Those in uniform should salute at the first note of the anthem, retaining this position until the last note. All others should stand at attention, men removing the headdress. When the flag is displayed, all present should face the flag and salute.

"SEC. 7. That the pledge of allegiance to the flag, 'I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation indivisible, with liberty and justice for all,' be rendered by standing with the right hand over the heart. However, civilians will always show full respect to the flag when the pledge is given by merely standing at attention, men removing the headdress. Persons in uniform shall render the military salute.

"SEC. 8. Any rule or custom pertaining to the display of the flag of the United States of America, set forth herein, may be altered, modified, or repealed, or additional rules with respect thereto may be prescribed, by the Commander in Chief of the Army and Navy of the United States, whenever he deems it to be appropriate or desirable; and any such alteration or additional rule shall be set forth in a proclamation."

Approved, December 22, 1942.

S. 694

An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(c) of the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America", approved June 22, 1942, as amended (36 U.S.C., sec. 175 (c)), is amended by adding at the end thereof the following new sentence:

"No person shall display the flag of the United Nations or any other national or international flag equal, above, or in a position of superior prominence or honor to, or in place of, the flag of the United States at any place within the United States or any Territory or possession thereof: *Provided,* That nothing in this section shall make unlawful the continuance of the practice heretofore followed of displaying the flag of the United Nations in a position of superior prominence or honor, and other national flags in positions of equal prominence or honor, with that of the flag of the United States at the headquarters of the United Nations."

Approved July 9, 1953.

SENATE

WEDNESDAY, AUGUST 26, 1959

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

O Thou who art from everlasting to everlasting, each new day's dawning brings to us the wondrous thought that we are with Thee. The long travail of the ages makes clear that where there is no vision, the people perish, as idealism goes down before the brute facts of force and chaos.

Grant unto us, we pray, as individuals and as a nation, a sense of honor so strong that in a supreme test we resolve to dare all and, if need be, to die, rather than to bow down before false gods.

We beseech Thee that Thou wilt pour upon Thy servant, our President, a double portion of Thy sustaining grace and the spirit of discernment and understanding, as this very hour he wings his way over the Continent where in a great crusade he led to victory the forces of freedom.

In the present crisis, as he counsels with the allies, who stand with us for justice and human dignity and a peace with healing in its wings, may that unity of purpose be strengthened and ever prove a phalanx which no forces of tyranny can sever.

Desiring for ourselves nothing that we do not ardently desire for the whole world, with charity for all who are imbued with good will—

So may the shadows fall apart,
And so the west wind play
As all the windows of our heart
We open to the day.

We ask it in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 25, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on August 25, 1959, the President had approved and signed the following acts and joint resolution:

S. 220. An act to direct the Secretary of the Interior to convey certain lands in Navajo County, Ariz.;

S. 2210. An act to provide for the disposition of the Philadelphia Army Base, Philadelphia, Pa.; and

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 135. An act to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries;

H.R. 2236. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy;

H.R. 6155. An act to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951;

H.R. 6249. An act to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 6777. An act to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death;

H.R. 6779. An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals);

H.R. 7242. An act to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes;

H.R. 7979. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla.; and

H.R. 8725. An act to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred as indicated:

H.R. 135. An act to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H.R. 6155. An act to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951;

H.R. 6777. An act to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death;

H.R. 6779. An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals); and

H.R. 8725. An act to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes; to the Committee on Finance.

H.R. 2236. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy;

H.R. 7242. An act to amend sections 1, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes; and

H.R. 7979. An act to waive section 142, of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Oklahoma holding court at Durant, Okla.; to the Committee on the Judiciary.

H.R. 6249. An act to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; placed on the Calendar.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Passport Reorganization of the Committee on Government Operations.

The Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider 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.

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that the Senate turn to the consideration of the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

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

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

Philip A. Ray, of California, to be Under Secretary of Commerce;

Clyde E. Herring, of Iowa, to be an Interstate Commerce Commissioner;

Howard G. Freas, of California, to be an Interstate Commerce Commissioner; and

Abe McGregor Goff, of Idaho, to be an Interstate Commerce Commissioner.

EXECUTIVE REPORTS OF POSTMASTER NOMINATIONS AND HANDLING OF EXECUTIVE NOMINATIONS BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. JOHNSTON of South Carolina. Mr. President, I yielded the floor to allow the Senator from New York [Mr. JAVITS] to begin his discourse at a quarter to 2. At that time I was about to submit the nominations of 191 postmasters, which I now report favorably to the Senate.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. JOHNSTON of South Carolina. I also invite the attention of the Senate to the fact that up until the beginning of this year the President had submitted 7,356 nominations to the Senate. The Senate confirmed 6,908. Only 348 nominations were not confirmed during this 6-year period. The President this year has submitted 1,476 nominations. Of these 801 have now been reported to the Senate.

This is in marked contrast to the record of the Republican controlled 80th Congress with a Democrat President when during 1948, of 1,373 nominations submitted by President Truman, the Senate confirmed only 523.

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

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of J. Walter Yeagley, of Indiana, to be an Assistant Attorney General.

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

U.S. ATTORNEY

The Chief Clerk read the nomination of Lynn J. Gillard, of California, to be a U.S. attorney for the northern district of California for a term of 4 years.

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

The Chief Clerk read the nomination of Charles D. Read, Jr., of Georgia, to be a U.S. attorney for the northern district of Georgia for the term of 4 years.

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

The Chief Clerk read the nomination of William B. Jones, of Kentucky, to be a U.S. attorney for the western district of Kentucky for a term of 4 years.

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

The Chief Clerk read the nomination of Russell E. Ake, of Ohio, to be a U.S. attorney for the northern district of Ohio for the term of 4 years.

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

U.S. MARSHAL

The Chief Clerk read the nomination of John H. Phillips, of Mississippi, to be a U.S. marshal for the northern district of Mississippi for the term of 4 years.

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

BOARD OF PAROLE

The Chief Clerk read the nomination of Lewis J. Grout, of Kansas, to be a member of the Board of Parole for the term expiring September 30, 1965.

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

The Chief Clerk read the nomination of Gerald E. Murch, of Maine, to be a member of the Board of Parole for the term expiring September 30, 1965.

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

SUBVERSIVE ACTIVITIES CONTROL BOARD

The Chief Clerk read the nomination of James R. Duncan, of Virginia, to be a member of the Subversive Activities Control Board for a term of 5 years, expiring August 9, 1964.

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

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Walter C. Dowling, of Georgia, to be an Assistant Secretary of State.

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

The Chief Clerk read the nomination of Eric H. Hager, of Connecticut, to be a legal adviser of the Department of State.

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

INTERNATIONAL MONETARY FUND

The Chief Clerk read the nomination of Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years.

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

DEVELOPMENT LOAN FUND

The Chief Clerk read the nomination of Vance Brand, of Ohio, to be Managing Director of the Development Loan Fund.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. 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.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

H.R. 6733. An act for the relief of Paul & Beekman, Inc., and others (Rept. No. 815).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.J. Res. 281. Joint resolution authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific festival, and for other purposes (Rept. No. 816); and

S. Res. 169. Resolution concerning the desirability of holding an international exposition in the United States (Rept. No. 817).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H.R. 8464. An act to amend the act of October 24, 1951, to provide salary increases for the police for the National Zoological Park (Rept. No. 821); and

H.R. 8593. An act to amend the act of June 23, 1949, as amended, to provide that telephone and telegraph service furnished Members of the House of Representatives shall be computed on a unit basis (Rept. No. 822).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. Con. Res. 234. Concurrent resolution authorizing the printing of additional copies of the hearing entitled "Organization and Management of Missile Programs";

H. Con. Res. 378. Concurrent resolution authorizing the printing of the 16th Report of the Commission of Fine Arts as a House document;

S. Res. 170. Resolution to increase the amount of funds for the Committee on the Judiciary (Rept. No. 818);

S. Res. 171. Resolution printing as a Senate document a "Letter to the President of the United States From the President's Committee To Study the U.S. Military Assistance Program and the Committee's Final Report";

S. Res. 175. Resolution to print additional copies of Senate report on "The Status of World Health";

S. Res. 176. Resolution providing additional funds for the investigation of health and medical research facilities (Rept. No. 819);

S. Res. 177. Resolution providing additional funds for the Select Committee on Small Business (Rept. No. 820);

S. Res. 178. Resolution authorizing the printing of the report entitled "Facility Needs: Soil and Water Conservation Research" as a Senate document; and

S. Res. 179. Resolution to print for the use of the Committee on Government Operations additional copies of Senate Report No. 807, entitled "Federal Disaster Relief Manual."

BILLS INTRODUCED

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

By Mr. KEFAUVER:

S. 2599. A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2600. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Finance.

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

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

S. 2601. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

S. 2602. A bill to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the product of the soil; to the Committee on Labor and Public Welfare.

By Mr. WILLIAMS of New Jersey:

S. 2603. A bill for the relief of Ante Svorinic; to the Committee on the Judiciary.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO ELECTION OF CERTAIN SMALL BUSINESS CORPORATIONS AS TO TAXABLE STATUS

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a new version of Senate bill 2477, relating to small business corporations.

The new bill drops certain provisions of the previous bill, and I ask unanimous consent that the bill be printed in the RECORD, together with an explanation of it.

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

The bill (S. 2600) to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status, introduced by Mr. ANDERSON, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Stock owned by husband and wife.

Section 1371 of the Internal Revenue Code of 1954 (relating to definitions applicable to certain small business corporations) is amended by adding at the end thereof the following new subsection:

"(c) Stock Owned by Husband and Wife.—For purposes of subsection (a)(1) stock which—

"(1) is community property of a husband and wife (or the income from which is community income) under the applicable community property law of a State, or

"(2) is held by a husband and wife as joint tenants, tenants by the entirety, or tenants in common,

shall be treated as owned by one shareholder."

SEC. 2. Net operating loss in case of deceased shareholders.

Section 1374(b) of the Internal Revenue Code of 1954 (relating to allowances of net operating loss to shareholders) is amended by inserting after "the taxable year of the corporation ends" the following: "(or for the final taxable year of a shareholder who dies before the end of the corporation's taxable year)".

SEC. 3. Definition of "includible corporation."

Section 1504(b) of the Internal Revenue Code of 1954 (relating to definition of includible corporation) is amended by striking out paragraph (8) thereof.

SEC. 4. Effective dates

(a) The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1957.

(b) The amendments made by sections 2 and 3 of this Act shall take effect on the day after the date of the enactment of this Act.

The explanatory statement presented by Mr. ANDERSON is as follows:

EXPLANATION OF THE BILL

SECTION 1

Under section 1371(a) of existing law, a small business corporation may not have more than 10 shareholders. It is clear from the manner in which the word "shareholder" is used throughout subchapter S that each person having a community or common interest in stock must be counted as a shareholder. This rule unduly limits the permissible number of shareholders where the stock is held by a husband and wife as community property, as tenants by the entirety, or in other forms of joint ownership. In such cases, generally only one of the spouses is the real owner of the stock for practical purposes, yet the other spouse must now be counted as a shareholder.

Section 1 of the bill would remedy this situation by providing that, in determining the number of shareholders of a corporation, the husband and wife owning stock jointly or as community property shall be counted as only one shareholder. For all other purposes of subchapter S, including the requirement that all shareholders consent to the election, each spouse would continue to be considered as a shareholder.

Section 1 would become effective as of the day after the date of enactment of the bill.

SECTION 2

Section 1374 of present law allows the shareholders of an electing small business corporation to deduct their pro rata share of the corporation's net operating loss. However, a shareholder who dies before the end of the corporation's taxable year is deprived of his share of the net operating loss which occurs in the corporation's taxable year in which he dies. This inequity results from the fact that the statute requires the deduction to be taken for the shareholder's "taxable year in which or with which the taxable year of the corporation ends." In the case of death, this condition cannot be met. This result was never intended and section 3 of the bill prospectively would eliminate this defect.

SECTION 3

Under section 1371, a small business corporation is defined as a corporation which, among other things, is not a member of an

affiliated group. Standing alone, this requirement would prevent an electing small business corporation from having an 80 percent-owned subsidiary. This rule is intended to preclude the accumulation of corporate earnings in a subsidiary and thus avoid the taxation of those earnings to the shareholders of the subchapter S corporation. However, paragraph 8 of section 1504(b), which was added to the code apparently in order to insure this result, has the opposite effect by permitting the acquisition of a subsidiary by a subchapter S corporation after the election has been made. This apparent drafting error would be corrected by section 6 of the bill which would eliminate paragraph 8 from section 1504(b). This amendment would be effective as of the day after the date of enactment.

STUDY OF EFFECT OF INCREASING DIVERSION OF WATER FROM LAKE MICHIGAN INTO ILLINOIS WATERWAY—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, which were ordered to lie on the table and to be printed.

CONGRESSIONAL ELECTIONS ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 12, 1959, the names of Senators GRUENING, MCCARTHY, PROXMIRE, ENGLE, MCNAMARA, WILLIAMS of New Jersey, DOUGLAS, RANDOLPH, MORSE, CLARK, HENNINGS, CHAVEZ, ALLOTT, and NEUBERGER were added as additional cosponsors of the bill (S. 2535) to establish an agency of the legislative branch of the Federal Government authorized to conduct the elections of Members of the Senate and the House of Representatives, introduced by Mr. HART on August 12, 1959.

POWER OF STATES TO IMPOSE INCOME TAXES ON INCOME DERIVED FROM INTERSTATE COMMERCE—PRINTING OF SENATE BILL 2524

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the bill (S. 2524) relating to the power of the States to impose net income taxes on income derived from interstate commerce and establishing a Commission on State Taxation of Interstate Commerce and Interstate and Intergovernmental Taxation Problems, be printed as passed by the House of Representatives, to show the Senate bill in roman type and the House amendment in italics.

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

NOTICE OF HEARING ON NOMINATION OF HARRY F. STIMPSON, JR., TO BE AMBASSADOR TO PARAGUAY, BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador of the United States of America to Paraguay.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

NOTICE OF HEARING ON NOMINATION OF JAMES DURFEE, TO BE JUDGE OF THE U.S. COURT OF CLAIMS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a.m., Wednesday, September 2, 1959, in room 2228, new Senate Office Building, on the nomination of James Durfee, of Wisconsin, to be judge of the U.S. Court of Claims, vice Benjamin H. Littleton, retired.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1436) to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869), disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mrs. PFOST, Mr. RUTHERFORD, Mr. SAYLOR, and Mr. CHENOWETH were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 8160) to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. WHITTEN, Mr. CANNON, Mr. JONAS, and Mr. TABER were appointed managers on the part of the House at the conference.

MONTANA MAIDEN IS MISS INDIAN AMERICA

Mr. MANSFIELD. Mr. President, an attractive and charming 19-year-old Blackfeet Indian girl from Browning, Mont., has been chosen as Miss Indian America. She is Delores Marie Racine, who lives with her grandparents, Mr. and Mrs. William Spanish, two very dear friends of mine, at Browning.

Miss Racine was chosen from 73 candidates representing 45 tribes at the All-American Indian Days celebration in Sheridan, Wyo. As winner of the beauty contest she received a 2-year scholarship at Sheridan Junior College. At the present time Delores is in California, where she is to be the guest of Disneyland for 3 weeks.

I take this opportunity to extend my very best wishes and congratulations to Miss Racine. I know she will be a fine credit to all of us as Miss Indian America.

Mr. President, I ask unanimous consent to have a newspaper article from issues of the Great Falls Tribune, Billings Gazette, and Miles City Star, printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

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

[From the Great Falls Tribune, Aug. 18, 1959]

MISS INDIAN AMERICA VISITS HERE EN ROUTE TO CALIFORNIA

Delores Marie Racine, who recently was chosen as Miss Indian America, visited in Great Falls Monday en route to California.

She was traveling by Western Air Lines and it was her first airplane ride. She is a 19-year-old Blackfeet girl reared at Browning by Mr. and Mrs. William Spanish, her grandparents.

She was wearing a beaded deerskin gown made by her great grandmother 125 years ago when she arrived here.

Miss Racine was chosen from 73 candidates representing 45 tribes at the All-American Indian Days celebration in Sheridan, Wyo. Miss Racine is a graduate of Flandreau (S. Dak.) High School and studied last year at Haskell Institute in Kansas.

As winner of the beauty contest she receives a 2-year scholarship at Sheridan Junior College where she will take a business course. She will be a guest of Disneyland for 3 weeks.

MISS INDIAN AMERICA NAMED

SHERIDAN, WYO.—Delores Marie Racine, a 19-year-old beauty whose family is renowned in Blackfeet tribal history, was selected Sunday night as Miss Indian America.

It was the third time the Browning, Mont., teenager had competed in the contest, a feature of the All-American Indian Days. She was chosen from a field of 15 Indian girls.

They were judged on beauty, intelligence, poise, and knowledge of Indian tribal lore.

First alternate in the judging was Ramona Beth Russell, of the Crow Tribe at Lodge Grass, Mont. Second was Pearl Ann Rowland of the North Cheyenne Tribe in Montana, and third was Georgianna Davenport, of the Sac Fox Tribe in Iowa.

Miss Racine was third in the 1956 competition, and appeared again in the 1957 contest. Her grandfather was Wades-in-the-Water, son of Running Crane, one of the last hereditary chieftains of the Montana Tribe.

She attended Flandreau Indian School near Sioux Falls, S. Dak., and studied for 1 year at the Haskell Institute at Lawrence, Kans. She was given a 2-year college scholarship, which she said she will use for studies at Sheridan Junior College here.

Disneyland amusement park near Los Angeles invited Miss Racine to be hostess at the park's Indian village.

Louise Ann Hammond, of the Ute Mountain Tribe, represented Colorado, and Wyoming's entry was Ramona Catherine Hungary of the Northern Arapahoe Tribe.

[From the Billings (Mont.) Gazette, Aug. 11, 1959]

MONTANA INDIAN GIRL IS WINNER

SHERIDAN, WYO.—Delores Marie Racine, 19-year-old Blackfeet Tribe beauty from Browning, Mont., was selected Sunday night as Miss Indian America from a field of 15 Indian girls.

It was the third time Miss Racine has competed in the contest, a feature of the All-American Indian Days celebration.

A panel of judges selected Miss Racine on the basis of beauty, intelligence, poise, and knowledge of Indian tribal lore.

The new Miss Indian America is a member of a family renowned in Blackfeet tribal history. Her grandfather was Wades-in-the-Water, son of Running Crane, one of the last hereditary chieftains of the Montana Tribe.

Miss Racine attended Flandreau Indian School near Sioux Falls, S. Dak., and studied for 1 year at the Haskell Institute at Lawrence, Kans. She was awarded a 2-year college scholarship, which she said she will use for studies at Sheridan Junior College here.

A spokesman for Disneyland amusement park near Los Angeles invited the winner to be hostess at the park's Indian village.

Miss Racine was third in the 1956 competition, and appeared again in the 1957 contest.

First alternate in the judging was Ramona Beth Russell, of the Crow Tribe at Lodge Grass, Mont.

ARTICLES BY GOV. LUIS MUÑOZ-MARÍN

Mr. MANSFIELD. Mr. President, in the magazine section of the New York Times, August 16, 1959, there was published a perceptive article on Puerto Rico by the distinguished Governor of the Commonwealth, Luis Muñoz-Marín. The article describes the unique political status of "free association" which now links Puerto Rico with the United States. It outlines the advantages which flow to each under this arrangement, advantages which would not accrue to either under statehood or independence.

These advantages have been very great, and they have been mutual. They have been realized in the fields of economic development, commerce, defense and foreign relations. Most important, the Commonwealth status has brought about a great advance in mutual respect between American citizens of Puerto Rico and the United States.

Mr. President, the Governor of Puerto Rico is one of the outstanding men of this Nation and of the Americas. Equally, the evolution of the Commonwealth status in Puerto Rico which he did so much to bring about is one of outstanding achievements in the contemporary human affairs of this hemisphere. His article does much to increase our understanding of Puerto Rico and the island's exceptional Governor.

Yesterday, the distinguished and beloved senior Senator from Wisconsin [Mr. WILEY] inserted the article from the New York Times by Governor Muñoz-Marín in the RECORD. I had intended to do so. Since that is not now necessary, I shall, instead, compliment the able Senator from Wisconsin for the excellence of his judgment and his alertness in bringing this exceptional article to the attention of the Senate.

Mr. President, I ask unanimous consent that an article from the Christian Science Monitor of August 6, 1959, entitled "Puerto Rico: A Bridge," be printed in the RECORD at the conclusion of my remarks.

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

PUERTO RICO: A BRIDGE

(By Richard L. Strout)

SAN JUAN, P.R.—How the lizard stuck there I don't know. It was three men's height up the vertical white wall of La Fortaleza, upside down, and conspicuous as a fly on a porcelain bathtub. If it cared to, it could look out on the Caribbean and particularly San Juan Bay where the Conquistadores came in their humpbacked ships and built this fortress which is now the Governor's mansion of Luis Muñoz-Marín, whom some people think is the greatest Spanish-speaking person now alive and whom others hate.

The new part of La Fortaleza was built around the time that the Pilgrims were landing in Cape Cod, but the lichened battlements of the older part were here to defeat Sir Francis Drake when he and his heretic pirates tried to wrench the Antilles from the Spanish defenders. Half palace, half fortress, it is to this day—with Ponce de Leon, who never found his Fountain of Youth in Florida, buried around the corner in the Cathedral, with the beady-eyed descendants of the original lizards looking down and wondering about this year's fly crop.

The Governor showed us around and let us wander through the sunken garden shaded by exotic trees, walled by history, and possibly the most exquisite garden on earth, with lush improbable tropical flowers that look as though they had been invented, impromptu, on the spot.

Puerto Rico, one of the most densely populated areas on earth was a colorful tropical slum when Governor Muñoz took over. By a judicious mixture of capitalism, socialism, and hard work, and with the support of the United States, the island has just about doubled its standard of living in 15 years. It has shown excitable revolutionaries of Latin America that there may be peaceful ways to self-fulfillment and prosperity.

Faced by no immigration quotas to the mainland, Puerto Rico could get rid of its explosive population surplus for the time being (until rising living standards automatically cut down the birth rate) and, free from tariff barriers, Puerto Rico could export its goods to the continental market.

There may be two ways of looking at what followed. No low-cost Southern State ever enticed New England factories by such lavish offerings of tax exemption and cheap labor as Puerto Rico has subsequently used—deliberately and skillfully—to attract industries from all over the mainland. The Federal minimum-wage law does not apply here, and new industries get 10 years' tax exemption.

But the emergency justified it. Per capita income has risen from $127 in 1920 to $480 today, Governor Muñoz told us; the birth rate has dropped from 40 per thousand to 31 per thousand (it is 23 per thousand in the United States); and the death rate has plummeted from 18 per thousand to 7 per thousand. Overall population hasn't gone down as you would have expected, however, because people live longer.

So now when Vice President NIXON is hooted and stoned in Venezuela, he is cheered in Puerto Rico, and while Cuba goes through a revolutionary turmoil, Puerto Rico, across the bay, raises its standard of living another notch, and hears another concert by Pablo Casals. "Fomento" is the word; it means development.

The government could not get capitalists to start the luxury hotels it wanted to rival Florida's gold coast, so it put up $5 million of its own in the poverty-racked land, got Conrad Hilton, the hotelman, to run the Caribe Hilton and now makes a million a year from its investment—which it thriftily plows back in other state investments.

Statehood for Alaska and Hawaii has brought political problems, too. Why not statehood for Puerto Rico? The answer is that immediate statehood, with a minimum-wage law and Federal income taxes, would ruin the island. But the statehood party is growing (though still a small minority).

Then there is the still smaller party demanding outright independence. They picketed the visiting Governors' conference, chanting "Freedom." Their demands seem to have no connection with reality and are unlikely to get very far—not because "freedom" (and U.S. tariff barriers) would instantly end prosperity but because Puerto Rico can have independence any time it wants, and knows it. "How can you cry 'freedom,' " demands Gov. Muñoz-Marín, "when all the doors are open?"

What the United States has on its doorstep nobody quite knows. It is an independent but allied "commonwealth" with common citizenship and the Spanish tongue. It is very poor, but no longer in rags. It has a sense of going places. Perhaps it is a bridge; a bridge to undeveloped, backward countries. What America says in the cold war is important; but what it does is more important. It is doing something big in Puerto Rico.

TRIBUTE TO SENATOR FONG, OF HAWAII

Mr. MANSFIELD. Mr. President, I wish to take this opportunity to compliment the distinguished senior Senator from Hawaii [Mr. FONG], who has presided over the Senate for the first time. The Senator from Hawaii has shown an excellent grasp of the legislative process, and I congratulate him for the way in which he has conducted himself in the chair, while acting as the Presiding Officer of the Senate.

WHEAT CONTROLS

Mr. DIRKSEN. Mr. President, in the August 10, 1959, edition of Newsweek there was published an account under the title "Wheat Controls," which is at once both whimsical and tremendously serious. The article deals with the referendum on wheat. I think what is disclosed in the article certainly merits the attention of the Congress and also of the Department of Agriculture. The matter is so timely and of such importance I believe it merits inclusion as a part of my remarks, and I ask unanimous consent to have it printed in the RECORD.

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

SENSELESS?

As president of Chicago's Board of Trade, the commodity market where 92 percent of the world's wheat is traded, Robert C. Liebenow dislikes Government controls. So, when he found a loophole in the Government's wheat-support law wide enough to drive a combine through, Liebenow set out not long ago to prove that the regulations were silly.

Liebenow, a bull-shouldered, 36-year-old lawyer, gathered 38 friends, including 15 board of trade associates and 14 wives. They went to John W. Scott, a wealthy, sympathetic farmer in Gilby, N. Dak., and jointly leased 20 acres of his 1,500-acre farm for a year. Scott contracted to plant the land in wheat.

THE PLOT

Then the well-heeled tenant farmers, led by Liebenow, applied to the Agricultural Stabilization and Conservation Committee for absentee ballots to vote in the North Dakota wheat referendum on July 23. At issue in the election: Should the wheat-control and price-support program, in which the United States has $3 billion invested, be continued?

Liebenow and his friends voted no. Reasoning correctly, that the 39 votes would be challenged, the city farmers sent a Washington lawyer to North Dakota the night of the balloting. Agriculture officials were amused at first. Then they realized that Liebenow, who had made a painstaking study of wheat quota laws, was right: A farmer owning less than 15 acres of wheat couldn't vote in the referendum, although he is subject to the results. But any number of farmers with a fractional interest in more than 15 acres have the right to cast one vote apiece. As a result, Agricultural officials wound up counting all but 1 of the 39 ballots, and it was thrown out because it failed to meet the deadline.

Although Liebenow and his friends lost the election (wheat growers taking part in the referendum voted 2 to 1 to uphold controls and supports for the 7th consecutive year), they claimed they made their point. Liebenow said: "If a farmer like John Scott has only 1 vote for his 1,500 acres, and 39 of us have 39 votes for our fractional shares, is this a true referendum?"

IT'S SILLY

In Washington, Senator MILTON R. YOUNG, a North Dakota Republican and member of the Senate Agriculture and Forestry Committee, said Liebenow's elaborate attack on the law was "pointless and silly." Asked if an amendment was needed, YOUNG said "people generally are not going to all that trouble to defeat the law. Most of the town folks in rural communities favor these programs about as much as the farmer himself." Representative DON L. SHORT, a Republican North Dakota wheatgrower himself, agreed that the Chicagoans' move didn't threaten the wheat program because not many people will go to such unrealistic extremes to vote.

But Agriculture Department officials were less confident, and admitted they were looking for ways to tighten the law. And Liebenow made it clear that his campaign against wheat quotas was not over. He said: "We are going to make every Member of Congress aware of how ridiculous this whole thing is."

MANAGEMENT OF THE PUBLIC DEBT

Mr. DIRKSEN. Mr. President, over 2 months ago the President of the United States requested of the Congress three pieces of legislation which would enable him to manage the public debt efficiently, economically, and in the public interest.

One of these three requests, the increase in the statutory public debt limit, was quickly granted. None of us liked to see the debt go up, but we did what we had to do.

The other two requests had to do with fair, realistic interest rates on, first, long-term Treasury bonds, generally; and, second, savings bonds, specifically.

Last week, the Democratic majority on the House Ways and Means Committee voted down, by an almost straight party vote, these two important requests for responsible management of the public debt.

In my judgment, this action was regrettable for two reasons.

First, failure to give the U.S. Treasury needed flexibility in managing the debt will foster inflationary conditions.

Second, failure to remove the artificial rate ceiling will not even accomplish the supposed objective—it will not even hold down interest rates. Instead, all the debt will go into short-term securities where there is no interest rate ceiling. This will drive up short-term interest rates to astronomical heights.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statement issued by Secretary of the Treasury, Robert B. Anderson, following announcement of the Ways and Means Committee action. This is an eminently reasonable but concerned statement which merits the attention of the Senate.

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

STATEMENT BY SECRETARY OF THE TREASURY ANDERSON IN ANSWER TO INQUIRIES, AUGUST 18, 1959

The action of the Ways and Means Committee this morning in conection with the administration's debt management proposals is a matter of grave concern. The Nation cannot afford to sit idly by at a time of rising levels of business activity and allow a situation to continue in which both the fact and the fear of future inflation can be generated.

We have tried to make it clear that under present restrictions the Government in the management of the debt can actively contribute to inflationary pressures by being confined to short-term financing, which, the shorter it gets, is more nearly like money.

We have tried to make it clear that the Government has a dual responsibility to 40 million savings bonds holders. First, we should see to it that they get a fair return on their savings and, second, we should take such actions as will help guarantee their savings against loss in the purchasing power of the invested dollar.

We have tried to make it clear that vital to the security of the free world is the maintenance of international confidence in our collective resolve to maintain sound financial systems. Because of our position as a leader in this community of nations, many countries hold large dollar deposits with us and have large investments in our securities. They have therefore a real concern in the way in which the United States manages its financial affairs. In asking to have the artificial restrictions removed from our debt management legislation, we seek to assure the people both at home and abroad that we will manage the debt in a way consistent with the preservation of the dollar as an international standard of value.

The administration will continue to earnestly urge appropriate action to obtain adequate flexibility in the management of our debt. This is a matter of such great importance as to require the best efforts of all Americans on a bipartisan and national basis.

ROOKIE SENATOR OF THE YEAR

Mr. DIRKSEN. Mr. President, long ago I became acquainted with a correspondent in Washington by the name of Holmes Alexander. I see him infrequently. I always enjoy visiting with him. I think he writes a column for a number of newspapers. I have always considered him to be one of the most objective reporters in the Nation's Capital.

Mr. Alexander wrote an article recently under the caption "Rookie Senator of the Year," which refers to our distinguished friend and compatriot from Pennsylvania, the Honorable HUGH SCOTT. The article is at once so timely and so objective that I think it merits a place in the CONGRESSIONAL RECORD, and I ask unanimous consent that it be printed as a part of my remarks.

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

[From the Philadelphia (Pa.) Bulletin, Aug. 18, 1959]

ROOKIE SENATOR OF THE YEAR: ALEXANDER SELECTS HUGH SCOTT BY A PHOTO

(By Holmes Alexander)

WASHINGTON.—There is a strong strain of boobosity in every panel of politicians, and from a negative viewpoint the 18 freshmen in the 86th Senate is a distinguished group—the incident of boobosity is very low.

In picking the rookie Senator of 1959, one has the pleasure of consorting with intelligent, sophisticated men—and the difficulty of segregating ermine from mink, and of choosing favorites among some good friends.

One thing you ask when a House member rises to the Senate is this—does he grow? Senators WINSTON L. PROUTY, HARRISON A. WILLIAMS, Jr., EUGENE J. MCCARTHY, and STEPHEN M. YOUNG are all former Representatives. The question gets a loud affirmation only in the case of YOUNG.

EX-REPRESENTATIVES

PROUTY did some excellent work on the labor bill, but has not otherwise shone. It may be that PETE WILLIAMS and GENE MCCARTHY—both youngish, handsome, leftish—have big futures in the Senate and in the Democratic Party, but it was STEVE YOUNG—oldish, puckish, unpredictably liberal—who stole a big piece of the show at the present session.

YOUNG succeeded because he is an intense believer in his political creed and because he is gifted with a warm, witty personality which reaches out like an encircling arm.

Another newcomer who combines the qualities of brain and breast is PHIL HART, of Michigan, who is a comer despite a rather inconspicuous maiden session.

YOUNG is the best of this group, but he doesn't quite reach the finals.

DODD OF CONNECTICUT

Three freshmen Senators remain in contention for the title.

TOM DODD, of Connecticut, would be my pick as the best Democrat in the election class of 1958. Last autumn his attorney was threatening to sue me for some campaign rhetoric in this column, and I was not prepared to like DODD when we met at the beginning of the session.

But I like him now—and admire him. By several measurements of what makes a good Senator, this man is very good indeed.

Although a faithful Democrat, DODD has left the party line rather than go wrong. He was the only freshman Democrat to vote for confirmation of Lewis Strauss. He is one of the few nonsouthern Democrats to join Republicans in sponsoring anti-Communist legislation for internal security.

Although anything but a showoff, he has pushed his special knowledge (as a former Nuremberg trials prosecutor) into foreign policy debates—something rarely done by nonmembers of the Foreign Relations Committee. From the Berlin crisis last spring to the Eisenhower-Khrushchev exchanges of this summer, DODD has been the most consistent Democratic voice to shout warnings against concealed surrender to Soviet demands.

KEATING AND SCOTT

He is the best Democratic freshman, and one of the very best new school, nonleftist Democratic liberals on the Hill.

But the best Senate rookie, regardless of party, has got to be either KEATING, of New York, or SCOTT, of Pennsylvania. Both are former Representatives who have risen instantly to senatorial heights. Both are Eisenhower Republicans who have veered, both left and right, from the White House line. Both are strong, hard-working, well-spoken, high-minded gentlemen, with troops of admirers and no consequential enemies in either political camp.

How to choose between them?

SCOTT, I think, cast the best single vote. It was one on May 22, with only four other Senators, to repeal all farm price-support programs and to freeze the current farm surplus.

KEATING is, perhaps, the more subtle thinker as illustrated in his speeches against Supreme Court usurpation.

SCOTT may be the White House's most forceful champion in the Senate, as was shown in his support of Lewis Strauss.

WRITER'S CHOICE

KEATING may be the Senate's most industrious Republican. As chairman of the GOP calendar committee, he is probably on the floor as much or more than any member of his party.

SCOTT does the two-party system enormous service by engaging in regular television dates with his Democratic colleague, JOE CLARK, of Pennsylvania.

KEATING does the conservative position equal credit by serving as contrast to his ultraliberal Republican colleague, JACOB JAVITS.

Both SCOTT and KEATING are alert guardians of their States' interests, as well as being wide awake to national affairs.

There aren't two better Senators on Capitol Hill than these two Republican rookies.

It happens that SCOTT is a personal friend of mine, while KEATING is only an acquaintance. If somebody bade me to choose the better man, I would say something like this:

The New Yorker penetrates more deeply into the philosophy of human government. The Pennsylvanian is a little more muscular and flat-footed and seems a shade—a microscopic shade—more concerned with placing emotional patriotism as a high American virtue.

Too often, he says, young people see the U.S.A. image as the "lady with the ladle" rather than the "lady with the lamp."

By a photo finish and on the thesis of Americans-over-all the Honorable HUGH SCOTT comes home as rookie Senator of the year.

EDUCATION IN THE SPACE AGE

Mr. HILL. Mr. President, as we know, we have had a great debate in this country during recent months, and particularly since the Russians launched sputnik, as to education, and more particularly as to the curriculums in the schools, the courses being taught, and whether we are giving sufficient emphasis to the proper courses.

In the last session of Congress, as Senators will recall, we passed the National Defense Education Act. Before presenting the bill to the Senate, we conducted long hearings before the Senate Committee on Labor and Public Welfare. Many distinguished witnesses appeared before the committee. I recall our first witness was Dr. Detlev Bronk, former president of Johns Hopkins University and at present the head of the Rockefeller Institute for Medical Research. Dr. Bronk is also president of the National Academy of Sciences. He is one of our most distinguished scientists and one of the most outstanding men in the United States today.

Dr. Bronk was followed in his testimony by many other distinguished scientists, educators, and other people who were interested in education and in the training of the youth of our country.

One of the biggest problems we face today is that we must challenge, train, and educate our youth to meet the new age in which we live—this space age, so to speak—an age of jet airplanes, of nuclear energy, and of hydrogen bombs. This is an age when science and technology, we know, have made tremendous advances and have brought about many changes in the lives of the American people and, for that matter, in the lives of many people throughout the world.

I think the Senate would be much interested in an article which appeared in last Sunday's New York Times on certain changes proposed with reference to the U.S. Military Academy at West Point. Of course, as we know, the U.S. Military Academy has for many, many years been our great institution, financed and run and operated by the military under the sponsorship of Congress and of the Government, for the training of the officer personnel of the United States Army, and for many years for the training of officer personnel of the U.S. Air Corps.

This article is captioned "West Point To Broaden Studies in the Sciences and Humanities—Fewer Vocational Courses Due in Fall as a Result of Long Reappraisal."

