in favor of H. R. 12065, the Temporary Unemployment Compensation Act of 1958, for it embodies the basic principles long advocated by the administration and myself.

For 5 years the President has been urging the States to enact legislation setting up minimum standards necessary to improve the unemployment compensation program. He has repeated his request each succeeding year.

Again in his economic report, this year, President Eisenhower outlined his recommendations to extend unemployment insurance coverage. He wrote a letter to our distinguished minority leader, the senior Senator from California, and to House minority leader JOSEPH MARTIN on March 8 this year, stating he would place before Congress his proposals on this matter. He followed this up with a special message on March 25 requesting a temporary increase of 50 percent in the number of weeks for unemployed workers, who have exhausted their benefits under State and Federal laws, to draw unemployment compensation.

We have before us now this bill, which embodies these proposals.

I, along with my colleagues, appreciate the hardships of our unemployed workers. There is no greater tragedy than that of men or women, out of work, with their unemployment compensation exhausted, and with no place to turn for food and shelter.

Unfortunately for those who need our help in their time of distress, there have been some who would make a political football of this situation.

I am not impugning their motives, but I object to their methods. By extending these benefits to those who are not in covered employment we would undermine the principles of a sound State unemployment compensation program. We would be replacing a true insurance program with the dole.

Not only would such a program be impossible to administer and police, but it would lead to more Federal encroachment in State affairs.

I might state also that had the President's recommendation for wider coverage under the present unemployment compensation laws been heeded, more

unemployed workers would benefit under this extension of unemployment insurance. That is something I hope will be remedied.

It is my belief that the pending bill is entirely consistent with the principles of a true insurance program and a true partnership between the Federal Government and the States. It leaves the initiative to the individual States and provides for repayment of funds in a manner which works no hardships.

I shall vote for the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. KENNEDY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I further announce on this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting the Senator from Florida would vote "nay" and the Senator from Minnesota would vote "yea."

Mr. DIRKSEN. I announce that the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate as a member of the World Health Conference.

The result was announced—yeas 21, nays 63, as follows:

YEAS—21

Carroll	Jackson	McNamara
Case, N. J.	Javits	Morse
Chavez	Kefauver	Murray
Clark	Kennedy	Neuberger
Douglas	Magnuson	Pastore
Green	Malone	Proxmire
Hennings	Mansfield	Symington

NAYS—63

Aiken	Ervin	Mundt
Allott	Flanders	Payne
Barrett	Frear	Potter
Beall	Goldwater	Purtell
Bennett	Hayden	Revercomb
Bible	Hickenlooper	Robertson
Bricker	Hill	Russell
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Schoeppel
Butler	Johnson, Tex.	Smathers
Byrd	Johnston, S. C.	Smith, Maine
Capehart	Jordan	Smith, N. J.
Carlson	Kerr	Sparkman
Case, S. Dak.	Knowland	Stennis
Cooper	Kuchel	Talmadge
Cotton	Lausche	Thurmond
Curtis	Long	Watkins
Dirksen	Martin, Iowa	Wiley
Dworshak	Martin, Pa.	Williams
Eastland	McClellan	Yarborough
Ellender	Morton	Young

NOT VOTING—12

Anderson	Holland	Langer
Church	Humphrey	Monroney
Fulbright	Ives	O'Mahoney
Gore	Jenner	Thye

So Mr. KENNEDY's amendment was rejected.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion to lay on the table was agreed to.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. CAPEHART. Mr. President, I think this is a good time to talk about a pending piece of legislation, inasmuch as we are about to vote on a measure to pay people who do not have jobs and are not working.

The Committee on Banking and Currency reported to the Senate on May 20 a joint resolution to give the FHA $4 billion additional authorization for insuring mortgages. I tried to have the joint resolution considered last Thursday, but without success.

The FHA is now out of authority to insure mortgages, and today FHA has telegraphed all State directors to discontinue insurance of FHA mortgages. This means people are not going to be able to build any houses under FHA mortgages. Therefore, people will be thrown out of work, because the Senate has refused to act and the House committee has refused to act.

I am now told we cannot get any action for 10 days, because certain Senators, for some reason, want to tie the proposal into the omnibus housing bill. I think the world ought to know there is some politics being played around here, and that, while we are about to pass legislation to pay people for not working because they cannot find jobs, at the same time we have pending and have had pending since May 20 a joint resolution which, if it had been passed last week, would have kept people from losing their jobs.

I should like to know why we cannot get the joint resolution before the Senate for consideration and have it passed today. I see no reason for not doing so.

I repeat: We are about to pay people for not working, yet, as a result of delay and further delay, and what looks like another 10 days' delay, we are keeping people from getting jobs all over the United States.

Is there any Senator who would like to explain a situation like that on the floor of the Senate, so that the people of the United States, who want to work at building houses and who want jobs, will see the justification for it? I should like to know what the justification is.

I am perfectly willing to wait until after the unemployment compensation bill is passed, but I should like to have some assurance from the majority leader that, when the bill which is pending at the moment has been passed, we can take up for consideration the joint resolution which was introduced by the Senator from Alabama [Mr. SPARKMAN] and myself. I do not know of any Member of the Senate who is against the proposal, but there has been delay and further delay in order to tie it in to an omnibus housing bill, which contains public housing provisions and many other things.

I presume the reason is that by tying it in with a lot of things in a big housing bill, Senators will know they must vote for the $4 billion additional authority and will have to vote for some undesirable things in the omnibus housing bill.

I am talking in a very frank manner. I want the world to know exactly what has happened and what is happening today. There is no reason why the joint resolution should not have been passed last week. There is no excuse in the world for not passing the joint resolution today.

I repeat my statement that the FHA is out of authority to insure mortgages. The FHA has telegraphed all the State directors to discontinue insuring mortgages. This means we have thrown the housing industry in the United States in turmoil and chaos, and we will be throwing men out of work at the very time we are talking about passing a bill to pay people for not working. If anyone can justify that sort of action I wish he would step up to tell the world about it.

Mr. JOHNSON of Texas. Mr. President, I should like to make a brief comment on what the Senator from Indiana has said.

We do not expect to proceed to consider the resolution to which the Senator from Indiana has referred today or tomorrow. The Senator talked to me about the resolution on the telephone shortly after the committee took action on it. I conferred with members of the majority of the committee, and I was informed they were presently considering housing legislation, and they expected such legislation to be reported to the Senate either late this week or early next week.

Today I conferred with members of the committee and urged that the proposed legislation be reported this week, if possible, so that the Senate could consider it before the Memorial Day weekend.

I conferred with the minority leader. It is my understanding we did not want any votes on Monday or Tuesday because of primaries which are being held.

The next piece of proposed legislation which has the highest priority is the mutual aid bill.

I attempted to explain all that to the Senator from Indiana privately. I will say to the Senator I agree with him that somebody is playing politics; and I think most of the people who heard the Senator know who it is.

Mr. CAPEHART. Mr. President I wish to say there is no connection between the joint resolution, which is very, very simple in its terms, and the housing bill which is presently being considered. The Subcommittee on Housing yesterday reported the omnibus housing bill to the full committee, and the full committee will take the bill up in a matter of a week. However, all we get from the able majority leader is that the resolution will be handled in connection with the omnibus housing bill. That is what I said a moment ago.

We introduced the joint resolution because there was an emergency and we wished to keep the housing industry of America going. I said a moment ago the FHA was forced today to telegraph every State director to discontinue insuring mortgages. That means people will have to discontinue FHA housing operations.

It was only about 2 months ago that the Congress passed an emergency housing bill to stimulate building. The legislation has stimulated building. That is the reason the FHA has used up its authority to insure mortgages.

Two months ago we were talking on the floor of the Senate about an emergency housing bill as a wonderful thing. It was a wonderful thing. We passed the legislation. As a result the housing industry is booming in the United States, to the point where the FHA has run out of authority to insure mortgages.

We have now presented a very simple joint resolution, which asks that the FHA be given more authority to insure houses in the United States, and what is the answer? The answer is that there is an omnibus housing bill under consideration. I think that bill embraces some 80 pages. The bill contains many things about housing and public housing. It will take the full committee 2 or 3 days to write up the bill. Then the bill will come to the Senate. It should require a couple of days of debate in the Senate. Then the bill will go to the House, and will be considered by the House committee. The House will have to pass the bill. Possibly the bill will have to go to conference between the two Houses. Then the bill will go to the President of the United States.

That process ordinarily takes about 30 days. Are we to understand from the able majority leader that the FHA is going to be without authority to insure mortgages for 30 days? Is that what we are to understand?

Why is there a delay about this matter? Why do we want to throw men out of work? Why do we want to stop the construction of FHA-insured houses in the United States? What is the reason?

The able majority leader has said, "One can understand who is playing politics." Well, I think it is very obvious who might well be playing politics, because the FHA Act is an act for everybody. The act has been on the books for years and years and years.

There is no argument about the merits of the joint resolution. There is no dispute about it. There is no dispute about the amount to be provided. The only argument is, "Shall we handle it now, so that the FHA can continue to function? Shall we continue to insure houses, so that the people can continue to be employed in the housing industry, while the industry moves forward?" or "Shall we close the housing industry down until the Senate passes an omnibus housing bill, which might take 30 days?"