The article, incidentally, is written by Mr. Hanson W. Baldwin, who is considered one of the famous authorities on the defenses of the United States and the security of our country.

He is a most gifted writer and a profound student of the problems of the defense of the United States.

The article says:

Changes leading to a new look will be instituted at the U.S. Military Academy this fall.

They are the first to be made in the West Point curriculum as the result of 2½ years of factfinding, evaluation and soul searching by the Military Academy.

But they follow other alterations in customs, traditions, disciplinary methods and tactical and physical education, which are creating a different way of life at the Academy.

I emphasize the words "a different way of life."

Certainly as Senators we all know that we are living in a different world, and we must have in many particulars a different way of life, and particularly in the training and the education and the preparation of our youth.

The article continues:

More nuclear physics, electronics, chemistry studies of the effects of radiation; more time for the social sciences and foreign languages, and strengthened instruction in the fundamentals of written and spoken English and in logic and research techniques are the changes to be instituted this fall.

The time required for these subjects will be made available by reducing time given in the past to "vocational" subjects—tactical instruction, military hygiene and physical education, or by shifting instruction in these subjects to the summer camp period.

So now more of these studies are to be shifted to the summer camp training, and more emphasis is to be laid on languages, on science, on history, and on a study of English literature and those subjects in the winter season.

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

Mr. HILL. Mr. President, I ask unanimous consent that I may yield to the Senator from Arizona with the understanding that the time he may take will not come out of my time.

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

MAJ. GEN. WILLIAM PARKER FISHER'S ASSIGNMENT AS COMMANDER OF THE EASTERN AIR FORCE OF THE MILITARY AIR TRANSPORT SERVICE

Mr. GOLDWATER. I thank my distinguished friend from Alabama and my chairman.

Mr. President, I wish to record the departure from the Washington scene of the able Air Force Director of Legislative Liaison, Maj. Gen. William Parker Fisher.

I have often thought that the duties of a Director of Legislative Liaison are certainly among the most challenging to be found in our complex Government. General Fisher and his staff are our direct links with the vast Air Force structure. Not only must General Fisher give us responsive replies to thousands of letters which we send to him every year on behalf of our constituents but must also keep each Member of Congress informed of the many changes which take place in the Air Force. He must be responsive to the needs of our congressional committees. He is responsible for a comprehensive Air Force legislative program.

In all of these many and challenging duties, General Fisher has ably discharged the great trust which we have placed in him. He is an officer of great ability and absolute integrity.

I wish him the greatest success in his new assignment as Commander of the Eastern Air Force of the Military Air Transport Service. I congratulate his successor, Maj. Gen. Thomas C. Musgrave, Jr., upon his appointment as Di-

rector of the Air Force Legislative Liaison and I wish him well in his new duties.

I wish to thank the Senator from Alabama.

Mr. HILL. Mr. President, it was a pleasure to yield to the distinguished Senator from Arizona. He is not only a member of the Senate Committee on Labor and Public Welfare, on which I have the pleasure of serving with him, but he is one of the most distinguished officers in the Reserves of the United States Air Force. He is so distinguished and such a wonderful pilot and leader that he is now a general in the Reserves of the United States Air Force. So I was delighted to yield to the Senator from Arizona.

Mr. GOLDWATER. I thank the Senator.

Mr. HILL. I am very proud of him.

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

Mr. HILL. I yield with the understanding that it does not come out of my time. I yield to my distinguished friend, the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I concur in the observation of my distinguished colleague, the Senator from Alabama, about my distinguished colleague, the Senator from Arizona. He is in truth and in fact a distinguished military man and has a great record in that regard and is still manifesting unremitting activity in that field.

EDUCATION IN THE SPACE AGE

Mr. HILL. Mr. President, before I resume my comments about education in the space age, I wish to say there is no finer man today wearing the uniform of the Air Force of the United States, no more devoted, no more dynamic man, than the distinguished Senator from Arizona. I am delighted to have my good friend from Illinois join me in this tribute to the distinguished Senator from Arizona.

Now, Mr. President, I was calling to the attention of the Senate at this point about the changes in the curriculum, in the course of education at the U.S. Military Academy at West Point. I read further from the article in the New York Times:

The changes stem from an extensive series of studies, surveys, and evaluations, instituted 2½ years ago by the Superintendent, Lieut. Gen. Garrison H. Davidson.

General Davidson felt that the Regular Army officer of the future would require a far more extensive field of knowledge than he does today. He thought that West Point stood at a very important crossroad in its development.

The surveys and studies took many different forms.

To lay the foundation, the superintendent appointed a board of officers—a colonel, two lieutenant colonels, two majors—to appraise the qualities and attributes which will probably be essential to an officer in the Regular Army during the period 1968–78.

QUESTIONNAIRE USED

A wide-ranging questionnaire, with suggestions for change invited, was distributed to 13,000 graduates of West Point (7,800 or some 60 percent replied, including the President of the United States) and to 3,000 selected nongraduate Army officers (2,586 responded, including 102 outstandingly successful officers of two-star rank or higher).

In other words, they were either major general, lieutenant general, or full general.

The article continues:

A working committee at West Point examined the curriculum from 1802 to 1945 in detail; another committee produced a thorough study on "The Present Curriculum and Future Trends."

Then a committee of outside consultants with educational and military qualifications, headed by Dr. Frank H. Bowles, president of the college entrance examination board, reviewed these results and made their recommendations.

And finally the academic board, through its own committees and by other means, wrestled with the entire problem. The commandant of cadets, then Brig. Gen. John L. Throckmorton—

One of the ablest and wisest men in the United States today—

who is responsible for the tactical training and discipline of the corps and is also a member of the athletic board, directed a series of studies pertinent to these fields.

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

Mr. HILL. In just a moment.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield with the understanding that it will not come out of my time. I should like to be permitted to conclude my statement.

Mr. JAVITS. Mr. President, I am constrained to object. As Senators know, I have a resolution on the calendar which cannot be considered unless it is considered before the end of the morning hour.

I have never done this before. Members know that my action represents no ill will, I am sure. I am constrained to object to the Senator from Alabama continuing beyond his 3 minutes.

Mr. HILL. Mr. President, will the Senator withhold his objection in order that I may ask him a question?

Mr. JAVITS. Of course.

Mr. HILL. This statement relates to a great institution, the U.S. Military Academy, in the great State of New York. As we know, in many ways New York sets an example and gives much stimulation and challenge to us, not only in the field of education, but in many other fields. Surely the distinguished Senator from New York, while the Senator from Alabama is speaking of the U.S. Military Academy at West Point, N.Y., would not object to the Senator from Alabama concluding his remarks about a great academy in the State of New York.

Mr. JAVITS. The Senator from New York is dealing with what he thinks is an institution of the whole United States, its policy, and its Constitution; besides which, I think the Senator from Alabama knows that no Senator would interrupt a Senate committee chairman unless he really felt that the situation was extreme, and required it. I know the Senator will forgive me; but this is a body in which the going is a little rugged at times. I therefore object.

The VICE PRESIDENT. Objection is heard.

Mr. HILL. Mr. President, I ask unanimous consent that the remainder of 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 remainder of the article was ordered to be printed in the RECORD, as follows:

IMAGE CREATED

The board of young officers, which attempted to project a full-sized image of the ideal Army officer of the future stressed in its conclusions the qualities and attributes needed by tomorrow's officers.

These were defined as: the ability to think; a fund of general knowledge; character, philosophy and personality; the ability to communicate, described as "a definite weakness in the Regular officer corps at present"; military attributes and skills, and the West Point trademark, military bearing and courtesy and social assurance in all elements of society are expected of the West Pointer.

The questionnaire list read like a rollcall of the great and near-great of the Army for the last half century, and it included replies that ranged from the sublime to the ridiculous.

The nongraduates polled, particularly a group of senior officers who are among the most successful and outstanding in the Army, were especially appreciative of the role of West Point in leavening the entire Army.

There were criticisms from the nongrads but most of them dealt with the past: a "tendency toward insularity" and "snobbish and clannish" officers.

INTEGRITY LAUDED

The nongraduates concentrated their praise on the motivation, character and integrity of the West Point graduate.

Their replies, a summary report found, "attest to the solidifying impact of the Academy on the Army, the overall value of its graduates, and the fact that the Army derives from West Point its standards and ideals."

The graduates polled were from the classes of 1900 to 1954. They were more critical of their alma mater than the nongraduates. One quoted Gen. Simon Bolivar Buckner, who was killed on Okinawa in World War II, as saying the thing that is wrong with the officer corps "is that it's too damn much the same as when we were cadets."

The long gray line, ranging in rank from junior captains to the President of the United States, General of the Army Douglas MacArthur, General of the Army Omar N. Bradley and a host of others, seemed to agree that the West Point honor system was a keystone of the Academy's training and that violent innovation in methods, objectives and curriculum should be avoided. But change, many of them felt, was needed.

CRITICISM VOICED

A sizable group declared that the young West Pointer was too stiff and ill at ease upon graduation; had led too sheltered a life; was not adjusted to the vast gulf between the privileges of a first classman and the hard, unromantic, sacrificing, frustrating type of work and association, he could expect to encounter in the Army.

"The vast difference," one 1953 graduate commented, "between the well disciplined Corps of Cadets and the less intelligent, less motivated units in the Army can be a tremendous shock to a naive graduate."

More emphasis on practical leadership training, better indoctrination in the care and feeding of young lieutenants was urged.

Some suggestions were:

Teach the young officer how to dress in civilian clothes; discourage the wearing of neon ties and flashy sports shirts; improve

the courses in public speaking and in languages; discourage early marriages and improve the type of girl the cadet meets; make a careful selection of incoming cadets on the basis not only of comparative scholastic capability but of character, leadership qualifications and personality; eliminate at least 5 percent of each graduating class for ineptitude; improve the faculty.

WOMEN AS TEACHERS

One graduate even advocated the addition of some carefully selected and highly qualified women instructors to the West Point faculty.

The statistical interpretation of this extensive questionnaire is still continuing but it has produced some interesting conclusions. Often frequently suggestions were:

Make all appointments competitive; relax restrictions; expand a current course, particularly English and deemphasize athletics.

About 8 percent of the graduates declared that the average graduate does not have sufficient intellectual curiosity or a sufficiently inquiring mind.

Sixty-nine percent felt that West Point should "stress the development of skills in individual sports such as golf, tennis, and handball, which would allow continued personal participation throughout a career."

VALUE OF SPORTS

However, the statistical interpretations of the careers of the graduates found "a significant relationship between leadership and participation while cadets in football, baseball, and basketball," and other team sports.

From all these and other studies came the conclusions that are now being implemented.

The curriculum committee decided that basically, the officer of tomorrow "still will have to be a generalist capable of leading troops in battle" and will not be "radically different from the traditional West Point product." "On the other hand," the committee said, "the raw material available for developing this product is in some respects quite different from what has been available in the past. The modern candidate is indoctrinated in a value system in which dollar success is the paramount virtue."

The report said "all means available must be employed to increase the caliber of the entrant," the "professional and other extra-academic education must clearly inspire a dedication to the professional service life" and "the academic education must be presented so as to challenge the cadet and to stimulate genuine intellectual curiosity."

PHYSICAL CHANGES

This fall's curriculum changes have been prefaced by other changes in other fields.

The new West Point look includes physical, psychological and, in a sense, moral changes.

There are new buildings; the old Riding Hall is now a complex of auditoriums and magnificent classrooms. When new barracks, now under contract, are completed, there will be two cadets to a room instead of the present three or four.

There is even a new cadet summer uniform of tropical worsted blouse and trousers convertible to officer's use, which will save the first classman money when he pins on the gold bars of a second lieutenant.

Slowly a better system of selecting candidates is taking hold. There is a new outlook; the famous honor system: "A cadet does not lie, cheat, or steal," is now interpreted not so much by a "poop sheet" (instruction sheet) as by conscience.

The plebe (freshman) must still brace and memorize, but much of the nonsense and abuse that has crept into the plebe system is being eliminated. The plebe must know instantly the number of days to the Army-Navy game, to Christmas, and to graduation; but upper classmen no longer "crawl his frame" in the shouting manner of a tough drill instructor, instead they reprimand the erring firmly and soberly.

REFORM IN DISCIPLINE

The plebe's double system of disciplinary jeopardy, the corps regulations and the fourth-class system, has been abolished. Physical exercise meted out as punishment by upper classmen is taboo, even though it took one suspended cadet to get the point across.

The near riots of hundredth night (the 100th night before graduation), when the plebes became kings for an evening, and food, shaving cream and water were used as missiles, have been abolished.

The reduction tension of plebe year is at least partly responsible, authorities believe, for this last year's record; there were fewer plebe resignations and fewer academic failures in the fourth class in the 1958–59 year than in any of the previous 5 years.

The cadets, as a whole, are receiving more opportunities for practical leadership. The first classmen have more privileges or authorizations, but more responsibilities, too.

Theoretically the first classman can go to a movie every night if he wants to; he can even take a drink on the reservation, though only in an officers' quarters and at the West Point mess at the invitation and in the presence of an officer.

RUNTS WEEDED OUT

Even the "runts" and the "flankers" have been weeded out in what is called Project Equality, this change which will be completed with the class of 1960.

In the past, in the interest of a nicely graduated line at dress parade the height differential in each of the corps' 24 companies could be no more than 2 inches; thus, the "runts" stood in serried ranks, every man between 5 feet 6 inches and 5 feet 8 inches tall; whereas the "flankers"—the tall boys—towered 6 feet 4 inches to 6 feet 6 inches. Now a full foot differential in height is allowed in each company.

Project Equality has reduced the symmetry of dress parade but has equalized not only the heights but the competitive chances of each company in intramural sports.

The football players and athletes, too, are parceled out among the companies in approximately equal packets; once they were all assigned to M Company, closest to the gym.

ATHLETICS UNCHANGED

There has been no basic change in either intramural or intercollegiate sports, although the retirement of Col. Earl (Red) Blaik as football coach may actually deemphasize this sport, as some graduation wish.

But "P.E." or physical education as a whole is a basic part of the West Point system and it will remain so.

Collectively the changes add up to a slow and gradual, but definite, military new look.

But to those old grads who look to past and are horrified at change in the citadel of tradition, there is room for comfort, the authorities say.

Cadets are still cadets. They still walk the area as "area birds," hour after sagging hour, paying the penalty for excess demerits.

They still play pranks; this last year a group of exuberant youngsters, who called themselves "The Moles" roamed the Plain at night. Their favorite task was the removal of the breech block of the reveille gun, which rouses just and unjust from slumber at 5:50 a.m.

And plebes, despite their new magna carta, are still plebes.

PEANUTS

Mr. KEATING. Mr. President, I rise to deal briefly with the subject of peanuts. To paraphrase a Roman, I come to praise the peanut, not to bury it. Salted or roasted peanuts are a delicacy, in my judgment, beyond compare. I am sure all of us are grateful for the introduction to the boiled peanut the senior Senator from South Carolina [Mr. JOHNSTON] so graciously provided yesterday through the facilities of the Senate restaurant.

I must say, however, that the reaction to the boiled peanut, as a delicacy, which has been expressed within my hearing has been—to put it mildly—rather mixed. Certain gourmets have, in fact, come to me with a plea that I do everything in my power to remove the boiled peanut from the culinary scene.

Let us say, in all honesty, that the consumption of boiled peanuts is an acquired taste, that it requires a certain sophistication of the palate which, alas, is not mine. It is possible that the senior Senator from South Carolina does not share my enthusiasm for Long Island oysters on the half shell. Every man to his taste. I want to be fair about this.

But, of course, I haven't the least desire to kill the bill which would, as the distinguished senior Senator from South Carolina has so pungently phrased it, preserve the civil right of millions of peanuts to undergo boiling. I am, however, interested in the civil rights of human beings.

In proposing civil rights amendments to the peanut bill, I am merely resorting—and most reluctantly—to a parliamentary maneuver forced upon those of us who want civil rights legislation by those who do not want civil rights legislation.

And the solution to this problem is perfectly simple.

Let those who have driven us to such devices now relent and permit the civil rights issue to face the light of day, here on the floor of the Senate, in the course of normal Senate procedure.

I have no desire whatsoever to disturb the livelihood of those who grow peanuts for boiling, however dubious I might consider it a contribution to the pleasures of the dining table or the nine-inning snack at the ball park.

Just give us a chance to face honestly the obvious need for additional legislation to guarantee that all Americans, regardless of race, color or creed, shall enjoy the same rights as citizens of this great land, and the boiled peanuts will take care of themselves.

SECRETARY MITCHELL'S REPORT ON THE STEEL STRIKE

Mr. KEATING. Mr. President, a number of editorials from New York City newspapers discuss Labor Secretary Mitchell's role as a factfinder in the current steel strike. The editorials are unanimous in pointing out that as a result of Secretary Mitchell's recently released report on the strike, the public is now eminently better informed on the facts and figures involved in the dispute between the steel unions and the major steel companies. All of the editorials praise the Secretary for his forthright and impartial conduct in this controversy.

Mr. President, I want to join in commendation of Secretary Mitchell for his excellent service to the Nation in clearly and fully presenting the material which he has gathered on the steel strike. I am confident that he will continue in his vigorous efforts.

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

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

[From the New York Mirror, Aug. 21, 1959]

THE STEEL REPORT

Thanks to Labor Secretary James P. Mitchell, the Nation now has a clearer picture of the steel industry and, therefore, of the steel strike.

President Eisenhower had directed the Secretary to dish up the facts objectively. Mitchell fulfilled the assignment so well that both the steel union and the steel industry found comfort in his report.

It's clear that this strike is not one involving either downtrodden workers or predatory employers.

The industry is doing better than well; so are the workers as far as wages are concerned. We hope the strike can be settled soon, but we're pleased that the President, short of the development of a national emergency, which hasn't occurred yet, has adopted a hands-off policy.

Some real honest collective bargaining is indicated instead of just going through the motions.

It's time to realize that steel has led the inflation spiral, and time for some sober reflection upon the fact that American steel is being outpriced by foreign steel, and we are presently importing more steel than we are exporting.

Imported steel means more jobs for workers in other countries, fewer jobs for Americans.

[From the New York Daily News, Aug. 21, 1959]

MITCHELL ON STEEL

We'd call Secretary of Labor James P. Mitchell's report on the steel strike completely impartial.

This array of facts and figures pleased both United Steelworkers President David J. McDonald and R. Conrad Cooper, top negotiator for the steel companies.

How pleasing the report is to the general public is another question. It shows the steel industry to be among the Nation's most flourishing, with the companies making huge profits and the workers—when they work—drawing better wages than any others except the coal miners and building mechanics.

Far be it from us to begrudge the steelers this prosperity. But would it be too impolite to ask that, in settling their latest fracas, they use some self-restraint?

The bill for any steel wage and price increase will be paid by the general public. That will be inflationary, as everybody in steel well knows; and how about some consideration for the continued stability of the general public's—and the steel people's—hard-earned dollars

[From the New York Herald Tribune, Aug. 20, 1959]

THE PERSISTENT STEEL STRIKE

The findings which Secretary of Labor Mitchell disclosed yesterday as a result of a personal investigation of the steel strike overwhelmingly confirm what the public has felt all along. This is that the steelworkers are earning wages well above the average for industry in general, and that steel prices have gone up higher and faster than other prices, wholesale and retail.

Mr. Mitchell made no recommendations as to the settlement of the dispute, now well into its second month. But the fact that the figures were compiled by an impartial authority, and that this authority was the Secretary of Labor, ought to have considerable weight with both management and labor. It certainly will with the public.

Mr. Mitchell said the other day that neither side had yet made a really serious effort to reach agreement, and that, he repeats, still goes. In view of the fact that the steelworkers are doing so well, and the industry has been gathering in such enviable profits for a number of years, the strike is hard to understand, much less sympathize with. Or are the negotiators going to wait until the end of next month when the shortage of steel becomes really serious and the Government may be forced to step in? That has happened in the past. But it is a precedent that labor and management both would do better to shun.

The right way is to negotiate in earnest for a settlement that reaches beyond the combatant interests to protect the Nation against another round of inflation.

[From the New York World-Telegram and Sun, Aug. 20, 1959]

THE STEEL FIGURES

The Labor Department's figures confirm the impression that the steel industry has led the inflation parade.

Productivity has been increasing at a rate around 3 percent a year—58 percent since 1940.

But employment costs have gone up 125 percent in the same period and the prices of basic steel products have gone up 178 percent.

Average hourly earnings of steelworkers are higher than in most other industries—$3.10 an hour compared to $2.23 in manufacturing as a whole and $2.68 for the autoworkers.

Profits, depending on the way they are figured, are as high or higher than industrial averages. In the first half of this year they were higher, any way you figure.

There is plenty of justification here for the steel company stand against another inflationary, price-raising wage increase.

There is also justification for a steel price cut to stem the inflationary tide the industry has helped create.

Added incentive for such a trend is provided by the Labor Department's figures on steel exports, which are falling, and imports, which are rising. Lost sales hurt both employment and profits.

Labor Secretary Mitchell's impatience at the halfhearted bargaining of these two opposing well-off giants is amply justified.

The administration has good grounds for insisting that steel management and union start bargaining in good faith.

[From the New York Times, Aug. 20, 1959]

STEEL STRIKE FACTS

Appointed as a one-man commission to report on the facts behind the steel strike, Secretary of Labor Mitchell has produced an imposing document that adheres strictly to his assignment. This booklet, which centers around "Wages, Productivity, Price and Profits," contains an enormous amount of factual material, much of it of necessity going well beyond the scope of the immediate controversy in the interest of providing the public with the economic background of the issue.

It begins, for example, with such fundamental material as a description of the nature and pattern of the industry itself and the place it occupies in the national economy; at the other end of the scale it comes down to an almost topical subject, the fact that in recent months imports of steel products into the United States have exceeded exports for the first time in postwar history. Quoting "industry sources" as its authority, the study suggests that this has reflected preparation for the strike—the stepped-up imports being for stockpiling and the relatively lower level of exports being attributable to steel's limited availability.

It is doubtful that this comprehensive, detached and well-documented background report will change the minds of those who feel strongly one way or another about the merits of the present wage controversy. Moreover, it is not likely to tempt the average, objective observer to feel that he is now in a position to render a judgment on the case. That is a tribute to the balanced manner and the completeness with which comparative statistics are presented here.

For example, on the subject of wages, we learn that "gross hourly earnings in steel rose $1.43, or by 85 percent, between January 1950, and May 1959"; on the other hand, "basic wage rates (which exclude the effects of premium pay for overtime, etc., as well as changes in incentive earnings and in skill levels) increased $1.08 an hour, or 66 percent, for all wage earners combined as a group." One can approach the question from either of these directions, or one can also measure it with still different results in terms of "net spendable earnings per worker" or on the basis of annual earnings of wage employees, meaning, broadly speaking, production workers.

Similarly, in the case of the industry's profits. These, as the Mitchell study points out, can be stated in terms of "profits in relation to sales" or as "profits as a return on net worth." During the postwar period steel industry profits have been higher than for manufacturing as a whole measured by the first test. But the report notes, profits in relation to sales must generally be higher in industries with high capital requirements, and "capital investment in steel per dollar of revenues is about one-quarter higher than in the case of manufacturing as a whole."

Close to the heart of the present steel dispute—some say that it is the heart itself—is the question of output per man-hour, which is intimately related to the demands of the companies for a stronger voice in the determination of work rules in their plants. If one thing is likely to surprise many readers of this study it is the fact that, despite an increase in the capital investment per production worker from $9,000 in 1947 to about $20,000 in 1957, the industry's postwar rate of annual increase in hourly output per worker has been but 3 percent, which compares with 3.7 percent for manufacturing as a whole.

WHAT YOU CAN DO ABOUT THE FARM SCANDAL—LETTER

Mr. MURRAY. Mr. President, recently, one of my constituents, Marvin L. Haag, of Galata, Mont., wrote a letter to Reader's Digest commenting on its article "What You Can Do About the Farm Scandal" condensed from a Life magazine editorial.

Mr. Haag is a farmer. I believe he has pointed out in his letter several points which the people who live in cities, and the people who write editorials for metropolitan newspapers and magazines, should think about.

I ask unanimous consent that his concise letter be printed in the RECORD immediately following these remarks.

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

GALATA, MONT., *August 20, 1959.*

SIRS: I read your article "What You Can Do About the Farm Scandal," condensed from a Life editorial. I realize that this is the feeling prevailing among our city friends already, among the class who are not closely connected with farming and are not aware of the facts as they really are. As a grain farmer myself, being born and raised on the farm and having much money invested in land and machinery with other expenses, and not realizing near the income my city friends imagine, and seeing my family and I being gradually forced into a price and cost squeeze, I am going to do some expense cutting too (hear that, you workers at General Motors and International Harvester?). As much good as we get from the articles of your magazine, we can do without these publications, if we must cut to the bare essentials. So you can think again if you have imagined that only farmers are benefiting from the support program. Citizens in our smaller towns know the truth and are as much concerned as we farmers are. The price support income works right through the whole American economy, and our friends in the larger cities are benefiting more than they are aware, I am sure.

Your article leaves the impression that (1) farmers are responsible for the prices consumers pay for food, (2) only farmers are subsidized, and (3) that the $5.4 billions expended in the support program is lost to the Government. The above impressions are very misleading and a little checking on the part of our city friends will reveal the facts as they really are.

To the first impression, the truth is that our prices have been on the downgrade for the last several years while food prices have been going up. Actually you city people are responsible for these increases through being responsible for increasing the cost of handling and processing. The second impression is worse. Who is benefiting from the majority of the tax dollar spent for defense? And don't tell me it isn't General Motors, or Du Pont or United States Steel. Actually the whole American economy benefits from subsidies in one form or another. In reference to the third impression, the fact is that the Government is out only the difference between the prices advanced through loans and the amount received through the disposal program, which is but a small portion of the $4.5 billions in the support program.

Another article in your magazine seems to lack sympathy for the rural electrification program. By the way, electricity is certainly nice, whether we live on the farm or in the city. Actually that money is all being paid back with interest, so please don't call that Government spending. If any of you urban dwellers still think of these as subsidies, think also of the school, housing, and other projects which are initially paid for out of taxpayers' money.

Another impression, very prevalent today, is that our wheat supplies are a surplus, a burden and weight around our necks. Actually it is a God-sent blessing, a healthy reserve. It is an asset, not a liability. The world needs more food, not less. As long as there are people starving, it is our duty to feed them. It is also an opportunity, for our food dollar will do far more than our guns-and-ammunition dollar toward stemming the tide of communism. There is no surplus as long an anyone is suffering for the lack of food. Let's raise more grain and store it, against the time of shortage, and also at the same time feed the hungry while we can. Crops and food reserves are God given, and we should thank Him for them. Earlier this summer, we had it dry and crop prospects were not good, even when we had done all we could in the way of good farming, but God gave the increase through a 3-inch rain just in time and now we have another good crop, to be harvested in just a few days. It seems like our friend, Secretary of Agriculture, Ezra Taft Benson would think in this way, and want to support our farming industry in feeding the world.

A reserve, storage, and food donation program is a God-like program of righteousness and the Bible says, "Righteousness exalteth a nation but sin is a reproach to any people." Do we want God's continued blessing on our country? Then let's seek His way and do right by our fellow man.

I am sending a copy of this letter to Life and also to some of our Representatives in Congress. I would appreciate it if you could print it.

Yours truly, a farmer, fellow citizen, and taxpayer too.

MARVIN L. HAAG.

PURCHASE OF MATERIAL FOR NATIONAL STOCKPILE

Mr. ROBERTSON. Mr. President, in the Eighth Annual Report of the Joint Committee on Defense Production, which I released last January as chairman of that committee, one of the recommendations made was to limit purchases of materials for the national stockpile and the Defense Production Act inventory to revised defense needs.

That report brought out the fact that the Government had spent nearly $8 billion for strategic and critical materials and that as of June 30, 1958, inventories included unneeded or substandard materials which had cost $680 million but which had lost three-fourths of that value.

I recalled in my comment on the report that the General Services Administration, acting on recommendation of the joint committee, had renegotiated aluminum purchase contracts to avoid buying metal not needed for stockpile purposes and that these agreements, obtained through cooperation with the companies, had resulted in saving the Government more than $96 million.

Now it is my pleasure to call attention to another action in the interest of the taxpayers and in line with the policy recommended by the Joint Committee on Defense Production.

The General Services Administration announced this week agreements with the International Nickel Co., of Canada, Ltd., which will relieve our Government of all existing obligations to purchase nickel from that company. This will relieve the Government from adding approximately 26 million pounds of unneeded nickel to its stockpile, which already contains a surplus of this material, and will reduce by more than $25 million the amount of money our Government would have had to pay out in cash under the contracts.

The GSA announcement described the International Nickel Co.'s action in reaching this agreement as most cooperative and constructive. I wish to endorse that statement as well as to commend the GSA for its continuing interest in economy and in keeping our defense production program in line with changing needs.

We still are obligated, under other contracts, to pay out a billion dollars of the taxpayers' money for unwanted materials, including a third of a billion dollars for nickel alone. These contracts were made because of emergency conditions and military planning requirements that have drastically changed. Whatever the merits of the contracts when they were made, it is important now to reduce these costly commitments wherever that can be done by means that are fair to both the Government and the contracting companies.

I hope, therefore, that the GSA will continue to seek settlements of the type made with the aluminum companies and with the International Nickel Co. and that the industries involved will seek new outlets for their production in the free market as a substitute for the promised Government purchases. In the long run, I am sure, this will serve the best interest of private industry as well as the taxpayer and the Government.

Mr. President, I should like to include with my remarks the text of GSA's announcement of its agreement with Inco, giving details and the figures on Government savings.

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

AUGUST 25, 1959.

The General Services Administration announced today that under agreements reached with the International Nickel Co. of Canada, Ltd., the Government will be relieved of all existing obligations to purchase nickel from that company for the Government stockpile. Under the agreements, International Nickel has agreed to cancel all remaining deliveries of nickel under the company's "market price" contract. International Nickel has also agreed that the nickel remaining deliverable under the company's premium price contract for production of nickel from high cost, marginal ores will be diverted into the market instead of being delivered to the Government. The Government, in turn, will pay the company the difference between the market price and the contract price under the premium price contract, payment to be made in Government-owned nickel oxide sinter, which is in excess supply.

Commenting on today's agreements, GSA Administrator Floete said:

"The agreements reached today with International Nickel will relieve the Government from adding approximately 26 million pounds of nickel to its stockpile, which already contains a surplus of this material. Furthermore, they reduce by more than $25 million the amount of money the Government would have been obligated to pay out in cash under these contracts.

"International Nickel's action in reaching agreement with GSA with respect to these nickel purchase contracts has been most cooperative and constructive."

OBSCENITY IN THE MAILS

Mr. EASTLAND. Mr. President, the August 1 edition of the Tablet, published in Brooklyn, N.Y., contains a splendid editorial on the "crisis for morality" in this country. The editorial involves the rising tide of obscenity, indecency, filth, and pornography in current literature and discusses the decision by Judge Frederick vanPelt Bryan when he ruled that the book entitled "Lady Chatterley's Lover" should be given access to the

mails. I agree with the Tablet that this was a calamitous decision legally as well as morally, both from the standpoint of the power of the Postmaster General to ban obscene books and pornographic material from the mails and from the standpoint of the individual State and local community to set its standards for morality and public decency within the community. Something must be done by Congress to protect the children from these purveyors of filth and indecency in films, books, magazines, and all other forms of communication media.

Mr. President, this is a very interesting editorial. I think the Senate should take note of its contents. The Tablet is a very influential, powerful publication in the city of New York. The title of the editorial is "Crisis for Morality." It reads:

CRISIS FOR MORALITY

Federal Court Justice Frederick van Pelt Bryan's decision that the book "Lady Chatterley's Lover" is mailable is calamitous legally as well as morally.

Postmaster General Arthur E. Summerfield had rejected the book under the Federal obscenity law but Judge Bryan ruled he has "no special competence or technical knowledge which qualifies him to render an informed judgment entitled to special weight in the courts."

This is an astounding declaration. The fact is that the judge himself can claim no special competence or technical knowledge. But neither special competence nor technical knowledge is needed. Regardless of education or literary experience, most men instantly recognize indecency, obscenity, unchastity, immorality.

Further, the people of the United States, through their elected representatives, did not demand special competence. But the people did legally empower and direct the Postmaster General to exclude from the mail "every obscene, lewd, lascivious, indecent, filthy, or vile article."

It is obvious his judgment and discretion are essential to the functioning of the law. But Judge Bryan insists the Postmaster "has no special weight in the courts." Unfortunately, the average layman gets the impression that not even the law is entitled to special weight in the courts.

Judge Bryan also declares that book was put out by a reputable publisher; that the latter has a good list of distinguished writers and serious works; that it consulted recognized literary critics and authorities on English literature before it published the book; that they all agreed it should be published; that the book was distributed through leading bookstores throughout the country as a serious work of literature without any attempt to appeal to the prurient minded; that it has a preface by Archibald MacLeish and an introduction by Mark Scholer together with numerous favorable criticisms from various newspapers.

None of this has any relation whatsoever to the question of the obscenity of the book.

Obscenity in a book is its use of filthy terms and indecent suggestions. Its acclaim by well-known writers and favorable newspaper comments and editorials cannot gild its lewdness or blot out its lascivious disgusting implications.

Judge Bryan admits that the book "contains a number of passages describing sexual intercourse in great detail with complete candor and realism. Four-letter Anglo-Saxon words are used with some frequency."

He insists, however, that U.S. taxpayers must help pay the bill for its distribution "even if it be assumed that these passages and this language taken in isolation tend to arouse shameful, morbid, and lustful sexual desires in the average reader."

When the courts insist that the arousing of shameful, morbid, and lustful sexual desires is protected by the constitutional guarantee of free speech, our beloved country has indeed reached a point of crisis.

Congress is our last hope against this perversion of the Constitution. Let all Americans interested in morality and decency ask their Senators and Congressman if they favor Judge Bryan's peculiar views, and if not, what they intend to do about it. The Tablet will be happy to make these views public.

ATTITUDE OF ORGANIZED LABOR TOWARD VISIT TO UNITED STATES BY PREMIER KHRUSHCHEV

Mr. EASTLAND. Mr. President, I have another article, on another subject.

On the occasion of the forthcoming visit of Premier Nikita S. Khrushchev to the United States, the AFL–CIO has been asked to express its attitude toward the visit. The executive council of the AFL–CIO has stated its attitude in a resolution which was published in the New York Times of August 21, 1959. I believe the resolution is of material interest to all Senators, and I shall read it:

UNITY HOUSE, PA., August 20.—Following is the text of the resolution on Premier Nikita S. Khrushchev's coming visit to the United States adopted today by the executive council of the American Federation of Labor and Congress of Industrial Organizations:

"President Eisenhower has invited Nikita Khrushchev, the head of the Soviet Union, to visit the United States in the near future.

"From various sources there have come to us queries as to what is our attitude to the forthcoming visit of Mr. Khrushchev."

The VICE PRESIDENT. The time of the Senator from Mississippi has expired.

Mr. EASTLAND. I thought I had 3 minutes on the second insertion.

The VICE PRESIDENT. The Chair did not hear the Senator request an extra 3 minutes for another insertion. Is this the second insertion?

Mr. EASTLAND. Yes.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New York will state it.

Mr. JAVITS. Are we operating under the 3-minute rule for each item?

The VICE PRESIDENT. The Senator is correct.

Mr. JAVITS. I respectfully ask the Chair to enforce that rule.

Mr. EASTLAND. This is a different item, Mr. President.

The VICE PRESIDENT. The Senator is recognized for 3 minutes on the second item.

Mr. EASTLAND. I continue to read:

"It is not for the AFL–CIO executive council to approve or disapprove an invitation extended by our President to the head of another government. We do not, therefore, have any comment to make on the wisdom of the President's invitation. At the same time, we must all face the situation realistically.

"The Soviet regime continues to be a totalitarian dictatorship. It is dedicated to aggression and world domination. It has destroyed all democratic rights and liberties in its own country. It is now seeking to subvert and destroy the rights and liberties which we Americans cherish dearly in our country.

"There is not a shred of evidence to show that the Kremlin rulers have changed the nature or aims of their regime or even slackened their drive to conquer the world and remold it on the pattern of Soviet tyranny.

"It has been reported that Vice President NIXON, during his visit to the U.S.S.R., indicated he would urge American labor to join actively in an exchange program with the so-called unions of Soviet Russia. It is, therefore, necessary to set the record straight.

"In this situation, the executive council reaffirms its declaration of February 1959, against exchanging delegations with dictatorship countries. We further reiterate our wholehearted support of the ICFTU (International Confederation of Free Trade Unions) policy against exchanges of delegations with the so-called trade unions in Communist or any other totalitarian countries.

"The AFL–CIO is an organization of free trade unions. There are no Soviet counterparts with which we of the AFL–CIO can have such exchanges. The Kremlin dictatorship strictly prohibits the Soviet workers from organizing free trade unions. The so-called trade unions in the U.S.S.R. are nothing but agencies of the Communist dictatorship.

"Consequently, it is out of the question for the AFL–CIO to give recognition to the head of a government which does not permit its own workers to have any free trade unions. American labor could never participate in honoring the head of a government which seeks to destroy human freedom in any form.

"Furthermore, as a free trade union movement, the AFL–CIO is not bound to agree with every domestic or foreign policy of our Government.

"For example, the American labor movement has always firmly opposed U.S. recognition of the Franco dicatorship. But our Government has recognized and has even given economic aid to this dictatorship."

The VICE PRESIDENT. The Senator's time has again expired.

Mr. EASTLAND. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

Mr. JAVITS. Mr. President, reserving the right to object—although I shall not object, and I do not want to be cast in the role of a villain—I should like to ask the Senator this question: The Senator is very much interested in the matter of the discharge resolution I have submitted. I will not object to the additional 1 minute which has been requested; but will the Senator be kind enough to inform me whether he expects to use time on any other items?

Mr. EASTLAND. Well, I can use time on any other items.

Mr. JAVITS. I am asking the Senator.

Mr. EASTLAND. But at this time I do not know whether I will use time on any other items or not. I have some other matters to go into the RECORD.

If the Senator from New York objects to the additional minute I have requested, I can, later during the morning hour, place the rest of this resolution in the RECORD.

Mr. JAVITS. I will not object to the additional 1 minute; but I only suggest to the Chair that it is very clear to me and to all of us that the limitation on time with respect to when the discharge resolution may be brought up is well known to all, including the Senator from Mississippi; and it seems to me we are beginning to demonstrate one of the

weaknesses of the rule which allows discharge motions or resolutions to be considered, namely, that they have to await the completion of all other morning business.

I shall propound some parliamentary inquiries in my own time; but in the meantime, without setting any precedent, I shall not object to the additional minute requested.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? Without objection, it is so ordered; and the Senator from Mississippi may proceed.

Mr. EASTLAND. Mr. President, this has nothing to do with the resolution to discharge the Judiciary Committee from the further consideration of the civil rights bill or any other bill. I think the distinguished Senator from New York is, in this maneuver, very able, and I think it is a very smart maneuver; but I think it will result in the destruction of a labor bill.

I read further from the resolution of the AFL–CIO:

"Such governmental actions do not mean that the AFL–CIO should welcome Franco to our shores in the event our Government should ever invite him to visit the United States.

"By the same token the President's invitation to Mr. Khrushchev does not mean that the AFL–CIO should participate in honoring this head of a foreign government which runs a vast network of forced labor camps and which ordered the murder of thousands of Hungarians fighting for their national independence and freedom."

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I wish to propound a parliamentary inquiry to the Chair: At what point in the proceedings before 2 o'clock will the discharge resolution, which is listed in the calendar under "Resolutions and Motions Over Under the Rule," be laid before the Senate?

The VICE PRESIDENT. When other Senators no longer have morning business to present to the Senate.

Mr. JAVITS. If and when the discharge resolution is laid before the Senate, will it be debatable?

The VICE PRESIDENT. It will be debatable until 2 o'clock.

Mr. JAVITS. It will be debatable until 2 o'clock, will it?

The VICE PRESIDENT. That is correct.

Mr. JAVITS. At that time, I understand, the unfinished business will be called up.

The VICE PRESIDENT. The Senator is correct.

Mr. JAVITS. In what way can I have the resolution supersede the unfinished business?

The VICE PRESIDENT. By motion.

Mr. JAVITS. By motion? I thank the Chair.

The VICE PRESIDENT. Such a motion, of course, would be debatable.

Mr. JAVITS. The motion will be debatable?

The VICE PRESIDENT. That is correct.

HOME RULE POSITION NOT THE ONLY ISSUE UPON WHICH TO JUDGE NEW CONGRESSMEN

Mr. NEUBERGER. Mr. President, there has been local criticism of Representative DANIEL K. INOUYE, of Hawaii, because he has indicated doubts about the wisdom of immediate home rule for the District of Columbia.

Representative INOUYE's statement was the result of questions put to him immediately upon his arrival here from Honolulu, even before he took the oath of office.

Mr. President, ever since I came to Washington in early 1955, I have been a fervent advocate of home rule for the District of Columbia. My record will demonstrate this. Yet I believe that the very attitude of the local press toward Representative INOUYE constitutes a threat to effective congressional support of home rule. Let me explain what I mean.

In the District, there is a virtual obsession with home rule and related local matters. When I first arrived in this city with Mrs. Neuberger, early in January of 1955, prior to being sworn in as a Senator, I was asked two questions by the local press. They were these:

First. What did I think of home rule for Washington?

Second. Did I intend to press seriously a proposal I had written for the New York Times magazine, some 8 years earlier, that the National Capital be moved to the more salubrious and scenic atmosphere of Denver, Colo.?

Mr. President, all of us are addicted to tag lines. But the oversimplification inherent in labels such as home rule leads to unfair assessment of men and misunderstanding of issues. A Congressman's political complexion is a composite of his position on many matters, not merely a single question of public policy. To paint a political portrait based on one element in the broad spectrum of national affairs can only leave an impression of doubtful validity. Let the Washington, D.C., press judge DANIEL K. INOUYE on his entire House record, not merely as regards local home rule.

I recognize that the local angle is the motivating force behind many reporters' questions. But it seems to me there exists a danger that it can become an obsession. What will happen when home rule is granted? When new Senators and Representatives arrive here from the 51st State, will they be bombarded with queries as to how they feel about Washington, D.C., city ordinances dealing with meter maids or the comparative merits of jackhammers or blasting powder for removing old trolley platforms?

I yield to none in my recognition of the quality, integrity, and probity of the local press in this community. But I would respectfully suggest to my fellow journalists in Washington, D.C., that they give a new Congressman a chance to draw a breath, unpack his toothbrush, and move into his offices, before they besiege him with questions about the future of the District of Columbia.

SOUTHEAST LEADS IN UNITED STATES MANUFACTURING

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Southeast Leading United States in Manufacturing," published in the newspaper the State, of Columbia, S.C., for Sunday, August 23, 1959. The article should be of extreme interest to every Member of the Senate. It points out that 7 Southern States, including my native South Carolina, have since World War II outstripped the Nation as a whole in progress in 14 of 16 major fields of manufacturing.

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

SOUTHEAST LEADING UNITED STATES IN MANUFACTURING

The 7-State southeastern region of Alabama, Florida, Georgia, Mississippi, Tennessee, and the Carolinas since World War II has exceeded the Nation as a whole in rate of progress in 14 of 16 major fields of manufacturing with several of the southeastern States doubling, trebling and even quadrupling their productive capacity, the Charleston field office of the U.S. Department of Commerce reports.

The fields in which the region has paced the Nation are foods, textiles, apparel, lumber, paper, stone, clay and glass, primary and fabricated metals, transportation, furniture, chemicals, leather, electrical machinery and tobacco.

In another, printing and publishing, the region equaled the Nation's gain of 85 percent, but in the production of electrical machinery it lagged behind, the Commerce Department said.

Comparing the situation today with that of 1947, the Commerce Department said 10 postwar years had brought the following advances in value added by manufacture of goods produced in the Southeast and the Nation in the various lines of activity:

Food and kindred products, Southeast, 165 percent and United States, 81 percent.

Textiles, Southeast, 18 percent and a 3 percent decline for the Nation.

Apparel, 206 percent in the Southeast and 36 percent in the United States.

Lumber and wood products, Southeast, 78 percent and the United States 31 percent.

Paper and its products, Southeast 188 percent, and 99 percent for the Nation.

Stone, clay and glass, 370 percent for the Southeast, and 116 percent for the United States.

Primary metals, 209 and 131 percent, respectively.

Fabricated metals, 330 and 94 percent.

Transportation equipment, 2,111 and 215 percent.

Furniture and fixtures, 515 and 82 percent.

Chemicals and allied products, 793 and 132 percent.

Leather and its products, 95 and 23 percent.

Electrical machinery, 2,467 and 147 percent.

Tobacco manufacturers, 104 percent for the Southeast, and 94 percent for the Nation.

In the production of machinery, except electrical, the region's post-war progress was 86 percent and that for the Nation, 104 percent.

Here is how the various States participated in the Southeast's advancement from 1947 through 1957:

South Carolina: Food and kindred products, $33.9 million to $62.6 million, 85 percent, textiles, $558.7 million to $641.3 million, 15 percent, apparel, $38.3 million to $83.7 million, 118 percent, paper and its products, $36.9 million to $87.3 million, 136

percent, and furniture and fixtures, $6.5 million to $12.4 million, 91 percent. Overall value, from $794.3 million to $1,335.1 million, up 68 percent.

Alabama: Production of food and kindred products went from a value added by manufacture of from $55.2 million to $112.9 million, 104 percent, apparel, $21 million to $77 million, 267 percent, paper and it products, $39.9 million to $79.2 million, 98 percent, stone, clay and glass products, $31 million to $75.3 million, 143 percent, primary metals, $169.7 million to $476.9 million, 181 percent, fabricated metals, $38.2 million to $89 million, 133 percent, machinery, except electrical, $26.5 million to $56.3 million, 112 percent, and chemicals and allied products, $46.1 million to $132 million, 186 percent. Alabama's overall manufacture output went from a value of $876.9 million to $1,711.4 million, or 95 percent in the 10 years, which fell slightly short of the Nation's 99 percent.

A WORLDWIDE OFFENSIVE AGAINST CANCER—ADDRESS BY SENATOR STUART SYMINGTON

Mr. NEUBERGER. Mr. President, Mrs. Eleanor Roosevelt, who is celebrating her 75th birthday this year, is to me the symbol of the good Samaritan, one who cares fervently for the plight of others. It seems fitting and right that in this year we should see the founding of a new medical research project bearing the name of this great "First Lady of the World."

In May of this year, I had the privilege and honor of addressing the founding dinner of the Eleanor Roosevelt Institute for Cancer Research, which is to be established at the American Medical Center at Denver.

On August 16, the distinguished junior Senator from Missouri [Mr. SYMINGTON] spoke to the second patron membership dinner of the Eleanor Roosevelt Institute for Cancer Research, in Denver, on the topic "A Worldwide Offensive Against Cancer."

Because the excellent address by the eminent Senator from Missouri so well summarizes the history of the battle for funds for medical research, I ask unanimous consent that the main body of his speech be inserted in the body of the RECORD.

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

A WORLDWIDE OFFENSIVE AGAINST CANCER

It is indeed a great honor and privilege to speak here tonight on behalf of the Eleanor Roosevelt Institute for Cancer Research.

It is most fitting that this institute, dedicated to the fight against man's most ancient and insidious enemy, should bear the name of a truly great woman whose compassionate concern for the health and welfare of the peoples of the world has already earned her a distinguished place in the annals of mankind.

It is also a source of deep gratification to me that my friend, Congressman JAMES ROOSEVELT, of California, is chairman of your national development committee.

In thinking about what I might say to you tonight, I read through your pamphlet "The Search for Forty Million Lives."

That pamphlet defines cancer, which comes from the Latin word meaning crab, as "a progressive growth of tissue not adequately controlled by restraining forces within an individual's body, proceeding without regard to the needs of the body, leading ultimately, if unchecked, to the destruction of the individual in which it arose."

I prefer a more vivid definition of cancer given on the floor of the U.S. Senate more than 30 years ago by the late Senator Matt Neely, of West Virginia, who died in 1958 of the very disease he had been fighting legislatively for more than three decades.

Referring to the description by Charles Dickens in "A Tale of Two Cities" of the horrors of the guillotine in revolutionary France, Matt Neely on May 18, 1928, stood in the well of the Senate and uttered these prophetic words:

"I propose to speak of a monster that is more insatiate than the guillotine; more irresistible than the mightiest army that ever marched to battle; more terrifying than any other scourge that has ever threatened the existence of the human race. The name of this loathsome, deadly and insatiate monster is cancer. It is older than the human race. Evidence of cancer has been found in the fossil remains of a serpent that is supposed to have lived millions of years ago. Records made on papyri by the ancient Egyptians show that the cancer curse was known in the valley of the Nile more than 2,000 years before the birth of Christ."

At that time, Senator Neely noted that cancer took 125,000 lives annually. He warned the Senate that the annual toll from cancer would rise appreciably unless a major medical research offensive was mounted against it. Today, as we note the 260,000 lives lost to cancer each year, we realize the wisdom of Senator Neely's words.

In 1928, Senator Neely proposed an appropriation of $100,000 to the National Academy of Sciences to make a thorough investigation of the incidence of cancer in this country.

Pointing out that the Congress had already appropriated $10 million to eradicate the corn borer, and $5 million for the investigation of turberculosis in animals, Matt Neely pleaded for an initial Federal appropriation to combat cancer.

But the Congress was not fully convinced of the menace of cancer; therefore it cut the sum to $75,000. And on the floor, it was further reduced to $50,000.

In 1937, Matt Neely succeeded in getting through the Congress legislation creating the National Cancer Institute. For a number of years, however, the new institute struggled along on tiny annual appropriations.

In 1946, therefore, Neely, then a Member of the House of Representatives, introduced a bill to appropriate $100 million to be used over whatever period was needed to mount a large-scale research offensive against cancer.

Neely noted that, during World War II, cancer killed twice as many people as did enemy bullets. He further noted that the entire $100 million appropriation sought in his bill was less than half a day's cost of our participation in World War II. Despite his eloquent pleas, the bill went down to defeat.

A magnificent fighter, Neely read on the House floor the names of the 104 Republicans and 35 Democrats who had voted against the bill; and undaunted by his defeat, he closed his speech with these courageous words:

"Let us exercise our common sense and learn a lesson from the thrilling chapter which our country has contributed to the history of the world. Let us emulate the example set by the immortal Franklin Roosevelt and the eminent Winston Churchill in mobilizing the experts of the two hemispheres and, through their united efforts, solving the problem of making the atomic bombs which cost us $2 billion. Let us similarly mobilize the experts of the world for united, concentrated action on the single problem of finding a cure for cancer. And let us place at the disposal of these assembled experts an initial appropriation of at least $100 million with which to destroy a foe that has proved itself to be twice as deadly and dangerous as all the bloodthirsty minions who, at the commands of the infamous Hitler and Hirohito, waged war against the world."

I have dwelt in some detail upon Matt Neely's legislative battle against cancer because his seeming defeat turned into victory during the last few years of his life.

Under the leadership of the able chairman of the Senate Labor and Public Welfare Committee, Senator LISTER HILL, of Alabama, the funds for the National Cancer Institute have gone up from $21 million in the fiscal year 1955, to the $90 million voted by the Congress for the National Cancer Institute on July 30 of this year.

When Matt Neely in 1946 pleaded for $100 million in cancer appropriations over an unspecified period of time, little did he realize that only a few years later our annual cancer appropriation would approach $100 million. We still have a long way to go, however, in the fight against cancer.

As the Denver Post, which has done such a superb job over the years in alerting the people of the Rocky Mountain empire to the problem of cancer, noted in an editorial on April 22, 1957:

"The battle against cancer has developed into mankind's greatest and costliest war on disease. The attack is being waged by thousands of scientists in hundreds of hospitals and laboratories, but there is no victory, or even a truce, in sight."

As we all know well, unless a preventive or cure is found for cancer, 40 million Americans will be afflicted with this disease; and 25 million Americans will die of it.

It is enough to state that cancer strikes two out of every three American families, and that it kills one man, woman, or child every 2 minutes in the United States.

In the debate this year on the Senate floor on appropriations for the National Cancer Institute, Senator HILL noted that cancer costs this country $12 billion a year in hospital costs and lost economic productivity.

In criticizing the inadequate sum proposed by the administration for the National Cancer Institute during the coming year, Senator HILL noted that the $58 million spent in 1958 for cancer research was less than one-half of 1 percent of the annual economic cost of this disease.

In supporting Senator HILL's successful move for an increase in the appropriations for the National Cancer Institute from the $75 million proposed by the administration to the $110 million in the Senate Appropriations Committee bill, the distinguished majority leader, Senator LYNDON JOHNSON, took the floor to remind his colleagues that the Senate had lost five of its most distinguished leaders to cancer in the past decade: Kenneth Wherry, Robert A. Taft, Arthur Vandenberg, Brian McMahon, and Matt Neely.

Senator JOHNSON also noted that the irreparable loss to cancer of two of our greatest atomic scientists, both of whom succumbed to the disease at the age of 53—Enrico Fermi and John von Neumann.

On the very day that the Senate appropriations hearings on cancer research were held, that hard-working patriot, former Secretary of State, John Foster Dulles, was laid to rest.

I am of the firm belief that our governmental attack on cancer must be greatly accelerated until that point is reached when we begin to make serious inroads upon its ravages.

I favor a balanced budget and a sound fiscal policy, but not at the expense of human life and human productivity. By the same token, I favor a greatly accelerated citizen's fight against cancer. For that reason I am delighted that our renowned American Medical Center here in Denver is increasingly turning its effort to cancer research and cancer treatment.

You have a magnificient tradition of compassionate aid to the sick irrespective of race, creed, or color. From that time in 1904 when your forefathers set up the first six tents for the care of persons suffering from tuberculosis, you have blazed the trail in bringing medical aid to those unable to afford it.

Over the past 55 years, you have treated more than 10,000 patients from every State in this country and many countries overseas, and you have never charged a single penny for this magnificient service.

Now that tuberculosis is gradually yielding to the inroads of medical research, you are turning your attention to the greater problem of cancer.

Speaking at the founders' dinner of your new institute in New York City earlier this year, my distinguished colleague, Senator RICHARD NEUBERGER, of Oregon, who is himself a remarkable example of a complete recovery from a serious form of cancer, noted that "as the name of her illustrious husband is forever associated with the conquest of infantile paralysis, so the name of Mrs. Roosevelt may in the future be linked with the possible conquering of an even more formidable medical problem—that of cancer."

At that very same dinner, Mrs. Roosevelt, with characteristic modesty and brevity, told of her hopes for the new institute in these simple and moving words:

"I have in the past refused to give my name to any institution in this country. This institute, however, will serve such a vital purpose that I have consented to make an exception in this single instance. The institute can be of the greatest value for the estimated 40 million Americans now alive who will be stricken by cancer.

"I hope that eventually this institute will be able to broaden its scope to help cancer research in other countries. In this way it can make a profound contribution to the health and peace of the entire world."

I submit to you that this great democracy could make no greater contribution to the health and peace of the entire world than in developing a cure for cancer.

Just a month ago a Senate Government Operations Subcommittee, headed by that able and devoted public servant, Senator HUBERT HUMPHREY, released an important document called "Cancer: A Worldwide Menace."

That document pointed out that cancer kills 2 million people a year in all parts of the world; that it is rising in its incidence in 33 countries; and that it is the second leading cause of death in the United States, the Soviet Union, and most of Europe.

In transmitting the document to Senator JOHN MCCLELLAN, of Arkansas, Senator HUMPHREY noted that cancer "is a disease whose ultimate conquest will undoubtedly involve an unparalleled effort of worldwide biomedical research."

While we remain complacent and engage in endless arguments about the soundness of our fiscal budget, the Soviet Union is moving rapidly toward a preeminent position in the field of science and medical research.

This year an official medical mission from the U.S. Public Health Service, headed by Dr. Thomas Parran, a former U.S. Surgeon General, described Russian progress in medicine since 1917 as "impressive as the appearance of sputnik."

In their official report, the American doctors noted that Russia had worked out a massive 15-year plan for the medical research conquest of cancer and heart disease.

In the 42 years since the 1917 revolution, the Russian leaders have concentrated heavily upon medical research and health measures designed to build a more productive society, and as a result of these Herculean efforts the length of life of the average Russian citizen has increased from 40 years in 1917 to approximately 67 years today. Furthermore, Russia is turning out 16,000 doctors a year, more than twice as many as we are turning out in this country.

In an effort to win the uncommitted peoples of the world over to communism, Russia is exporting 2,000 doctors a year for work in the underdeveloped areas of the world. She is also helping underdeveloped countries in the building and financing of modern hospitals and medical clinics.

All of us are glad to note that, within the past year, the U.S. Congress has moved to restore America to a position of leadership in world health and medical research.

On August 1958 Senator LISTER HILL, who has contributed more to the health of the American people than any legislator in the history of this great Republic, introduced a joint resolution to set up a National Institute for International Health and Medical Research designed to pool the medical research efforts of the scientists of the world in a combined attack upon the major diseases now afflicting the peoples of the world.

In reporting the resolution to the floor of the Senate, Senator HILL said:

"It is in the recognition that disease and disability know no international boundaries that research in the health sciences fostered on an international basis holds great promise of advancement to benefit all peoples; and that an effort on the part of the United States to advance health sciences in the interest of all peoples can be a potent instrument of peace and good will, that the committee has acted upon this joint resolution."

In official testimony endorsing this legislation, Dr. Howard A. Rusk, an old friend of mine from Missouri, who gave up the private practice of medicine in St. Louis to become a world leader in the field of rehabilitation, noted that "the International Health and Medical Research Act of 1959 is essentially a humanitarian program directed toward a global assault on mankind's most important enemies—disease and disability. But it has tremendous political implications, for its rehabilitation aspects emphasize our belief in the United States of America that man's mission on earth is to heal and not to hurt, to build and not to destroy."

I am proud to be a cosponsor of this legislation, and I am delighted to report to you that it passed the Senate in May with only 17 dissenting votes. Hearings have now been completed on the House side, and there is a good chance that it will clear the Congress this year.

More than 300 years ago, an old English philosopher declared: "If every man would but mend a man, the world would all be mended."

From the bottom of my heart, I wish you Godspeed and good luck in the dedicated work of the Eleanor Roosevelt Institute for Cancer Research; and I want to pledge to you my continued efforts on behalf of a healthier America and a healthier world.

GANG VIOLENCE IN NEW YORK CITY

Mr. JOHNSTON of South Carolina. Mr. President, the Charleston, S.C., News and Courier of August 25, 1959, has published an article entitled "Youth Charged in New York Gang Violence."

I wish to read the first paragraph of this article, for I think it is very significant. The story is datelined New York City and is written by the Associated Press. It reads:

The leader of a youth gang bent on vengeance was accused Monday of killing a 15-year-old girl in the climax of a savage outbreak of violence in New York's changing lower East Side.

Mr. President, I repeat:

In the climax of a savage outbreak of violence in New York's changing lower East Side.

Mr. President, the article details how the violence and gang warfare reported in this story is a direct result of forced integration. The article states that for many years the area of the city where the riot occurred was heavily Jewish and Italian in nature. As children of the earlier immigrants moved to the suburbs, Negroes and Puerto Ricans moved in to replace them and tensions have risen. Mr. President, this indictment contained in the article in no uncertain terms lays the blame for the rioting and general disregard for law and order on forced integration.

Mr. President, this is not the first article which I have placed in the RECORD regarding racial strife, violence, hatred, and prejudices that exist in large northern cities. For several months, now, I have been bringing to the attention of the Senate the terrifying problems confronted by large northern and western cities which have been practicing forced integration for several years now.

The purpose of my bringing these items to the attention of the Senate is not to embarrass any community or any race of people, but to emphasize to the Members of the Senate who are promoting civil rights that, in fact, they are only really promoting civil strife. Wherever we find forced integration—and I emphasize forced integration—we find a general lack of respect for law and order.

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

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

[From the Charleston (S.C.) News and Courier, Aug. 25, 1959]

TEENAGER KILLED—YOUTH CHARGED IN NEW YORK GANG VIOLENCE

NEW YORK.—The leader of a youth gang bent on vengeance was accused Monday of killing a 15-year-old girl in the climax of a savage outbreak of violence in New York's changing lower East Side.

Police said John Cruz, 17, admitted firing the volley of shots that killed the Negro girl, Theresa Gee, as she sat on a bench in front of a housing project.

"I did not know I was shooting a girl," sobbed Cruz, a Puerto Rican, to detectives. Police said she was apparently only an accidental victim of the shots aimed at the Sportsmen gang by the Forsyth Street Boys, headed by Cruz. Both gangs contain a mixture of Negroes and Puerto Ricans.

Cruz was charged with homicide and with felonious assault in the shooting of two others.

YOUTH STABBED

Besides the girl, four persons were shot and a man and two youths stabbed—one critically—during Sunday night's outbreaks.

Once started, the clashes exploded like a string of firecrackers. The rows ended a truce arranged 3 years ago by an Episcopal minister, the Reverend C. Kilmer Myers.

He and others have worked to keep down trouble in the tenement area, which was for many years heavily Jewish and Italian. As the children of the earlier immigrants moved to the suburbs, Negroes and Puerto Ricans moved in to replace them, and tensions have risen.

The Gee girl was a former friend of Frank (Brother) Boyd, president of the Sportsmen, a 17-year-old Negro who has long been in trouble with the law, but apparently this had nothing to do with her death.

EVENTS RECONSTRUCTED

Police reconstructed the night's events and their background this way:

Tension had risen between the gangs after school ended in June. Saturday night, a Sportsman paired off with a Forsyth "deb"—a girl under gang protection—at a settlement house dance. Tempers rose but a fight was avoided.

But the next night a score of Sportsmen invaded Sara Delano Roosevelt Park, stronghold of the Forsyth boys. Cruz, armed with a .22 rifle, was waiting there with several pals.

The Sportsmen charged, wielding clubs, knives, and wire whips. Cruz fired, but hit instead one of his own gang members, Luis Santos, and Manuel Cintron, 11, a bystander.

The outnumbered Forsyths fled, but the Sportsmen knifed two of them.

Cruz and an unidentified companion then moved deep into Sportsmen territory. About 100 people—adults and juveniles—were lounging in front of the Lillian Wald housing project when the two arrived.

They threw a gasoline bomb to light up the area and show up their targets. Cruz then opened fire.

Theresa was struck in the head. A Sportsman, Robert Combs, was shot in the stomach. The Negro boy was reported later in serious condition.

Another girl, Ernestine Singleton, 15, was shot in the leg.

Cruz and others were caught when police rounded up some 200 neighborhood youths in the aftermath.

One final incident marked the night. Donald Fitzgerald, 23, a Negro, was stabbed by a gang of Puerto Rican youths who apparently thought he was a member of one of the other gangs.

ARTICLE BY SENATOR YOUNG OF OHIO ON THE CONFLICT-OF-INTEREST PROBLEM

Mr. NEUBERGER. Mr. President, we have come to expect challenging new ideas and courageous innovations from our friendly and able colleague, the junior Senator from Ohio [Mr. YOUNG]. Senator YOUNG has brought to the Senate Chamber vigorous ideas and a fearless approach to public issues. His crusading zeal is exemplified by an informative and effective article entitled "Washington's 'Conflict of Interest' Mess," published in Coronet magazine for September 1959. Our colleague, Senator YOUNG, has written this article in collaboration with Al Toffler, a well-known journalist.

In his article in Coronet magazine, Senator YOUNG has demonstrated the same vigorous approach which symbolized his own action in March of this year, when he listed all of his own personal financial holdings and commonstock portfolio with the Honorable Felton M. Johnston, Secretary of the Senate. Senator YOUNG's article asks many of us in public life what is going to be done about a conflict of interest when a legislator's private holdings come into conflict with his public responsibilities to the people.

I am pleased to report that Senator YOUNG, and his collaborator have written favorably of proposed legislation which I have introduced in the Senate, along with the distinguished senior Senator from New Jersey [Mr. CASE], to require all Members of Congress and all major Federal officials to report publicly all gifts and income over $100 which derive from real estate, stocks, speeches, writings, outside law connections, or other sources. With his characteristic fairness and kindness, Senator YOUNG also has cited the $500 article fee from American Heritage magazine, which I contributed as a scholarship to Portland State College after American Heritage had sought postal relief legislation which I regarded as equitable and in the public interest.

I know that many Members of the Senate and many Members of the House will want to read Senator YOUNG's very persuasive article from Coronet magazine for September; and I ask unanimous consent, Mr. President, that it be printed in the body of the RECORD.

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

[From Coronet magazine, September 1959]

WASHINGTON'S "CONFLICT OF INTEREST" MESS

(By Senator STEPHEN M. YOUNG, Democrat, of Ohio)

On March 26, 1959, I wrote one of the most difficult letters of my life. Friends urged me not to write it. My own family was shocked when I first suggested it. I was told that no other Senator in history had done what I contemplated doing. I was warned that I would be ostracized by my colleagues if I persisted in carrying out my plan.

Yet it was a simple letter. Addressed to Felton Johnston, Secretary of the U.S. Senate, it informed him that I had sold all of my stock in Pan American World Airways; that I intended to sell all my stock in two sugar companies; and that he could make public a complete list of all my financial holdings. The list was included and given to the press.

Simple as it was, this letter touched on one of the most controversial and painful paradoxes in American politics—conflict of interest—the clash between the private interests and public responsibilities of a public official.

In the last decade, Congress has spent millions to investigate conflicts of interest on the part of officials in the executive branch. Its findings have been scandalous.

In 1958, a House group revealed that Presidential Assistant Sherman Adams accepted gifts from Boston Industrialist Bernard Goldfine and contacted two Federal agencies in his behalf. The disclosures led to Adams' resignation.

In 1955, Air Force Secretary Harold Talbot resigned after admitting to the Senate Permanent Investigations Subcommittee that he had erred in writing letters on official Air Force stationery and telephoning leading industrialists from his Pentagon office in connection with the affairs of the private firm in which he was still a partner.

These are only a few of the conflict of interest cases Congress found in recent years while doing its duty as watchdog over the Federal Government. But during these shocking revelations affecting executive agencies, nobody cocked an inquisitive eye in the direction of Congress. There was nobody to watch the watchdog.

Yet Congress, too, is riddled with real and potential conflicts of interest.

One of the most common conflicts stems from the outside law firms. Sixty-one Members of the present Senate are lawyers. So are 242 Members of the House of Representatives. Many maintain ties with their law firms, even after election. Sometimes this results in a clash of personal interest with public responsibility.

A glaring example of the conflict of interest arising from a legislator's continuing affiliation with a law firm was the case of Ohio Senator John W. Bricker, the man I replaced. During his years in the Senate, Bricker remained a partner of the Columbus, Ohio, law firm of Bricker, Marburger, Evatt, and Barton.

One of the major clients of the firm was the Pennsylvania Railroad. In 11 years, Bricker's firm collected $380,547 from the Pennsylvania. Then the issue of the St. Lawrence Seaway arose before the Senate.

The St. Lawrence Seaway is a great project which will bring new industry, commerce and wealth to Ohioans. Officials of the Pennsylvania Railroad were violently opposed to the seaway. Bricker voted against it.

Last November, Ohioans voted to retire Senator Bricker to private life. This case points up a problem that affects many Members of Congress, no matter how honest.

In the field of agriculture, certain Members of Congress, as farmers, have collected various sums from the Federal Government under the farm loan and subsidy program. Some also sit on the committees which help shape agricultural legislation. This doesn't mean they necessarily vote for laws from which they would benefit.

The conflict of interest problem also crops up frequently on the congressional committees which deal with commerce.

On the House side, this situation gave rise to an embarrassing incident while a subcommittee of the House Interstate and Foreign Commerce Committee was investigating the Federal Communications Commission. The chairman of the parent committee, Democratic Representative OREN HARRIS of Arkansas, owned a 25-percent interest in a small station, KRBB, in El Dorado, Ark.

At the very time his subcommittee was investigating the FCC, his station was requesting FCC approval of a planned modification of its equipment. Asked whether or not there was a conflict of interest in this situation, HARRIS retorted, "I think a lot of people would have that viewpoint, but I don't see anyone setting up a howl about other Members of Congress who are in a similar situation." After newspaper criticism, however, Representative HARRIS sold his interest.

Other Members of both Houses have heavy investments in oil and natural gas companies. Time and again, the controversial issue of the depletion allowance faces them. The depletion allowance is a special tax deduction granted to oil and gas producers. It is now fixed at 27½ percent of their gross income.

Every time efforts have been made to reduce this allowance, each Member who owns gas or oil stock is faced with a decision involving his own private interests as well as national policy. Even if a Member is deeply convinced that the 27½-percent depletion allowance is good for the country, he must know, as he votes for it, that he is at the same time bolstering his own stocks.

Democratic Senator JOSEPH CLARK, of Pennsylvania, like many others, has voted against his own interests more than once. He is a stockholder in the Humble Oil & Refining Co., an affiliate of Standard Oil of New Jersey. Yet CLARK has been a leader in efforts to reduce the depletion allowance, cosponsoring a bill to that effect this year. Should his bill ever become law, his own stocks might very well drop in value.

Conflicting interests invade the life of the public official at many points. The Democratic Truman administration was criticized when the public learned that E. Merl Young,

a Reconstruction Finance Corporation official, had accepted an $8,540 royal pastel mink coat from a lawyer who represented a firm that had obtained a loan from the RFC. A similar furor arose over acceptance by Mrs. Truman and various White House aids of $390 food freezers from a Chicago businessman who had received a favor from Gen. Harry Vaughan, one of Truman's assistants.

These scandals had their Republican parallel in the Sherman Adams case, and in the controversy over President Eisenhower's acceptance of gifts for his personal use and for his Gettysburg farm, including a $4,000 tractor; a rowboat; a Golfmobile; trees; furniture; an original painting by Grandma Moses; several dozen head of cattle; horses; hogs; chickens; a putting green; hunting dogs; mink-lined pigskin gloves; two flower gardens and a pony cart. It has been estimated that the value of such gifts exceeds $60,000.

But the question of gifts also haunts Members of Congress. Most show discretion and refuse anything that seems to come "with strings attached." Some even fix an arbitrary limit. For example, Democratic Senator PAUL DOUGLAS, of Illinois, will return any gift valued at over $2.50.

One reason that conflict of interest problems arise is that Congressmen usually find it a strain to live on the $22,500 salary that goes with the job. A Senator or Representative normally must maintain two homes, one in Washington and the other in his State or district. Sometimes he has to dip into his own pocket to help pay for staff and office expenses when he finds his official allowance for this purpose is too small. Many Members travel more than their expense allowance permits.

II

Another big expense arises from social activities. When a Senator goes into a restaurant with visiting constituents, he usually picks up the tab. This is expensive. But many legislators prefer to pay the expense rather than accept a free meal or drink. Even more costly is the terrifying expense of campaigning for election. Unless they are independently wealthy, many candidates find themselves in debt even after a successful campaign.

To keep their family budgets on an even keel, many legislators undertake a back-breaking schedule of public speaking. A hard-working, top-ranking Senator can gross $7,500 in about 2 weeks of lecturing, at an average $750 per lecture. Out of this, he must pay 30 percent to the booking agency, plus his own travel expenses and, of course, taxes. A Representative usually earns less, his lecture fees ranging from $250 to $500 per engagement.

These are all nonpolitical talks and create few problems. But Members of Congress also speak frequently before trade associations, unions, chambers of commerce, and the like. They often receive a fee for doing so. Sometimes they hardly have had a chance to return to Washington before a representative of the organization arrives looking for a legislative favor.

Two years ago, Democratic Senator RICHARD NEUBERGER, of Oregon, who was a top-flight magazine writer before entering politics, needed a bit of extra money to help cover expenses. So he spent part of his vacation writing an article on Oregon history for American Heritage, a highly respected historical magazine. For this article he was paid $500.

Shortly afterward, the American Heritage came before the Senate Post Office and Civil Service Committee to request legislative relief. Because the magazine is bound in hard covers rather than soft, it could not qualify for second-class mailing privileges.

Senator NEUBERGER, a member of the Post Office Committee, agreed that the publication deserved second-class privileges. But since he had received, not long before, a $500 check from the magazine, he saw the potential conflict of interest.

Senator NEUBERGER took the graceful way out. He supported the legislation out of conviction and donated his check to the Portland State College in Oregon. He has since, also, introduced comprehensive legislation designed to deal with the conflict of interest problem. It would require all Members of Congress—and Federal officials whose appointments must be confirmed by the Senate—to report all gifts and income over $100 deriving from real estate, stock, speeches, outside law firms or other sources.

While I don't pretend to have a foolproof answer to the conflict of interest dilemma, I do know what my conscience demanded of me.

When I came to the Senate, I was assigned to the Committee on Agriculture and Forestry, which helps set quotas for the import of sugar from Central America. I owned 154 shares of South Porto Rico Sugar Co. stock and 100 shares of the Cuban-American Sugar Co. stock. This meant that my actions on the Agriculture Committee could, conceivably, affect my own private interests. I preferred to sell these stocks, and I took a loss to do so.

Similarly, when I was assigned to the Senate Aeronautical and Space Sciences Committee, I learned that our missile base at Cape Canaveral is largely operated by Pan American World Airways. I sold my Pan American stocks as well.

Realistically, I don't believe it is mandatory for a member of Congress to get rid of all his holdings. The important thing is that his financial background be open to public scrutiny. I own several thousand shares of petroleum stocks. Along with my dividend checks have come letters and literature urging me—amusingly enough—to write my Congressman to vote to retain the 27½-percent depletion allowance for all oil and gas companies.

As a member of the House, I actually voted to reduce the allowance to 15 percent, and am presently cosponsoring a Senate bill which would do just that. I chose to hold my petroleum stocks. But I feel that as long as my constituents know this, they can judge whether or not I have voted in the public interest.