That is the only question. Senators can be the judges as to what they wish to do. If they wish that kind of situation to exist, it is all right with me; but I felt obligated to call attention to exactly what is happening today.

ADDITIONAL UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes.

Mr. PAYNE. Mr. President, I call up my amendment, which is at the desk.

Mr. LONG. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will desist from conversation. The Senate will be in order.

The amendment offered by the Senator from Maine will be stated.

The LEGISLATIVE CLERK. On page 7, in line 23, immediately after "(a)" it is proposed to insert "(1)".

On page 8, between lines 20 and 21 it is proposed to insert the following:

"(2) The repayment provisions of paragraph (1) shall not apply to any State whose unemployment compensation law by January 1, 1963, provides (and the Secretary so finds that such law provides): (A) that such law shall be applicable to employers employing one or more individuals at any time during a calendar year; (B) a benefit formula under which the great majority of the workers covered by such law shall be eligible for benefits payment equal to at least 50 percent of their regular weekly wages; and (C) that the period during which all eligible claimants may receive unemployment compensation benefits shall not be less than 26 weeks."

Mr. PAYNE. Mr. President, I shall not take much time to discuss the amendment. It was submitted to the Committee on Finance. In effect, it is incentive legislation to try to encourage States that do not meet the standards which have been advanced for several years by the administration to get their houses in order and to come up to the minimum standards which have been suggested. If they do that, they are given freedom from the repayment provisions of the bill; so that, in effect, the result would be a grant to the States that brought their systems up to the required standards.

In other words, it would mean that the law would apply to employers employing one or more employees at any time during a calendar year; the benefit under the formula would be at least equal to 50 percent of the regular weekly wage, and the period during which a person may receive compensation payments would not be less than 26 weeks.

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

Mr. PAYNE. I yield.

Mr. JAVITS. Because the Senator from Maine, who is so gracious and also very considerate of the time of the Senate, has spoken so briefly, I hope the import of the amendment, with reference to its real value in terms of the unemployment situation which faces us today, will not escape us.

I believe the proposal is the traditional carrot and stick proposal—an inducement to do something in order to earn forgiveness.

Many Senators, even though they voted against the previous amendment, believe that the efficient and expeditious and emergency way to deal with the situation is by grants. I say if we cannot have that, at least let us have a loan situation which is of real use in terms of stabilization of the unemployment compensation situation.

As a Republican who has ardently supported the President of the United States in so many of his programs, let me say that when the President for 5 years has been asking the States to accept the very standards which are contained in the amendment offered by the Senator from Maine, we must assume that he really means it. Knowing the President as I do, I feel he does mean it, and that it is close to his heart. Therefore, if we have a situation which enables us to strike a blow for this kind of system, and the Senator from Maine gives us the opportunity to do so, we ought to take advantage of it.

Therefore, I should like to tell my colleague from Maine that I personally feel indebted to him for bringing up this very reasonable and intelligent proposal, which the committee has had a chance to consider, and that the Senate should take it very seriously, notwithstanding the fact that, in keeping with what is typical of the section of the country from which the Senator from Maine comes, he is not making a long speech about what is an extremely important subject to the whole American economy and to millions of individual Americans who are suffering the effects of grave privation at the present time.

Mr. PAYNE. I thank the distinguished Senator from New York for his remarks. Let me close my statement by saying that we have been worried by compulsory requirements being foisted upon the States.

There is nothing compulsory about my proposal. In effect, it merely says to the States: "If you will bring your standards up to decent levels and decent minimums, you will not be required to repay to the Treasury the amount which has been given to you for unemployment benefits." It provides that they can do this at any time up to January 1, 1963. That is certainly a reasonable provision for anyone to follow.

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

Mr. PAYNE. I yield to the Senator from California.

Mr. KUCHEL. I am delighted to have the opportunity to vote for the excellent amendment which is now before the Senate, offered by the distinguished junior Senator from Maine. Far different from the proposal previously offered by the Senator from Massachusetts, the pending amendment is one which every Member of the Senate can clearly understand.

Many questions arose in my mind during the discussion of the rather involved amendment offered by the able junior Senator from Massachusetts. Time did not permit, in the absence of a committee hearing prior to that, the development of some of the questions which must have occurred to others of my colleagues as well as to me.

We now have before us a proposal that can be readily understood by all of us. It is in the interest of the people. It is in the interest of the States which are

required presently to administer the proposed statute. I am delighted, as I said, to have an opportunity to support the constructive proposal of my friend from the State of Maine.

Mr. PAYNE. I thank my colleague.

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

Mr. PAYNE. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I am glad to join my colleagues who have just spoken in support of the amendment. I find it particularly of value in the event the Senate decides to adopt an amendment now at the desk, submitted by the Senator from Massachusetts, which has not yet been called up, but which I trust will soon be called before the Senate. It deals with a temporary arrangement to meet the needs of the day. I intend to support the amendment if it is offered. I feel that the amendment offered by the Senator from Maine will be a complement to a bill which will help very quickly to relieve a burden which States must now bear.

Mr. PAYNE. I thank the Senator from West Virginia, particularly because I know he shares with me the concern for the needs of the unemployed and has supported legislation designed to be of benefit to them.

Mr. President, I yield the floor.

SEVERAL SENATORS. Vote! Vote!

Mr. BENNETT. Mr. President, I hope the Senate will reject the amendment for two reasons. First, as has already been indicated, this is the kind of amendment which would force the bill to conference and delay the program.

The other reason, to me, is obvious. The amendment is a kind of bribe which promises special benefits to States whose programs are already at or near the standard suggested by the Senator from Maine, but it presents a very serious problem to States which, for some reason or other, feel that it would be unwise to make the change indicated.

There is no way to measure the cost of the amendment to the Federal Treasury. The amendment has the added disadvantage of bringing the whole theory of grants into a program which previously has been handled by taxation.

I hope the Senate will keep the bill unchanged and will reject the amendment.

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

Mr. BENNETT. I yield.

Mr. PAYNE. Is it not true that the Senate has established a precedent, if we may call it that, to enable States which participate in the Interstate Highway System program, and which choose to eliminate advertising from interstate highways, to derive increased benefits if they comply with the provisions of the law?

Mr. BENNETT. The Senator from Utah will make two observations in reply. First, I voted against that provision. Second, the difference, as I remember it, was between 90 percent and 92½ percent. The proposal was to help to meet the actual cost of getting rid of existing advertising rights.

But in this case the whole cost of the program to the State would be wiped out.

Mr. PAYNE. The statement was made that it was impossible to determine what the cost would be. The testimony, and certainly the report of the committee, indicates that the overall cost of the bill now before the Senate will be approximately $600 million. Certainly the program about which I am talking would not cost in excess of $600 million. It might be much less than $600 million.

Mr. BENNETT. The cost incident to the pending bill will be returned to the Federal Treasury. In the Senator's amendment, a part of the cost will remain as a Federal grant and will be a drain on the Federal Treasury, never to be returned.

Mr. CURTIS. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. CURTIS. What incentive would there be for a State which does not borrow any money? Would not the incentive be that the State would not have to repay what it borrowed?

Mr. BENNETT. That is correct.

Mr. CURTIS. What would happen to a State which either cannot borrow or finds it is not necessary to borrow?

Mr. BENNETT. That State would have no benefit under the proposal of the Senator from Maine.

Mr. CURTIS. Would not such States be financing unemployment payments in other States on the basis of a grant from the Federal Treasury.

Mr. BENNETT. I think the Senator is completely correct. A State whose present program meets the specifications set forth in the amendment of the Senator from Maine would have to do nothing to get the benefits of this program absolutely free of cost to the employers of the State.

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

Mr. BENNETT. I yield.

Mr. MORTON. Without going into the merits or demerits of the amendment offered by the Senator from Maine, I wish to make a comment.

The pending bill proposes emergency legislation. It is designed to take care of those who are unemployed and who are going off the unemployment compensation rolls in States where there are not sufficient funds to take care of them otherwise.

This is the type of amendment, regardless of its merits or demerits, which will place the bill in conference for a long time. We who are experienced in the procedures of the House understand that the amendment will do that. Therefore, I hope the bill can be kept as clean as possible.

For these reasons, I reluctantly oppose the amendment.

Mr. BENNETT. That is one of the reasons why I am opposed to the amendment.

PROPOSED LIMITATION OF THE JURISDICTION OF THE SUPREME COURT

Mr. WATKINS. Mr. President, an editorial published in the Washington Star of yesterday comments on the provisions of the so-called Jenner-Butler bill, which would modify some recent Supreme Court decisions and would limit the jurisdiction of the Supreme Court in the matter of permitting individuals to practice law in the States.

This excellent editorial calls attention to the fact that this is not a measure, as other editorial commentators have called it, "to kill the umpire."

I am a member of the committee which reported the bill, and I was also a member of the subcommittee which held hearings on the measure, although I was not in a position at the time to attend many of the hearings. However, extensive hearings were held, and a great deal of opinion evidence was received by the committee.