In short, I believe the only answer to the conflict of interest paradox is complete frankness. The public shouldn't be asked to take its lawmakers on sheer faith. It has every right to judge the man's performance against his financial background. Complete and candid disclosure need not cost anyone a cent. Yet it can help strengthen public confidence in their Congress.

Until public officials are willing to make their financial affairs public, the corrosive acid of cynicism will continue to undermine our democracy. And cynicism not only saps the faith of Americans in their form of government, but leads to political apathy—the breeding ground of corruption.

The doubts and fears that I had before I wrote my letter to the Secretary of the Senate have vanished. I know now that what I did was right—and I would unhesitatingly do it again.

THOMAS JEFFERSON COOLIDGE

Mr. BYRD of Virginia. Mr. President, on August 6, 1959, Thomas Jefferson Coolidge, of Brookline and Manchester, Mass., died at the Beverly Hospital, following a heart attack. Private funeral services were held Saturday afternoon, August 8, in Manchester; and interment was at the Mount Auburn Cemetery, Cambridge, Mass.

He is survived by his wife Catherine; their sons, Thomas Jefferson, Jr. and John Linzee; their daughter, Catherine; and his brother, William.

Mr. Coolidge, a great-grandson of Thomas Jefferson, was born in Manchester in 1893. Following his graduation, in 1915, magna cum laude in mathematics, from Harvard, Mr. Coolidge became one of the outstanding business and financial leaders in the Boston area. In 1934, he became special assistant to the Secretary of the Treasury, in charge of fiscal affairs; and later he became Under Secretary of the Treasury. He subsequently was a member of the Finance Committee of the League of Nations.

Mr. Coolidge became a director of the United Fruit Co. in 1925, and was elected chairman in 1938, serving until his retirement last year. He was chairman of the trust committee of the Old Colony Trust Co.; director and member of the executive committee of the Boston Edison Corp.; chairman of the Bay State Corp.; and director of the First National Bank of Boston, the New England Mutual Life Insurance Co., and the United Fruit Co. He was also a trustee of the Isabella Stewart Gardner Museum, the Museum of Fine Arts, Peter Bent Brigham Hospital, and trustee and treasurer of the Humane Society of Massachusetts.

Mr. Coolidge was an outstanding American, and rendered public services in many and most effective ways.

APPOINTMENT OF REPRESENTATIVE ZABLOCKI, OF WISCONSIN, TO GENERAL ASSEMBLY OF UNITED NATIONS

Mr. PROXMIRE. Mr. President, I was delighted this morning to receive a letter from Secretary of State Christian A. Herter informing me that Representative CLEMENT J. ZABLOCKI, of Milwaukee, and the Fourth Congressional District of Wisconsin, has been nominated as a representative of the United States to the 14th session of the General Assembly of the U.N. beginning September 15, 1959.

CLEM ZABLOCKI is a fine man as well as a splendid Congressman. He has served his district with great distinction since 1949. As a member of the House Foreign Affairs Committee, he has made a remarkable record for good judgment, high ability, and solid hard work. Of course, this appointment is richly deserved. More than that, it serves our country well for the President to send a man of Representative ZABLOCKI's experience and high quality to the U.N. I am happy to take this occasion to congratulate Representative ZABLOCKI on his appointment and President Eisenhower for having made it.

PROFESSIONAL BOXING

Mr. KEFAUVER. Mr. President, this morning's Washington Post carries an Associated Press article on its sports page quoting Gov. Edmund G. Brown, of California, as saying that professional boxing "smells to high heaven," and that if Congress does not force a cleanup, he

might recommend abolition of all fights in California. The same article also quotes Governor Brown as stating:

From what I have seen of this situation, I think you're going to have to have some national laws on this subject because this boxing business is apparently infiltrated with racketeers and gangsters.

Certainly, anyone who has followed in the press the strange shenanigans surrounding the promotion and management of the world's heavyweight contest between Ingemar Johansson and Floyd Patterson must of necessity have wondered exactly what happened to Mr. William Rosensohn, the promoter of this fight. For a short while it appeared that a new promoter had arrived on the scene in boxing circles, but, if we are to believe published reports of what happened to Mr. Rosensohn, he was somehow eliminated from the scene.

The promotion of professional championship boxing contests is of tremendous magnitude. It includes managing and executing contracts; leasing suitable arenas; negotiating and executing contracts for the employment of matchmakers, advertising agencies, and press agents; organizing, assembling, and arranging other details necessary to the exhibition of the contests; selling tickets and rights to make motion pictures of the contests and to distribute them throughout the United States and in foreign countries; and selling rights to transmit the contests by radio and television throughout the United States and foreign countries.

In the case of United States against International Boxing Club of New York, decided January 31, 1955, the Supreme Court held that the promotion of professional championship boxing contests on a multistate basis and selling rights to televise, broadcast, and film such contests for interstate transmission constituted trade and commerce among the several States within the meaning of the Sherman Act.

Mr. President, the time has come when the Congress should investigate the promotion of professional boxing contests, looking to the enacting of proper laws. I have directed that the staff of the Senate Antitrust and Monopoly Subcommittee begin an investigation of this matter preliminary to the holding of public hearings.

I ask unanimous consent that the article to which I referred and which appeared this morning in the Washington Post and Times Herald, as well as an article from Newsweek magazine of August 17, discussing the Rosensohn matter, be included in the RECORD at this point.

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

[From the Washington Post, Aug. 26, 1959]

GOVERNOR MAY STOP BOXING IN CALIFORNIA

SACRAMENTO, CALIF., August 25.—Gov. Edmund G. Brown says professional boxing "smells to high heaven" and if Congress doesn't force a cleanup he might recommend abolition of all fights in California.

He told his news conference today he is seriously considering making such a recommendation to the 1961 legislature.

"From what I have seen of this situation, I think you're going to have to have some national laws on this subject because this boxing business is apparently infiltrated with racketeers and gangsters," he said.

Brown's remarks followed a report from Attorney General Stanley Mosk on next Friday night's middleweight championship bout in San Francisco between Carmen Basilio and Gene Fullmer.

Mosk reported "a curious relationship between persons associated with Basilio and the criminal element." He urged firm State control on distribution of the purses.

The athletic commission, Mosk said, should insist that none of Basilio's purse go to his comanagers, Joseph Netro and John De John, nor to Gabe Genovese or Frankie Carbo.

Mosk said Netro and De John told a New York grand jury that they intended to pay Genovese, convicted of illegally operating as as undercover fight manager, "his usual share" of Basilio's purses.

Jack Urch, executive secretary of the athletic commission, said Basilio signed a new contract with promoters today giving him 100 percent of his purse.

"What he does with it after the fight is his business," Urch said. "But if he makes any payoff, he'll never fight in California again."

In Las Vegas, gamblers made Basilio a 2 to 1 favorite to whip Fullmer. Both men are former champions, seeking the National Boxing Association's middleweight crown, withdrawn from Sugar Ray Robinson for lack of activity.

[From Newsweek, Aug. 17, 1959]

THE "CHAMP," THE MUDDLE

When Ingemar Johansson took the world heavyweight championship away from Floyd Patterson last June, the whole episode seemed like a fairytale. Johansson, the untested fighter, was the Prince Charming who rescued Bill Rosensohn, the untested promoter, from the dragon—Cus D'Amato, Patterson's manager. Rosensohn and Johansson were going to settle down and live happily ever after, passing their hours counting receipts from championship fights. It was all a lovely dream.

Last week the dream was dead and Rosensohn told the sad and grubby story of how it had been killed. He alleged that D'Amato, by threatening to back out of the June bout, had forced him to accept a New York lawyer named Vincent Velella as a controlling (two-thirds) partner in Bill Rosensohn Enterprises. This happened a week before the fight. Besides, Rosensohn charged, D'Amato had also made him sign away all ancillary (radio, TV, movie) rights to future Patterson fights. Rosensohn reluctantly accepted the loss of the ancillary rights because he was desperate to have the Johansson fight held as scheduled. As for Velella, Rosensohn assumed that he would share the profits but would not demand a voice in running the show.

Velella, however, had other ideas. Two weeks ago, when Rosensohn thought he was riding high, Velella demanded a stockholders' meeting and, with two votes to Rosensohn's one, installed Irving Kahn, president of TelePrompTer and a bitter Rosensohn rival, as a member of the board of directors. Rosensohn could take no more. Last week he quit as a director of his own company and announced that his third of the stock was for sale, an offer no one has taken up.

Who would promote the rematch? With Velella, as the head of Bill Rosensohn Enterprises (and presumably D'Amato's man, to boot), holding a 90-day contract on Johansson's services and D'Amato controlling the challenger, Rosensohn's chances seemed slim.

But Rosensohn was still banking on his close personal friendship with Johansson. Last week he flew to Paris and met with the Swedish fighter. At the end of the week, Rosensohn apparently had two courses of action in mind:

He hoped that after the 90-day option expired, bidding for Johansson's services would be open. Then, if his personal relationship could earn him a contract with the champion, he would negotiate with D'Amato.

The New York district attorney, Frank Hogan, had begun an investigation into the entire promotional background of the first fight, based on Rosensohn's disclosures. If the district attorney's probe could prove that Rosensohn had been coerced into accepting Velella, then possibly the contract could be voided and Rosensohn would again be in charge of Bill Rosensohn Enterprises.

To boxing men, the situation looked so muddled that almost everyone agreed there would be no heavyweight championship fight in 1959. Hogan's investigation might drag on for months and there was little chance that the Velella-Rosensohn vendetta would be settled.

Without Johansson's right hand in action, the boxing picture, so bright only 6 weeks ago, was turning bleak again.

FULL SPEED AHEAD FOR THE FEDERAL HIGHWAY PROGRAM

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I be permitted to speak for 5 additional minutes.

Mr. JAVITS. Mr. President, reserving the right to object, may I say to my dear friend and colleague I have never objected before to extensions of time. I hope never to have to again. I must today. But I will say once the resolution we have submitted is laid before the Senate, I shall be glad to yield to Senators who wish to do things that call for additional time. I understand only too well that the hour of 2 o'clock will come without our disposing of the matter, but I do wish to have it laid before the Senate. Therefore, I object.

The VICE PRESIDENT. Objection is heard. The Senator from West Virginia is recognized for 3 minutes.

Mr. BYRD of West Virginia. I am sorry my friend the Senator from New York has objected. I would have made this request had his resolution not been pending. Mr. President, a number of my distinguished colleagues in the Congress and many other officials have recently spoken out with the greatest urgency in a plea for the continuation of the Federal roadbuilding program.

On behalf of my State of West Virginia, as well as the United States as a whole, I wish to add my voice to those who have expressed grave concern regarding the possibility of a slowup in the Federal highway program.

The national plan for federally aided roadbuilding is no fly-by-night program to be turned on and off like a spigot of water. In order to derive the greatest benefit from such a program, in order to make every mile of road count toward the national welfare, we must adhere to a consistent and well-developed schedule.

Yet today, through action or lack of action by the Congress, we face the possibility of delays and drastic cutbacks in the national highway program.

In order to comprehend fully the tremendous impact of the Federal roadbuilding program on the national economy, let me review the dimensions of

federally aided highway construction plans and projects.

The passage of the Federal Aid Highway Act of 1956 provided for the accelerated construction of the National System of Interstate and Defense Highways. It also increased Federal aid for the primary and secondary road systems, together with their urban extensions.

The most important aspect of the Federal road building is, of course, the Interstate Highway System. When completed, this system will provide 41,000 miles of high-standard expressways connecting most of the cities of 50,000 or more population. The building of these highroads will be the largest public works program ever attempted.

Specifically, the Federal Aid Highway Act of 1956, augmented by the Federal Aid Highway Act of 1958, provided for a long-range, multibillion dollar roadbuilding program for the United States, Hawaii, and Puerto Rico. Authorizations of Federal funds for highway aid to the States may be summarized as follows:

First. $25.8 billion for the Interstate System, spread over the fiscal years 1957–69, with costs to be shared on a 90-percent Federal, 10 percent State basis.

Second. Steadily increasing amounts for the ABC program—primary, secondary, and urban extension State roads—rising from $825 million for fiscal year 1957 to $925 million for fiscal 1961, to be matched by the States on the traditional 50–50 basis.

Third. A special fund of $400 million set up to accelerate the ABC program of State roads, thereby stimulating employment. For this fund, costs are shared on a two-thirds Federal, one-third State basis. The funds were to be placed under contract by December 1, 1958, with provision that construction contracts specify completion of December 1, 1959.

Our modern American economy, characterized as it is by swift technological changes, depends for a healthy state of being upon a delicate balance of many converging factors. During the post-World War II era, generally described as a prosperous one, we have experienced at least three recessions, one of which occurred just recently. A broad, long-range program of road construction provides a solid and continuous undergirding of the entire economy, which helps to alleviate such economic catastrophes.

The highway building program will stimulate activity in many sectors of the economy, both directly and indirectly connected with such construction. As a result of the demand created for many, many products by roadbuilding on such a vast scale, the Federal program is expected to give rise to an average of 880,000 jobs a year spread throughout 190 industries. The Bureau of Roads has estimated that about 442,000 men will be employed directly on highway construction jobs at the peak of the program.

Some of the materials which will be major items of demand include an estimated 12 billion gallons of petroleum products, 2 billion pounds of explosives, 75 million gallons of paint, and 12 million new traffic signs. The Bureau of Public Roads has estimated that the construction for the period covered by the Federal-Aid Highway Act of 1956 will require 49 million tons of steel, 1,339 million barrels of cement, 128 million tons of bituminous material, and 9,710 tons of aggregate.

In addition, large markets will be generated for such diverse items as aluminum, seeds, fertilizer, chemicals, engineering tools, electronic computers, photographic supplies, and a host of other products. Highway construction stimulates commercial and industrial activity throughout every State in the Union.

There are other immeasurable gains which derive from a good highway system. America's progress has been built on her superb transportation system. Without excellent highways, the standard of living this Nation has enjoyed never could have been achieved.

The landowner benefits when his land is made accessible by roads. Businessmen benefit particularly by construction of expressways around or through metropolitan areas. Such roadways relieve congestion in cities, thus making traffic conditions more favorable for local customers. Studies show that an increased volume of steady local business usually results from the building of throughways in metropolitan areas.

Good roads are essential in promoting commerce within and among the States. Good roads are essential in transacting public business.

A slowdown in the Federal roadbuilding program cannot help but have a deleterious effect upon the entire economy.

Many construction companies, other companies producing construction materials, and machinery companies, to name only a few types of firms, have made commitments based on the continuance of the construction program at current rates. Huge losses will accrue to these companies and layoffs will follow. If Senators will examine financial analyses of firms in these fields, they will find that during 1958 many corporations in construction and related industries showed losses. Such adverse business conditions could with great ease spread to other sectors of the economy.

Furthermore, a delay in the roadbuilding program will inevitably result in increased costs. Between 1954 and 1958 the cost estimates of completing the Interstate System rose 12 percent, or about $3.7 billion. A continuation of rising highway-building costs would, of course, boost the long-range cost of the entire program.

Waste and inefficiency would likewise be incalcuable. For instance, construction would be suspended on many routes, leaving facilities already in place unconnected. According to R. R. Bartelsmeyer, president of the American Association of State Highway Officials, in testimony before the House Ways and Means Committee on July 24, 1959:

> It is definitely not the type of work that can be turned on and off a year at a time, and be done efficiently.

The following quotation from a statement by the chief engineer of the State of Missouri is an excellent summary of the severe hardships resulting from cutbacks in the road construction program:

> Now, I encounter considerable opinion that many Members of Congress are thinking that the road program could be slowed up. I sincerely believe that a slowup is a mistake. The State highway departments have obtained personnel to carry out the program; contractors have increased their personnel and equipment to carry out the program; equipment people are geared to an increased program, as well as producers of necessary materials. * * * The highway program makes an overwhelming contribution to the peacetime economy of the country, as well as to the great need in times of defense.

THE PROBLEM OF UNEMPLOYMENT IS STILL WITH US

The truth of the matter is that, today, at this time of increasing prosperity throughout the nation, there is still a large reservoir of unemployed. As of July 1959, there were 3,744,000 persons without jobs in the United States. Furthermore, although there has been marked recovery from the economic lows of 1957–58, many major cities of the United States, in fact, 179 of them are still suffering from extensive unemployment. Much of this unemployment stems from the migration of large industrial plants to other localities. Many of these large cities were hit by the recession long before it became generally acknowledged in 1957–58. These 179 areas may well be described as "chronically depressed."

I have mentioned the special $400 million road fund set up by the Federal Government as one means of stemming the downswing in the private sector of the economy. Many authorities credit the road program with playing an effective part in pulling the country out of the recent recession. Therefore, if we falter now, we may well plunge the country again into economic chaos. Those regions such as New England, and several mid-Atlantic and mid-Western States, which are now plagued with joblessness, will have their economic woes aggravated, and a snowballing reaction may then set in.

To indicate the vast importance of the roadbuilding program to some of those regions with critical unemployment problems, let me point out the magnitude of road construction projects in a number of salient States.

I will start with my own State of West Virginia, which has 3 major and 11 smaller areas of substantial labor surplus, particularly in coal mining. In my State, the total cost of construction, surveys, designs, and right-of-way acquisition on the Interstate Highway System, completed or underway, as of December 31, 1958, was $55,656,000. Of this total, $48 million was Federal funds. In addition, active and completed work on the ABC Federal highway program, as of the same date, amounted to $61.5 million. Of this, almost $16 million was Federal funds.

Now, these are substantial sums of money, and, I am confident, they have aided to some degree in reducing unemployment in West Virginia.

Let us go on to the State of Pennsylvania, with 8 major areas, including Philadelphia and Pittsburgh, and 18 minor centers of critical unemployment. Pennsylvania has accounted for a large portion of interstate highway funds. At the close of last year, total costs of work completed or under way on the Interstate Highway System were more than $293 million. Of this, $252 million was Federal funds. In Pennsylvania, some $190 million have been spent on the ABC Federal-aid highway program. For these roads, the Federal Government provided more than $91 million.

Suppose I cite Massachusetts as an example of a New England State which has been beset by sharp declines in industry, especially textiles. Seven major areas of substantial labor surplus are still listed for Massachusetts.

Again, the road program in this State has been of the greatest significance in bolstering the economy. As of December 21, 1958, the cost of the interstate highway program totaled $143 million, more than $100 million being supplied by the Federal Government. An additional $74 million was extended upon active and completed work in the ABC highway program.

And take the State of Michigan, center of the automotive industry. Eight metropolitan areas, including Detroit, Flint, Lansing, and Grand Rapids are classified as cities with serious unemployment. Michigan is direly in need of a public works program. As of the close of 1958, the total cost of projects on the Interstate Highway System completed or underway was $212 million. Of this amount the Federal Government furnished $184 million.

An additional $39 millions represent active or completed work on the ABC Federal-aid highway construction, at the year's end, 1958. Slightly more than half was provided by the Federal Government.

These are all large sums of money, and judiciously spent have provided considerable employment. I repeat, those States with urgent unemployment problems have derived timely and immeasurable benefits from the Federal roadbuilding program.

Although in my talk today I have stressed the economic importance of the Federal roadbuilding program, nevertheless I believe that in these times of international tension, the defense aspects of highway transportation must be emphasized. All highways potentially serve national defense, but the Interstate System, with its large mileage of expressway-type highways, will be of inestimable value to the defense effort.

This Interstate System will provide, better than any roads ever built, the three basic services which highways render to national security: the movement of troops, the transportation of supplies, and the continuity of essential production.

Even though it is the most cherished hope of all Americans that the cold war will ease, still we must never be complacent. We must constantly be alert to the real and underlying dangers to world peace. Therefore, it would be foolhardy to overlook even one measure of national defense. And the Interstate Highway System is a critically important aspect of the national defense.

In closing, I wish to say this. If we wish to proclaim to all the world that we have the best and finest economic system ever devised; if we wish to broadcast our achievements to all the world, then surely we cannot overlook these depressed pockets in our land. Surely we cannot be complacent about these festers upon the homefront. Surely we cannot allow the American way of life to appear so callous that it has no regard for those who are unfortunately cursed with long sieges of unemployment. I believe that the Federal Highway building program, vital in itself to our way of life, is also tailor made to form one means of dealing with the pressing economic problem of blighted areas.

Today I am not advocating any particular method of meeting the financial crisis in the Federal roadbuilding program. I merely wish to stress the fact that we cannot afford not to continue full implementation of federally aided road construction.

I ask unanimous consent to include with my remarks an article from the Huntington (W. Va.) Advertiser of August 12, 1959.

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

TWENTY STATES HAVE STOPPED NEW SUPERHIGHWAY UNDERTAKINGS

WASHINGTON.—More than 20 States already have shelved new superhighway projects because of a financing crisis in the big Federal-State roadbuilding program.

Officials said today 23 States have stopped seeking bids on interstate road projects or have stopped awarding new contracts, and the list is growing steadily.

The States are doing this on a temporary basis. They will wait and see what Congress does about highway financing before they tackle new projects.

Congress now is deadlocked on replenishing the highway trust fund which pays roadbuilding bills. President Eisenhower wants to do this by boosting the 3-cent Federal gasoline tax to 4½ cents.

REJECTS TAX INCREASE

The House Ways and Means Committee again rejected yesterday a gasoline tax increase as a source of revenue. It adjourned without setting a date for further consideration of how to provide the funds.

Some committee sources said, however, a possible compromise might include some increase in the gasoline tax, plus diversion of other motoring tax revenues to the highway trust fund.

The extra money has to be raised because the highway law requires that the program be kept on a pay-as-you-build basis.

Unless the cash is forthcoming, the Bureau of Roads will cancel plans to apportion to the States $2½ billion in highway funds for the fiscal year that begins July 1, 1960. Also, it will apportion only $500 million for the following fiscal year, instead of the planned $2,200 million.

This would bring the interstate program to a complete, if temporary, halt—something that seems unlikely at present.

There is a more immediate problem, however, that is causing more and more States to shelve new projects.

OCTOBER DEADLINE

Starting in October, the Federal Government won't be able to pay its road bills on time unless more funds are provided.

This is of vital concern to the States because they pay the entire cost of interstate superhighways, then are reimbursed by Uncle Sam for 90 percent of the outlay.

The 23 States which have halted the letting of new superhighway contracts include Maryland.

Construction work already in progress is going ahead in all of these States. Only projects in the planning stage are affected.

In addition to these States, four others have told highway officials they will stop awarding contracts by the end of next month and seven others, including West Virginia, say they will stop contracting by the end of the year.

JUVENILE GANG CRIMES IN WASHINGTON, D.C.

Mr. BYRD of West Virginia. Mr. President, a week ago I spoke on this floor about the alarming number of juvenile gang crimes that are occurring here in Washington, the Capital of America. I referred to several of the brazen "wolf pack" incidents which have been taking place on downtown streets—the robbings, beatings, knife attacks, and murders.

Since my first comments in regard to this matter, I have begun an exploration of various ways in which it might be possible to take corrective steps against this menace.

One possible approach which I wish to discuss at this time is one that has been pending before the Congress for several years. It is a relatively simple step, which we might take without great expense; yet it is one which somehow has never been brought to fruition, despite years of serious effort.

I am referring to the proposal to expand the present Juvenile Court of the District of Columbia, until it is headed by three judges instead of one. A bill to realize this end—S. 1456—was passed by the Senate on April 10 of this year, but it still has not received final congressional approval, and time is drawing close for the adjournment of the Congress.

I wish to go on record, Mr. President, as respectfully but strenuously urging our colleagues in the other body to take favorable action upon this bill. I think it is a meritorious bill, and one which is important to the law enforcement process in our Nation's Capital.

Of course, the bill is no panacea; but its potential to help meet Washington's growing youth-gang problem is, I believe, significant. The provision of two additional judges for the Juvenile Court of the District of Columbia would permit the effective hearing and judging of virtually all youthful offenders who are arrested in this city; whereas, at present, only a portion of the juveniles apprehended by the police actually are brought to hearings. Even those who now are brought to hearings usually are left at liberty for weeks or months while their cases are pending in the towering backlog of hearings in the court. And then, when they finally face the judge, it is only for a brief, hurried moment as the

court tries to clear as many cases as possible each day.

This is not effective judicial procedure, which will teach our errant youth to respect the law and to face their responsibilities as citizens. The juvenile delinquent's rebellion against society surely cannot be cured if the institution of society which deals with him itself presents a picture of hurried inadequacy.

I would like to quote a few lines from the hearings by the Senate Committee on the District of Columbia which led to the Senate passage of S. 1456. The present lone judge of the juvenile court, the Honorable Orman W. Ketcham, made this comment to the members of the committee:

During the past year, the court's operations were carefully studied to determine whether its basic philosophies and responsibilities were being adequately carried out. It is our reluctant conclusion at this time that they are not being fully accomplished.

The juvenile court definitely needs more time and more personnel to deal with these difficult problems. The primary bottleneck today comes from the fact that there is but one judge. The court had one judge in 1906 when it was first established. It continued to have only one judge when it was reorganized in 1938, and it still has but one judge.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The time of the Senator from West Virginia has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may continue for 2 additional minutes.

Mr. JAVITS. Mr. President, for the reasons heretofore stated, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may be permitted to continue for 30 seconds.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I regard this as rather astonlishing: that this court, which had one judge in 1906, when the population of Washington was around 30,000 people, still has but one judge today, when the population of Washington proper is approaching a million. Of course, the staff of the court has multiplied over the years; it now has an authorized staff of 95 persons, divided into five divisions. But, still, all the juveniles actually tried must face the lone judge who heads the court.

And the number of juveniles being brought into court is increasing at a very disturbing rate. I wish to again quote Judge Ketcham's testimony at the hearing.

Mr. President, I ask that the excerpt be printed in the RECORD, instead of taking the time to read it.

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

If the trend remains steadily upward. The court hearing * * * between 1950 and 1957 showed these changes: In 1950, they were totaled as 9,980; and in 1957, they were 17,916. I do not believe that you could reasonably compare the figures of one judicial administration of the juvenile court with others, but, in each period, the trend is the same, steadily upward.

This is attributable, in my judgment, to population increase, to accelerated dependencies among some elements of the population, and to various increases in the court's jurisdiction over the years.

During this time, only the number of judges has failed to grow—during the past 50 years, everything else has grown.

Mr. BYRD of West Virginia. Mr. President, at another point in the hearing, the Honorable E. Barrett Prettyman, chief judge of the District of Columbia circuit, also spoke in support of the bill to increase the court to a three-judge court.

Mr. President, under the circumstances I ask unanimous consent that the testimony be printed in the RECORD.

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

Washington has grown tremendously in the years since one judge was sufficient for the juvenile court work. Moreover, the problem of juvenile delinquency has grown in recent years in greater proportion than has the increase in population. * * * The barebones statistics, which you have before you, demonstrate the need for three judges. The single statistic of some 13,000 matters for hearing in the year 1958 is enough to prove the point. Even three judges would carry a caseload of an average of 12 hearings a day, day in and day out, for 300 days a year, and this hearing load is only part of the work, perhaps really the less important part, of the juvenile court. * * *

* * * The major purpose, of course, is to make good citizens out of poor material. One important aspect of that task is to teach respect for the law and for authority. Where the court is compelled by the sheer weight of its load to process all these matters as quickly as possible, to eliminate all semblance of deliberation, and to forego any opportunity to explore with some degree of care the possibilities in regard to each child, it is not teaching much of a lesson in good citizenship. * * *

* * * Juvenile court work ought to be absolutely current. When a child is not brought to book for a delinquency until 6 or 8 months after the event, the whole point of the proceeding is lost on him.

Mr. BYRD of West Virginia. Mr. President, on these eloquent arguments, I rest my plea for prompt action on S. 1456, to provide two additional judges for the Juvenile Court of the District of Columbia.

The only final summation I wish to make is to have inserted a portion of an editorial which appeared in the Washington Evening Star on Monday. The editorial, I believe, sums up the situation excellently, and I ask unanimous consent to have an excerpt from it printed in the RECORD.

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

Ten days ago Representative DIGGS, Democrat, of Michigan, saw a gang of juveniles attack, beat, and rob a man at Logan Circle. The Michigan Congressman said they behaved like a "pack of wolves." Now it developes that one of these wolves had been arrested earlier on serious charges but had not been brought to trial because a hopelessly overloaded juvenile court was unable to process the case. The boy, a 16-year-old suspected yoker, has been awaiting trial for 8 months. If the court calendar is adhered to, his case will not be brought up for trial before Chirstmas. Of course, this case could be pushed ahead. But that would simply mean that another case would have to be pushed back.

There is still another disgraceful facet of this situation. In the past fiscal year, 447 boys and girls were brought before Juvenile Court Judge Ketcham as being delinquent, homeless, or beyond control of their parents. During the same period of time 853 juveniles, in similar situations, were brought into the court, but never saw the judge. With his many other duties he was unable to give personal attention to these cases, and they had to be handled by the court staff.

This reveals a situation that is unnecessary and bad in two respects. It is bad in one respect because it permits vicious young hoodlums to prowl the streets for upward of a year after they have once been picked up by the police on serious charges. Yet experience has shown that prompt trial and punishment does more than anything else to discourage young criminals. It is bad in the second respect because the chances of reform are better if a delinquent is brought before a judge rather than some member of the court staff. Finally, this deplorable situation is unnecessary because an effective remedy is readily available.

The remedy is the bill to add two judges to the juvenile court bench—a bill which passed the Senate months ago, which is unanimously supported by all individuals and agencies concerned with law enforcement in Washington, and which without question would be passed by the House if it could be brought to a vote.

TRIBUTE TO MAJ. GEN. W. P. FISHER

Mr. THURMOND. Mr. President, in its day-to-day dealings with the Air Force, the Congress has been very much aware of the presence of the Air Force Director of Legislative Liaison, Maj. Gen. W. P. Fisher.

After nearly 2 years as Director of Legislative Liaison, this fine officer is leaving Washington for a new assignment with the Military Air Transport Service.

General Fisher has been closely associated with Members of the Senate since March 1958. He has been a forceful and eloquent representative of the U.S. Air Force. His services have been of utmost assistance in providing us with a greater understanding of the roles, missions, and requirements of the Air Force, and in providing clear-cut answers to questions raised by congressional constituents relative to Air Force policies, procedures, operations, and programs. General Fisher's assistance has been especially noteworthy in affording many of us the opportunity to visit and see for ourselves the tremendous progress and operation of our U.S. Air Force. It is through personal visits and contacts with the Air Force personnel on the job in the field that we best understand the importance and urgency of the work we are doing and must do as Members of the Senate.

I regret that General Fisher is to leave Washington. At the same time, I am pleased that he is assigned as commander, Eastern Transport Air Force, McGuire Air Force Base, N.J., where he will have an opportunity to continue his outstanding service to the United States of America.

THE LANDRUM-GRIFFIN LABOR REFORM BILL

Mr. THURMOND. Mr. President, last week I placed in the Appendix of the RECORD editorials from almost every daily newspaper published in South Carolina in support of strong and effective labor reform legislation. Every one of these editorials has commended the House for its action in approving the Landrum-Griffin labor reform bill and has expressed the view that this action represents the overwhelming majority thinking of the people, not only in South Carolina, but in the Nation as a whole.

On Tuesday, August 25, 1959, another important daily newspaper in South Carolina, the Times and Democrat, of Orangeburg, S.C., which is edited by Edward H. Sims and is published by James L. Sims, published an editorial supporting the action of the House and urging the Senate to pass effective labor reform legislation. I ask unanimous consent that this excellent editorial be printed in the RECORD.

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

Mr. THURMOND. The editorial reads as follows:

The most impressive thing about the House labor bill, which moved through the lower body by an impressive 303–125 margin, is the fact that it was written quietly, and with a minimum of fanfare and publicity.

The two authors of the bill, one a Republican, held many closed hearings, and reporters and sensational testimony were avoided.

The chairman of the House Education-Labor Subcommittee which wrote the bill is Representative PHIL M. LANDRUM, of Georgia. He is the Democrat, and his counterpart on the committee, the Republican, is Representative ROBERT P. GRIFFIN, of Michigan.

Both LANDRUM and GRIFFIN are quiet workers, and do their work in thorough, plodding fashion. In writing the recent labor bill, they used the committee's staff counsel, and took some 40 days of testimony, hearing approximately 100 witnesses.

Listening to both labor and business representatives they decided—and the subcommittee with them—that the major labor abuses involved in today's labor relations problem are secondary boycotting and blackmail picketing. Both these Representatives believe the Landrum-Griffin bill, as it passed the House, virtually halts both.

As this is written, a conference committee is seeking to compromise the Landrum-Griffin bill with the Senate version, authored by Senator JOHN KENNEDY and Senator SAM ERVIN, both Democrats, of Massachusetts and North Carolina, respectively.

It is no secret among members of the Eisenhower administration, and among those who think that effective labor legislation is badly needed today, that the Kennedy-Ervin bill is a mild bill. While Senators disagree whether it is a sop for labor, or whether it is actually a mild bill which will accomplish considerable good, there is hardly no disagreement on the fact that the Landrum-Griffin bill goes much further in seeking to curb labor abuses than does the Kennedy-Ervin bill.

President Eisenhower has said that the Landrum-Griffin bill is a good start toward cleaning up the abuses and racketeering in some labor unions today. The Democrats, who traditionally get the labor vote, are guilty, to a degree, of timidity in dealing with the labor union abuses problem of today, eyeing the 1960 presidential election. This criticism, of course, cannot be applied in blanket form to all Democrats, and certainly does not apply to many southern Democrats, who are traditionally more conservative than their northern party colleagues.

It is evident, however, that the American people are in the mood for an effective labor reform bill. If the compromise bill is too weak, President Eisenhower is closer to getting what he wants now, in the way of labor reform legislation, than he has been at any time during the year. Mr. Eisenhower's view, we believe, represents the majority thinking in this country.

POLICE AUTHORITY IN NORTHERN CITIES CHALLENGED BY LAWLESS NEGROES

Mr. THURMOND. Mr. President, I call attention to an editorial from the August 25, 1959, issue of the News and Courier, of Charleston, S.C., which points up a very important problem in the Nation's Capital and also in many large cities to the north of Washington. It is entitled "Police Authority in Northern Cities Is Challenged by Lawless Negroes." The News and Courier is very ably edited by Mr. Thomas H. Waring, of Charleston, S.C.

The editorial reads as follows:

Contempt for the fundamental law of the land—the constituted authority of the policeman—is growing in our Nation's Capital.

The tide of lawlessness in the District of Columbia, which rushed in following compulsory integration of schools in 1954, first affected public education of the District. In the last 5 years, the Nation gradually has been learning the facts of integrated life in Washington—the disciplinary problems of the schools and the grim story of bastardy in the classrooms.

Less known but even more disturbing is the story of assaults against policemen. Statistics are not always easy to come by in the District of Columbia, but some figures were released recently when the Washington Star published an account of a brutal beating of a policeman by a gang of street toughs.

Police Chief Robert V. Murray disclosed that in the month of July alone, 26 Washington policemen were assaulted, as compared with 13 for the same month last year. From the first of January until July 31, 138 policemen have been assaulted. For the same period last year, it was 106.

Refusal to respect the policeman's badge is becoming distressingly frequent in a number of northern cities with large numbers of aggressive Negro migrants. Police Commissioner Paul Kennedy, of New York City, recently ordered heavy police reinforcements into Harlem and other Negro neighborhoods following a near race riot. Press reports indicate that a mood of sullen resentment against police has arisen in New York. Political opportunists, of whom U.S. Representative ADAM CLAYTON POWELL is one, are encouraging disrespect for the law of the land, by charges of "police brutality" and demands for more Negro policemen.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. THURMOND. Mr. President, I ask unanimous consent for 2 more minutes, to finish the editorial.

Mr. JAVITS. Mr. President, I am constrained——

Mr. THURMOND. Will the Senator permit me to have 2 more minutes? Then I will be through.

Mr. JAVITS. I should like to ask the Senator if there are any other items he has to present.

Mr. THURMOND. I do not have any more items. This is my last item.

Mr. JAVITS. Very well. I shall not object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? Does the Senator from New York object?

Mr. JAVITS. I do not.

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

Mr. THURMOND. The editorial concludes:

Nor is New York the only community that faces serious trouble along this line. Boston, St. Louis, and St. Paul are among the cities where Negroes lately have actively resisted police. Negroes are chronic offenders against the police in Los Angeles. The Negro press in that city continually wars with the Los Angeles police department which is considered one of the best in the Nation.

Northern cities with large Negro populations cannot long delay a reappraisal of their attitude toward aggressive racial elements. Defiance of the police by Negroes breeds greater defiance and contempt for the processes of law. Unless checked by stern action, the aggressive Negro elements will destroy the civic peace of several major northern cities.

We do not intend to preach to northerners on ways to restore public order. In a number of southern communities the problem of aggressiveness has been handled by a combination of official firmness and able work by both white and Negro policemen.

We hope that northern cities will not let liberal ideology, which bars racial separation, prevent them from devising practical solutions to their problems of race crime and race lawlessness. So much is at stake in those cities that it would be a national tragedy if twisted ideologies prevented return to the rule of law.

AUTHORITY TO REGULATE WAGES AND WORKING CONDITIONS ON FARMS NOT GIVEN TO DEPARTMENT OF LABOR

Mr. STENNIS. Mr. President, during consideration of the appropriations bill providing funds for the Departments of Labor, and Health, Education, and Welfare, I expressed grave concern in proposed regulations which the Department of Labor had under consideration at that time to regulate agricultural wages and working conditions. At my request and through the assistance of the chairman of the subcommittee having the bill in charge [Mr. HILL], the following language was included in the committee report:

It has come to the attention of the committee that the Department of Labor has had under consideration the issuance of rules under the Wagner-Peyser Act, which would require farmers with respect to agricultural employment to submit to regulation by the Department over farm housing, transportation, wages and hours, and related matters. The Wagner-Peyser Act authorized the establishment of a national system of public employment officers as a means of assisting workers to find available job opportunities and employers to find available workers. It conferred no regulatory authority over either the workers or employers. The U.S. Employment Service, as its name implies, is solely

a service agency. Except for the authority contained in title V of the Agricultural Act of 1949, as amended, which provides for temporary employment of Mexican farmworkers in the United States where such employment will not adversely affect the wages and working conditions of domestic agricultural workers, there has not been delegated to the Department of Labor any authority to impose regulations concerning hours, wages, compulsory bargaining or the like with respect to agricultural employment as defined in the act. On the contrary, the Congress has consistently exempted agriculture from such controls because of the great difference between conditions affecting agriculture and those affecting industry. Therefore, in providing funds for the carrying out of the Bureau of Employment Security programs, it is directed that such funds not be used directly or indirectly to impose with respect to agricultural employment regulations relating to wages, hours, bargaining, or other conditions of employment, except as may be expressly authorized by law.

Mr. President, unfortunately this language was not included in the conference report.

I ask unanimous consent to have an article from "This Week in Washington," written by Clinton Davidson, printed at this point in the RECORD.

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

THIS WEEK IN WASHINGTON

(With Clinton Davidson)

MATTER OF PRINCIPLE

The basic philosophy underlying our democratic system of a division of responsibility between the legislative, judicial, and administrative branches of government is being tested in Washington this week.

The public has been invited to hear and participate in debate over whether an administrative agency should issue an order having the effect of law without the specifically stated consent of Congress.

Secretary of Labor James Mitchell will decide, on the basis of the arguments, whether to make permanent a tentative order that would delegate to his subordinates the power to establish minimum wages and working conditions for more than 1 million hired farmworkers.

The question, however, is much deeper and broader than that of applying minimum wages to farmworkers. It involves the whole concept of the function of an administrative agency, of which there are literally hundreds in Washington.

Law by interpretation

Is a law just what Congress says, or is it what the lawyers in an administrative agency interpret it to be?

Some interpretation frequently is necessary, but that interpretation should not go beyond the clear intent of Congress. No agency should ever assume it has any authority simply because Congress has not said it doesn't have it.

It is conceded that Congress never has specifically granted the Secretary of Labor authority to set minimum wages for farmworkers. But it is argued by those backing the order, neither has it ever said that he cannot issue such an order. So, it is contended, issuance of the order would not be a violation of any law.

This, we think, is not valid reasoning. The order, if put into effect and not reversed, could become a precedent that would open the way for other agencies to, in effect, make laws by interpretation.

A legal ruling

Months ago Secretary Mitchell, an able and conscientious administrator, asked Attorney General William P. Rogers for an official ruling on whether he had the authority to issue the proposed order.

After long study Mr. Rogers ruled (1) that the authority was implied in the 30-year-old Wagner-Peyser Act which established the U.S. Employment Service in the Labor Department, and (2) that there is nothing in any law specifically prohibiting him from issuing such an order.

The order, if made effective, would delegate to the U.S. Employment Service authority to require that farm employers who obtain out-of-State workers through USES pay at least the prevailing wage in their area.

The farm employer also would have to agree to meet housing standards acceptable to the USES, and to pay transportation of the workers from their home and return when the USES determines that to be a common practice.

The question isn't whether these regulations are fair and reasonable, but rather the fundamental issue of the authority of an administrative agency to make rules and regulations not clearly authorized by Congress. This seems to us to be a serious threat to our constitutional division of authority between the legislative and administrative branches of government.

PUBLIC LAW 480—STATEMENT BY SENATOR STENNIS

Mr. STENNIS. Mr. President, I commend the Senate Committee on Agriculture and Forestry for its favorable report to extend the Agricultural Trade Development and Assistance Act, better known as Public Law 480, and hope that the Senate will give overwhelming support for this 1-year extension.

The bill as reported would provide an increase in authorization of $1.5 billion under title I, an increase of $300 million under title II, and extend this law to December 31, 1960.

This legislation for the past several years has proved to be an important instrument in exporting great quantities of surplus agricultural commodities which would have otherwise been impossible. Since the beginning of this program in 1955, approximately 4 million bales of cotton have been exported under this program. In addition, 840 million bushels of wheat, 33.5 million bags of rice, 3.3 million pounds of tobacco, 120 million pounds of meat, 285 million pounds of dairy products, 180 million pounds of lard, as well as other commodities, have been exported.

During the past fiscal year more than one-half the total U.S. wheat exports were handled under Public Law 480 and about 750 million bushels of soybean oil and cottonseed soil, amounting to about 65 percent of the total edible oil exports, about one-third of the rice exports, and about one-fifth of cotton shipments.

The fact that our surplus commodities continue to pile up, even with strict acreage controls, reemphasizes the importance of Public Law 480. It is becoming more evident each day that we need to strengthen and stimulate exports under Public Law 480 as well as other export programs which Congress has authorized.

I am especially concerned by the sharp reductions in exports of cotton from 5.7 million bales in the 1957 and 1958 crop year to 2.8 million bales for the crop year ending August 1, 1959.

There is every indication that new export markets will become more difficult to obtain in future years as other countries move toward self-sufficiency in agriculture. There is also the serious threat that Russia and Red China will, in the next few years, make an all-out effort to increase commerce with other countries in the free world. Agriculture must be prepared to meet this threat with firm and objective action by our own Government.

Mr. President, the Public Law 480 program has been conducted on a sound business principle in such a way as to improve trade relations with other countries. It has not displaced dollar markets because of safeguards which require that sales must be over and above normal dollar sales.

The expenditure of foreign currencies in foreign countries has been put to good use. Substantial amounts of funds received for agricultural commodities are used for military construction. They are also loaned back to countries for economic development, and in many cases have been used for programs which would have otherwise required dollar expenditures.

Approximately $220 million worth of foreign currencies have been used by the Treasury Department to provide U.S. agencies such as the State Department, Defense Department, and U.S. Information Agency with money to provide oversea expenditures. I have been very much impressed with the use of currencies in foreign countries to develop marketing research programs, advertising programs and other programs which have long-range potentials of developing increased markets of U.S. surplus agricultural commodities. Barter transactions also offer impressive opportunities in disposing of surplus agricultural commodities. This program will become even more important as we face new competition with Russia and Red China. I urge the Department of Agriculture to review their policy in regard to barter with the hope that a better program can be worked out.

Our Military Construction Subcommittee has also given special attention to the use of foreign currencies in the construction of military housing, and this year we were successful in including an amendment which would require the Defense Department to use available currencies for all types of oversea military construction. This new authorization should lay the groundwork for expanding this type of transaction in the years ahead.

Public Law 480 is a sound approach for building good trade relations with other countries and at the same time greatly assisting in exporting surplus agricultural commodities. I hope that the Senate will give their full approval to the measure providing for the extension of this important legislation, which is now pending on the Senate Calendar.

CHALLENGE TO POLICE AUTHORITY IN NORTHERN CITIES

Mr. JOHNSTON of South Carolina. Mr. President, I bring to the attention of the Senate an editorial from the News

and Courier, of Charleston, S.C., on Tuesday, August 25, 1959, entitled "Police Authority in Northern Cities Is Challenged by Lawless Negroes." I shall not burden the RECORD with reprinting.

However, Mr. President, I call this article to your attention because it fits in with a proposal by Representative OMAR BURLESON, of Texas, who has introduced legislation (H.R. 8814) that would authorize the assignment of U.S. Marines to assist in law enforcement in the city of Washington, D.C.

Mr. President, I quote from this editorial from the News and Courier:

The tide of lawlessness in the District of Columbia, which rushed in following compulsory integration of schools in 1954, first affected public education of the District. In the last 5 years, the Nation gradually has been learning the facts of integrated life in Washington—the disciplinary problems in the schools and the grim story of bastardy in the classrooms.

Less known but even more disturbing is the story of assaults against policemen. Statistics are not always easy to come by in the District of Columbia, but some figures were released recently when the Washington Star published an account of a brutal beating of a policeman by a gang of street toughs.

Police Chief Robert V. Murphy disclosed that in the month of July alone, 26 Washington policemen were assaulted, as compared with 13 for the same month last year. From the 1st of January until July 31, 188 policemen have been assaulted. For the same period last year, it was 106.

Mr. President, I would never condone the use of Marines or troops in any locally governed American city, unless it were Washington, D.C. I believe in local law enforcement officers and local authorities handling problems within their jurisdiction. However, I would say this emphatically: There is a greater need for the U.S. Marines to be used in Washington to assist in law enforcement than there ever was any need for troops to be used in Little Rock, Ark., against schoolchildren.

In fact, I would say that Marines today are needed in several cities of the United States to quell racial violence and disorder, and they are more needed than we ever needed troops in Little Rock. However, I would be opposed to the use of troops even in New York or Chicago or Boston, or any other city in America, except perhaps Washington, which is a Federal city.

Representative BURLESON yesterday pointed out that the District of Columbia is seeking $2½ million to add 500 additional policemen to the District of Columbia police force.

This seems to me an extravagant cost for forced integration, which we have in Washington and which has brought about all the crime and violence that we see and read about in the papers every day.

Mr. President, I again emphasize that I would never condone the use of Federal troops or Marines in any city of America, except perhaps Washington, because it is a Federal city, but I sincerely feel that the use of such troops or Marines would certainly be more justified in some cities of America than they were ever needed in Little Rock, Ark.

As to Representative BURLESON's proposal that Marines be used to patrol the streets of Washington in order to safeguard law-abiding citizens from violence of all sorts, it seems to me it would be much more economical for the Federal Government to use the Marines as he has proposed than to spend $2½ million to add 500 more policemen to the force.

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

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

POLICE AUTHORITY IN NORTHERN CITIES IS CHALLENGED BY LAWLESS NEGROES

Contempt for the fundamental law of the land—the constituted authority of the policeman—is growing in our Nation's Capital.

The tide of lawlessness in the District of Columbia, which rushed in following compulsory integration of schools in 1954, first affected public education of the District. In the last 5 years, the Nation gradually has been learning the facts of integrated life in Washington—the disciplinary problems in the schools and the grim story of bastardy in the classrooms.

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Police Chief Robert V. Murphy disclosed that in the month of July alone, 26 Washington policemen were assaulted, as compared with 13 for the same month last year. From the 1st of January until July 31, 138 policemen have been assaulted. For the same period last year it was 106.

Refusal to respect the policeman's badge is becoming distressingly frequent in a number of northern cities with large numbers of aggressive Negro migrants. Police Commissioner Paul Kennedy, of New York City, recently ordered heavy police reinforcements into Harlem and other Negro neighborhoods following a near race riot. Press reports indicate that a mood of sullen resentment against police has arisen in New York. Political opportunists, of whom U.S. Representative ADAM CLAYTON POWELL is one, are encouraging disrespect for the law of the land, by charges of police brutality and demands for more Negro policemen.

Nor is New York the only community that faces serious trouble along this line. Boston, St. Louis, and St. Paul are among the cities where Negroes lately have actively resisted police. Negroes are chronic offenders against the police in Los Angeles. The Negro press in that city continually wars with the Los Angeles Police Department, which is considered one of the best in the Nation.

Northern cities with large Negro populations cannot long delay a reappraisal of their attitude toward aggressive racial elements. Defiance of the police by Negroes breeds greater defiance and contempt for the processes of law. Unless checked by stern action, the aggressive Negro elements will destroy the civic peace of several major northern cities.

We do not intend to preach to northerners on ways to restore public order. In a number of southern communities the problem of aggressiveness has been handled by a combination of official firmness and able work by both white and Negro policemen.

We hope that northern cities will not let liberal ideology, which bars racial separation, prevent them from devising practical solutions to their problems of race crime and race lawlessness. So much is at stake in those cities that it would be a national tragedy if twisted ideologists prevented return to the rule of law.

ANALYSIS OF INTERNATIONAL SUGAR MARKET SITUATION

Mr. JOHNSTON of South Carolina. Mr. President, I recently asked the Library of Congress to give me an analysis of the international sugar market situation.

This report shows that the United States, in consuming 3,438,000 tons of Cuban sugar in 1958, gave the Government of Cuba, or the dealers through which we purchase this sugar, a premium price, higher than the general world market. The U.S. market meant a premium price to Cuba of roughly the difference between 3.50 cents per pound and 5.77 cents per pound, less, of course, the shipping costs from Cuba to New York.

The average price of raw sugar, free alongside ship, was 3.50 cents per pound at Cuban ports in 1958. However, they were permitted to sell out their quota amount in the U.S. market, which is a restricted market and carries a higher price tag, at an average price of 4.77 cents per pound laid down in New York or laid down with duty paid at 6.27 cents per pound.

Mr. President, the United States is the principal consumer of Cuban sugar, and we have for many years protected that country by giving it preferential trade agreement treatment. It is my thought that any nation which is receiving so much from another nation, as Cuba is from the United States, should be less hostile to us and more friendly to us. Certainly we are in a position to bargain our sugar markets with Cuba for more cooperation, for peace in the Caribbean area.

Mr. President, I ask that this study of the international sugar market situation, that is the questions I asked the Library of Congress and resulting answers, be printed in the RECORD as part of my remarks. This report shows that we are giving millions of dollars to a country which is confiscating our property.

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

THE INTERNATIONAL SUGAR MARKET SITUATION

1. What is the world market price?

Though a considerable part of the sugar which moves in international trade is a matter of negotiation under short-term or long-term special arrangements, the No. 4 contract on the New York Coffee and Sugar Exchange, Inc., generally serves as the world market price. This contract, calling for centrifugal raw sugar of 96 degrees polarization, f.a.s. Cuba, was quoted (spot) at 2.65 cents per pound at the close of the market August 3, 1959.

2. How much does United States pay Cuba for sugar?

The average price for raw sugar, free alongside ship, Cuban ports, in 1958 was 3.50 cents per pound. However, they are permitted to sell up to their quota amount in the U.S. market, which market being a restricted market, carries a higher price tag—an average price in 1958 of 5.77 cents per

pound laid down in New York, or laid down with duty paid at 6.27 cents per pound in that year.

Thus the U.S. market in 1958 meant a premium price to Cuba on more than 3 million tons of roughly the difference between 3.50 and 5.77 cents per pound, minus, of course, the cost of shipping from Cuba to New York.

3. How much sugar does the United States import from Cuba?

In 1958, the adjusted quota for Cuban sugar admitted to the U.S. market was 3,438,000 tons. For 1959 the initial quota was set at 3,060,000 tons.

In general we may assume that the Cuban part of the quota was entirely filled.

4. What is the price of domestic sugar?

The average wholesale price of raw sugar, duty paid, New York, was 6.27 cents per pound, in 1958. The wholesale price of refined sugar, New York, for that year was 9.1 cents per pound; the average retail price per pound in leading cities of the United States was 11.3 cents per pound in 10-pound bags.

5. How much is grown in the United States?

The preliminary figures for the 1958 crop show 590,000 tons (raw value) of cane sugar and 2,225,000 tons (raw value) of beet sugar resulting from domestic production of sugarcane and sugar beets, a total of about 2,815,000 tons.

6. How much is consumed in the United States?

Domestic disappearance in 1958 was, according to preliminary figures, 9,109,000 tons, or about 97.3 pounds per capita on a refined basis.

7. Does the United States have a surplus of sugar? If so, what does it cost to store it and how much is the surplus?

We produce domestically less than one-third of the sugar we use. Visible stocks, or carryover of working stocks, sometimes approach 2 million tons.

Also, there are years when the acreage allotments on sugarcane, or the final allotment on sugar beets, may produce raw sugar in excess of the domestic quotas for that particular year, thus resulting in a carryover to be dealt with in setting acreages for the next year.

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

Mr. JOHNSTON of South Carolina. Mr. President, I believe I have 3 minutes on each subject. Is not that true?

Mr. JAVITS. Mr. President——

Mr. LONG of Louisiana. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

INCREASE IN PERSONAL INCOME—LOUISIANA IS NUMBER ONE

Mr. LONG of Louisiana. Mr. President, for some time the U.S. Department of Labor has been issuing a very worthwhile publication entitled "The Labor Market and Employment Security." This fine publication covers a great variety of subjects relating to labor forces and to employment in general.

Recently it was decided that a series of articles would be published discussing changes in the labor market and personal income from the period 1947 to 1957. It is my pleasure to report to Senators that the first of these series of articles is an article about the great State of Louisiana, which I have the honor, in part, to represent in this body. The reason why Louisiana is the subject of the first article is that personal income has increased in Louisiana during the last decade more than in any other State in the entire Union.

The article undertakes to analyze the nature of this development and the cause for it. It is noted that there has been a considerable shift in the population trend and that the area of south Louisiana, which has deep water transportation facilities, has developed and expanded the most rapidly. It is in this field that the Congress has probably made its greatest contribution toward the prosperity of Louisiana.

Some years ago, industries were extremely fearful of locating behind levees on the Mississippi River because of the danger of floods. With improved flood control and thanks to the cooperation of Federal, State, and local governments, industry now has confidence in its ability to settle safely behind levees on the Mississippi.

I should like to mention one additional aspect of this subject that is more controversial in nature. During the past decade, Louisiana has been one of the leaders and perhaps the most outstanding State in the Nation in expanding social services for its citizens. This program has brought considerable controversy. Some have contended that State taxes to finance public welfare and expanded educational opportunities would discourage industry from locating in Louisiana. Each forward step in providing better health, highways, and additional public services has been met with the hue and cry that the cost of paying for such advancements would cause industry to shy from Louisiana. Yet, after 10 years, we can look back upon our accomplishments and see that it is possible for a State to have both social progress and economic progress. In fact, the record seems to indicate that one complements the other instead of subtracting from it. I know that all Louisianians will take pride in the revelation of this article to which I refer and I ask unanimous consent that it be printed in the RECORD at this point.

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

CHANGES IN LOUISIANA LABOR MARKET AND PERSONAL INCOME, 1947–57

(Prepared by Noble H. Ward, Reports and Analysis Unit, Louisiana Division of Employment Security)

During the post-World War II period, the State of Louisiana enjoyed an unusual degree of economic progress. This industrialization was particularly evident in the southern half of the State, which has been the location of one of the country's most striking industrial booms. The rapidly developing industrialized region along the Mississippi River between the New Orleans and Baton Rouge metropolitan areas holds a tremendous potential for the future economic life of this part of the Nation.

Since the end of World War II, per capita personal income in Louisiana increased more rapidly than in any other State and rose almost twice as rapidly as the average for the United States. This article presents reasons for this outstanding climb in per capita income, with particular emphasis on the changes in the State's population and patterns of employment.

Louisiana's strategic location at the mouth of the Mississippi River gives the State an important industrial advantage. The climate is temperate, and is influenced mainly by the network of bays, lakes, and bayous, the proximity of the Gulf of Mexico, and the State's nearness to the subtropical latitude. The terrain is divided into rolling hills, delta land, coastal marshes, and prairies. Long agricultural growing seasons characterize both the northern and southern parts of the State.

The most important natural resources in Louisiana are petroleum, natural gas, salt, sulfur, timber, and water. The State ranks second in the Nation in the production of sulfur and natural gas, and third in crude petroleum and salt production. Over half the State is in forest land, and about 1 billion feet of timber is cut each year. Still a great agricultural State, Louisiana is the number one producer of sugarcane, spring strawberries, and sweetpotatoes, and is currently in third place in rice production.

The Mississippi River gives the State's industries worldwide access to raw materials which can be carried directly to many points in the State by cheap water transportation. Louisiana's finished products can be transported to these same world markets by this inexpensive method of transportation. The Mississippi River and its tributaries also provide transportation to and from the mid-continent of the United States and make it possible for industries in Louisiana to have access to many domestic raw materials and markets. Other transportation facilities in Louisiana are more than adequate to support an expanding economy, and have been and will continue to be an important factor in the location of new industries in the State.

New manufacturing firms locating in the State, or manufacturing firms already located in the State which desire to expand their facilities, enjoy a favorable tax attitude in Louisiana. Under the provisions of the State's tax exemption law, such firms are exempt for 10 years from all property taxes on the cost of the new plant, or expansion cost of an old plant. During 1947–57, tax exemptions amounting to slightly over $2 billion were granted.

POPULATION CHANGES

The total population of Louisiana increased by 1,223,491 or 68 percent, between 1920 and 1957. Between 1947 and 1957, the State's population increased by 19 percent, from 2,579,000 to 3,068,000, according to census estimates.

The rural-urban distribution of the population has changed drastically. This change was in line with nationwide trends, but the shift in Louisiana was at a much more rapid rate as the population became much more urbanized in the 37 years since 1920. The urban[1] portion of the population increased from 34.9 percent of the total in 1920 to 58 percent in 1957, while the rural nonfarm[2] segment showed only a minor change, increasing from 22.6 percent to 25 percent. However, the farm population, which represented 42.5 percent of the population in 1920, dropped to only 17 percent in 1957. (See chart 1.) (Chart not printed in RECORD.)

Louisiana's greatest population change took place between 1930 and 1950 when the growth was 27.7 percent. During the same period, the national increase was 22.7 percent. The movement from farm to nonfarm activities was much more pronounced in Louisiana than in the Nation as a whole, amounting to 76.6 percent, compared with a national increase of 39.9 percent. The vil-

[1] Defined by the Bureau of the Census as persons living in cities of over 2,500 population.

[2] Defined by the Bureau of the Census as persons in villages or communities of under 2,500 population, but not living on farms.

lage segment of the population (rural nonfarm) was more stable during this period—rising 46.1 percent compared with 31.8 percent for the United States. Rural farm population fell sharply both in Louisiana (down 31.4 percent) and in the United States as a whole (down 23.7 percent). (See chart 2.) (Chart not printed in RECORD.)

TABLE 1.—*Percentage changes in population segments, Louisiana and United States, 1930 to 1950*

	United States	Louisiana
Total	+22.7	+27.7
Rural farm	−23.7	−31.4
Rural nonfarm	+31.8	+46.1
Urban	+39.9	+76.6

Source: U.S. Bureau of the Census.

The decline in agricultural population in Louisiana from 1930 through 1957 is largely the result of mechanization of farm activities. The thousands of seasonal farm laborers formerly needed for cotton picking and sugarcane cutting have been reduced drastically, because a great part of this work is now performed by machinery. Improved techniques in planting and cultivation have been conducive to greater production from fewer acres. In addition, agriculture's importance in the Nation's economy has declined in relation to other activities during this period of business expansion and prosperity. These shifts which have been more rapid in Louisiana than in the Nation as a whole, evolved as a result of more and varying job opportunities, and have affected the entire economic structure of the State.

INDUSTRIAL EMPLOYMENT PATTERN, 1947–57

Chart 3 (not printed in RECORD) shows the number of persons employed by major industry divisions in Louisiana in 1957, and percent changes from 1947. Although these data are self-explanatory, there are several points that should be emphasized. Employment in mining (primarily crude petroleum and natural gas production) more than doubled. The widely publicized offshore oil drilling was a part of this growth in mining.

Employment in construction almost doubled. A significant portion of this was in the high-wage industrial plant construction activities in the lower Mississippi region where most of the State's new petroleum, petrochemical, and other new facilities are located.

Agricultural employment decreased nearly 18 percent. The increase in transportation and public utilities was relatively small. In contrast, employment in manufacturing declined 2.7 percent between 1947 and 1957, while rising in the Nation as a whole.

The uneven rate of growth in the various industry divisions altered Louisiana's structure between 1947 and 1957. This is seen in table 2, which shows proportions of total employment in Louisiana and the United States by major industry divisions. The proportion employed in agriculture declined considerably in Louisiana and the Nation, with the greater decrease in Louisiana. Louisiana and the United States as a whole both experienced declines in the proportions in manufacturing and transportation and public utilities. The drop in Louisiana's proportion in manufacturing was significant—from 19.7 percent to 15.6 percent. In Louisiana, and the United States as a whole, the proportion in all other nonagricultural divisions increased, except that in the United States the proportion in mining declined, while in Louisiana it more than doubled. (Mining in Louisiana, as was indicated above, is primarily crude petroleum and natural gas production.)

TABLE 2.—*Percent of total employment by major industry division, Louisiana and the United States, 1947 and 1957*

	United States		Louisiana	
	1957	1947	1957	1947
Total [1]	100.0	100.0	100.0	100.0
Agriculture	10.7	16.0	16.5	24.7
Mining	1.4	1.9	4.9	2.8
Contract construction	4.8	3.8	7.2	4.4
Manufacturing	28.8	29.6	15.6	19.7
Transportation and public utilities	7.1	8.0	9.1	10.4
Trade	19.4	17.8	20.3	17.0
Finance, insurance, and real estate	4.0	3.2	3.1	2.0
Service	10.9	9.3	9.8	8.1
Government	13.1	10.6	13.5	10.9

[1] Excludes nonagricultural self-employed, unpaid family workers, and domestics.

Source: For nonagricultural employment, Bureau of Labor Statistics and BLS-BES-State agency; for Louisiana agricultural employment, Louisiana Division o- Employment Security; and for U.S. agricultural em' ployment, "Statistical Abstract of the United States.'f

The employment loss in agriculture in Louisiana was not accompanied by a loss of income. Improved techniques enabled farmers to produce more agricultural products with fewer workers and with fewer acres under cultivation—thus making many workers available for nonagricultural pursuits. Fortunately, advances in industrialization were sufficient to absorb a large proportion of these workers.

The decline in manufacturing employment during the 1947–57 period was accompanied by a change in the kind of manufacturing industries in the State. This change involved an increase in the proportion of higher value-adding manufacturing industries.

In 1947, the lower value-adding manufacturing industries (lumber, food, textiles, and apparel) represented 53.7 percent of the States total manufacturing employment; by 1957, this segment had decreased to 39.8 percent. At the same time, the higher value-adding manufacturing groups (chemicals, petroleum, and paper) increased their proportion of the total manufacturing employment from 28.3 percent to 34.4 percent.

Accelerating this transition was the fact that the industries attracted to Louisiana were the technically progressive chemical and petrochemical industries which rank among the highest in both value added per employee and increase in value added per employee. These industries are traditionally high-wage paying.

Between 1947 and 1956, value added by manufacturing per employee in Louisiana increased 98 percent. The corresponding figure for the United States was 56 percent. The increase boosted Louisiana to first place among 13 States in the South and Southwest in 1956, with an average value added per manufacturing employee of $10,360. The corresponding average for the United States was $8,130.

Higher earnings per employee in nonmanufacturing industries between 1947 and 1957 also contributed to increased per capita income. Table 3 shows average weekly earnings in covered employment for selected manufacturing and nonmanufacturing industries for 1947 and 1957, with percent changes. Average weekly earnings in contract construction increased 85.3 percent during the 1947–57 period while employment doubled in the industry. Average weekly earnings in crude petroleum and natural gas production, the highest-paying nonmanufacturing industry, increased 71.4 percent between 1947 and 1957. Employment in this industry more than doubled.

It must be kept in mind, of course, that the Federal minimum wage has been increased twice in this decade. In addition, unionization is more prevalent in the newer type manufacturing industries and in construction than it was before and during World War II.

TABLE 3.—*Average weekly earnings of workers covered by the Louisiana employment security law, 1947 and 1957* [1]

Industry	Average weekly earnings, 1947	Average weekly earnings, 1957	Percent increase, 1947–57
Total, all industries	$42.98	$76.52	78.0
Total, manufacturing	43.33	84.97	96.1
Selected manufacturing industries:			
Food and kindred products	34.49	67.74	96.4
Textiles and apparel	31.93	51.90	62.5
Lumber and wood products	30.24	50.71	67.7
Paper and allied products	54.62	94.03	72.2
Chemicals and allied products	55.79	113.04	102.6
Products of petroleum	71.38	121.86	70.7
Fabricated metal products	48.55	97.29	100.4
Transportation equipment	51.88	95.35	83.8
Total, nonmanufacturing	42.80	73.66	72.1
Selected nonmanufacturing industries:			
Crude petroleum and natural gas production	65.55	112.32	71.4
Contract construction	44.21	81.94	85.3
Wholesale and retail trade	39.74	62.21	56.5
Finance, insurance, and real estate	48.41	78.12	61.4

[1] Averages are for "All employees"; Louisiana coverage requirements are 4 or more employees.

Source: Louisiana Division of Employment Security.

INDUSTRIAL EXPANSION AND OCCUPATIONS

Concurrent with the changes in the employment pattern of the States during the 1947–57 period were many occupational changes. The most outstanding occupational development was brought about by the 17.6 percent decline in agricultural employment. During this period, as agricultural employment was decreasing and the State was becoming more industrialized, there was a movement of farm labor into the industrialized areas of the State. Here workers found jobs requiring varying degrees of skill. But all such jobs paid higher rates than their former jobs in agriculture.

With the advanced techniques developed by progressive manufacturers in petrochemicals, petroleum refining, and other manufacturing, more jobs were created in the professional, technical, and the skilled categories.

Since employment in construction was at the highest level in the State's history, there was an increase in all the construction industry occupations, including those

in the professional, skilled, semiskilled, and unskilled categories.

An influx from out of State of professional and skilled workers to fill some of these newly developed jobs in Louisiana also occurred.

PER CAPITA INCOME CHANGES

Along with the changes in the patterns of employment in Louisiana and the United States since 1947, there has been considerable increase in real per capita income. Table 4, shows per capita personal income in constant-valued (1947–49) dollars. The table also shows the percentage of the national average which each value represents.

Louisiana's real per capita income rose from $934 in 1947 to $1,303 in 1957, an increase of 39.5 percent. This was almost double the Nation's gain of 21.7 percent. Louisiana's per capita income increased from 67.4 percent of the national average of $1,385 in 1947 to 77.3 percent of the national average of $1,686 in 1957. Louisiana's percent gain in per capita income and increase in percent of the national average was greater than that of any of the adjoining States.

TABLE 4.—*Real per capita personal income, 1947 and 1957, Louisiana and the United States (1947–49 dollars)*

	1957	Percent of United States	1947	Percent of United States	Percent increase 1947–57
United States	$1,686	100.0	$1,385	100.0	21.7
Louisiana	1,303	77.3	934	67.4	39.5

Source: U.S. Department of Commerce, Survey of Current Business.

Table 5, drawn from Department of Commerce data, shows the increase in total personal income, stated in current dollars, produced by the various industries in the State. In contrast to the national average, a great increase in personal income resulted from mining activities. Contract construction and government also resulted in more than 200 percent advances in personal income between 1947 and 1957.

TABLE 5.—*Personal income by major source, Louisiana, 1947 and 1957*

	Millions of dollars		Percent increase
	1957	1947	
Personal income	4,804	2,272	111.4
Wage and salary disbursements	3,284	1,381	137.8
Farms	47	44	6.8
Mining	264	68	288.2
Crude petroleum and natural gas	245	60	308.3
Mining and quarrying, except fuel	18	7	157.1
Contract construction	284	76	273.7
Manufacturing	652	332	96.4
Wholesale and retail trade	587	268	119.0
Finance, insurance, and real estate	122	42	190.5
Banking and other finance	53	18	194.4
Insurance and real estate	68	24	183.3
Transportation	255	143	78.3
Railroads	81	58	39.7
Highway freight and warehousing	44	16	175.0
Other transportation	130	68	91.2
Communications and public utilities	115	48	139.6
Telephone, telegraph, and other communications	52	19	173.7
Electric, gas, and other public utilities	63	29	117.2

TABLE 5.—*Personal income by major source, Louisiana, 1947 and 1957*—Continued

	Millions of dollars		Percent increase
	1957	1947	
Services	330	150	120.0
Hotels and other lodging places	17	9	88.9
Personal services and private households	116	70	65.7
Business and repair services	46	14	228.6
Amusement and recreation	17	13	30.8
Professional, social, and related services	134	44	204.5
Government	617	203	203.9
Federal, civilian	109	68	60.3
Federal, military	150	35	328.6
State and local	358	100	258.0
Other industries	13	6	116.7
Other labor income	138	36	283.3
Proprietors' income	622	488	27.5
Farm	154	216	−28.7
Nonfarm	469	271	73.1
Property income	489	218	124.3
Transfer payments	354	173	104.6
Less: Personal contributions for social insurance	83	24	245.8

Source: U.S. Department of Commerce, "Personal Income by States, Since 1929" and "Survey of Current Business," August 1958.

To sum up, Louisiana's unusual economic progress during the post-World War II period was characterized by a relative decline in agricultural employment and a relative rise in all types of nonagricultural employment except manufacturing and transportation and public utilities.

Economically, the decrease in total manufacturing employment was not detrimental to the State. Employment in the low-wage-paying manufacturing industries has been declining for a number of years, as discussed above. This employment loss has almost been offset by increased employment in some of the highest-wage-paying manufacturing industries in the Nation. There was a tremendous increase in value of manufactured products.

There has been a substantial rise of employment in crude petroleum and natural gas production, and contract construction. Both of these are high-wage-paying industries.

Due to Louisiana's abundant natural resources, there is every reason to believe that the type of industries which located in the State during the 1947–57 period will continue to be attracted to it. Consequently, Louisiana may expect further relative improvement in the per capita income of her inhabitants.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, if morning business is concluded, I ask the Chair to lay before the Senate Senate Resolution 174, which is lying over since yesterday, under the rule.

Mr. MANSFIELD. Mr. President, morning business is not concluded. It is my understanding that the Senator from New York [Mr. JAVITS] wishes to speak for approximately 15 minutes during the morning hour.

Mr. JAVITS. Oh, no.

Mr. LONG of Louisiana. Mr. President, I have further morning business.

Mr. JOHNSTON of South Carolina. Mr. President, I have some additional morning business.

The PRESIDING OFFICER. The Senator from New York [Mr. JAVITS] has the floor.

Mr. JOHNSTON of South Carolina. Mr. President, I ask that he be confined to 3 minutes. He has been enforcing that limitation upon us.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. JAVITS. I yield for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Under the rule, when the preliminary items of business have been transacted and the Chair lays before the Senate a resolution of the type mentioned—Senate Resolution 174—the 3-minute limitation no longer applies. Is that correct?

The PRESIDING OFFICER. The Senator from Florida is correct.

Mr. HOLLAND. But the 2 o'clock limitation of time covered by the morning hour continues to prevail?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLAND. I thank the Chair.

Mr. JAVITS. Mr. President, I now ask the Chair to inquire whether there is any other morning business; and if there is none, I ask that the Chair lay before the Senate Senate Resolution 174.

The PRESIDING OFFICER. Is there further morning business?

Mr. LONG of Louisiana. I have some morning business to offer, but if the Senator from New York wishes to have his resolution laid before the Senate, I will not object.

Mr. JAVITS. I thank the Senator.

DISCHARGE OF JUDICIARY COMMITTEE FROM CONSIDERATION OF S. 2391, THE CIVIL RIGHTS BILL

The PRESIDING OFFICER. The Chair lays before the Senate Senate Resolution 174, which will be stated for the information of the Senate.

The LEGISLATIVE CLERK. *Resolved,* That the Committee on the Judiciary be, and hereby is, discharged from further consideration of the bill (S. 2391) to extend the Commission on Civil Rights and to provide further means for securing and protecting the right to vote.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. DIRKSEN. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. JAVITS. I yield for that purpose.

The PRESIDING OFFICER. The Senator from Illinois will state his inquiry.

Mr. DIRKSEN. Is the resolution which has just been stated now the pending business of the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. May I inquire, further, how long it will remain the pending business?

The PRESIDING OFFICER. At 2 o'clock, at the conclusion of the morning business, the resolution will be placed on the calendar.

Mr. JAVITS. Mr. President, I should like to explain this procedure. I believe the Senate is very well acquainted with the situation. I desire to explain what has happened this morning, so that all other Americans may understand it, as well as we.

The distinguished senior Senator from New Jersey [Mr. CASE] and I have invoked a procedure of the Senate which allows a motion to be made to discharge a committee from the further consideration of a bill, which enables the bill to be called up as of right; but the rules of the Senate provide that this may be done only during the morning hour, and after other morning business has been completed.

It is very well known that Senators could very easily have consumed all of the time in the morning hour with perfectly legitimate morning business. Under the 3-minute rule, a Senator can discuss as many items as he pleases, and that would have been the end of this proposal until another occasion. But it was apparently deemed advisable not to do that. I think that is a wise decision. I will explain why. It goes to the fundamental purpose which I have in submitting the discharge resolution.