The first section of the bill would deprive the Supreme Court of jurisdiction to hear matters relating to the right of individuals to practice law in the States. The Supreme Court rendered two decisions last year which have been seriously questioned by many members of the bar and students of constitutional law. As the writer in the Star points out, "It is not an earthshaking issue," but I believe the committee was in error in reporting a bill with this section in it. I moved in the committee to strike out section 1, but was defeated. When and if the measure is made the pending business in the Senate, I shall move to strike this section, largely on the ground that I think the problem which was created by the Supreme Court's decision will be solved in actual practice in the matter of a very few years. I do not agree with the Supreme Court's ruling, but I believe that the remedy suggested does not require the use of the power which Congress has to limit the jurisdiction of the Supreme Court.

I am in full agreement with the other sections of the bill. I think it is high time that Congess makes it clear that it has the right, and that it will exercise that right, to define clearly what Congress meant in legislation which was passed by it, but which the Supreme Court construes contrary to what Congress thought it meant when the laws were adopted. Clearly, Congress should be able to redefine the legislation which it had the power to enact. Congress has exercised the power of clarifying the meaning of legislation which has been ruled on by the Supreme Court in a number of instances in the past. I can see no attack on the Court when Congress determines that its meaning has been misconstrued and determines to correct the situation with additional legislation.

This editorial is such a clear analysis of the provisions of this bill and their meaning that I believe that all Members of the Congress should read it. Therefore, I ask unanimous consent that it be printed at this point in the RECORD.

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

[From the Evening Star of May 26, 1958]

KILLING THE UMPIRE

One approach to the Jenner-Butler bill, which would modify some recent Supreme Court decisions, is to denounce it as a measure designed to kill the umpire. This is not an approach which reflects much credit on the maturity of those who adopt it.

The bill would do four things. The first provision would deprive the Supreme Court of jurisdiction to overrule a refusal by a State to permit an individual to practice law in the State. This is a reaction to two questionable decisions last year, and in some small degree it would curb the power of the court. It is not an earth-shaking issue, for any person denied permission to practice law would have an appeal to the courts of the State. The question is whether the issue is of sufficient importance to justify Congress in exercising its constitutional power to limit the court's jurisdiction. We doubt that it is.

The second provision would modify the court's controversial ruling in the Watkins case by stipulating, in effect, that a Congressional investigating committee, once the issue has been raised, shall be the final judge as to whether a question asked a witness is pertinent to the investigation. Some correction of this sort, if it can be done within constitutional limits, may well be necessary to insure the effectiveness of Congressional investigations.

It is clear that the third and fourth provisions lie well within the authority of Congress. One deals with a ruling that Congress had intended to preempt the field in dealing with subversive activities. The other involves a judicial interpretation of the intent of Congress in passing the Smith Act, under which several Communist leaders have been convicted. We do not see how there can be any argument respecting the right of Congress to enact these provisions. For if the Court has misinterpreted the intent of Congress, or if Congress failed to make its intention clear, it can hardly be doubted that the national legislature, if it thinks it is wise to do so, can adopt corrective or clarifying laws. And these certainly will not kill the umpire.

Perhaps there should be one final word on this latter point. The kill-the-umpire outcry seems to be based on the fallacious notion that the Court is aloof from politics and should be immune to attack or criticism. There is nothing in our national experience to support this view. In the broad sense of the term, the Court has always been involved in politics. If anyone doubts this, he should refresh his recollection with respect to the clashes between the Court and such Presidents as Jefferson, Jackson, Lincoln, Grant, and Franklin Roosevelt. In some of these clashes the court prevailed. In others it was curbed. But it is still, perhaps, the most powerful of our three branches of government—subject to no restraint except self-restraint, or, in rare instances, to the restraint which can be imposed upon it by a Congress or a President. In this instance—in the case of the Jenner-Butler bill—there is no significant threat to the independence or to the proper authority of the Court. The real question is whether it is wise to adopt any or all of the bill's provisions, and this is for Congress to decide.

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

Mr. WATKINS. I yield.

Mr. BUTLER. I think the Senator from Utah has made a very good point. There has been so much of a critical nature written about the bill, S. 2646, that the public simply has not been able to comprehend what we are trying to do. But as time goes on I am certain that the purposes of the bill will become known, and that when the people understand it, they will overwhelmingly support it.

Mr. WATKINS. With respect to clarifying what Congress meant in several other measures which have been ruled on, is it not true that there is now before the Senate Committee on the Judiciary a bill, S. 11, which attempts to correct another ruling by the Supreme Court?

Mr. BUTLER. Precisely so.

Mr. WATKINS. Some persons who are supporting S. 11 are opposing S. 2646 because they think the jurisdiction of the Supreme Court ought to be clarified in certain very important respects.

Mr. BUTLER. Precisely so. Many of the bills coming before Congress have for their purpose the clarifying of Court decisions. Indeed, some of them have for their sole purpose the reversal of decisions which Congress feels have erroneously construed their intent. There is nothing unusual about such action by Congress.

ADDITIONAL UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H. R. 12065) to provide for temporary additional unemployment compensation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. PAYNE].

Mr. BYRD. Mr. President, I hope the amendment offered by the Senator from Maine will be rejected. It was not considered by the Committee on Finance. It is a very far-reaching amendment. It has nothing to do with the emergency. It is an attempt to coerce the States by providing certain benefits to the State.

The amendment provides that the repayment provisions of H. R. 12065 shall not apply if a State increases coverage by January 1, 1963, so that, first, employers of one or more employees are covered; second, benefit payments equal at least 50 percent of the worker's regular weekly wage; and third, the duration period be at least 26 weeks.

States then might think that they are relieved of the advancements which are to be made by reason of the bill, perhaps to the extent of $600 million.

The amendment would not be helpful at all in this emergency. It has not received the consideration of the Committee on Finance. I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine. [Putting the question.]

The amendment was rejected.

Mr. KENNEDY. Mr. President, I call up the amendment which I have at the desk, and I ask that it be stated. It is identified by the letter "F."

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Let the Chair ask whether the Senator from Massachusetts desires to have the entire amendment read.

Mr. KENNEDY. No, Mr. President; it will suffice to have the identification of the amendment and the names of the sponsors read.

The PRESIDING OFFICER. They will be read.

The CHIEF CLERK. The amendment is identified as "5–26–58–F," and is submitted by Mr. KENNEDY, for himself, Mr. DOUGLAS, Mr. CLARK, Mr. MCNAMARA, Mr. MANSFIELD, Mr. MURRAY, Mr. PROXMIRE, Mr. GREEN, Mr. NEUBERGER, Mr. HUMPHREY, Mr. MORSE, Mr. JACKSON, Mr. CARROLL, Mr. CHAVEZ, Mr. PASTORE, and Mr. MAGNUSON.

The PRESIDING OFFICER. The amendment will be printed at this point in the RECORD.

Mr. KENNEDY's amendment is as follows:

On page 2, line 3, strike out "April" and insert in lieu thereof "July".

On page 2, lines 4 and 5, strike out the following: "(or after such later date as may be specified pursuant to section 102 (b))".

On page 2, strike out lines 12 through 16.

On page 2, line 17, strike out "(3)", and insert in lieu thereof "(2)".

On page 3, strike out lines 1 through 19 and insert in lieu thereof the following:

"DURATION

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this Act shall be an amount equal to sixteen times the last weekly benefit amount (including allowance for dependents) for a week of total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he last exhausted his rights before making his first claim under this act. The payment for any such week shall be reduced by the amount of any temporary additional unemployment compensation payable to him under the unemployment compensation law of any State."

On page 5, strike out lines 3 through 10; change "(c)" to "(b)" in line 13 and change "(d)" to "(c)" in line 17.

On page 5, immediately following line 25, insert the following:

"ABSENCE OF AGREEMENT

"(d) Where there is no agreement under section 102, the Secretary shall make payments of temporary additional unemployment compensation, on the basis provided in this title, and the Secretary is authorized to enter into agreements with Federal agencies to utilize, pursuant to such agreements, the facilities and services of such agencies, and may delegate to officials of such agencies any authority granted to him by this title whenever the Secretary determines such delegation to be necessary in carrying out the provisions of this title. The Secretary is further authorized to allocate or transfer funds or otherwise to pay the total cost of the temporary additional unemployment compensation paid pursuant to such agreements with Federal agencies and to pay or reimburse such agencies for expenses incurred in carrying out such agreements."

On page 7, line 16, insert after "(b)" and before "whose" the following: "or in a State where there is no agreement under section 102".

On page 8, at the end of line 8, insert "(i)".

On page 8, line 20, strike out the period and insert in lieu thereof the following: "or, (ii) that the unemployment compensation law of such State provides: (A) that such law shall be applicable to employers employing one or more individuals at any time during a calendar year, (B) a benefit formula under which the great majority of the workers covered by such law shall be eligible for benefit payments equal to at least 50 percent of their regular weekly wages, and (C) that the period during which all eligible claimants may receive unemployment compensation benefits shall not be less than 26 weeks; or (iii) that on January 1 of the taxable year (A) the balance in such States' unemployment fund on the last day of the preceeding quarter is less than the amount of the compensation paid from such fund under the State

unemployment compensation law during the six months' period ending on such last day and (B) that the average contribution rate under the State unemployment compensation law for the taxable year is not less than 2.7 percent and that the minimum contribution rate under such law for the two preceding taxable years was not less than 1.2 percent.

Mr. KENNEDY. Mr. President, this amendment provides that participation in the program will be automatic. The duration of the temporary compensation payments will be a flat minimum of 16 weeks. The payments will be made at the present State rates.

The amendment also provides: First, that a State need not repay the cost of the temporary unemployment compensation program for the State—and here I include the language of the amendment of the Senator from Maine [Mr. PAYNE] and the language of the amendment of the Senator from New Jersey—if it has in its law, and adopts, minimum standards of weekly amounts and duration, as advocated by the President, namely, 50 percent of the individual worker's wage, for a period of 26 weeks.

That is the very standard the President himself re-recommended in January of this year as a minimum standard for the States.

Second, that a State is not required to pay the cost of the program in the State if its unemployment program is in a precarious position and if, in addition, the State has maintained average unemployment tax rates of 2.7 percent of payrolls, with a minimum of 1.2 percent, during the past 2 years.

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

Mr. KENNEDY. I yield.

Mr. KNOWLAND. As I understand, the Senator from Massachusetts has merely called up the amendment. He does not intend to have it voted on tonight, does he?

Mr. KENNEDY. That is correct.

Mr. MORSE. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

MORSE AMENDMENT FOR FEDERALLY FINANCED RAILROAD UNEMPLOYMENT BENEFITS FOR 13 WEEKS

Mr. MORSE. I wish to say that I am about to send to the desk an amendment, and ask that it be printed, so it can be considered tomorrow as an amendment to the amendment of the Senator from Massachusetts. My amendment simply would add an additional section on page 4 of the amendment of the Senator from Massachusetts; at the end of his amendment, I would propose an amendment to add temporary benefits and to extend the unemployment compensation for 13 weeks, with a Federal grant to finance the additional benefits.

I shall send the amendment to the amendment to the desk, and ask that it be printed; and I shall call it up tomorrow.

I hope the Senator from Massachusetts will give favorable consideration to my amendment to his amendment. It seeks to provide for railroad employees the same advantages the Senator from Massachusetts seeks to provide for other employees.

In the interest of uniformity and nondiscriminatory practices, I believe my amendment has great merit; and I shall appreciate it if the Senator from Massachusetts will consider my amendment overnight, and then, on tomorrow, will state whether he can accept it as a part of his amendment, and will incorporate it as a part of his amendment or as a perfecting amendment, thereby making it unnecessary for me to offer the amendment separately.

Mr. KENNEDY. How many weeks does the amendment of the Senator from Oregon call for?

Mr. MORSE. It calls for 13 weeks, in the case of the railroad employees.

RAILROAD UNEMPLOYMENT COMPENSATION AMENDMENT TO KENNEDY AMENDMENT ACCEPTED

Mr. KENNEDY. Very well; I accept the amendment right now.

Mr. MORSE. Mr. President, I shall have the amendment sent to the desk, to be printed. I believe it should be at the desk. But the Senator from Massachusetts has announced that he will accept my amendment. I thank him very much.

The PRESIDING OFFICER. Will the Senator from Oregon send to the desk his perfecting amendment?

Mr. MORSE. Mr. President, I am having it typed at this time. However, I have discussed it with the Senator from Massachusetts; and he knows its contents. If necessary, the Senator from Massachusetts can accept it tomorrow, as a perfecting amendment. But I thought we should make our record this evening.

Mr. CLARK. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. CLARK. I should like to ask whether the Senator from Massachusetts would be willing to amend his amendment by making the following change on page 3, in line 23: Strike out the word "twenty-six" and insert in lieu thereof the word "thirty". The purpose is to have the Federal standards—which, as I understand the amendment of the Senator from Massachusetts, need not become applicable for several years—when they do become applicable, take cognizance of the fact that the Commonwealth of Pennsylvania is already committed, by State law, to pay unemployment compensation benefits for 30 weeks.

If we are to try to raise the standards on a national level, it seems to me a little unfair to penalize my Commonwealth because it provides 30 weeks of unemployment compensation, instead of merely 26 weeks, as in the case of the State of Massachusetts and many other States.

So I shall deeply appreciate it if the Senator from Massachusetts will accept my amendment as a part of his amendment.

Mr. KENNEDY. I will accept it, although I think this year the President requested only 26 weeks. However, this language deals with the repayment in 1963. By that time—5 years from now—there is no doubt that whoever is President then will have raised his sights, and that although 26 weeks are requested now, 30 weeks will be regarded as proper then.

So I accept the amendment of the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator from Massachusetts.

Mr. AIKEN. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. AIKEN. If the Senator from Massachusetts accepts the requested change from 26 to 30 weeks, what will be the effect on the various States?

Mr. KENNEDY. They would have to raise their standards to 30 weeks, as the Senator from Pennsylvania has assumed. They would have to do that by 1963, under the repayment provision.

Mr. AIKEN. But they would not have to provide for a minimum of 30 weeks at this time, in order to take advantage of these provisions, would they?

Mr. KENNEDY. No. The language of this amendment is the original language of the other amendment, with two changes, as follows: First, instead of calling for a 50-percent increase regardless of the duration of the program in a particular State, the amendment calls for a flat 16 weeks, which is the language of the McCormack-Mills bill which was before the Ways and Means Committee. The amendment is mandatory, and includes the language of the administration bill, and requires that every State accept it.

Mr. AIKEN. The payments are to be based on the present State laws, are they?

Mr. KENNEDY. Yes. But the amendment extends them for 16 weeks.

Mr. AIKEN. It extends them for 16 weeks, does it?

Mr. KENNEDY. That is correct.

I also include the amendment of the Senator from Maine [Mr. PAYNE], but modify it so as to call for 30 weeks, which I believe is fair.

Mr. AIKEN. Then the amendment will apply to States which presently have requirements in regard to a total of four employees?

Mr. KENNEDY. That is correct; the amendment does not deal with that point.

Mr. AIKEN. I was trying to make sure that special sessions of the State legislatures would be avoided, if possible.

Mr. KENNEDY. That is correct; the amendment would avoid that.

Mr. AIKEN. Does the Senator from Massachusetts understand that the amendment would be applicable without the holding of special sessions of the legislatures in most States, at least?

Mr. KENNEDY. The point is that if we adopt the language the administration has proposed, then, as Secretary of Labor Mitchell explained, if a State legislature does not meet to enact such a bill, in those cases the Federal Government will make the payments directly.

Mr. AIKEN. Then the amendment would not permit the States to decide whether they would take it or would leave it?

Mr. KENNEDY. That is correct.

Mr. President, to conclude my remarks, this amendment by providing for

16 weeks of temporary benefits, recognizes the necessity for equal treatment of the unemployed workers during the present emergency, and likewise removes the inequity inherent in H. R. 12065, which calls for benefit payments of as few as 3 weeks in some States, ranging up to 15 weeks in others.

It also cures an inherent defect of H. R. 12065, which would produce few, if any, State agreements. It does so by providing the Secretary of Labor with authority to employ Federal agencies in the State to carry out the temporary program, if the State does not enter an agreement.

The amendment offers the States a real incentive, which can be measured in terms of dollars—the cost of the temporary program in the State—to adopt the minimum standards recommended by the President.

The amendment recognizes the possibility that the employers in a State might not be in condition, in 1963 and later years, to sustain an additional tax burden when that burden has already been fairly heavy due to the economy of the State.

In brief, when unemployment has been high during the 2 preceding years and the State fund is depleted, employers will not be called upon for an additional tax if their tax rates have been at an average of 2.7 percent and the minimum rate in the State has been not less than 1.2 percent during the 2-year period.

I think the amendment is a good amendment and combines the best features of the administration's first program and the proposal of the Senator from Maine [Mr. PAYNE].

Mr. COOPER. Mr. President, I send to the desk an amendment, which I ask to have printed and to lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. COOPER. Mr. President, the amendment would provide a new section at the bottom of page 5. The new section would be identified as section 103, and would be the same as section 106 in the bill introduced in the House of Representatives by Representative REED.

The amendment provides that in the event no agreement is made between the Federal Government and a State, the Secretary shall make payments of temporary additional unemployment compensation, utilizing Federal agencies. That is the substance of the amendment.

I offer the amendment on behalf of myself and the junior Senator from New York [Mr. JAVITS].

Mr. MORSE. Mr. President, I now have my railroad amendment at the desk. The Parliamentarian informs me that all I need do is offer it once again to the Senator from Massachusetts. If the Senator will state again that he accepts it as a perfecting amendment, the matter will be settled.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk read as follows:

At the end of the bill add the following new title:

"TITLE —PROVISIONS APPLICABLE TO EMPLOYEES COVERED BY THE RAILROAD UNEMPLOYMENT INSURANCE ACT

"SEC. . The Railroad Retirement Board (hereinafter in this title referred to as the "Board") shall pay temporary additional unemployment compensation under this title, for days of unemployment which occur during the period beginning on the 30th day following the date of the enactment of this act and ending on March 31, 1959, to individuals who have, on or after December 31, 1957, exhausted their rights to unemployment benefits under the Railroad Unemployment Insurance Act, as amended (45 U. S. C. 351 et seq.), and who have no rights to unemployment compensation with respect to such days under any other Federal or State law.