The idea I am trying to present to the Senate is that when two distinguished Senators like the Senator from Missouri [Mr. HENNINGS], who is the chairman of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, which has this type of proposed legislation in hand, and my colleague, the distinguished junior Senator from New York [Mr. KEATING], who also is a member of the Committee on the Judiciary, both tell us, on almost successive days, that it is absolutely hopeless to expect that any proposed civil rights legislation will be reported by the Committee on the Judiciary, it is time for the Senate, in recognition of its responsibilities, to look to other means.

There are various other means. One means is to discharge the committee. That is the most direct and efficacious means. It will bring the civil rights bill to the floor of the Senate. The other means is to attach amendments to some other bills. Those bills may be very good bills in themselves, or they may not. In any case, it would be necessary to string along with those bills. Those bills would not have to be called up unless they were of crucial importance. Hence, the whole operation could be bypassed.

But a resolution to discharge is direct and clear. It will bring up the civil rights bill; and when the resolution goes on the calendar at 2 o'clock, as it will now that this situation has been established, it will be absolutely in the control of the majority leader to bring up the civil rights bill. That is all the Senator from New Jersey [Mr. CASE] and I have sought to establish. It would be ridiculous at this stage to seek to displace the majority leadership by moving that our business shall displace the unfinished business. That, incidentally, as I shall seek to establish by a parliamentary inquiry, can be done by any Senator moving to displace the pending business with other business at some proper stage of the proceeding. It can be done at any time.

But what is important to establish is that in order to bring up a civil rights bill at this session, all the techniques are available to the majority leader. He can call up the bill to which amendments have been offered by the Senator from Missouri [Mr. HENNINGS] and the Senator from New York [Mr. KEATING]; or, now that this resolution will be placed upon the calendar, the majority leader can call up the civil rights bill directly. It will take nothing but a majority vote of the Senate to sustain the resolution, in which case the civil rights bill will be the pending business before the Senate. That is the whole purpose of what we have done.

I may say, in deference to my southern colleagues, who feel very strongly about this matter, that I believe they realize that they too are served by the rules of the Senate, which are extremely important to them. Therefore, it is also extremely important to them to see to it that the rules of the Senate are observed, even in matters which they conceive to be against what they sincerely believe in, on the ground that when the idea of the letter, if not the spirit, of the rules is maintained in the Chamber, it is a very good thing for any kind of minority, whether religious, social, or political, in our country.

So I understand the procedure which has just taken place. I disclose it very frankly. But we will have accomplished our purpose, a legitimate purpose. Even the opposition can recognize it as a legitimate purpose. The legitimate purpose is to present to the majority leader—and I repeat something I have been saying for months—present to the majority leader, representing the Democratic side, the responsibility for bringing before the Senate a civil rights bill.

We have the responsibility—the so-called bipartisan coalition which believes in civil rights—to put into such a bill what we think ought to be in it, and to attempt to have it passed; but the majority leadership has the responsibility of bringing up the bill. So by this procedure, that opportunity, that option is distinctly placed in the hands of the majority.

Mr. President, within the short time remaining to me, I propound the following parliamentary inquiry: Is it a fact that the resolution which is now before the Senate, and which will in a few minutes be placed on the calendar, may be called up on motion at any time in the same way as any other bill or resolution?

The PRESIDING OFFICER. At the conclusion of the morning hour, the resolution will be placed on the calendar and will be subject to being called up by motion in the same way any other resolution is called up by the majority leader.

Mr. JAVITS. Mr. President, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Is it a fact also——

Mr. JOHNSTON of South Carolina. Mr. President, I did not catch the last words—did the Presiding Officer say "by the majority leader"?

The PRESIDING OFFICER. By majority vote.

Mr. JOHNSTON of South Carolina. Is it not also customary for the majority leader to notify the Senate in advance what bills will be taken up? Would it not be a little out of order to take a bill up simply out of the clear blue sky?

The PRESIDING OFFICER. That is not a parliamentary inquiry.

Mr. JAVITS. Mr. President, I have the floor for the very few minutes remaining before 2 o'clock, and I do not yield.

A parliamentary inquiry: Is the resolution, which will be placed on the calendar, in any way privileged?

The PRESIDING OFFICER. It is not a privileged resolution.

Mr. JAVITS. Finally, Mr. President, may the resolution be called up on motion at any time, according to the rules, to displace any other item of pending or unfinished business?

The PRESIDING OFFICER. A motion may be made to take it up, and if a majority votes to take it up, it will displace any pending business.

Mr. JAVITS. I have asked these questions—and I am perfectly well acquainted with the answers—because I simply wished to nail down the accomplishment, which is the only purpose the Senator from New Jersey [Mr. CASE] and I sought in this rather unusual procedure.

Mr. President, I ask unanimous consent to have printed as a part of my remarks an analysis entitled "Procedure and Precedents Pertaining to Discharge of Committees of the Senate," prepared by the Legislative Reference Service of the Library of Congress. I think it will be very useful to Senators because it shows why we have proceeded as we have and what are the various rights which are involved.

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

PROCEDURE AND PRECEDENTS PERTAINING TO DISCHARGE OF COMMITTEES OF THE SENATE

Senate procedure for the discharge of committees is governed by rule XXVI, clause 2, of the "Standing Rules of the Senate," and by the pertinent precedents.

Clause 2 of rule XXVI provides that "all reports of committees and motions to discharge a committee from the consideration of a subject, and all subjects from which a committee shall be discharged, shall lie over 1 day for consideration, unless by unanimous consent the Senate shall otherwise direct."

Although Senate committees are infrequently discharged, lest retaliation ensue, the procedure for their discharge is a simple one.

Any Senator may introduce a resolution that a committee be discharged from further consideration of a matter which has been referred to it. If objection is raised to immediate action, the resolution must lie over 1 legislative day. (See "Senate Procedure" by Watkins and Riddick, pp. 300–302). This action may be sought by those who feel that a committee is unreasonably delaying or preventing the Senate's consideration of a matter favored by a majority. Or the discharge resolution may be introduced by the chairman of a committee as a means of putting an end to dissension within the committee itself.

PRECEDENTS BEFORE 1909

Gilfrey cites three pertinent precedents in his "Precedents of the United States Senate" (1789–1909), as follows:

Forty-first Congress, 2d session; Journal, page 419, March 28, 1870.

"Mr. Sherman submitted a motion that the Committee on the Judiciary be discharged from the further consideration of the bill (H.R. 1536) to admit the State of Texas to representation in the Congress of the United States.

"*Ordered,* That the consideration of the said motion be postponed to tomorrow."

Forty-first Congress, 2d session; Journal, pages 424, 425, March 29, 1870:

"Mr. Sherman moved that the present and all other orders be postponed to tomorrow for the purpose of enabling the Senate to proceed to the consideration of the motion yesterday submitted by him, to discharge the Committee on the Judiciary from the further consderation of the bill (H.R. 1536) to admit the State of Texas to representation in the Congress of the United States.

"After a division of the question, both branches passing in the affirmative it was—

"*Ordered,* That the Committee on the Judiciary be discharged from the further consideration of the bill (H.R. 1536), and thereupon the Senate proceeded to consider the said bill as in Committee of the Whole; and the bill having been amended on the motion of Mr. Sherman by striking out the last proviso, it was reported to the Senate, and the amendment was concurred in.

"*Ordered,* That the amendment be engrossed and the bill read a third time. The said bill as amended was read the third time; and on the question shall the bill pass, it was determined in the affirmative; yeas 47, nays 11." (See Congressional Globe, pp. 2271, 2272).

Forty-second Congress, third session; Journal, page 98, December 20, 1872:

"Mr. Windom submitted a motion that the Committee on Appropriations be discharged from the further consideration of the bill (H.R. 3131) making appropriations to supply deficiencies in the appropriations, etc., and asked that the Senate proceed to the present consideration of the motion.

"Mr. Edmunds objected to the present consideration of the motion, and made the point of order that the motion of Mr. Windom, being in the nature of a resolution, must, under the 26th rule of the Senate, if its consideration be objected to, lie over 1 day for consideration.

"The President pro tempore submitted the question of order to a decision of the Senate, viz: 'Is it in order for the Senate to consider on the day it is submitted a motion to discharge a committee from the further consideration of a bill?'

"After debate, it was determined in the negative: yeas 22, nays 23." (See Congressional Globe, pp. 322–327.)

Fifty-sixth Congress, second session; Journal, page 234, February 28, 1901:

"The President pro tempore (Mr. Frye) laid before the Senate the resolution submitted by Mr. Pettigrew on the 26th instant to discharge the Committee on Education and Labor from the further consideration of the bill (H.R. 6882) limiting hours of daily service of laborers and mechanics employed upon work done for the United States or any Territory or the District of Columbia, thereby securing better products, and for other purposes, and that the Senate proceed to consider the same.

"Mr. Platt of Connecticut, raised a question of order, viz: That the consideration of the resolution was not in order during the morning hour; that it not only proposed to discharge the committee from the consideration of the bill, but to consider it on the same day, and therefore the resolution was not in order.

"The President pro tempore sustained the question of order, and decided that the resolution was not in order."

PRECEDENTS SINCE 1909

A survey of the Senate Journal for the past 50 years reveals nine instances in which motions were made to discharge committees of the Senate from the consideration of specific matters. Four of these motions were adopted. On February 18, 1931, the Committee on Finance was discharged from the further consideration of a bill to increase the loan basis of adjusted service certificates. On April 21, 1932, the Committee on Rules was discharged from the further consideration of a resolution to change the name of the Committee on Pensions to the Committee on Veterans' Affairs. On June 7, 1938, the Committee on Commerce was discharged from the further consideration of a resolution for an investigation of the Tennessee Valley Authority. And on August 9, 1950, the Committee on Foreign Relations was discharged from the further consideration of a bill to build and operate a bridge across the St. Lawrence River near the city of Ogdensburg, N.Y.

The following excerpts from the Senate Journal show the action taken in each of these nine instances:

Sixty-fifth Congress, first session; CONGRESSIONAL RECORD, pages 5667–5701, August 1–2, 1917; Journal, pages 213, 265, September 20, 1917:

August 1–2, 1917:

"Senator Cummins submitted a resolution that the Committee on Woman Suffrage be discharged from the further consideration of the resolution (S.J. Res. 2) proposing an amendment to the Constitution of the United States conferring upon women the right of suffrage.

"Pending debate.

"The Presiding Officer (Mr. Swanson in the chair) announced that the hour of 2 o'clock having arrived, under the rule the resolution would go to the calendar."

September 20:

"The Senate proceeded to consider the resolution submitted by Senator Cummins.

"*Ordered,* That it be postponed indefinitely."

Seventy-first Congress, third session; Journal, pages 220, 230, 234, 243, 245, February 17, 1931:

"Senator Ashurst submitted a motion that the Committee on Finance be discharged from the further consideration of the bill (H.R. 17054) to increase the loan basis of adjusted-service certificates, and that the Senate proceed to its consideration.

"Mr. Smoot objected to the consideration of the motion.

"The Presiding Officer (Mr. Fess in the chair) held that under rule XXVI a motion to discharge a committee must lie over for a day.

"On motion by Senator Ashurst that the rule be suspended in order that his motion to discharge the committee might be considered,

"The Presiding Officer held that, under rule XL, a motion to suspend a rule must also lie over for a day.

"From a decision of the Chair, Mr. Ashurst appealed to the Senate.

"The Presiding Officer stated the question to be, Shall the decision of the Chair stand as the judgment of the Senate?

"When

"Mr. Ashurst withdrew his appeal.

"Calendar day February 18:

"On motion by Mr. Harrison, and by unanimous consent,

"*Ordered,* That upon the convening of the Senate on tomorrow it proceed to the consideration of the bill (H.R. 17054) to increase the loan basis of adjusted-service certificates.

"Calendar day February 19:

"The Senate, under its order of yesterday, proceeded to consider the bill (H.R. 17054).

"The Senate resumed the consideration of the bill (H.R. 17054).

"Pending debate.

"On motion by Mr. Copeland to amend the said bill,

"Pending debate.

"The Senate resumed the consideration of the bill (H.R. 17054).

"Mr. Copeland withdrew his amendment.

"After debate no amendment being made,

"*Ordered,* That the bill pass to a third reading.

"The said bill was read a third time.

"On the question, Shall the bill pass?

"It was determined in the affirmative: Yeas, 72, nays 12.

"So it was

"*Resolved,* That the bill pass.

"*Ordered,* That the Secretary notify the House of Representatives thereof."

Seventy-second Congress, first session; Journal, pages 395, 401, 414, 422, 589, 594, 595; April 14, 18, 21, 25, 1932; June 13, 15, 1932:

April 14, 1932:

"Senator Brookhart submitted a motion that the Committee on Rules be discharged from the further consideration of the resolution (S. Res. 26) to change the name of the Committee on Pensions to the Committee on Veterans' Affairs, and defining its jurisdiction."

April 18, 1932:

"*Ordered* by unanimous consent,

"That it be passed over temporarily."

April 21, 1932:

"The Senate proceeded to consider the said motion.

"After debate, Mr. Brookhart's motion was agreed to; and

"*Ordered,* That the resolution be placed on the calendar."

April 25, 1932: The motion of Senator Brookhart that the Senate continue the consideration of the resolution was not agreed to."

June 13, 1932:

"The resolution having been reached on the calendar, an objection to its consideration was interposed by Senator King.

"Senator Brookhart made a motion that the Senate proceed with the consideration of the resolution notwithstanding the objection.

"On the question of agreeing to the motion of Mr. Brookhart,

"It was determined in the affirmative: Yeas 63, nays 9.

"So Senator Brookhart's motion was agreed to, and

"The Senate resumed the consideration of the said resolution.

"The question being on agreeing to the amendment heretofore proposed by Senator Brookhart,

"It was determined in the affirmative.

"On motion by Senator Vandenberg to further amend the said resolution,

"Pending debate."

June 15, 1932: "Motion by Senator Brookhart that the Senate proceed to the consideration of the resolution (S. Res. 26) was not agreed to."

June 15, 1932:

"The resolution having been reached, an objection to its consideration was interposed by Senator King.

"Senator Brookhart made a motion that the Senate proceed with the consideration of the resolution notwithstanding the objection.

"On the question of agreeing to Senator Brookhart's motion,

"It was determined in the affirmative: Yeas 49, nays 20.

"So Senator Brookhart's motion was agreed to; and

"The Senate resumed the consideration of the resolution.

"The question being on agreeing to the amendment heretofore proposed by Senator Vandenberg,

"After debate,

"It was determined in the affirmative: yeas 39, nays 32.

"So Senator Vandenberg's amendment was agreed to

"The resolution was further amended on the motion of Senator Ashurst.

"On the question of agreeing to the resolution as amended,

"Pending further debate."

Seventy-third Congress, second session; Journal page 453, May 28, 1934:

"Senator Shipstead submitted a motion that the Committee on Finance be discharged from the further consideration of the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-compensation certificates.

"Senator Robinson of Arkansas raised a question of order, viz, that the motion was not in order.

"The PRESIDING OFFICER (Mr. Clark in the chair) sustained the point of order."

Seventy-fifth Congress, third session; Journal, pages 197, 457, March 4, June 7, 1938:

March 4, 1938:

"Senator Norris submitted a motion that the Committee on Commerce be discharged from the further consideration of the resolution (S. Res. 246) for an investigation of the Tennessee Valley Authority.

"*Ordered*, That the motion lie over 1 day under the rule."

June 7, 1938:

"On motion by Senator Norris, and by unanimous consent,

"*Ordered*, That the Committee on Commerce be discharged from the further consideration of the said resolution and that it be postponed indefinitely."

Seventy-ninth Congress, first session; CONGRESSIONAL RECORD, volume 91, part 9, pages 12236, 12311, 12498; Journal, pages 525, 532, 546, 547, December 18–19, 21, 1945; Seventy-ninth Congress, second session; CONGRESSIONAL RECORD, volume 92, part 8, page 10334:

December 18, 1945:

"Senator Revercomb submitted a resolution (S. Res. 207) that the Committee on Military Affairs be discharged from the further consideration of the joint resolution (S.J. Res. 116) to direct and require the discharge of certain members of the Armed Forces, to prohibit the drafting of certain persons into the Army or Navy, and for other purposes.

"On motion of Senator Revercomb, and by unanimous consent,

"*Ordered*, That the resolution lie over 1 day under the rule."

December 19, 1945:

"S. Res. 207 was laid before the Senate.

"Pending debate.

"The hour of 2 o'clock having arrived,

"*Ordered*, That the resolution be placed on the calendar."

December 21, 1945:

"The Senate resumed consideration of S. Res. 207.

"Pending debate."

July 29, 1946:

"Without objection, S. Res. 207 was indefinitely postponed, because the purpose of that resolution had been fulfilled by other legislation."

Eightieth Congress, first session; Journal pages 447, 459, 468, 470, 472, 482, 484, 489, 531, 532, 542, 552, July 14, 16–19, 21, 24–26, 1947:

July 14, 1947:

"Senator Kem submitted a resolution (S. Res. 150) that the Committee on the Judiciary be discharged from the further consideration of the resolution (S. Res. 116) to investigate the nonaction of the Department of Justice in connection with alleged irregularities in the Democratic primary elections in the Fifth Missouri Congressional District on August 6, 1946.

"*Ordered*, That the resolution lie over 1 day under the rule."

July 16, 1947:

"The Senate resumed consideration of the resolution (S. Res. 150).

"The question being on agreeing to the resolution,

"Pending debate,

"The hour of 2 o'clock p.m. having arrived,

"The resolution was placed on the calendar."

July 17, 1947:

"Senator Wherry made a motion that the Senate proceed to the consideration of the resolution (S. Res. 150).

"Pending debate."

July 18, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"Pending debate."

July 19, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"On motion by Senator Wherry, and by unanimous consent,

"*Ordered*, That the further consideration of the motion be temporarily laid aside."

"The Senate resumed consideration of Senator Wherry's motion.

"Pending debate."

July 24, 1947:

"The Senate resumed the consideration of Senator Wherry's motion.

"Senator George made a motion that further consideration of Senator Wherry's motion be postponed until January 3, 1948.

"Pending debate.

"Senator Ferguson submitted a motion to lay on the table the motion of Senator George.

"The question recurring on the agreeing to Senator Ferguson's motion to lay Senator George's motion on the table,

"It was determined in the affirmative: Yeas 45, nays 30.

"So Senator George's motion was laid on the table.

"The question recurring on agreeing to Senator Wherry's motion to proceed to the consideration of the resolution.

"Pending debate.

"On motion by Senator Wherry, and by unanimous consent,

"*Ordered*, That the pending motion to proceed be temporarily laid aside."

July 25, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"Pending debate.

"On motion by Senator Taft that the further consideration of the motion be postponed until 12 o'clock the next day,

"It was determined in the affirmative."

July 26, 1947:

"The Senate resumed consideration of Senator Wherry's motion.

"Senator Taft raised the question as to the presence of a quorum.

"(The resolution remained on the calendar until the end of the session.)"

* * * * *

Eightieth Congress, second session; Journal, pages 305, 336, 337, May 10, 20, 1948:

May 10, 1948:

"Senator Knowland submitted a resolution (S. Res. 232) that the Committee on Interior and Insular Affairs be discharged from the further consideration of the bill (H.R. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

"*Ordered*, That the resolution lie over one day under the rule."

May 20, 1948:

"The Senate resumed the consideration of the resolution (S. Res. 232).

"The question being on agreeing to the resolution,

"After debate,

"The question being taken,

"It was determined in the negative: Yeas 20, nays 51.

"So the resolution was not agreed to."

Eighty-first Congress, second session; Journal, page 585, August 9, 1950:

"The bill (S. 3862) authorizing the Ogdensburg Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge across the St. Lawrence River at or near the city of Ogdensburg, N.Y., having been reached [on the call of the Calendar of Unobjected Bills], on motion by Mr. Ives, and by unanimous consent,

"*Ordered*, That the Committee on Foreign Relations be discharged from the further consideration of the bill (H.R. 8944) of an identical title.

"The Senate proceeded, by unanimous consent, to consider the said bill; and no amendment being made,

"*Ordered*, That it pass to a third reading.

"The said bill was read the third time.

"*Resolved*, That it pass.

"*Ordered*, That the Secretary notify the House of Representatives thereof.

"*Ordered*, by unanimous consent, That the bill S. 3862 be postponed indefinitely."

Mr. JAVITS. Mr. President, in the few minutes remaining, I may say that I believe we are dealing with one of the really fundamental issues of domestic and international policy in the United States. I may say, too, that I feel I am dealing with one of the fundamental tenets of my party; in fact, I think the No. 1 distinguishing point of my political party, which had its origin in this very kind of struggle. This is not the struggle for civil rights in itself; it is but a way of dealing with the difficulties which the struggle creates. It is the struggle for equal opportunity and the dignity of mankind. It is for that reason that it represents not only a domestic issue, but an enormous international issue, as well. I know of no single piece of domestic proposed legislation which will so deeply affect the struggle for peace, which will depend on 1 billion people throughout the world whose skins are yellow or black, who will have to decide whether they wish the world to be led by the United States or the Soviet Union, than what we do to provide equal opportunity for and to uphold the dignity of man in the United States.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE of New Jersey. The Senator from New York has expressed our joint thoughts in this matter far better than I could myself, and with eloquence, simplicity, and complete fairness. I think we have accomplished the purpose which we set out to accomplish by making it very clear that the leadership now has the power to bring this matter before the Senate at any time it chooses to do so. I thank the Senator from New York.

Mr. JOHNSTON of South Carolina. Mr. President, a point of order. It is now 2 o'clock.

The PRESIDING OFFICER. It is not 2 o'clock according to the clock which the Chair is observing. [Laughter.]

Mr. JAVITS. Mr. President, I am sure the Chair will interrupt me at 2 o'clock. I shall retain the floor until that time.

I express my gratitude to the present Presiding Officer for his very fair rulings and very firm hand, as I also thank the Vice President, who preceded the present occupant of the chair, for ruling so fairly and firmly in this matter.

Mr. President, all of us are common citizens of the United States. I think my southern brethren, as well as those in other parts of the country, will bless the day when we were able to proceed in this way.

The PRESIDING OFFICER. The hour of 2 o'clock has arrived; and debate on Senate Resolution 174 is terminated, and the resolution will go to the calendar.

EMERGENCY REPATRIATION ASSISTANCE ACT OF 1959

The PRESIDING OFFICER. The Chair now lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 2467) to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 2467, be laid aside, and that the Senate proceed to the consideration of House bill 1, to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, for navigation, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON of South Carolina. Mr. President, I wish to propound a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, I have moved that the unfinished business be laid aside, and that the Senate proceed to the consideration of House bill 1, so that it be made the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. WILEY. Mr. President, I understand that, for the first time, the printed record of the committee hearings on House bill 1 is now on the desk of each Senator.

Mr. MANSFIELD. Mr. President, I should like to have the Senate vote on the motion I have made just now. I have not heard a parliamentary inquiry propounded.

Mr. WILEY. Mr. President, I am now raising——

The PRESIDING OFFICER. The motion is debatable; and the Senator from Wisconsin may proceed.

Mr. WILEY. I thank the Chair.

Mr. President, I started to say that, for the first time, the printed record of the committee hearings on the bill now has been placed on the desk of each Senator.

I have heard several Senators say they would like to have time to read the record of the committee hearings and to understand what the issues are and what the evidence is. I believe that matter should receive consideration.

I understand that one of the questions which should be debated, before the Senate makes this bill the pending business, is whether consideration of the bill should be delayed until all Senators have time to read the hearings and the reports and understand what the issues are and what the facts show. I am sure I am not the only Member of the Senate who feels that way on this subject.

I may also say, in regard to this matter, that other Senators can leave when they wish, and can be gone for days; but when the question is one of how the Senate should deal with matters which relate to, let us say, a difference between five of the States of the Union, in regard to this Illinois district, and differences between Canada and the United States of America, certainly there should be sufficient time for Senators to learn what the testimony on those issues has been.

It is true that the committee which took the evidence met, at times, with only three or four of its members present. Other members of the committee have stated that they want to read the evidence.

I understand that in the committee, the vote on the question of tabling was 7 to 7; and I understand that the next committee vote was on the question of reporting the bill to the Senate, and that that question was decided by a vote of 6 to 8. But the evidence taken before the committee had not then been printed and made available to all the committee members; and the Members of the Senate as a whole have not heretofore read that record. It has been placed only today on the desk of each Senator.

So it seems to me only fair that consideration of this matter should be postponed for a few days.

I understand that the Senator from Ohio [Mr. LAUSCHE] wishes to be heard on this subject; and at this time I yield to him.

Mr. MANSFIELD. Mr. President, may I be heard on this matter? I would say that, to judge from what the——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor. Does he yield?

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield to me, for that purpose?

Mr. WILEY. I have already yielded to the Senator from Ohio [Mr. LAUSCHE]. After he has spoken, I am sure he will yield.

Mr. LAUSCHE. Mr. President, I have no objection to permitting the Senator from Montana to speak now, provided the Senator from Wisconsin does not lose the floor.

Mr. MANSFIELD. Mr. President, with that understanding, I would point out that what the Senator from Wisconsin has already stated gives an indication of what lies ahead for the Senate.

The printed hearings have been ready since 9 o'clock this morning. The Senator from Wisconsin is a reasonable man. I think he is aware of the strong possibility that there will be 2 or 3 days of debate, if not more, on this measure. I hope we can reach agreement to have the bill taken up, and the debate on it begun, and all points in regard to it brought out into the open.

Mr. WILEY. I do not think there is any question about that.

But I repeat that when we consider the important matter of the relations we have with our best friend—Canada—every Senator should have an opportunity to review the facts and the evidence; and the only way that can be done is to give each Senator an opportunity to study the volume of the committee hearings and the report and the minority and other views—I understand there are three of the latter—and take time to digest them.

My only thought is that if that is done, inasmuch as there are already on the calendar plenty of bills and other measures to be dealt with by the Senate, the consideration of House bill 1 could well go over until Monday, by which time every Member could have ascertained what the issues in regard to it are.

I am sure there would be no objection to having other measures considered in the meantime. After all, on yesterday the Senator from Texas listed a whole group of other measures which are ready for consideration by the Senate.

So it seems to me that the procedure I have proposed is a fair and a proper one.

Thereafter, if the issue is whether the bill should be referred to the Foreign Relations Committee, every Member will have had an opportunity to understand what has been said by the representatives of Canada and what has been said by the representatives of various branches of our Government; and by that time all Members will have had an opportunity to assimilate that information, and will be able to proceed, not on the basis of what I say, not on the basis of what the Senator from Illinois [Mr. DOUGLAS] says, not on the basis of what any other individual Member of the Senate says, but on the basis of what the printed records show. I believe that should be done.

Mr. MANSFIELD. Mr. President, at this point, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. MANSFIELD. I wish to point out that the Senate will be in session until a late hour tonight, and will convene early tomorrow morning, and will remain in session until late tomorrow night, and will convene early the following morning. Furthermore, the majority leader and the minority leader agreed, and so notified the Senate, that this measure would be the next order of business.

So I hope that the senior Senator from Wisconsin [Mr. WILEY], with his usual good judgment, will permit us to proceed with this measure, because during the next few days all Senators will be able to read all of the hearings and all of the reports and all of the minority and other views.

Furthermore, all of us recall that a certain familiarity with the bill already exists, and therefore the bill should not require too much new reading to be undertaken at this time.

Mr. WILEY. I realize how fecund, I would say, my distinguished friend, the Senator from Montana, is. But I still say that the situation is that, in order to be fair to the Members who are not on the committee, they should have an opportunity to read this material and to digest it. If we allowed 24 hours, that would provide such an opportunity to some of the Members of the Senate who have spoken to me about this matter. Some of them have said to me, "We have talked to Members of the House and to others, and we want a chance to look at the record"—in other words, to do as the late Al Smith said. It seems to me that will be only fair. In view of the combination that is against us, I am sure there should be no question about accepting such a proposal—particularly in view of the fact that we have been told that there are now on the calendar sufficient measures to keep the Senate busy the rest of the week. Then, by Monday, the Senate can take up this measure.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. LAUSCHE. Mr. President, yesterday I wrote to the majority leader a letter in which I suggested to him that consideration of this measure be deferred, so that I and other Senators could have an opportunity to study the transcript of the evidence taken at the committee hearings. In my letter, I pointed out the significance of this bill.

In my opinion, its significance resides in the fact that it is contemplated that Congress, by means of the provisions of this bill, shall take from the State of Ohio property rights which belong to the State of Ohio and give them to the State of Illinois.

Ohio is a part of this Union. It was admitted into the Union, and it joined the Union not in the belief that its property would be taken by the Congress of the United States and given to one or more sister States.

Secondly, the bill is important because it deals directly with the treaty agreement that we have made with the Dominion of Canada. That subject will be rather widely discussed on the Senate floor. It was last year.

But there are two propositions involved. One, this Government's contemplation of breaking a treaty with Canada; and, secondly, taking from the States properties which belong to them and giving those properties to sister States.

Now, may I direct my attention for the moment to the meaning of the transcript of evidence. I tried to get this transcript the day before yesterday. I tried yesterday, and was told that it would not be available earlier than today. We did get the transcript this morning. But I submit to Senators, humbly and respectfully, that with the work a Senator has, he cannot just break loose and begin reading this 480-page document. To my State this bill is of such importance that I will want to know what is in the evidence, and I contemplate reading it, even though I have to read it on the floor of the Senate. I will not be caught the way I was last year when declarations were made about the contents of the transcript of the evidence, without my being able to intelligently answer.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. In just one moment. Last year there was put on my desk, at the 11th hour, not the print of the evidence, but the rough-printed pages of the evidence. Today, this year, we get this book at the 11th hour.

I respectfully submit that if the transcript of the testimony means anything to me from a utilitarian standpont, it ought to be available to a Senator in ample time to read it and know what it contains.

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

Mr. LAUSCHE. I yield, provided I do not lose the floor.

Mr. DOUGLAS. Since the Senator from Ohio has stated it is his intention to read the 480 pages to the Senate, and since I see on the desks of my good friends from Wisconsin piles of documents, and knowing their stalwart energy, is it not likely that the debate will continue for such time that they will not only have a chance to read all the hearings, but will be able to set up classes in reading, if necessary, to assist Senators who may have trouble?

Mr. LAUSCHE. I, of course, would like to read this document in my office in my leisure time. I think we can save time by making that opportunity possible. I think the Senator from Illinois will have to concede that this document is intended to inform the Senators as to what took place at the hearings. That is its purpose, and its purpose cannot be served unless Senators have an opportunity to read what this book does contain.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield for a question.

Mr. DOUGLAS. The Senator said that he intends to read this entire document to the Senate.

Mr. LAUSCHE. The Senator from Ohio has stated that he will learn what the document contains—unless an opportunity is granted to him to do otherwise—in the manner the Senator from Illinois has just described.

Mr. DOUGLAS. I think it is evident that the Senator from Ohio has one of the most eloquent voices here in the Senate. He will read the document with all the emphasis and all the shadings of which his great organ voice is capable, and at the end of it we will know it very thoroughly.

Mr. LAUSCHE. May I say to the Senator from Illinois that, judging from the weakness of his position in advocating that water out of the Great Lakes basin should be diverted for the purpose of helping Chicago dispose of its sewage, I can see why he is arguing in the manner that he is. Ohio wants nothing but fair treatment from this Congress. I regret to say that in the request that this bill contains, the city of Chicago is asking this Congress to take away from Canada and from Ohio and New York and Wisconsin and Michigan and Pennsylvania and Indiana, property which belongs to those governmental units, and give it to Chicago to spare it from spending the necessary money to build a sewage-disposal plant.

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

Mr. LAUSCHE. I yield to the Senator from Wisconsin.

Mr. MANSFIELD. Mr. President, may I ask who has the floor?

The PRESIDING OFFICER. The distinguished Senator from Ohio has the floor.

Mr. MANSFIELD. May I ask the Senator from Ohio if it would be at all possible in the near future to come to a vote on the motion pending before the Senate, so we can get started on the hours, days, and perhaps weeks we shall have to spend on this bill?

Mr. LAUSCHE. Mr. President, what is the motion?

Mr. MANSFIELD. The motion is to make that bill the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. PROXMIRE. Mr. President, will the Senator from Ohio yield so I may speak on it?

Mr. MANSFIELD. The Senator from Wisconsin will be able to speak once the bill is laid before the Senate. There is no limitation of time on it. It will be a great relief to many Senators to have it laid before the Senate. Perhaps the Senator will get some votes.

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

Mr. LAUSCHE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. As I understand, the motion of the Senator from Montana is that the Senate take up H.R. 1. Is that correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. The position of the senior Senator from Wisconsin, myself, and the Senator from Ohio, is that we do not approve of this motion, but, instead, think that the bill should be taken up on Monday. Is that a convenient way to handle it?

Mr. MANSFIELD. No; that would be a very inconvenient way to handle it, if I may say so, because the leadership on both sides of the aisle informed the Senate this bill would become the pending business today, if the Senate will allow us to come to a vote on it.

Mr. PROXMIRE. The position of the Senators from Ohio and Wisconsin is that we would greatly prefer not to have this bill become the pending business, because we have just received the material which we have to study at least for a couple of days, in order to debate the question.

Mr. MANSFIELD. The Senator from Wisconsin has read and reread that material in years past. He knows that book from beginning to end. I may say I know a dilatory tactic when I see it,

even if it is being committed by a Democrat. [Laughter.]

Let us get down to making this bill the pending business. There is no limitation of time on debate. The Senator can have all the time he wants. But a promise has been made by the leadership, and I think we can observe it.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. LAUSCHE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. While I have read the hearings of 1954, 1956, and 1958, and the House hearings of 1959, the Senate committee hearings of 1959, which are by far the most comprehensive and consist of 480 pages, were not made available until 9 o'clock this morning.

I saw the volume only within the last hour or so. This book contains 480 pages of extremely important material. It will take me at least a couple of days to familiarize myself with it thoroughly, to consult with my staff, to consult with my colleagues, and to be in a position to engage in a proper debate on this matter.

I can see no reason in the world, in view of the other measures which are pending on the calendar, why we cannot defer action until Monday.

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

Mr. PROXMIRE. Yes.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. I will admit that the hearings are not as interesting as "Advise and Consent." However, I would say that the average Senator—and the Senator from Wisconsin is above the average—could go through those 480 pages, with his background of knowledge and his vast understanding of this problem from his point of view, in the 5½ hours which have elapsed since the hearings were made available. I would say that in large part the hearings are repetitious of what the Senator has read in years past.

Mr. PROXMIRE. Mr. President, may I reply to the Senator from Montana?

Mr. LAUSCHE. Mr. President, I yield if it is understood I do not lose my right to the floor.

Mr. PROXMIRE. Reading this record will not take 5½ hours; it will take considerable time. This book is not a novel. "Advise and Consent" is a brilliant novel. I enjoyed it very much. It took me several days to read the novel.

This matter is one which needs to be studied, to be weighed, to be checked and to be evaluated. It will take considerable time to study the matter.

Furthermore, the committee report is several pages long. It contains a number of contradicting opinions written by a number of different Senators who express minority views and so on. This report has just been made available to us.

Mr. President, there is no question in my mind, in view of the fact that it will not delay the Senate for a minute if we proceed to consider other matters which are available before us, that by far the most fair and the best procedure is to follow the lead of the Senators from Wisconsin and the Senator from Ohio and to vote against considering the bill at the present time.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. What is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is on agreeing to the motion of the Senator from Montana.

Mr. MANSFIELD. That the bill, H.R. 1, be made the pending business.

Mr. LAUSCHE. Mr. President, I ask for a yea-and-nay vote on the motion.

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

Mr. LAUSCHE. And, Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. There are sufficient Senators present.

Mr. LAUSCHE. Very well; I withhold my request.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

Mr. WILEY. Mr. President, I object. We do not have a quorum present now. We want a quorum.

The PRESIDING OFFICER. Objection is heard. The Clerk will resume the call of the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Fulbright	Mansfield
Allott	Goldwater	Martin
Anderson	Green	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Murray
Bush	Hennings	Muskie
Byrd, Va.	Hickenlooper	Neuberger
Byrd, W.Va.	Hill	Pastore
Cannon	Holland	Prouty
Capehart	Hruska	Proxmire
Carlson	Humphrey	Randolph
Carroll	Jackson	Robertson
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnston, S.C.	Schoeppel
Chavez	Jordan	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kennedy	Sparkman
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Fong	McNamara	Young, Ohio
Frear	Magnuson	

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

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

The PRESIDING OFFICER. A quorum is present.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The question before the Senate is on agreeing to the motion of the Senator from Montana to proceed to the consideration of H.R. 1.

Mr. LAUSCHE. Mr. President, I move that further consideration of the pending motion be deferred until 2 o'clock tomorrow afternoon. I do so because I feel that Senators ought to have an opportunity to study the contents of the evidence taken at the hearings. Two days ago I sought this report. It was not available. Therefore I made inquiry for it, and I was told that it would be presented today.

I have already made this statement, but I want to repeat it, because there are other Senators on the floor now who were not here previously. The purpose of the report becomes completely meaningless unless Senators have an opportunity to study it, and all I ask is that this matter be deferred until tomorrow at 2 o'clock so that Senators, including myself, will have an opportunity to study the text of the hearings.

Mr. MANSFIELD. Mr. President, in view of the advance notice given by both the majority and minority leadership, and in view of the pledges made, I am forced to move that the motion of the Senator from Ohio be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILEY. 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	Fulbright	Mansfield
Allott	Goldwater	Martin
Anderson	Green	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Murray
Bush	Hennings	Muskie
Byrd, Va.	Hickenlooper	Neuberger
Byrd, W.Va.	Hill	Pastore
Cannon	Holland	Prouty
Capehart	Hruska	Proxmire
Carlson	Humphrey	Randolph
Carroll	Jackson	Robertson
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnston, S.C.	Schoeppel
Chavez	Jordan	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kennedy	Sparkman
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Fong	McNamara	Young, Ohio
Frear	Magnuson	

The PRESIDING OFFICER. A quorum is present. The question before the Senate——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Will the Chair explain to the Senate what it is about to vote on?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from Ohio [Mr. LAUSCHE] to postpone until 2 o'clock p.m. consideration of the motion of the Senator from Montana to proceed to the consideration of House bill 1.

Mr. MANSFIELD. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The Senator from Ohio has moved that the motion to proceed to the consideration of House bill 1 be postponed until 2 o'clock p.m. tomorrow. The motion by the Senator from Montana is to table the motion of the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio has made the motion that further consideration of the motion of the Senator from Montana to proceed to the consideration of House bill 1 be postponed until 2 o'clock p.m. tomorrow. The Senator from Montana has made a motion to lay on the table the motion of the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I believe I correctly understand the explanation of the Chair. The Senator from Ohio made a motion to defer until 2 o'clock p.m. tomorrow action on the motion to proceed to the consideration of the lake diversion bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. LAUSCHE. The Senator from Ohio made the motion in order that Senators may have the opportunity——

Mr. DIRKSEN. Mr. President, that is not a parliamentary inquiry.

Mr. LAUSCHE. Let me finish the statement.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DIRKSEN. Mr. President, I ask for the question.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. NEUBERGER (when his name was called). On this vote I have a pair with the majority leader, the distinguished Senator from Texas [Mr. JOHNSON]. If the majority leader were here, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT] the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that if present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent, and, if present and voting, would vote "yea."

The Senator from Kansas [Mr. SCHOEPPEL] is detained on official business.

The result was announced—yeas 66, nays 21, as follows:

YEAS—66

Allott	Goldwater	Magnuson
Anderson	Green	Mansfield
Beall	Gruening	Morse
Bennett	Hartke	Morton
Bible	Hennings	Moss
Bridges	Hickenlooper	Mundt
Byrd, Va.	Hill	Murray
Byrd, W.Va.	Holland	Muskie
Cannon	Hruska	Pastore
Carlson	Humphrey	Randolph
Case, S. Dak.	Jackson	Robertson
Chavez	Johnston, S.C.	Saltonstall
Church	Jordan	Smathers
Cotton	Kefauver	Smith
Curtis	Kerr	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Eastland	Long, Hawaii	Talmadge
Engle	Long, La.	Thurmond
Fong	McCarthy	Williams, N.J.
Frear	McClellan	Yarborough
Fulbright	McGee	Young, N. Dak.

NAYS—21

Aiken	Dworshak	Martin
Bush	Ervin	Prouty
Capehart	Hart	Proxmire
Carroll	Javits	Scott
Case, N.J.	Keating	Wiley
Clark	Lausche	Williams, Del.
Cooper	McNamara	Young, Ohio

NOT VOTING—13

Bartlett	Hayden	O'Mahoney
Butler	Johnson, Tex.	Russell
Dodd	Kennedy	Schoeppel
Ellender	Monroney	
Gore	Neuberger	

So Mr. MANSFIELD's motion to table Mr. LAUSCHE's motion to defer the consideration of Mr. MANSFIELD's motion until tomorrow was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] that the unfinished business be laid aside and that the Senate proceed to the consideration of Calendar No. 817, House bill 1, to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

On this question, the yeas and nays have been ordered.

Mr. LAUSCHE. Mr. President, at this time, is it within the power of the Senate to vacate the order for the yeas and nays on this question? If it is, I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. The Senator from Ohio requests unanimous consent that the order for the yeas and nays be rescinded.

Is there objection?

Mr. CASE of New Jersey. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the motion that the unfinished business be laid aside, and that the Senate proceed to the consderation of House bill 1.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER (when his name was called). On this vote I have a pair with the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON]. If the senior Senator from Texas [Mr. JOHNSON] were present and voting, he would vote "yea"; and if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent, and, if present and voting, would vote "yea."

The result was announced—yeas 72, nays 19, as follows:

YEAS—72

Allott	Goldwater	Magnuson
Anderson	Green	Mansfield
Beall	Gruening	Morse
Bennett	Hartke	Morton
Bible	Hayden	Moss
Bridges	Hennings	Mundt
Byrd, Va.	Hickenlooper	Murray
Byrd, W.Va.	Hill	Muskie
Cannon	Holland	Pastore
Carlson	Hruska	Randolph
Carroll	Humphrey	Robertson
Case, S. Dak.	Jackson	Saltonstall
Chavez	Johnston, S.C.	Schoeppel
Church	Jordan	Smathers
Cotton	Kefauver	Smith
Curtis	Kennedy	Sparkman
Dirksen	Kerr	Stennis
Douglas	Kuchel	Symington
Eastland	Langer	Talmadge
Ellender	Long, Hawaii	Thurmond
Engle	Long, La.	Williams, N.J.
Fong	McCarthy	Williams, Del.
Frear	McClellan	Yarborough
Fulbright	McGee	Young, N. Dak.

NAYS—19

Aiken	Ervin	Prouty
Bush	Hart	Proxmire
Capehart	Javits	Scott
Case, N.J.	Keating	Wiley
Clark	Lausche	Young, Ohio
Cooper	McNamara	
Dworshak	Martin	

NOT VOTING—9

Bartlett	Gore	Neuberger
Butler	Johnson, Tex.	O'Mahoney
Dodd	Monroney	Russell

So Mr. MANSFIELD's motion was agreed to; and the Senate proceeded to the consideration of House bill 1, to require a study to be conducted of the effect of

increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, which had been reported from the Committee on Public Works, with amendments on page 3, line 18, after the word "diversion", to insert "the studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes."; and on page 5, line 15, after the word "amount", to insert a colon and *"Provided,* That nothing in this Act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of one thousand cubic feet per second, or any other amount if hereafter recommended. Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada. But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan."

The PRESIDING OFFICER (Mr. CANNON in the chair). The pending business is H.R. 1.

PUERTO RICO DOES NOT WANT TO BE A STATE

Mr. FULBRIGHT. Mr. President, the Governor of Puerto Rico, one of the outstanding statesmen of the free world, wrote an interesting article for the New York Times magazine, published on August 16, "Puerto Rico Does Not Want To Be a State."

This article analyzes so lucidly the issues involved in this interesting question of the relations between a large and a small State that I think it is worthwhile incorporating in the CONGRESSIONAL RECORD.

I ask unanimous consent that it be printed at this point in my remarks.

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

PUERTO RICO DOES NOT WANT TO BE A STATE

(By Luis Muñoz-Marín)

SAN JUAN, P.R.—Puerto Rico, now a vigorous self-governing Commonwealth within the American political system, would be smothered if some of its misguided stateside well-wishers, like Senator DENNIS CHAVEZ, of New Mexico, and Representative VICTOR ANFUSO, of New York, had their way. They have introduced or proposed to introduce bills for Puerto Rican statehood. The bills have no chance of approval in Congress, and only minority support in Puerto Rico.

Recently, in the lobby of a Washington hotel, an old friend greeted me, "Well, Governor, pretty soon we should be seeing you up on the Hill as a Senator from the 51st State." He meant it as a high compliment to Puerto Rico, and I was touched by both his warmth and enthusiasm. In the wake of Alaskan and Hawaiian statehood, a similar status for Puerto Rico seemed logical, simple and desirable to him. He melted into the milling crowd of the lobby before I had an opportunity to outline to him the great complexities of Puerto Rico's circumstances, which make statehood neither logical nor desirable for Puerto Rico or the United States.

When I say that it is far better for Puerto Rico to remain a Commonwealth, it is with no insensitivity to the high honor which statehood implies. Nor is it because we seek independence—we definitely do not. Nor does it mean we are content to be less than a federated State—because, definitely, we are not less, but only different. Nor is it because we do not wish to share in the common expenses of the Federal Union, of which we are a part in a new way—since Puerto Rico is now proposing a formula by which it would begin to pay into the Federal Treasury as its economic growth allows it to do so.

Puerto Rico's history has been far different from that of Alaska and Hawaii, and the understandable tendency to speculate on possible statehood for Puerto Rico after the rapid accession of Alaska and Hawaii can lead men of good will far astray. Puerto Rico was a populous island with a long history and a well-defined culture when it first came into the American orbit in 1898 following the Spanish-American War. Alaska and Hawaii, on the other hand, were sparsely settled and ripe for colonizing from the mainland.

Alaska and Hawaii became incorporated Territories, clearly destined for cultural integration and eventual statehood. Puerto Rico's special circumstances were early recognized when it became the first unincorporated Territory, which implied that it would not be slated for statehood. At the same time it would have been obviously contrary to the American spirit that Puerto Rico should remain a colony forever.

Economic factors were very different, too. Both Alaska and Hawaii have been for many years notably wealthier than Puerto Rico is even now after 14 years of rapid economic progress since the end of World War II. The net annual average income of Hawaii, and probably of Alaska, is more than $1,800, very little below the 1957 national average of $2,027. Puerto Rico's per capita income of $470 is still less than half of that of the lowest income State of the Union, Mississippi. Puerto Rico has little land in relation to population, no fuels, no significant mineral resources. That is why we have called the program by which we progress "Operation Bootstrap."

These economic and cultural factors have, since 1898, made Puerto Rico's political evolution unique, and clearly different from that of Alaska and Hawaii. Indeed, as late as 1940, many sober, informed men in the United States considered Puerto Rico's economic and political problems "insoluble," and were resigned to Puerto Rico's being a dependent poorhouse on a kind of permanent dole from the Federal Treasury, a place where poverty and hopelessness would constantly churn up social and political instability.

It took a double-barreled attack on these problems in Puerto Rico, itself, to lead to the relative prosperity of today, and to the visible social and political health and vigor of the island. First came the attack on poverty, temporarily foreclosing political debate. Only when "Operation Bootstrap" was well under way did Puerto Rico address itself to finding a political status which answered the needs of its special relationship with the United States and its own economic and cultural circumstances.

To those who forget that peoples are the creators of political formulas and not their slaves, Puerto Rico seemed to have no way to turn. Continued existence as a Territory or colony was impossible. The corrosive effects of colonialism, even a benevolent colonialism, could no longer be accepted, especially in the postwar period. Neither dignity, nor the swift course of history, nor common sense, nor the American tradition, would permit the continuation of such a system in the American context.

In contemplation of the inevitable end of colonialism, a sterile debate had raged for many years in the island between adherents of independence and those of statehood. The great majority of Puerto Ricans rejected independence on two counts: Puerto Rico's economy was by then so integrated with that of the United States that separation would have meant economic suicide and, equally important, Puerto Ricans had developed a deep and genuine attachment for their fellow U.S. citizens and for U.S. political institutions.

The great majority also rejected the possibility of statehood as totally unrealistic. Economically, statehood then would have meant another form of ruin for Puerto Rico—and still would, as we shall see in a moment.

The circumstances called for the same kind of political pioneering which created the Original Thirteen States themselves—a new projection which would be in the spirit of the 20th century, taking due recognition of the mutual interests of both the United States and Puerto Rico. The concept of a self-governing Commonwealth had been foreseen as long ago as 1912 by Henry L. Stimson, then Secretary of War under President Taft. With far-sighted statesmanship Stimson observed that he saw no inconsistency between U.S. citizenship for Puerto Ricans and the ideal that Puerto Rico should have, when ready for it, completely autonomous local government within the American system.

This is essentially what happened when Puerto Rico became a Commonwealth in 1952. The official Spanish translation is Estado Libre Asociado—Associated Free State: Puerto Rico, in the generic sense of the term, is a new kind of State. Puerto Ricans are U.S. citizens, sharing with their fellow citizens in the continental United States a common defense, a common foreign policy, a common market, a common currency and the operation of practically all Federal laws. Puerto Ricans differ from other Americans in that they do not vote in national elections, have no voting representation in Congress, and have, on the other hand, autonomy in directing their local affairs, including the collecting and spending of their own taxes.

Nearly 7 years after its hopeful inception, how is the Commonwealth doing? It is doing remarkably well, I am happy to report. "Operation Bootstrap" has raised the per capita income from $121 in 1940 to today's $470. Living standards have virtually doubled in 15 years, perhaps the most rapid economic advance in any underdeveloped region in the world.

Certainly development has been dramatic enough to attract high officials, technicians, and students from all over the world to study our methods. Nearly 9,000 visitors from 107 different countries—from Nepal to Saudi Arabia, from Morocco to Bolivia—have studied how we have raised life expectancy from 46 years in 1940 to 68 years today, how we are rapidly winning the fight against illiteracy and how a whole people can be raised, in a few years, from despair and deepest poverty to relative prosperity and dynamic purposefulness.

The creation of the Commonwealth had political as well as economic lessons for the world. It was a notable achievement, in the

postwar era, to end a colonial relationship in such a constructive, fruitful manner, devoid of the bitterness and violence which characterized the end of colonialism in many parts of Asia, the Near East and Africa. Puerto Rico clearly gave the lie to the persons (Communists and others) who are always ready to raise the cry of "imperialism" against the United States. It was patently impossible to square imperial exploitation with a people who are self-governing who sent 40,000 of their sons into the Armed Forces during the Korean conflict (90 percent of them volunteers) and who are so effectively dramatizing the quality of U.S. democracy to thousands of earnest observers from all over the world.

The dignity of self-government has not only engendered an explosion of energy in economic affairs in Puerto Rico but has seen a lively ferment in cultural realms as well. No one who has visited Puerto Rico recently can be immune to the feeling that things are happening. The Casals Festival, lively drama, ballet, opera, and symphony orchestra seasons are all part of the energized local scene. Puerto Rican painting and writing are in obvious renaissance. A people with new pride and new confidence and new creativity are clearly on the march.

In the light of this progress, it may seem strange that the sterile debate regarding possible statehood at any time in the foreseeable future should have been revived in Puerto Rico. Certainly persons who make any serious study of Puerto Rico's economics are aware that statehood, at this time, or for many generations to come, would mean a fatal crash for the island. It would be like a fully loaded airplane about to be airborne having half its motors suddenly stopped.

Federal taxes would about double the already high tax load that the Commonwealth must impose upon itself in order to keep its public works and public services in line with its rapid economic development. Federated statehood would mean either breaking the back of the taxpayer and thus making further economic development impossible or cutting the public services so drastically that their decay would constitute a bottleneck for private enterprise and economic development.

There has been nothing automatic about Puerto Rico's progress to date. Only hard, uphill work has brought it about. And while this progress has been notable enough to attract interest in many countries, our living standards, as I have indicated, are still far below those of the mainland United States.

The Federal Government has long been cognizant of the different economic situations of Puerto Rico and the harsh handicaps imposed by a population concentration of 658 persons per square mile in a mountainous island with virtually no resources. Never, since Puerto Rico was first associated with the United States, has the Federal Government applied Federal taxes here. This was to give the island a chance of economic development as well as to honor the principle of "no taxation without representation." Without this to compensate for the other disadvantages I have mentioned, Puerto Rico would still be in deepest poverty.

Most Federal grants-in-aid apply in Puerto Rico. These grants, like those allowed to the States, are apportioned on the theory that they will benefit the United States as a whole. Matching funds for building certain roads and for hospital construction are cases in point.

The U.S. tariff is collected in Puerto Rico on foreign imports—which, by the way, are few, since most of our trade is with the United States—but the receipts go into the Commonwealth treasury after the cost of collection is deducted. In this way American manufacturers are protected from foreign competition while the Puerto Rican treasury is benefited. This is important because Puerto Rico is one of the world's greatest per capita consumers of U.S. products, spending $700 million a year on them. The Federal excise tax on Puerto Rican rum, while it serves to protect American distillers, also reverts to the Commonwealth.

On the other hand, our association with the United States imposes some penalties on the Puerto Rican economy, for which our treasury is not compensated. Under the Sugar Act of 1946, for example, Puerto Rico loses considerable potential income by being denied the right to refine more than 11 percent of its own sugar production. In addition, shipping rates between Puerto Rico and U.S. ports are artificially high because they are governed by the coastwise shipping laws confining cargoes to American vessels. While these laws have the legitimate objective of subsidizing U.S. shipping for defense purposes, in practice they place a heavy share of this defense load on Puerto Rican consumers.

From the U.S. point of view, the accession of a State unable to pay Federal taxes except at the cost of economic ruin is obviously inconceivable. Puerto Rico, which as a Commonwealth is a showcase of American democracy before the world, would as a Federated State, become exactly the opposite: an economy in shambles, having to be kept alive by a WPA type of charity, with a people far more hopeless than during the worst of the great depression.

Nor has the United States the desire or interest to force the cultural assimilation of Puerto Ricans in Puerto Rico. Indeed, the fact that Puerto Ricans are probably the most bilingual people in the hemisphere, with deep understanding of and ties to both their fellow U.S. citizens and their Latin neighbors, has made Puerto Rico a valuable meeting place for people and ideas at a time when Latin America is in a state of far-reaching flux. Its unique position has been an undoubted asset for the United States in sensing changing currents in Latin America, and in translating its hemisphere policy into action.

But even now, however limited our means, Puerto Rico wants to make it clear that it intends to begin contributing to the Federal Treasury as its economic circumstances permit. There is now a bill before Congress whose purpose is to define the permanent association of Puerto Rico with the United States. One principle is clearly established: that Puerto Rico wishes, of its own accord and within its abilities, to help shoulder the Federal burden by contributing money to the Federal Government and by performing some functions in Puerto Rico now underwritten by U.S. taxpayers.

Puerto Rico is not looking for a "free ride." On the contrary, it is just as anxious to carry its share of the financial load as its sons were to risk their lives in Europe and Korea—as a matter of pride and dignity, as our contribution to the whole.

When the strident chorus of nationalism begins to fade in Europe, Asia, Latin America, and Africa, some ingenious formula may permit the rational regrouping of new and old sovereign units on a sounder economic basis, just as the United States and Puerto Rico found a workable formula. The world has become too small, too complex, too interdependent to permit indefinite political fragmentation at the price of widespread poverty. Where blind insistence on rigid, 19th century style sovereignty exists in defiance of economic logic, new forms of federalism are called for. Puerto Ricans are proud that they are contributing to the American political system a new form of federalism.

In dedicating the Puerto Rico Supreme Court Building, Chief Justice Earl Warren expressed this in words that remind us of the creative political genius of the United States:

"In the sense that our American system is not static, in the sense that it is not an end but the means to an end—in the sense that it is an organism intended to grow and expand to meet varying conditions and times in a large country—in the sense that every governmental effort of ours is an experiment—so the new institutions of the Commonwealth of Puerto Rico represent an experiment—the newest experiment and perhaps the most notable of American governmental experiments in our lifetime."

A new way of abolishing colonialism has been born.

THE EXCHANGE OF TEACHERS PROGRAM

Mr. FULBRIGHT. Mr. President, the teacher-exchange program of our Government has been a very successful one, and I take great pleasure in asking unanimous consent to have printed in the body of the RECORD a recent release by the Department of Education, giving up-to-date information about the program.

There are few activities which our Government has carried on in recent years that have been administered more efficiently and with greater results than this exchange-of-teachers program.

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

Five hundred and sixty-four teachers from the United States and 39 other areas of the world are taking part in the 1959–60 teacher exchange program, Lawrence G. Derthick, U.S. Commissioner of Education, announced today.

"This brings to nearly 5,500 the number of teachers from the United States and 64 other countries who will have participated in this Office of Education program since its inception 14 years ago," Commissioner Derthick said.

"These exchanges are a part of the Department of State's international educational exchange porgram. They are an important contribution to the people-to-people effort to build international understanding and goodwill through education."

Seminars in Colombia, France, Germany, and Italy already have been attended by 135 American teachers this summer. Another 109 from 27 States left the United States on August 14 for the United Kingdom.

One hundred British counterparts, with whom the U.S. group will trade positions for 1 year, arrived at New York City aboard the *Queen Mary* on August 18, accompanied by 21 dependents. Three married couples are in the group.

Seventy-four teachers from Australia, Austria, Belgium, Canada, Chile, Cuba, Denmark, France, Germany, Italy, the Netherlands, New Zealand, and Norway will also arrive in the United States during the month of August. An equal number of Americans will go to these countries.

Another 119 instructors from this country will go abroad on one-way teaching assignments that do not require a direct exchange, and 31 from other countries will visit the United States on the same basis.

Among those going to the United Kingdom, chiefly from public and nonpublic elementary and secondary schools, are a teacher of the deaf, a teacher of the speech handicapped, a teacher of photography, and teachers of Spanish, French, and German, who will exchange with British teachers in their same teaching specializations. One married couple, both teachers, is included in this group. One hundred and twenty dependents are accompanying the group.

During the week of August 24 the British teachers will join exchange teachers from other countries at the Office of Education in Washington, D.C., for orientation sessions before going to their U.S. classrooms. In Washington they will stay at the Sheraton-Park Hotel.

Mr. MANSFIELD obtained the floor.

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

Mr. MANSFIELD. I yield to the Senator from Missouri.

AN ACCURATE DEFENSE ANALYSIS

Mr. SYMINGTON. Mr. President, on Monday the junior Senator from Pennsylvania [Mr. SCOTT] gave us the benefit of his observations on a pamphlet of the Democratic Advisory Council, entitled "The Military Forces We Need and How To Get Them."

The Senator makes his two principal points in his opening paragraphs that, first, the pamphlet is "somewhat confused"; and second, that it "appears to be arguing the possibility of limited nuclear war, as against a war of conventional weapons, or an unlimited nuclear war."

Let us take these criticisms in order.

First, that the pamphlet is confused.

When a reader finds a document confused, the trouble may be in the pamphlet, or in himself.

Have others found it confused?

Mr. Walter Lippmann did not. He wrote of it on June 25:

> The pamphlet deserves a very careful reading.
>
> There is a large literature already existing which is critical of our defense policy. Having read a good deal of it, I would venture to say that this pamphlet is much the best in its field, evidently quite expertly informed, reasonable, and civilian in its temper, and lucidly written.
>
> It ought not to be brushed aside as a partisan document. For, in fact, the argument it makes has the support of large numbers of Republicans, especially of those who have paid close attention to the problem of defense, and of many of the military men who by common consent are leaders in military thought.
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> It would be a very useful thing if the administration issued a thoroughgoing, fully considered reply. This would not be easy to do because within the Pentagon and within the administration itself there are so many who agree with the pamphlet. But it would be a true public service if the President, who does not agree, would see to it that there is a reply.

Incidentally, the speech of the distinguished junior Senator from Pennsylvania is not—let us all hope—the "thoroughgoing, fully considered reply" for which Mr. Lippmann asked.

Mr. Arthur Krock did not find it confused. On June 26 he wrote that—

> This pamphlet deserves to be evaluated by impartial students of the problem as a distinct contribution to the discussion of the paramount issue of these times. The paper has political touches. But for the most part it is a serious effort, recognized as such by the informed and by those wishing to be informed.
>
> The general conclusions are that the United States should build up its conventional and long-range ballistic missile forces, can probably pay the bill, and that at any rate the bill would be cheaper than the cost of the consequences of letting the Soviet Russians believe they could wage successful war against the United States. Dean G. Acheson, Paul H. Nitze, and James King, the authors of the pamphlet, have in these conclusions expressed an opinion shared by military and diplomatic experts who are wholly uninfluenced by partisan considerations.
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> * * * * *
>
> * * * the pamphlet merits respectful study by the political and military branches of the Government.

Moving out of Washington, the Greensboro (N.C.) News is typical of editorial comment on the pamphlet:

> Dean Acheson deserves the thanks of his countrymen for focusing a debate on U.S. defense policies. He expresses the worries of those who fear that the Eisenhower administration is failing to provide free world military protection.

So, apart from the internal evidence provided by the Senator's speech, it seems pretty clear that it is not the pamphlet which is confused.

I turn, therefore, to the speech.

Second. The pamphlet, he says, "appears to be arguing the possibility of limited nuclear war as against a war of conventional weapons or an unlimited nuclear war."

It is odd that others have not received any such impression from the pamphlet.

Mr. Lippman's analysis is quite different from the Senator's and has the advantage of being correct. He wrote:

> The two main points of the pamphlet are familiar enough. The first one deals with the missile gap which, on the admission of Secretary McElroy, is likely to bring it about that in the next 3 years the U.S.S.R. will have in intercontinental ballistic missiles a supremacy of 3 to 1. This could mean that during these years the U.S.S.R. would be theoretically capable of knocking out the bulk of our Strategic Air Force. The pamphlet does not say that the U.S.S.R. would, or is likely to, try for such a Pearl Harbor. But it is right in saying that the existence of this theoretical power would have an important effect on the political relations between the West and the Communist powers.
>
> The other point, which is also familiar, is that defense cannot be allowed to depend solely on nuclear weapons—the big ones which are suicidal or the small ones which would be devastating to our allies and to the uncommitted countries.
>
> The pamphlet contains a carefully reasoned and persuasive argument why expenditures should be increased to close the missile gap and to increase our conventional forces.
>
> * * * * *
>
> What interested me most in the pamphlet, given the fact that it was written under the auspices of Mr. Dean Acheson, was the illuminating candor with which it explains how things have changed since the Truman administration. The critical change is this: Our original strategy in NATO was based on our possession at the time of a monopoly of nuclear weapons. Under those conditions, a small ground force backed by the irresistible power of the Strategic Air Force was quite sufficient to hold in check the enormously superior masses of the Red Army.
>
> Our monopoly was broken by the Soviets in 1949 and this has brought with it, as the U.S.S.R. developed its bombs and its missiles, a radical change in the balance of power. We are far from being defenseless against this new might of the Soviet Union. But there is no doubt that our allies in Western Europe and our client states in Asia are far more vulnerable than they were 10 years ago. This could have serious political consequences, if the missile gap is allowed to become so wde that this country, which is the ultimate protector of the non-Communist world, becomes itself highly vulnerable.
>
> No matter what it costs, this must not be allowed to happen.

Mr. CLARK. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senate will be in order.

Mr. LONG of Louisiana. Mr. President, I make the point of order that the Senate is not in order. Senators cannot hear the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. Visitors in the galleries will cease conversation. The Senate is attending to important business, and must be in order.

The Senator from Missouri may proceed.

Mr. FREAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FREAR. Is the Senate in order?

The PRESIDING OFFICER. The Senate is in comparatively good order, compared to what it has been.

Mr. SYMINGTON. I thank the Presiding Officer.

Mr. President, Mr. Lippmann has fully grasped the thesis of the pamphlet. Since it would seem to have eluded the distinguished Senator, unfortunately his attack is upon something not said at all. One can only wonder whether he has been following closely events of the past few months.

Let me illustrate.

The Senator states that:

> The Democratic Advisory Council jumps from the fact that Russia has increased her nuclear striking capability over the past 5 years to the conclusion that the United States has less ability for retaliatory destruction. In quantitative terms, it is assumed that as the enemy grows stronger we must weaken. * * * Little emphasis is given to the imperative fact that, in order to insure against retaliation which might destroy her, Russia must guarantee that her first nuclear strike to all intents and purposes annihilates our ability to strike back. No basis for that possibility is indicated in this pamphlet; nor is the matter actually dealt with face to face by the pamphleteers.

How could my friend have read that part of the document—because it deals with this precise matter. I quote from the document:

> Not only has Russia broken the American monopoly on the weapon, but it is dangerously ahead on long- and medium-range missile delivery. The Secretary of Defense concedes that on present expectations the next 3 years will give the U.S.S.R. a superiority over the United States of three to one in intercontinental ballistic missiles.
>
> Even this gloomy statement may be optimistic. If present programs of production are maintained on both sides—and there have been no decisions to change the U.S. program—the U.S.S.R. may achieve a capacity to destroy U.S. retaliatory power at a risk which they might regard as worth running. To put the matter more graphically: Russian missiles, raining down on SAC aircraft and

missile bases, could end our capacity to retaliate, much as a knight in armor was rendered powerless when he was knocked off his horse and could not get to his feet again. Clearly, such a relative disadvantage in military strength would downgrade our capacity to deter war or prevent Soviet blackmail.

Now, as to familiarity with recent events. The pamphlet is criticized for urging that, while NATO ground forces, even if they attain present goals, will be inferior in numbers to Soviet forces available to face them, their combat effectiveness can be made adequate for their strategic mission by what the pamphlet's authors call futurization of them by a vigorous flow of scientific and military invention.

This idea seems quite preposterous to my learned friend. He said:

Here is one of the most typical examples of naivete to be found in the pamphlet—when the pamphleteers make their entire case depend upon the ability of our country to invent something in the future * * *

Those who have written the pamphlet seem to rely upon having our scientists make some inventions, although the writers of the pamphlet do not specify what the inventions might be. Certainly such an attitude is typical of the schoolboy-writing nature of the pamphlet.

In criticizing these proposals as examples of "naivete" and of "schoolboy-writing," the Senator perhaps overlooked a front page story in the New York Times of June 26 last. It dealt with the retirement from the Army of Gen. Maxwell D. Taylor, its Chief of Staff. The headline of the Times' story is "General Taylor Says He Quit Over Lag in Modernization." The text, reporting the general's remark at the National Press Club, states:

In response to a question on why he was retiring for which he had been prepared in advance, General Taylor said:

"I have several mixed reasons why I am retiring, only one of which I will tell you. For 4 years I have struggled to modernize the Army and my success was limited. So I decided I would do one thing for the country and withdraw an obsolescent general from the inventory."

Army aides at the luncheon meeting recalled that General Taylor had sought unsuccessfully to win approval for a $3 billion-a-year weapons modernization program.

It was for this program that the pamphlet urged the same amount this great general had sought so unsuccessfully.

Those of us who have studied the matter know of the inventions which have been made, and are ready to be purchased, if we decide that modern and mobile ground troops—Army and Marine Corps—are essential to our security and that of the free world.

Mr. President, I have read carefully the pamphlet of the Democratic Advisory Council.

The more one studies all aspects of our defense, the more one becomes impressed with the basic worth of the pamphlet's analysis.

The only major change I would have suggested would have taken the form of certain recommendations which would have had the effect of offsetting much of the increased expenditures proposed.

At the end of the article, the advisory council suggests a noncumulative additional defense expenditure of $7½ billion a year. Incidentally, this is less than the increase proposed by the Rockefeller report.

I would have offset this recommendation by advocating a reorganization of the Defense Department on the basis of the unprecedented progress attained in this nuclear space age, instead of continuing to let the Department drift in tradition.

Such a reorganization would go a long way toward the elimination of the service rivalries, and the great waste and duplication now characteristic of our defense effort.

To the extent any such actions are not taken, however, this pamphlet of the Democratic Advisory Council is correct in recommending additional expenditures if we are to maintain an adequate military posture.

Only yesterday President Eisenhower justified his proposed visit to Russia by stating in part:

We are putting now, just in the engines and the training and preparations of war, something on the order of $41 billion every year. No one seems to think—to stop—to stop to think about what that is doing to this country. We have got to get before the Congress right now the most serious problem in debt management that you could possibly imagine.

Well, now, these expenditures are the things that are making this problem, and it has to be handled intelligently, in turn, or we are going to be in trouble.

If this is the way the President feels, why then does he not accede to the urgent recommendations some of us have been making for years, a recommendation again made only this week by the able senior Senator from Kentucky, and reorganize the Defense Department? If he did so, based on testimony before various committees, it is clear to me that he could save the American taxpayer tens of millions of dollars a week.

Whether this advice is taken or not, and especially because of the further disintegration of the position of the free world in Europe and many other places, including Laos, it would be wise for this administration to give careful attention to the thoughtful recommendations contained in this excellent pamphlet.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for a request, apart from what he has said? I do not like to retain the floor. I would, with the permission of the Senate, turn the floor over to the distinguished senior Senator from New Mexico [Mr. CHAVEZ] so that upon completion of the remarks of the Senator from New Mexico I can fulfill commitments I made to recognize the Senator from South Dakota [Mr. CASE] and then the Senator from Florida [Mr. HOLLAND].

I ask that the Senators be recognized on that basis.

Mr. SYMINGTON. I shall be very glad to cooperate in any way. I do, however, want to say to my friend, the assistant majority leader, that the distinguished senior Senator from Florida has been waiting for some time. I should be very glad to yield, if I may, first to the Senator from Pennsylvania for a question.

Mr. MANSFIELD. Surely. I simply wanted the Senator to take over the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. WILLIAMS of Delaware. I object.

Mr. SYMINGTON. I yield to the senior Senator from Pennsylvania.

Mr. ALLOTT. Mr. President, reserving the right to object——

The PRESIDING OFFICER (Mr. CANNON in the chair). The Senator from Colorado reserves the right to object.

Mr. MANSFIELD. So long as my request has been turned down, I retain the floor, and I yield to the Senator from Missouri.

Mr. SYMINGTON. I yield to the Senator from Pennsylvania for a question.

Mr. CLARK. Mr. President, will the Senator from Montana yield to me briefly?

Mr. MANSFIELD. I yield to the Senator from Missouri and he can yield to the Senator from Pennsylvania.

Mr. SYMINGTON. I thank the assistant majority leader.

Mr. CLARK. Mr. President, I regret that my colleague from Pennsylvania is not on the floor to hear this most interesting comment on his speech. I ask the Senator from Missouri, did he not notify my colleague from Pennsylvania that he intended to make this speech as soon as he could obtain the floor?

Mr. SYMINGTON. The Senator from Pennsylvania is correct. His colleague's office was notified at 9:45 this morning.

Mr. CLARK. Mr. President, I notice that the Senator from Missouri referred to the Rockefeller report in the course of his remarks. That report was made by Governor Nelson Rockefeller of New York, was it not, and did it not deal with our defense needs?

Mr. SYMINGTON. The Senator is correct on both counts.

Mr. CLARK. Am I not correct in saying, with respect to the substantive conclusions of the Rockefeller report, that they were pretty much in line with the substantive conclusions of the Democratic Advisory Council report in that both reports indicated that we need to spend substantially more money for our defense, and that we are in danger of falling behind the Russians, and that this was no time for us to stop?

Mr. ALLOTT. I call for the regular order.

Mr. SYMINGTON. The Senator from Pennsylvania is correct.

The PRESIDING OFFICER. The regular order is that the Senator from Montana has the floor and can yield only for a question.

Mr. MANSFIELD. I yield to the Senator from Missouri for a question. Or I will yield to the Senator from Pennsylvania for a question, to be answered by the Senator from Missouri.

Mr. CLARK. I thank my friend for yielding.

By way of asking a final question of the Senator from Missouri: Is the Senator not satisfied, as I am——

Mr. ALLOTT. I call for the regular order.

The PRESIDING OFFICER. The regular order is that the Senator from Montana can yield only for a question to be asked of the Senator from Montana.

Mr. MANSFIELD. I yield to the Senator from Pennsylvania for a question.

Mr. CLARK. I ask my friend from Montana, is he not satisfied from having heard the brilliant speech of the distinguished Senator from Missouri, the Senator from Missouri has made a telling reply to the Senator from Pennsylvania [Mr. SCOTT] in his somewhat smug assumption that all is well with our national defense?

Mr. MANSFIELD. May I say, in reply, that the Senator from Missouri always makes a speech meriting the consideration of the Senate and the people of the country, and in doing so I think he has consistently performed a great public service to the Nation.

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. LONG of Louisiana. Since we are being technical at this time, is it not required, under the rule, that a parliamentary question cannot be addressed to a Senator, but must be addressed to the Presiding Officer?

Mr. MANSFIELD. Mr. President, since we are being technical, I would say the rule is that such a question cannot be addressed to a Senator, but must be addressed to the Presiding Officer.

The PRESIDING OFFICER. The Senator is advised that a Senator making a request must make it through the Presiding Officer.

Mr. SYMINGTON. Mr. President, will the Senator yield to me?

Mr. MANSFIELD. I yield for a question.

Mr. ALLOTT. Will the majority leader yield for a question?

Mr. MANSFIELD. With the permission of the Senator from South Dakota, to whom I promised to yield a long time ago and who has been waiting patiently, I yield for a question providing that he has the right to lead up to that next question in any way he sees fit.

Mr. CASE of South Dakota. Mr. President, I should like to ask the distinguished majority leader, did he not yesterday deal with the subject of crimes and mugging and problems of that sort in the city of Washington?

Mr. MANSFIELD. Yes, indeed.

Mr. CASE of South Dakota. May I say to the Senator that I read his remarks with interest and I should now like to ask unanimous consent that I may insert following these remarks an article that appears in the September Reader's Digest entitled, "Dogs That Keep the Peace." This article deals with the problem of control of crime and relates how dogs have been used effectively by the police of London, by the police in the city of Baltimore, and other points. I think it is very much in order that I commend it to the Members of the Senate District Committee, to the law officers in the District of Columbia, to the District Commissioners. I think it offers a fruitful field for consideration at this time.