"SEC. . The temporary additional unemployment compensation payable to any individual under this title shall be at the daily benefit rate that was payable to him by the Board under the Railroad Unemployment Insurance Act when his last exhaustion of unemployment benefits occurred before he makes a claim under this title, but shall not exceed a total amount equal to 65 times the daily benefit rate that was payable to him under the Railroad Unemployment Insurance Act when his last exhaustion of unemployment benefits occurred before his first claim under this title. Such temporary additional unemployment compensation shall be paid in accordance with the provisions of the Railroad Unemployment Insurance Act except where inconsistent with the provisions of this act.

"SEC. . Any individual whose claim for temporary additional unemployment compensation under this title has been denied shall be entitled to an appeal and review in accordance with the provisions, including rules and regulations, applicable to claims denied under the Railroad Unemployment Insurance Act.

"SEC. . An individual initially receiving temporary additional unemployment compensation under this title shall not thereafter be entitled to receive temporary additional unemployment compensation under title I of this act, and his right to receive temporary additional unemployment compensation under this act shall thereafter be determined in accordance with the provisions of this title.

"SEC. . The Board, upon request, shall furnish the Secretary of Labor information deemed necessary by the Secretary for the administration of this act.

"SEC. . Notwithstanding any provisions of the Railroad Unemployment Insurance Act to the contrary, temporary additional unemployment compensation under this title shall be paid from the railroad unemployment insurance account, and expenses incurred by the Board in carrying out the purposes of this title shall be paid from the railroad unemployment insurance administration fund.

"SEC. . The Board is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this title.

"SEC. . There is hereby authorized to be appropriated funds sufficient to replenish the railroad unemployment insurance account to the level at which it would remain but for the additional compensation provided for by this title."

Mr. KENNEDY. Mr. President, I accept the amendment as a perfecting amendment.

The PRESIDING OFFICER. The Senator has the right to accept the amendment.

MUTUAL SECURITY ACT—AMENDMENT

Mr. MORSE. Mr. President, I send to the desk, out of order, an amendment to the Mutual Security Act. I ask that it be printed and lie on the desk.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

THE LEBANON CRISIS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial published in the Memphis Press-Scimitar entitled "Why Bypass U. N. in Lebanon Crisis?"

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

[From the Memphis Press-Scimitar of May 22, 1958]

WHY BYPASS U. N. IN LEBANON CRISIS?

Secretary Dulles seems to be outsmarting himself in the Lebanon crisis.

He recognizes the Soviet and Nasser threat there. Our forces are alerted to protect American lives and property if necessary. Mr. Dulles says Moscow's warnings against American intervention will not prevent this Nation from doing its duty, or giving required aid if requested by Beirut.

But something is missing. While Moscow and Washington are fist-shaking; while Beirut is accusing the Reds and Nasser of subversion and they are denying all; the United Nations is bypassed.

If press reports are accurate, Washington has blocked Lebanon and Britain from taking the case to the U. N. Three excuses are given: anticipated Soviet obstruction. Fear that Lebanon can't prove her case. Washington's effort to woo Nasser.

These excuses are shortsighted. If the U. N. can't protect Lebanon, then the United States—preferably with Britain—may have to do so. But that is all the more reason the U. N. should be given the chance to meet its responsibility first. The longer the delay in taking the case to the U. N., the easier it will be for Russia in an emergency to stall the U. N. and to sabotage Lebanese defense outside the U. N.

We cannot police the world alone. We should not allow Russia to maneuver us into any such self-defeating policy—much less trick ourselves into it.

When Britain and France intervened in Suez, our Government insisted on the U. N.'s jurisdiction. By failing to apply that rule now, Washington risks injuring the already weak U. N., jeopardizing the frail Anglo-American alliance in the Middle East, and unwittingly aiding the enemy.

UNITED STATES MUST SHARE BLAME FOR LATIN IRE AND SUSPICION

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a guest editorial from the Oregon Journal of May 17, 1958, written by George W. Friede, under the title "United States Must Share Blame for Latin Ire, Suspicion."

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

[From the Oregon Journal of May 17, 1958]

UNITED STATES MUST SHARE BLAME FOR LATIN IRE, SUSPICION

(By George W. Friede)

Communists and Communist sympathizers, as was reported, undoubtedly led in the unfortunate stoning of Vice President NIXON and his party in Peru and Venezuela. Anyone who believes, however, that anti-United States sentiment in these countries is confined to the Communists is badly mistaken.

I make this statement based upon my observations made during six visits below the border. Although I was always in Latin North America, the pattern was undoubtedly the same as in South America.

A fear of economic aggression and United States "imperialism" has played an important part in estranging from us the support and confidence of much of the more liberal segment of the intellectual classes. This fear to many Latin people seems to be confirmed by the diplomatic and economic maneuvering of our Government, regardless of which political party is in power.

For example, in Nicaragua, which I visited in February 1957, I was told that there would have been an uprising to set up a genuine democracy that previous September 1956, when Anastasio Somoza, Sr., dictator, was shot.

The action of President Eisenhower, who instead of just dispatching a routine diplomatic note of sympathy, sent down his personal plane to carry the dying despot to Balboa in the Canal Zone for treatment in the United States Army hospital there and rushed his personal physician from Washington to supervise the treatment, discouraged all hope of United States support or even neutrality in a struggle by the people for political emancipation.

Our Democrats were no better in this regard, having in their time treated the Somoza regime just as tenderly.

Again and again, for the sake at all costs of preserving order and keeping trade moving, we have financially and with military supplies supported governments which used force to suppress and exploit their own people and which have siphoned off the hard earned moneys of United States taxpayers from the intended use of improving the lot of the people to increasing the security and improving the economic position of the ruling cliques.

Too many of our embassy and consular employees are seeking a social position, luxuries and a feeling of importance which they were unable to obtain at home and have spent their time enjoying the favors of the rich instead of mingling among the populace.

These realities have been observed by the general population and have not been lost upon them. Is it any wonder that we are so frequently identified these days with the ruling classes of these countries and hated when they are hated? I might add that the concentration of American tourists at the super de luxe hotels (for example the El Panama at Panama City; $22 a night without meals) which are far beyond the dreams of the average Latin does not detract from the identification.

But to decrease aid, because of incidents such as that which has just occurred, would only increase, not minimize, communism. An out for the United States, however, might be to cut down on aid to governments as much as possible and in its stead to establish more direct aid and contact with the people.

Thus, by means of publicly financed corporations although spending no more than we do now, the Latin governments could be partly by passed and there could be created agricultural institutes, hospitals and clinics, technical schools, exchanges of students and teachers and the like, all of which would carry our message of good will and helpfulness directly to the people.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I should like to announce that following the ceremony on tomorrow the Senate will return to its Chamber to consider the pending bill, and we expect to conclude action on the pending business tomorrow, even if it is necessary to have a late evening session. I should like all Members of the Senate to be on notice that we expect to finish consideration of this proposed legislation tomorrow. If not, of course, the bill will go over until the next day.

We also expect to bring up a bill from the Committee on Agriculture and Forestry concerning emergency legislation for flooded areas, and perhaps a housing resolution from the Committee on Banking and Currency, which was referred to in our discussion earlier today. I should like all Members to be on notice of that possibility.

PRINTING AS SEPARATE LEAFLET THE INDIVIDUAL VIEWS OF SENATOR MORSE ON MUTUAL SECURITY BILL

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in a separate leaflet the individual views I submitted on the mutual security bill, so that it will be available for the use of the Foreign Relations Committee and the use of my office.

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

ARMY'S STRATEGIC COMBAT CORPS

Mr. JAVITS. Mr. President, the New York Herald Tribune of May 21 carried a most timely report on the organization of the Army's strategic combat corps, which I commend to the attention of my colleagues. This strategic Army force is the Army's ready mobile force of highly trained infantrymen and paratroops, specifically designed to deal with brush-fire conflicts and to prevent such conflicts from growing into a general war. It is a major instrument of deterrence to war, and its philosophy of operations is to move quickly, strike quickly, and put out a brush-fire type of war before it can develop into a full blaze.

I ask unanimous consent to have printed in the RECORD at this point the article which appeared in the New York Herald Tribune of Wednesday, May 21, 1958, to which I referred.

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

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

SMALL WAR CORPS SET UP BY ARMY—BATTLE-READY FOR FAST MOVES

(By Tom Lambert)

WASHINGTON, May 20.—The Army announced it has organized a "fire brigade" corps of paratroopers and infantrymen to fight limited wars or move swiftly to potential trouble spots anywhere in the world.

The announcement came shortly after Secretary of State John Foster Dulles told a news conference that Russian blustering and threats will not deter the United States from assisting friendly nations around the globe.

The Army move, in keeping with that service's belief that limited war is more likely than all-out, thermonuclear conflict, came during a continuing period of violence and unrest abroad which has resulted in movements of American soldiers, Marines, aircraft and naval forces in or to the Caribbean, Mediterranean and Western Europe.

The Army's new unit, to be called the Strategic Army Corps, or STRAC, will include the 18th Airborne Corps headquarters and the 82d Airborne Division at Fort Bragg, N. C.; the 101st Airborne Division at Fort Campbell, Ky.; the 1st Infantry Division at Fort Riley, Kans., and the 4th Infantry Division at Fort Lewis, Wash.

The Army said STRAC is "a force specially tailored to deal with limited wars and to move promptly to potential trouble spots anywhere in the world." In all, it will comprise 125,000 men. Some STRAC units, such as the 101st Airborne, have both conventional and atomic weapons.

DEPENDENCY DEPLORED

Commanded by Maj. Gen. Robert F. Sink, whose headquarters are at Fort Bragg, STRAC soldiers are being trained for amphibious, jungle, and Arctic warfare with conventional and nuclear arms, "to meet or reinforce any initial emergency requirements throughout the world." STRAC furnished the 500 paratroopers flown to the Caribbean last week when Vice President RICHARD M. NIXON was under mob attack in Venezuela.

STRAC has one gaping deficiency, as pointed out by General Sink: It has to depend on the Air Force or Navy to move anywhere in the world. General Sink indicated today that he disapproves of this arrangement.

General Sink, a paratrooper, said STRAC was organized to prepare highly trained units for movement quickly to trouble areas and to "stop the little mess before it gets to be a great big mess."

STRAC's 101st Airborne Division proved its readiness last week when 500 of its paratroops began moving to the division's airfield 10 minutes after being order to the Caribbean.

Like the 101st the 82d Airborne keeps one battle group on continuous alert and one company on 4-hour notice.

THE FARM SITUATION

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed in the body of the RECORD one of the best editorials I have ever read on the farm situation.

Mr. Fred Froeschle, editor of the Ranson County Gazette, at Lisbon, N. Dak., is not only very close to the farmers, but has the ability to put into words better than anyone I know the true farm situation today.

I hope every Senator will read this editorial.

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

[From the Ranson County, N. Dak., Gazette of May 25, 1958]

IS SECRETARY BENSON ON FARMER'S TEAM?

In the President's Cabinet, Secretary Benson is the voice of the farmers, but he is not

speaking for the farmers we know, and in Republican North Dakota the farmers we know are Republican even though they may cast a Democratic protest once every 3 or 4 decades.

It is possible that Ezra Taft Benson is doing the kind of job President Eisenhower expects of him.

And maybe the Secretary of Agriculture is entirely right in his views on how to solve the farm problem.

But Secretary Benson is botching the job as far as most farmers are concerned.

Where Benson is failing the farmers is in his reluctance to present their side of the farm problem to the vast American public that understands little about farming.

He has let the people in cities and towns believe that the high cost of food is a reflection of the high price the farmer receives for his goods, when in reality the relationship between farm prices and food prices has all but disappeared.

When he has taken the stump he has used it to tell farmers they are wrong rather than to tell the other 83 percent of the American public in what respects the farmer is right.

ADJOURNMENT TO 9:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 9:30 a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 16 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, May 28, 1958, at 9:30 a. m.

NOMINATIONS

Executive nominations received by the Senate May 27, 1958:

Diplomatic and Foreign Service

Edward T. Wailes, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Federal Coal Mine Safety Board of Review

Edward Steidle, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review for the term expiring July 15, 1961. (Reappointment.)

Public Utilities Commission of the District of Columbia

George E. C. Hayes, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years expiring June 30, 1961. (Reappointment.)

United States Marshal

Kenner Wilburn Greer, of Oklahoma, to be United States marshal for the western district of Oklahoma for a term of 4 years. He is now serving in this office under an appointment which expires June 10, 1958.

Collectors of Customs

The following-named persons to the positions indicated:

Maynard C. Hutchinson, of Massachusetts, to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass. (Reappointment.)

Bernhard Gettelman, of Wisconsin, to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis. (Reappointment.)

William A. Dickinson, of Virginia, to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va. (Reappointment.)

Promotions and Appointments in the Regular Army

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298. All officers are subject to physical examination required by law.

To be first lieutenants

Anderson, Karl R., Jr., O72811.
Badovinac, Nick J., Jr., O78211.
Bailey, William R., Jr., O77261.
Barney, Charles D., Jr., O78217.
Bartell, Harold T., O73087.
Baty, Roy S., Jr., O72574.
Beatty, Donald B., O72675.
Bjorn, Edward D., O77270.
Bradshaw, Don L., O72825.
Brinkpeter, Charles H., O73133.
Britten, Samuel L., O72680.
Brown, Joe A., O78244.
Burnette, Charles D., O72832.
Butler, Frank C., Jr., O72834.
Cahill, William J., O78254.
Cameron, Frank N., O77301.
Chapman, Charles W., O78258.
Clark, Richard DeW., O72692.
Cosby, Lloyd N., O77337.
Cross, Ray S., O78271.
Cuthbertson, Robert J., O73091.
Daves, Phillip E., O72852.
DeAmaral, Charles F., Jr., O78278.
Dorand, Edwin J., O78282.
Duggan, Daniel E., O72704.
Dunn, James T., O78288.
Ellingwood, Dean C., O79574.
Farris, Robert I., O72706.
Feeley, Robert F., O72867.
Fox, Frederick W., O72870.
Fry, Kenneth L., Jr., O73147.
Fucella, Edward D., O72874.
Gantt, Gerald D., O78313.
Garner, James E., O77399.
Gingrass, Robert J., O73336.
Gleave, Paul R., O73149.
Gourley, William H., O78322.
Grivna, Lawrence F., O72720.
Gunter, Gurnie C., O72477.
Hall, Harry T., O72887.
Halsey, Milton B., Jr., O72722.
Hammill, William C., O73227.
Hammond, Rudolph E., O72889.
Hanchey, Jennings B., Jr., O78335.
Haney, Kenneth W., 2d, O78336.
Harris, James W., O73035.
Hayward, Donald P., O78347.
Hoffman, Glenn F., O72899.
Holder, Floyd D., Jr., O73346.
Horner, Roger H., O73213.
Hudson, Samuel R., O77464.
Huhn, John N., O78358.
Jackemeyer, Robert R., O77476.
Jeffries, Charles O., O73039.
Jerrett, Lyle E., O78369.
Kansler, Norbert A., O78377.
Kelley, Norman D., O78381.
Kennedy, Billie J., O77502.
Kennedy, Bruce, O77503.
Keyes, William G., O77506.
Kiser, Billy J., O72615.
Konkle, Carl H., O77513.
Krebs, James M., O77515.
Kuper, James F., O72617
Lamons, Robert E., O72502.
Lasker, Paul E., O77522.
Lehnert, Edwin D., O78398.
Leonard, John D., O73104.
Light, Clarence O., Jr., O78403.
Lindquist, Gary E., O73165.
Loeffler, John F., O77536.
Luetge, Arnold E., O72922.
Lund, Robert E., Jr., O77542.
Lutz, Joseph C., O72506.
Lynch, Francis D., O73105.
MacDonald, John, O77546.
MacDonnell, Thomas A., O77475.
Maher, Kevin L., O73167.
Manna, Paul E., O72508.
Martin, James G., O73168.
McDonald, Merle A., O78422.
McDonald, Vincent P., O77564.
McManus, Booker T., O72623.
Meissner, Roger F., O72520.
Mendel, Thomas E., O78431.
Moir, Raymond C., O77584.
Moore, Herbert W., O72765.
Moore, Virgil E., Jr., O78444.
Morgans, William W., O73175.
Naddef, Wilfred J., O79609.
Naegel, Charles L., O78453.
Nelson, Ronald A., O77596.
Nolan, John W., O77599.
O'Neil, William R., O77611.
Orkand, Robert E., O77612.
Orr, James McD., O72531.
Osborn, John A., O74795.
Pannell, William P., O73182.
Parham, Paul B., O77618.
Parson, Joe W., O72961.
Pece, Henry W., Jr., O77620.
Pfeil, Kenneth A., O72963.
Pulliam, Nathan McG., O77633.
Putorek, William P., O78472.
Rice, Richard C., O73185.
Robertson, Gene W., O78479.
Roddy, Patrick McR., O72979.
Rogers, John E., O73188.
Rosie, Gerald J., O72980.
Sage, Robert S., O72546.
Sanford, William F., O73115.
Schick, Robert L., O77671.
Scoggins, Larry E., O77678.
Scribner, Edwin G., O77679.
Seago, Pierce T., Jr., O77680.
Sheehan, Stephen A., O77684.
Shepardson, John A., O72988.
Shepherd, Richard G., O73078.
Shilko, Edwin M., O74842.
Simmons, Bobby B., O73192.
Simons, John D., Jr., O77689.
Slaven, Joseph E., O73223.
Sliva, Norman E., O77691.
Springman, Robert W., O77699.
Standeven, Ernest J., O78514.
Stout, Anthony N., O72993.
Strimbu, George, O72994.
Sutton, James L., O72996.
Swartwout, Donald C., O77719.
Sweetwood, Dale R., O77720.
Taylor, Francis C., O77722.
Thorpe, Marvin, Jr., O72797.
Van Horn, Jonathan S., O72799.
Vergot, William D., O72559.
Waldo, Rondel L., O73206.
Wallace, James W., O73003.
Walton, John C., Jr., O77762.
Ward, Stanley D., O77763.
Weiher, Ronald G., O78540.
Wesson, Robert E., O78543.
Westcott, Charles E., O73009.
Wiggers, Ralph G., O77776.
Woolworth, Wesley B., O73013.
Yore, Joseph A., O77796.
Yuhas, Robert J., O73014.
Zane, Thomas L., O77798.
Zittrain, Lawrence O., O72806.
Zwahlen, Robert J., O72807.

To be first lieutenant, Women's Army Corps

Keil, Barbara J., L550.

To be first lieutenants, Medical Service Corps

Dorsett, Herbert F., O73067.
Paul, Hinton G., Jr., O76829.
Pfeiffer, William G., O78166.
Smith, Robert C., O78687.
Wiley, Robert A., O73234.

To be first lieutenants, Army Nurse Corps

Capper, Edna L., N2778.
Dubatowski, Doris T., N2786.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 103 (a) (4), Public Law 737, 84th Congress, subject to physical examination required by law:

To be major

Kuznicki, John Frank, O405609.

To be captains

Daniels, William Fowler, O446377.
Davis, Edmund Pettus, O518288.
Gustafson, Carl William, O888358.
Isenson, Raymond Serlo, O417089.
Laible, Roy Charles.

To be first lieutenants

Crampton, Theodore Henry Miller, O1020406.
Kriegh, Roy Benjamin.
Riseng, Ole Arne Jerome.
Sebera, Donald Keith, O1933758.
Sieving, Kenneth William.
Williams, Jacob Alberry.
Yee, George Staples.

To be second lieutenants

Abrahamson, Ernest Percival, 2d, O4038401.
DeMio, Dante Chester, O4010450.
Eccles, William James, O4037377.
Ehrman, Leonard, O4015124.
Jarboe, Charles Harry, O999850.
Lowrey, Austin, 3d, O4058413.
Matney, Thomas Stull, O1920466.
Mitchell, Allston Thomas, O2288939.
Parsons, Robert Eugene, O4033774.

The following-named persons for appointment in the Medical Service Corps, Regular Army of the United States, in the grades specified under the provisions of section 103 (a) (4), Public Law 737, 84th Congress, subject to physical examination required by law:

To be captains

Harmon, George Andrew, Jr., O551916.
Holland, Donald Brownlee, O1640567.

To be first lieutenants

Burkitt, William Cromer, O977783.
Mittenthal, Lothrop, O961005.

To be second lieutenants

Anderson, Robert Edgar, O2279852.
Steinberg, Marshall, O2287239.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, section 3294, as amended by Public Law 497, 84th Congress; title 10, United States Code, section 3291, as amended by Public Law 85–155, title 10, United States Code, section 3292, and Public Law 737, 84th Congress:

To be captains

Birath, Alma V., ANC, N752655.
Conly, Marjorie J., ANC, N776360.
Hewitt, Wilmer C., Jr., MC, O4043810.
Malone, William F., DC, O2275656.
Nuttall, Edith M., ANC, N784812.
Smith, Willard F, MC.
Taimuty, Julia, ANC, N761834.
Thorpe, William J., MC, O2286745.

To be first lieutenants

Beach, Robert A., MC, O2284267.
Forsha, Sue M., ANC, N901131.
Gleason, Eleanor M., ANC, N901812.
Huerter, Gerard W., DC, O2289639.
Inglefield, Joseph T., Jr., MC, O2288708.
McNeil, Darrell O., JAGC, O2292209.
Robinson, Sherman S., MC, O2283927.
Stevenson, Robert E., MC.

To be second lieutenants

Orbelo, William R., MSC, O5302414.
Walden, Betty J., ANC, N2289582.

The following-named distinguished military students for appointment in the Medical Service Corps., Regular Army of the United States, in the grade of second lieutenant, under the provision of Public Law 737, 84th Congress:

Barden, Regginial R.
Doctor, Robert L.
Hayes, John D.
Logan, Robert F., Jr.
Wright, Harry S.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law, 737, 84th Congress:

Allen, Jerry P.
Allen, Teddy G.
Barnwell, Isaiah E., Jr
Barnwell, Marion L.
Beers, Richard C.
Bentz, Ronald J.
Bergevin, Duane B.
Bishop, Robert L.
Bondurant, Edwin A.
Bonnoitt, John J., III
Boothe, Robert S.
Boozer, James M.
Boswell, Benjamin W.
Bowen, David, Jr.
Bowling, Harold T.
Bowser, John A.
Boyce, James C., Jr.
Bradin, James W., IV
Briggs, Bobby G.
Brown, Joe J.
Brown, Joe M.
Brown, Joseph E.
Bruno-Berretiaga, Fernando A.
Bumgardner, George H.
Burleson, Grady L.
Cannon, Edwin E., Jr.
Cantor, Robert L.
Casey, Joe W.
Cassimus, Christos R.
Chandler, Edward V., Jr.
Clar[illegible]rbert T.
Cook, Larry J.
Cooley, Howard D.
Cortelli, Richard J.
Cotton, Thomas W.
Cox, Kenneth E., Jr.
Crawford, Jon C.
Crowley, Ronald C.
Daley, Richard M.
Daniel, Joe H.
Decker, Gilbert F.
Dempsey, Gene A.
Dishner, Wilbert J., Jr.
Doster, David A.
Doyle, Stuart G.
Edmonds, Holman, Jr.
Edwards, Fain E.
Ellis, Orous L., Jr.
Farill, Trent G.
Farris, Jack B., Jr.
Fee, Gene B., Sr.
Fields, Harvey R.
Filson, Ronnie L.
Fish, Richard O.
Galbreath, Carlton A.
Gammons, Vance S.
Gardner, Robert M.
Giesler, Russell M.
Gilligan, Thomas A.
Gissendaner, William E., Jr.
Gordon, Raymond
Gordy, Terry L.
Green, James F.
Groomes, Benjamin H.
Hagood, Monroe J., II
Hale, Sanders F.
Hammond, William D.
Hansen, Boyd C.
Hardin, Robert E.
Harris, William K.
Haskell, Charles T., Jr.
Henderson, James M., Jr.
Hendry, Robert R.
Herron, Roy H.
Hoag, Phillip C.
Howard, William M.
Humphrey, Johnny M.
Jemison, Richard A., III
Joe, Johnny L.
Johnson, Eugene F.
Johnson, Gonzales B.
Johnson, James O.
Jones, Billy G.
Jones, John D.
Jones, Joseph E., Jr.
Jordan, Daniel W.
Jordan, James P.
Kelly, Joseph J., Jr.
Krebs, Thomas J., Jr.
Loughboro, John P., O5701904
Lowe, Larry E.
Malave-Garcia, Samuel
Malone, John F.
Marshall, Harold C.
Martinez-Boucher, Rafael E.
Massey, Ralph E., Jr.
Matsen, Gerald G.
Maxson, Ronald G.
McCluskey, William J.
McCollum, Bobby F.
McCormick, Kenneth J., Jr.
McDermott, Charles L.
McIntyre, Stephen, III
McIver, Willie J.
McKay, Lawrence E., Jr.
McLeod, Roger L.
Meadows, Roberts A.
Methvin, Joseph L.
Miller, Retsae H.
Moore, Charles F.
Nelson, Roosevelt
Novak, Jerry R.
Oakley, Osborne C., Jr.
Olds, Warren T., Jr.
Osterlund, John R.
Parent, Donald E.
Pierce, Dale W.
Ponder, Thomas B.
Ponton-Nieves, Hector R.
Ray, Thomas L.
Rees, Warren K.
Rivera-Munoz, Hector M.
Rizzo, Peter J.
Robinson, James C., Jr.
Root, Duane B.
Rosener, Stanley I.
Roy, Mark J., Jr.
Rush, William H.
Rushing, Theophilus H., Jr.
Ryan, Edmond P.
Schlossberg, Arnold, Jr.
Schomburg, August, Jr.
Scott, Edmond L.
Scott, Franklin D.
Scott, James M.
Serda, William C., Jr.
Sharp, John B.
Shepherd, Donald E.
Smart, William E.
Smith, Lee C., Jr.
Snyder, Thomas E.
Spearman, David L.
Spivey, Currie B., Jr.
Squire, John H.
Stewart, Robert G.
Stiner, Carl W.
Stoner, Clifford D.
Sullivan, Dale B.
Taylor, William E.
Theophilus, Clayton M.
Thomas, Kenneth E.
Thornhill, John W.
Thublin, Marcus F., Jr.
Trotter, Oron G., Jr.
Turenne, Paul N.
Turner, Douglas H.
VanDevender, Edward P.
VanHoof, James H.
VanMeter, Harold C.
Walker, Elvin F.
Ward, Alan W.
Warren, Pascal D.
Watts, Garrison G., Jr.
Wayne, Ed R.
Weiffenbach, William L., Jr.
Welsh, Richard W.
Westbrook, Lewis E.
Wilhite, James A.
Wilkinson, Cicero, Jr.
Williams, Robert S., Jr.
Willingham, Jesse L., Jr.
Willoughby, Kenneth L.
Wimmer, Melvin L.
Wollman, David H.
Wolverton, Morton E.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of colonel:

Kenneth E. Martin
Nicholas A. Sisak
Theodore F. Beeman
Wilbur F. Meyerhoff
Frank E. Gallagher, Jr.
Henry J. Smart
Ralph M. Wismer
George E. Dooley
Ross S. Mickey
Robert G. Owens, Jr.
Thomas J. Ahern
David E. Marshall
William M. Gilliam
John A. White
Carl V. Larsen
George F. Waters, Jr.
Richard I. Moss
Eugene N. Thompson
John W. Stevens II
Martin E. W. Oelrich
Joseph A. Gray
John T. Rooney
Louis N. King
Jonas M. Platt
James O. Appleyard
Walter Holomon
Clifford B. Drake
Charles R. Baker
Robert H. Armstrong
Wallace H. Robinson, Jr.
Crawford B. Lawton
Marshall J. Hooper
Hulon H. Riche
James O. Bell
Paul T. Johnston
Orville V. Bergren
Walter F. Cornnell
Elliott Wilson
Bernard T. Kelly
Karl W. Kolb
Stoddard G. Cortelyou
William H. Souder, Jr.
Andre D. Gomez
George B. Kantner
Tolson A. Smoak
Daniel S. Pregnall
Robert J. Oddy
Virgil W. Banning
Richard W. Wyczawski
Franklin B. Nihart
Howard A. York
Edward V. Finn
Winsor V. Crockett, Jr.
Victor J. Croizat
Ernest C. Fusan
Charles E. Warren
Roy J. Batterton, Jr.
Earl E. Anderson
Robert D. Taplett
Wilson F. Humphreys
Victor J. Harwick
Wade H. Hitt
Robert H. Houser
Tillman N. Peters
Allen T. Barnum
Robert A. Merchant, Jr.
Alexander R. Benson
John H. Jones
Marlin C. Martin, Jr.

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Franklin C. Thomas, Jr.
Thomas R. Merritt
Philip H. McArdle
Charles S. Robertson
Robert H. Venn
James C. Fetters
William E. Lunn
Richard H. Mickle
John R. Grove
David H. Pepper
Robert J. Edwards
Warren F. Lloyd
Howland G. Taft
Andrew J. Voyles
Charles W. Boggs, Jr.
Richard F. Delamar III
John B. Bristow
Martin J. Sexton
Coburn Marston
William L. Sims
Earl R. McLaughlin
John A. Creamer
Lelon L. Patrow
Alex H. Sawyer
Robert J. Fairfield
Philip N. Pierce
Bernard G. Thobe
Augustine B. Reynolds, Jr.
David Foos, Jr.
Benjamin F. Sohn
Clifford J. Robichaud, Jr.
Jake B. Hill
Remmel H. Dudley
Alfred H. Peterson
Leslie Menconi
Robert H. Brumley
George H. Linnemeier
Donald D. Kennedy
Wiley E. Haverty
George W. Kaseman
Albert Wood
Charles C. Crossfield III
Clarence F. Zingheim
Donald L. Mallory
Fred A. Steele
William C. Davis, Jr.
Gilbert N. Powell
George W. Doney
Charles H. Beale, Jr.
Fletcher R. Wycoff
Milton A. Hull
Julian Willcox
Robert A. Thompson
James K. Linnan
James C. Norris, Jr.
Ross T. Dwyer, Jr.
James F. McInteer, Jr.
Samuel Jaskilka
John A. Lindsay
Franklin L. Smith
Robert M. Jenkins
David H. Lewis

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

John S. Alexander	Chester M. Lupushansky
Joe B. Crownover	Kenneth J. Smock
Dene T. Harp	Edgar D. Pitman
Eugene W. Gleason	David M. Bidwell
John E. Quay, Jr.	Harry Hunter, Jr.
Paul G. Graham	Donald R. Dempster
Edgar F. Remington	Cecil L. Champion, Jr.
John E. McVey	Ross R. Miner
Elbert F. Price	Eraine M. Patrias
Thomas L. Cobb	Joseph DiFrank, Jr.
Ted H. Collins	Kenneth J. Conklin
Gordon R. Squires	Richard J. Fellingham
Joseph W. Krewer	Walter E. Sparling
John W. Kirkland	Paul L. Hitchcock
John J. Murphy	William R. Quinn
Robert D. Slay	Joseph L. Wosser, Jr.
Richard W. Benton	Stanley G. Dunwiddie, Jr.
Harold F. Keller	Jack G. Kelly
Robert L. Parnell, Jr.	Elwin M. Jones
McDonald D. Tweed	Julian G. Bass, Jr.
Loren W. Calhoun	Daniel A. Somerville
Daniel A. Casey, Jr.	Emanuel R. Amann
William F. Harrell	Leland S. Gaug
Harvey L. Jensen	William B. Higgins
Herbert F. McCormick	Richard B. Haines
Truman Clark	George R. Pillon
Stanley E. Adams	Charles N. Sims, Jr.
Robert C. Simons	James T. Doswell II
Thomas H. Nichols, Jr.	William H. Johnson
James S. McAlister	George T. Keys
Thomas W. Clarke	Paul T. Wiedenkeller
Duane G. Lynch	Leslie W. Bays
Robert E. Paulson	Leo Gerlach
John T. Ryan	Bobby Carter
Joseph A. Nelson	Donald R. Harris, Jr.
Rocco D. Bianchi	Steve Furimsky, Jr.
Robert V. Anderson	Roy E. Oliver
William L. Hall	Jerome J. C. Beau
Charles H. Watkins, Jr.	

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Frederick L. Farrell, Jr.	William E. Garman
James C. Gerard	Richard L. Hawley
Gerald W. Vaughan	Charles R. Kucharski, Jr.
Richard H. Marciniak	Eugene Lichtenwalter
Marvin E. Day	Edward J. Sample
Marcus D. McAnally	Edward H. Stansel
Rylen B. Rudy	David R. Stanton
Paul G. Janssen	Harold J. McMullen
Richard T. Spencer	Robert L. Zuern
Jimmie L. Dillon	Robert D. Jameson
Coyle H. Willis	Robert D. Purcell
Lawrence R. Hawkins	Joseph B. Brown, Jr.
Raymond L. Duvall, Jr.	Billy D. Conrad
William K. Hutchings	John R. Fox
Reginald G. Sauls IV	Joseph P. Mitchell, Jr.
Edison W. Miller	John S. Bugg, Jr.
Donald W. Anderson	Joseph R. Lepp
Alan B. Kimball	Cyril H. Cornwallis-Stevenson, Jr.
John W. P. Robertson	Joe E. Willis
William H. Stewart, Jr.	Thomas F. Rochford
Marque C. Debenport	William H. Keith
Leo J. LeBlanc, Jr.	Robert E. Nicholson
Laurence A. Taylor	John C. Love
William G. Brothers, Jr.	Robert E. Cook
Guy R. Campo	Franklin C. Broadwell
Ralph F. Kenyon	Donn E. Seaman
Alfred N. Drago	John A. Hennelly
James S. Thompson	James W. Dion
Louis W. Schwindt	John H. Strandquist
Michael A. Ciaburro	Morgan L. Spence
James W. Kirk	Theo F. Aschenbeck
George M. Lawrence, Jr.	Jack K. Griffith
Allan H. Robb	Charles F. Keister
Wallace H. Graham	Samuel J. Fulton

Richard Petroff for permanent appointment to the grade of first lieutenant in the Marine Corps, subject to qualification therefore as provided by law.

The following-named officers for temporary appointment to the grade of first lieutenant in the Marine Corps, subject to qualification therefor as provided by law:

Richard H. Esau, Jr.
William R. Gentry.
William R. Irwin.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 27, 1958:

UNITED STATES DISTRICT JUDGE

Walter H. Hodge, of Alaska, to be United States district judge, division No. 2, district of Alaska, for the term of 4 years.

CIRCUIT COURTS, TERRITORY OF HAWAII

Frank Aloysius McKinley, of Hawaii, to be fourth judge of the first circuit, circuit courts, Territory of Hawaii, for the term of 6 years.

UNITED STATES ATTORNEY

Henry J. Cook, of Kentucky, to be United States attorney for the eastern district of Kentucky for a term of 4 years.

UNITED STATES MARSHAL

John Burke Dennis, Missouri, to be United States marshal for the western district of Missouri for a term of 4 years.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 27, 1958:

POSTMASTER

Perry C. Harris to be postmaster at Browning in the State of Illinois.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 27, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

John 8: 12: *Jesus said unto them, I am the light of the world; he that followeth Me shall not walk in darkness, but shall have the light of life.*

Most merciful and gracious God, we worship and adore Thee for Thou art the life of our lives, the light of our minds, and the love that fills our hearts.

We thank Thee for the manifestation which Thou hast made of Thyself as the strength of all that is good and the glory of all that is beautiful.

Thou art always drawing us to Thyself by the bonds of love which nothing can break, and seeking to lead us out of darkness into the blessedness of the larger and more abundant life.

Grant that daily we may be baptized with Thy Holy Spirit, giving us an awareness of Thy presence, an inflowing of Thy peace, and a new sense of Thy power.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 7870. An act to amend the act of July 1, 1955, to authorize an additional $10 million for the completion of the Inter-American Highway;

H. R. 12356. An act to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 30, 1954; and

H. R. 12377. An act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 6006. An act to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes; and

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2498. An act for the relief of Matthew M. Epstein.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10746) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 58–14.

TRADE AGREEMENTS EXTENSION ACT OF 1958

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 578, Rept. No. 1777), which was referred to the House Calendar and ordered to be printed:

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. 12591) to extend the authority of the President to enter into trade agreement under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 8 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the