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

DOGS THAT KEEP THE PEACE

(By Charles G. Leedham)

Police departments across the United States, faced with steadily rising crime and handicapped by severe shortages of men and money, are begininng to take notice of a successful crime-prevention idea that requires no more men and little more money—trained police dogs.

Only limited use has been made of police dogs in this country. But where they have been tried, they have achieved striking success. In New York City, for example, Macy's department store has wiped out a plague of after-hours pilferage with nighttime patrols of dogs and handlers. And the Baltimore police force's K-9 squad of 40 dogs, established in 1956, is credited with over 500 arrests in its first year of full operation.

To find out what promise trained dogs hold for American police work generally, I went to England where police have had more than a decade of experience with regular patrols of dogs in London alone, police dogs were responsible for 1,850 arrests in 1958 and the finding of 36 missing persons. As more dogs are put to work, their arrest score rises steadily.

The dogs contribute protection and assistance quite beyond human range. "In normal circumstances," remarks Capt. J. M. Rymer-Jones, an assistant commissioner of London's Metropolitan Police, "the criminal has all the advantages—darkness, initiative, and often number. The presence of one trained police dog can often make a single constable as effective as six."

Half an hour after a recent burglary, police dog Rex and his handler arrived in a radio car. Rex took a scent from articles handled by the thieves and began to track along twisting streets and alleys. After a quarter-mile he stopped and growled at a dark doorway. Police found four juveniles hiding in the house, with the loot.

A trained dog can handle crowd situations that would otherwise require several policemen. On one occasion, the last performance of a rock-and-roll show in the Lewisham district poured 1,500 excited, screaming juveniles into the streets. Keyed up by the music, they began breaking shopwindows and molesting passersby. The constable on the beat called for aid. Three police dogs tumbled out of radio cars, and within minutes the area was silent. The subdued rioters stood quietly as the dogs prowled among them, and the only sounds heard were the police orders to "break it up" and "move along, now."

Lost children are frequently found by England's police dogs, too—and not only children. On a bitterly cold January night, an ailing elderly man wearing only pajamas disappeared from his home. A police dog took the mans' scent from clothing, circled the house and set off through a gap in the garden fence, leading his handler to a pond a mile distant where the man was lying semiconscious in shallow water. There was no doubt that the dog saved the man's life.

England's dog squads began in the first postwar years, when increasing crime became a serious problem to the London police. The wooded area of Hyde Park, for example, was the scene of several hundred nocturnal crimes, ranging from purse snatching to assault. Foot patrols had little effect, for the park's wandering paths and dark corners afforded perfect hiding places and escape routes for criminals.

Captain Rymer-Jones, then in charge of the area, decided on an experiment. With a squad of trained Labradors and handlers, he sent patrols into the park each night immediately after dark. The results were dramatic.

With their acute sense of smell and hearing, the dogs routed startled criminals from their hiding places. After the first surge of arrests, word got around quickly in London's underworld that Hyde Park was no longer a safe refuge for hoodlums.

The trained police dog seems to have a sixth sense about criminals. Veteran handlers cannot fully explain it, but it seems to stem from an ability to detect fear, or perhaps literally to smell the "cold sweat" of a hoodlum frightened by the presence of the dog.

The London complement has now grown to 200 on-duty dogs. The preferred breed is the German shepherd, although other types such as the Labrador and the Doberman have also proved effective.

At the Surrey Constabulary Headquarters in Guildford, I watched Sgt. Harry Darbyshire starting a year-old Doberman on a month's course of training. Under the sergeant's gentle but insistent urging, the dog picked up a heavy iron dumbbell and, neck straining, managed to carry it across the training yard. A hard job for a young dog, but he was developing the strength and grip he would need in action.

Later the dog-in-training learns "man work." He learns to track, following faint human scent in any weather, over fields, roads, through heavy undergrowth, and finally over city streets and sidewalks. He learns to search a building, room by room and floor by floor, for a hidden criminal. He learns, too, the vital attack—to leap and clamp his jaws hard on the right forearm. He is taught first to grab at a canvas arm guard dragged around in play, then encouraged to go for it when it is on the arm of a trainer playing the part of a criminal. But he is trained to attack only when so ordered, when attacked himself, or when a suspect is attempting to escape. He learns that a snarl and a show of teeth will almost always freeze a criminal.

Most important, he learns that every human is to be treated gently until the situation or a command directs otherwise. A dog sent after a suspect must detain the subject by circling him and barking until his handler arrives; but he must not touch him, for questioning may well show the man to be innocent.

Somewhere in this training the dogs develop their strange awareness of wrongdoing. Nothing else seems to explain many arrests credited to them. Take a busy Thursday evening last November on the outskirts of teeming Soho, the entertainment district in the center of London, where police dog Shah II and his handler were walking through a stream of pedestrains. At a corner, Shah raised his head and showed interest in a lot where a new building was going up. His handler slipped the leash to let him dash into the jungle of construction materials and machines. From behind a large stack of bricks, Shah barked loudly, and there were screams for help. The constable found two men cowering before the menace of Shah's bared teeth. In front of them was a pile of buglarly loot which they had been dividing.

The dog's greatest value is in ordinary foot patrols, keeping watch over a neighborhood. London police feel that if there were more dogs on the streets, the balance would be tipped even further against the criminal.

Baltimore, far ahead of other American cities in the use of dogs, has had a similar experience. Stationed around Johns Hopkins and other large Baltimore hospitals, the dog patrols have cut almost to zero the for-

merly serious problem of the mugging and robbing of nurses and hospital visitors. Walking their beats in depressed, crime-ridden areas, the dogs strike terror and respect into the hearts of potential troublemakers. They have caught burglars hiding under cars, brought down gunmen fleeing through crowded streets, flushed night prowlers from apartments.

The experience at Macy's has followed the same pattern. Seven years ago a special brand of thieves was harassing this world's largest store—staying in the store after closing, hiding in the shadowy acres of counters and stockrooms overnight, and walking out in the morning with nicely wrapped bundles of valuables. Then Macy's installed a squad of Dobermans under the direction of Frank Fay, head of the store's security. Every night, the dogs with their handlers cover the building from subbasement to 19th floor, patrolling along the aisles and through stockrooms and vacant offices. After a few arrests the word got around. Today actual "catches" are so rare that mock criminals—members of the squad dressed in protective clothing—hide in dark spots from time to time so that the dogs won't become discouraged by weeks on end of futile searching.

Such is the record. It is a record that might well be noted for action by every American community which feels the need for more police protection.

Mr. SYMINGTON. In view of the parliamentary situation, I should like to ask the Senator from Montana if he does not feel that I should be grateful to the Senator from Pennsylvania for his very kind remarks with respect to my talk.

Mr. MANSFIELD. I certainly could not find myself in disagreement with what the junior Senator from Missouri has just said.

Mr. SYMINGTON. May I also ask if the distinguished Senator from Montana, the assistant majority leader, does not feel that I should be grateful to him for the kind and gracious remarks he has been good enough to make this afternoon?

Mr. MANSFIELD. Mr. President, modesty forbids my answering.

Mr. HOLLAND. Mr. President——

Mr. MANSFIELD. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I should like to have the floor in my own right.

Mr. MANSFIELD. Very well. Will the Senator from Florida then see that the Senator from New Mexico [Mr. CHAVEZ] obtains the floor? He is to handle the bill.

Mr. HOLLAND. I cannot see that any other Senator obtains the floor.

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

Mr. HOLLAND. First, a great many Senators on this side of the aisle were attempting to be generous during the morning hour by postponing the placing in the RECORD of matters we deemed to be important. Those Senators include the Senator from South Carolina [Mr. JOHNSTON], the senior Senator from North Carolina [Mr. ERVIN], the junior Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. TALMADGE], the Senator from Louisiana [Mr. LONG], and various other Senators, including myself.

I wish the RECORD to show that fact, because I failed to hear the distinguished senior Senator from New York [Mr. JAVITS], in expressing his gratitude to other Members of this body for the chance to make a short speech just before 2 o'clock, recognize that many other Senators had foregone what they expected to do and had the right to do. Our action was taken at the request of the acting majority leader [Mr. MANSFIELD], and to cooperate with our leadership, so that the Senator from New York might have the opportunity he desired.

We like to be courteous when we do not forfeit any substantial right, and were willing to be heard a little later in the day.

Mr. JAVITS subsequently said: Mr. President, prior to 2 p.m., when we were discussing my discharge resolution, I failed to express my appreciation of the courteous action of the acting majority leader [Mr. MANSFIELD], and I failed to extend to him my thanks. Earlier today he was most cooperative in making it possible for me to have my say, and in making it possible for me to do what I felt needed to be done. But for his cooperation, courtesy, and kindness I and those who were associated with me in that connection would have had to be on the qui vive for days on end, in order to obtain the same result.

I also wish to express my appreciation of the courtesy of the Senator from Florida [Mr. HOLLAND] and other Senators—and I desire to extend to them my thanks—who withheld the making of insertions in the RECORD, during the morning hour, inasmuch as they, too, realized that it would be pointless to put over to another time the matter I then wished to discuss. All of us realize, I am sure, that the matter would come up sooner or later, in any case. Certainly it was most courteous of those Senators to postpone the making of insertions in the RECORD until after we had had that discussion.

So. Mr. President, finally, I could have asked unanimous consent that the Senate might proceed with my discharge resolution, notwithstanding the fact that debate on the unfinished business, Senate bill 2467, was then in order. However, there had been notice that the Senator from Florida [Mr. HOLLAND], and perhaps other Senators, would object. Hence, I did not make such a request. The Senator from Florida has authorized me to use his name in that regard.

Mr. HOLLAND. Mr. President, I appreciate the graciousness of the Senator from New York [Mr. JAVITS] in making the comment he has made just now, and which I believe it would have been proper for him to make earlier in the day as I stated some time ago. I am glad to have his remarks appear in the RECORD following my earlier brief remarks on the same subject.

I assure the Senator from New York that I have no feeling about the matter; but I also assure him that I thought the distinguished acting majority leader, the junior Senator from Montana [Mr. MANSFIELD], was most effective in bringing the matter to the conclusion which was reached, and without causing, I may say, any of those of us who are keenly opposed to the bill the Senator from New York was seeking to have discharged from further consideration of the Judiciary Committee, to lose any rights we had. As the Senator from New York well knows, and as the rules clearly show, the measure in question—the resolution to discharge the committee from the further consideration of the civil rights bill—can be brought up by motion just as well after it has been placed on the General Orders Calendar as it could from the calendar on which it had already appeared since yesterday, inasmuch as it had lain over for 1 day, as required by the rule which applies to all resolutions of that type. The measure can be brought up by identical procedure from either calendar.

So I believe the Senator from New York has done everything which should be done to make the situation clearer, and also to give recognition of the fact that the Senator from Montana [Mr. MANSFIELD] played a very helpful part in bringing the matter to its culmination.

I think that all my associates on this side of the aisle showed a fair, and, indeed, a generous attitude, in what they did, and I am glad the Senator recognizes that fact.

Mr. JAVITS. I would not wish to debate with the Senator the effect of our move or what might not or might have been done. The main point of my statement was to show my gratitude to the Senator from Montana [Mr. MANSFIELD] and to refer to the personal relations which are involved here and about which I reported.

Mr. HOLLAND. I thank the Senator.

INTERNATIONAL COMPETITION FOR THE AIRLANES OF THE WORLD

Mr. HOLLAND. Mr. President, much has been said in recent weeks concerning international competition for the airlanes of the world. I have had called to my attention an article entitled "Air Landing Rights" from Time magazine of August 17, 1959, which discusses new facets of international competition in this field. I would like to quote certain parts of the article which I think will be of interest to the Senators now on the floor, and I ask unanimous consent that the entire article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the article may be printed in the RECORD as requested.

(See exhibit 1.)

Mr. HOLLAND. Mr. President, I should like to quote a few paragraphs from the article. I ask Senators to attend to them, because I think they are important to our place in commercial air transportation in the world.

The first quotation is as follows:

Despite last week's OK on new competition, U.S. lines found some cheer in the decisions. They showed a real change in U.S. policy to conform to the new competitive facts. What made the decision different was not so much what the United States granted—BOAC, Air France, and Air India were entitled to the routes under reciprocal exchanges—as the manner of giving. France had formally denounced its bilateral air route agreement with the United States 13 months ago, insisted on getting double trackage rights, i.e., the right to serve any U.S. city where a U.S. carrier originates a flight for France.

The second quotation is as follows:

Now the State Department and the President, who has the final say about what international routes the United States gives out, are ending the giveaway period in favor of more horse trading and stricter rule watching. The new trend was forced by the awareness that U.S.-flag lines could follow the downward path of the U.S. maritime industry.

The third quotation—and I am particularly happy that the present Presiding Officer is the distinguished Senator from Nevada [Mr. CANNON], who has an intimate knowledge of and great concern with the matter of commercial aviation, as well as military aviation, and the status of our country in the field of international aviation is as follows:

As the only private, nonsubsidized air fleet in the world, U.S. carriers must find a better way to face competition if the United States is to keep its place as a powerful air Nation. The most obvious solution would be Government subsidy, but most airlines themselves admit that this is a last resort. What they want is for the United States to show a tougher stand in route bargaining and in enforcing current agreements. In the next 5 years the jets will force a revamping of virtually all of the 54 bilateral agreements between the United States and other nations. Unless the United States trades much more shrewdly with foreign airlines, U.S.-flag carriers may not be able to compete in the jet age.

I think this article is of great importance and value to all Senators, particularly those who are deeply concerned with aviation.

EXHIBIT 1

AIR LANDING RIGHTS: NEW FACTS OF INTERNATIONAL COMPETITION

As U.S. international airlines enter the jet age, the United States is junking a belief as outdated as its piston planes. The belief was that U.S.-flag carriers could hold their lead over a growing flock of aggressive foreign competitors without a drastic change in U.S. air policy. Last week the U.S. airlines got a new warning of the onward march of foreign competition. From the State Department came an announcement that Air France will get an additional U.S. gateway at Baltimore and a polar route to the U.S. west coast. BOAC will get the right to land at Tokyo on its San Francisco-Hong Kong run, which is expected to take $7,800,000 yearly away from U.S. lines. A CAB examiner recommended that Air India be authorized to fly into the United States.

But the biggest threat is Russia's Aeroflot, the world's largest commercial airline. Its 1,600 planes fly 350,000 route miles, serve 500 airports from Kamchatka to London. Airmen expect that one of the points of discussion between President Eisenhower and Premier Khrushchev will be yet another jump for Aeroflot: the right to carry passengers to and from the United States.

If Aeroflot gets rights into New York, Pan American World Airways will fly into Moscow. But the exchange does not tell the whole story. Aeroflot, which now matches International Air Transport Association rates (though it does not belong to IATA), is expected to behave for a while. But airlines fear that, as a totally subsidized state airline, it will eventually cut fares to aid Russia's economic offensive.

Despite last week's OK on new competition, U.S. lines found some cheer in the decisions. They showed a real change in U.S. policy to conform to the new competitive facts. What made the decisions different was not so much what the U.S. granted—BOAC, Air France, and Air India were entitled to the routes under reciprocal exchanges—as the manner of giving. France had formally denounced its bilateral air route agreement with the United States 13 months ago, insisted on getting "double trackage" rights, i.e., the right to serve any U.S. city where a U.S. carrier originates a flight for France. The State Department flatly refused.

CAB and the State Department have not always been so alert to protect the interests of U.S.-flag lines. When Great Britain and the United States laid down the basic postwar air route pattern in Bermuda in 1946, the United States was the only nation equipped with planes to operate long-distance service. It campaigned for a free competition agreement, but the plane-short British forced a compromise that provided for an equitable exchange of traffic between nations signing a bilateral pact. Since then the United States has often ignored breaches by foreign airlines, drawn criticism from U.S. carriers for giving out fat new routes without getting much in return.

Now the State Department and the President, who has the final say about what international routes the United States gives out, are ending the giveaway period in favor of more horse trading and stricter rule watching. The new trend was forced by the awareness that U.S.-flag lines could follow the downward path of the U.S. maritime industry. Though 70 percent of all air passengers between the United States and foreign countries are U.S. citizens, the share of traffic carried by U.S. carriers has fallen from 75 percent in 1949 to 60 percent today. In the first quarter this year, BOAC nudged out Trans World Airlines as the second biggest transatlantic carrier (No. 1: Pan American), the first time a foreign-flag line has flown ahead of a U.S. line.

Foreign carriers have rushed into the United States in such numbers that 40 now draw from the U.S. market versus 22 in 1949. Most of them get far more than U.S. carriers out of the bargain, often add extra flights to siphon off as many passengers as possible in violation of the spirit of the Bermuda agreement. In return for permitting Pan American to serve Amsterdam, KLM flies into New York and Houston. Result: last year KLM collected $29.4 million on 86,225 U.S. passengers, while Pan Am got only $1,700,000 from 2,842 Dutch passengers. While cutting into U.S. markets, foreign carriers are strengthening themselves against inroads into their home territory; for example, European carriers got IATA to place a special tariff on transatlantic jet flights because they do not have jets to compete with the Boeing 707.

As the only private, nonsubsidized air fleet in the world, U.S. carriers must find a better way to face competition if the United States is to keep its place as a powerful air nation. The most obvious solution would be Government subsidy, but most airlines themselves admit that this is a last resort. What they want is for the United States to show a tougher stand in route bargaining and in enforcing current agreements. In the next 5 years the jets will force a revamping of virtually all of the 54 bilateral agreements between the United States and other nations. Unless the United States trades much more shrewdly with foreign airlines, U.S.-flag carriers may not be able to compete in the jet age.

FEDERAL REGULATORY AND ADMINISTRATIVE AGENCIES

Mr. HOLLAND. Mr. President, yesterday in Miami, Fla., an address was delivered before the American Bar Association by a distinguished Floridian, a member of the Civil Aeronautics Board, Mr. Louis J. Hector.

The speech is well reported in the Washington Post of this morning, under the title "Hector Says Regulatory Agencies Try To Do Impossible and Fail."

I believe Senators have known for a long time that the regulatory agencies were asked to perform a double task—that which was administrative and regulatory, and that which was judicial—and that it was difficult to wear both hats satisfactorily.

For the first time in my experience a scholarly discussion of that intolerable problem was made by Mr. Hector yesterday in his fine speech to the American Bar Association. I ask unanimous consent that the article from the Washington Post of this morning 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:

HECTOR SAYS REGULATORY AGENCIES TRY TO DO IMPOSSIBLE, AND FAIL

(By Carroll Kilpatrick)

A sharp criticism of the practices of Federal regulatory agencies, together with an indictment of the basic premises on which they were established, was made yesterday by one of the leading regulatory officials in Washington.

The critic was Louis J. Hector, a member of the Civil Aeronautics Board, who said in a speech before the American Bar Association in Miami that the regulatory agencies are trying to do the impossible.

His remarks were regarded as especially significant because of their source and because they reflect a growing criticism, from academic sources and from industry, of regulatory agencies and the role they are supposed to play.

Criticism of the agencies since they were created in the New Deal days has been muted. But of late they have been under increasing attack, partly because they have the effect of stifling economic freedom and because they attempt to do two opposing jobs: regulation and adjudication.

CALLS FOR OVERHAULING

"If we tried to make our foreign policy or plan our national defense in this way, we would still be a third-rate power," Hector said.

"And if we keep on trying to plan our national transportation system this way, we will wake up in a national emergency one day and find that it won't do the job.

"Clearly these procedures must be overhauled."

Hector indicated that he was not proposing minor reforms but major surgery. Agencies like the CAB, the Federal Power Commission, and the Federal Communications Commission are trying to combine policy-making and adjudication—in other words, be both Congress and the courts, he suggested. The basic premise is wrong, he charged.

Under growing criticism from Congress and the public and from the businesses they are charged with regulating, Hector said the agencies have tried to protect themselves by insisting that they are acting more and more like courts of law.

"The paradoxical result," Hector said, "has been not a greater amount of real judicial process but a lesser amount—more judicial trappings, perhaps, but less of substance.

"As an organization tries to give the appearance of full judicial procedure in every matter, both big and small, inevitable compromises and subterfuges are required to get all the work done. These compromises inevitably spread throughout the organiza-

tion and in the long run there is less true judicial process in any matter, big or small."

Hector recited the history of what is known as the Seven States Case recently before the CAB. In 1955, it became apparent that railroad passenger service in the Dakotas, Nebraska, Iowa, Illinois, Wisconsin, and Minnesota was becoming so inadequate that new local air service was essential.

THREE YEARS FOR CASE

In December 1955, the CAB ordered an investigation to develop a new air program for the area. Because of what Hector called the built-in inefficiency of the CAB's process of reaching a decision in a matter of this kind, it took it 3 years to conclude the case.

Many witnesses were heard, but "neither the Board nor the examiner had specified just what sort of information they wanted," he said, so a number of witnesses "did not provide very much useful information."

"The Board never went out and actively sought the facts," he said. "Anyone who was interested just came in and brought whatever data he thought might be useful."

In the beginning, the Board gave the examiner "no real policies to guide him in the formulation of a major new local service plan," Hector said. The result was that "he floundered around for 2 years formulating his own plan only to have the Board disagree with him on basic policy and do the whole job over."

BASIC FLAW NOTED

The basic flaw is the belief that administrative agencies can combine policymaking and adjudication, Hector said.

"Administrators and judges have such completely different codes of ethics that a commissioner who tries to act like a judge is accused of trying to regulate in an ivory tower, while one who tries to act like an administrator is accused of becoming too friendly with the litigants," Hector said.

The CAB is now and for 2 years has been engaged in another major case. It involves an overhaul of airline fares. Possibly because he is still sitting as a judge in that case, Hector did not refer to it, but it promises to make the Seven States case seem brief and clearly managed by comparison.

Millions of words of testimony already have been taken in the fare investigation, while the traveling public and the airlines wonder whether one or both is being cheated in the meantime.

Hector urged the critics and defenders of the administrative agencies to recognize the need for major changes.

HE POINTS OUT NEED

"All the critics agree, I think, that adjudication must be performed by men occupying basically the position of judges, and that the executive and Congress must keep their hands off," he said.

"But policymaking is a different thing. This should be made by the executive, it is increasingly felt, within the broad policy determinations of Congress."

He indicated he agreed with critics who say:

"Give to the executive the functions of rulemaking, policy formulation, planning and routine administration. Give to a special expert tribunal or group of tribunals the task of deciding major litigated cases and of hearing appeals from administrative decisions. If there is a job of prosecution, give it to a separate agency."

Mr. HOLLAND. Mr. President——

Mr. CHAVEZ. Mr. President——

Mr. HOLLAND. I should like to point up the meaning of Mr. Hector's fine address by reading two paragraphs, if my distinguished friend from New Mexico will indulge me for a moment. The first is this:

The basic flaw is the belief that administrative agencies can combine policymaking and adjudication, Hector said.

"Administrators and judges have such completely different codes of ethics that a commissioner who tries to act like a judge is accused of trying to regulate in an ivory tower, while one who tries to act like an administrator is accused of becoming too friendly with the litigants," Hector said.

There could not be a more truthful statement than that.

The closing paragraph is as follows:

He indicated he agreed with critics who say:

"Give to the executive the functions of rulemaking, policy formulation, planning, and routine administration. Give to a special expert tribunal or group of tribunals the task of deciding major litigated cases and of hearing appeals from administrative decisions. If there is a job of prosecution, give it to a separate agency."

I hope the suggestion of Mr. Hector will meet with careful study by the Senate and House Committees on Interstate and Foreign Commerce.

PRESIDENT'S HIGHWAY RECOMMENDATIONS

Mr. KUCHEL. Mr. President, I have repeatedly sought legislation which would prevent the complete and chaotic destruction of the interstate highway construction program by placing it on a sound financial basis. Many times have I urged enactment of the President's recommended 1½-cent-per-gallon increase in the gasoline tax on the temporary 5-year basis which he outlined. Just before taking off for Europe, the President sent to the Congress a special plea to provide the revenues needed to carry on this highly important construction on a reasonably dependable timetable. In his message, the President said the action taken by the House Ways and Means Committee in providing for a 1-cent increase for 2 years in the Federal tax on gasoline was a step in the right direction though it falls short of his goal. It would mean some slowing down of the highway program, but at least it seeks to keep planned highway construction on a pay-as-you-go basis.

Mr. President, I heartily endorse the President's forthright statement, especially his insistence that a small temporary increase in the Federal gasoline tax is the best way to keep the highway program moving. Heaven knows we have had more than enough of deficit financing. I would still like to see the Congress enact the 1½-cent increase. The House committee proposal would save us from the seductive trap of taking money from the general fund of the Treasury to meet the current needs of highway construction. This would be, as I said once before, robbing Peter to pay Paul.

Mr. President, we need to recognize that the American people are far more ready to accept the facts of financial responsibility than is generally believed. Most Americans willingly accept the sound notion that "you can't have your cake and eat it too." The President's request is founded on this solid base.

Americans have always been willing to meet a responsibility when they understand its purpose. The incalculable damage which will overtake the States if funds are not made available can hardly be imagined. But a good example is the road that goes nowhere in the current novel "The Ugly American." Surely we cannot go on postponing the inevitable day of reckoning, if this program is not put on a pay-as-you-go basis. I believe the American people are willing to assume the small additional temporary burden involved for the great benefits to be received. I urge the Congress once again to heed the President's sound advice. While, as I say, I personally would prefer to see the 5-year gasoline tax increase raised on the original recommendation of the President, we shall have made the best decision if, at the very least, we approve legislation along the lines of the House Ways and Means Committee action, and thus avoid the skyrocketing addition of another $1 billion of borrowing.

THE ROSEBURG, OREG., DISASTER

Mr. MORSE. Mr. President, yesterday, in furtherance of my efforts to obtain full compliance with safety regulations designed to prevent tragic loss of lives and property, such as occurred in the early morning hours of August 7, 1959, in Roseburg, Oreg., I wrote to Senator MAGNUSON urging prompt action on S. 1806.

My Senate colleagues will recall that on August 19, I addressed the Senate, relating the facts of the terrible disaster that struck Roseburg through the explosion of a dynamite and ammonium nitrate-laden truck. In my letter I asked that S. 1806 be acted upon promptly by the committee and by the Senate. I ask unanimous consent that there be printed at this point in my remarks a copy of my letter addressed to Senator MAGNUSON.

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

AUGUST 25, 1959.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR MAGGIE: Last Wednesday in the Senate I discussed in some detail the terrible disaster that struck Roseburg, Oreg., in the early morning hours of August 7. Although the facts have not been formally compiled and announced by the Interstate Commerce Commission as yet, the reports I have received indicate that the Roseburg disaster was caused by the explosion of a dynamite and ammonium nitrate-laden truck which had been parked beside a building in the heart of the business section of Roseburg during the evening of August 6. A fire which broke out in the building adjacent to the truck is said to have caused the explosion.

Before I made my speech in the Senate on August 19, you will recall that I talked to you about the bill, S. 1806, to revise the Transportation of Explosives Act, which you introduced in the Senate on April 27, 1959.

At that time, you indicated that you consider this legislative proposal to be of an urgent nature and that you would cooperate in obtaining its early consideration in the Senate Committee on Interstate and Foreign Commerce. Let me say to you that the people of Roseburg, Oreg., and residents of every city in the Nation owe you a deep debt of gratitude for having introduced S. 1806 and for expressing your willingness to obtain early action in committee.

In my opinion, this legislative proposal is one of the most important items now pending in the Congress. The safety of hundreds of thousands of people over the length and breadth of the Nation is closely related to the protection that will be afforded through the passage of this bill. Not for a moment would I disparage the excellent record made by the carriers who haul large quantities of explosives daily without causing loss of life or property, but I am firmly convinced that the amendment is required as a deterent to the few who may be indifferent to the safety of others in the transportation of explosives.

S. 1806 contains a number of important provisions but the most significant, in my opinion, are those which make the full power and authority of the Interstate Commerce Commission under the Transportation of Explosives Act and the maximum penalties of the act applicable to contract and private carriers as well as to common carriers.

As pointed out in Senate Report No. 281 of the 85th Congress, the Transportation of Explosives Act, adopted nearly 50 years ago, needs revision in many respects in order that it may effectively and efficiently regulate the transportation of dangerous explosives and other materials of hazardous nature. Transportation media and systems of today are far more intricate and complicated than they were 50 years ago when the Transportation of Explosives Act was put on the statute books. But the point I wish to emphasize particularly is the fact that the transportation of explosives by contract and private carriers involves just as much potential danger to the people of our Nation as does the transportation of these materials by common carriers.

What was said in 1957 in Senate Report No. 281 with respect to the penalties for violations of the Transportation of Explosives Act is germane today. I quote from page 2 of that report:

"In its present form the Transportation of Explosives Act applies to common carriers only and violations of its provisions are subject to maximum penalties of $10,000 or 10 years imprisonment or both. On the other hand, the very same violations when committed by private or contract carriers are prosecuted under section 222(a) of the Interstate Commerce Act which carries a maximum penalty of only $100. The bill would therefore remove this anomaly and would extend the provisions of the Explosives Act to include contract and private carriers."

The above-quoted comments applied to the bill, S. 1491, which was reported favorably by the Senate Committee on Interstate and Foreign Commerce on May 2, 1957. S. 1806, which you introduced this year, seeks to accomplish the same objectives as S. 1491 of the 85th Congress.

As an aside, I should point out that you and Senator SMATHERS are to be commended for having brought S. 1491 to the floor of the Senate in 1957 and for having achieved its passage in the Senate. Had the House responded as did the Senate in 1957, the Roseburg disaster might never have occurred.

The fact as reported to me concerning the Roseburg explosion indicate that a truck operating as a private carrier by the Pacific Powder Co. of Tenino, Wash., was loaded with approximately 6 tons of high explosives consisting of dynamite and ammonium nitrate. The truck reached Roseburg early in the evening of August 6 and was parked for the night, with the brakes securely fixed and the cab locked. It was left unattended in the heart of the business district of Roseburg. The building near which the truck was parked caught fire, and the firemen who were called to the scene recognized immediately the danger inherent in a truckload of explosives standing beside a burning building. According to the story as it was told to me, the firemen tried to move the truck by the use of a jeep equipped with a winch but they were unable to tow the truck because of its firmly set brakes. The explosion which ensued almost immediately caused at least 16 deaths, resulted in more than 52 cases of severe injury and brought about millions of dollars of property damage losses.

Had your amendment to the Transportation of Explosives Act, as envisaged in S. 1806, been on the statute books on August 7, 1959, the terrible Roseburg disaster of August 7 might never have occurred. I say this in all sincerity because the very effective penalties applicable to common carriers instead of relatively minor penalties applicable to private and contract carriers would have had tremendous deterrent effects against the parking of the truck and its explosive contents unattended in the early hours of August 7. Had S. 1806 been on the statute books, the company shipping the explosives would have been subject to a potential maximum penalty of $10,000 and possible maximum imprisonment of 10 years for its officials instead of a relatively nominal penalty.

It is imperative that no time be lost in enacting S. 1806 because every day and every night in numerous parts of the U.S. private and contract carrier trucks are carrying explosives capable of inflicting enormous injury, such as that which was inflicted in the Roseburg case, and are endangering the people in heavily populated communities.

I would be the first to concede that the enactment of S. 1806 and the more rigid safety requirements it involves, may cost shippers of explosives more money than they now spend in shipping by private and common carriers. However, when human lives and enormous property values are at stake, I am not for a moment impressed by the so-called increased cost argument. The few pennies of additional cost that will be involved in the shipment of each unit of explosives will, in my opinion, be far outweighed by the savings of lives and property in consequence of the more rigid safety requirements inherent in S. 1806.

Bearing in mind the intense and prolonged suffering of scores of human beings who were injured in the Roseburg disaster; the anguish of those who perished in this catastrophe, and the distress of the surviving relatives and friends of those whose lives were lost, I have no patience with those who suggest that S. 1806 would involve some additional cost to shippers and users of explosives. Nor am I impressed with the arguments of those who insist that passage of S. 1806 will put them out of business. When human lives are at stake, I intend to work for the preservation of those lives even though higher transportation costs may be involved. I hope we are not at the point in America where we are placing the existence of certain types of business above the value of human lives.

For the foregoing reasons, I feel that the passage of S. 1806 is a must for this session of the Congress. The people of Roseburg, Oreg., the State of Oregon, and, indeed, the entire Nation will be grateful to you for everything you can do to bring about the early passage in committee and in the Senate of S. 1806, which is of such great importance to the protection of human life.

With appreciation and best personal regards.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, in order that the nature of the safety regulations applicable to transportation of explosives by motor carriers may be brought to the attention of my colleagues, I also ask unanimous consent that several paragraphs of the Motor Carrier Safety Regulations of the Interstate Commerce Commission be included at the conclusion of my remarks. These regulations are to be found in the Code of Federal Regulations, title 49, part 197.

There being no objection, the paragraphs are ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. MORSE. Mr. President, the Roseburg disaster taught us at least one lesson of tremendous importance, namely, that private carriers and contract carriers hauling dangerous explosives in interstate commerce should be subjected to the same strict requirements and sanctions that are applicable under existing law with respect to common carriers in interstate commerce. S. 1806 would do that job and it is my sincere hope that this bill will be enacted by the Congress and signed by the President before the adjournment of this session.

EXHIBIT 1

TITLE 49, CODE OF FEDERAL REGULATIONS, PART 197—TRANSPORTATION OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES BY MOTOR VEHICLES

SEC. 197.1. Driving rules—

(b) Motor vehicles not to be left unattended at any time: Motor vehicles transporting class A or class B explosives shall not be left unattended at any time during the course of transportation. Nothing contained in this paragraph shall be construed to relieve the driver of any requirement for the protection of any such motor vehicle when disabled or stopped upon any street or highway as provided in part 192 of this subchapter.

(c) Motor vehicles not to be left unattended on streets or highways: Motor vehicles transporting dangerous articles other than class A or class B explosives shall not be left unattended upon any public street or highway except when the driver is engaged in performing normal operations incident to his duties as the operator of the vehicle to which he is assigned. Nothing contained in this paragraph shall be construed to relieve the driver of any requirement for the protection of any such motor vehicle when disabled or stopped upon any street or highway as provided in part 192 of this subchapter.

(d) Avoidance of congested places: Motor vehicles transporting explosives and other dangerous articles shall be so driven as to avoid, so far as practicable, and, where feasible, by prearrangement of routes, congested thoroughfares, places where crowds are assembled, streetcar tracks, tunnels, viaducts, and dangerous crossings.

* * * * *

(h) Parking in congested places: Except where the necessities of the operation make impracticable the application of this paragraph, no motor vehicle transporting any class A or class B explosive shall be parked, even though attended, on any public street adjacent to or in proximity to any bridge, tunnel, dwelling, building, or place where persons work, congregate, or assemble.

PROPOSED CONFIRMATION OF INTERNATIONAL JOINT COMMISSION APPOINTEES

Mr. MORSE. Mr. President, yesterday my colleague, Senator NEUBERGER, introduced the bill, S. 2594, to require Senate confirmation of future appointments of commissioners to serve on the U.S. section of the International Joint Commission. I was glad to cosponsor this bill because I believe that those who represent the United States on the Commission should be dedicated public servants as well as individuals who are fully aware of the importance of the water resource development program of the Pacific Northwest. In fact, these positions are of such great significance, not only to the Pacific Northwest, but to the Nation as a whole, that future appointments to this body should require Senate confirmation.

As my colleague pointed out, S. 2594 is identical to S. 2602 of the 85th Congress, which was introduced on July 22, 1957. When S. 2602 was introduced, Senator NEUBERGER made a very forceful explanatory statement. It appears in volume 103 of the RECORD, part 9, at pages 12271 to 12274. I strongly recommend that the Members of the Senate read the explanatory statement, particularly the remarks appearing at page 12272.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

ENROLLED BILLS SIGNED

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

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi;

S. 1945. An act for the relief of Josef Jan Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik; and

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. CHAVEZ. Mr. President, the pending matter before the Senate is consideration of House bill 1; is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAVEZ. We have heard a great deal about the proposed legislation. We have been hearing about it for several years. Much has been said with reference to the diversion of waters from Lake Michigan, in the State of Illinois.

This is not that kind of proposal; but because of the idea some people have that some of the waters of Lake Michigan should be diverted, legislation was introduced providing for a study—and a study only—of whether or not it would be dangerous to divert that water.

House bill 1 provides for a study by the Health, Education, and Welfare Department of the Federal Government and by the Army Engineers. They would study the situation for a period of 3 years, during which time they would be allowed to divert 1,000 cubic feet per second of water for 1 year only, to be used in a study of the 3-year period, in order to make recommendations as to whether or not the use of the extra thousand cubic feet per second would in any way be detrimental to any proposal to divert the waters of Lake Michigan.

The chairman of the subcommittee which held hearings for months, not only this year, but in a prior year, is the distinguished Senator from Oklahoma [Mr. KERR]. I shall yield to him in order that he may explain the bill a little further.

Mr. KERR. Mr. President, H.R. 1 has been before the Senate a number of times, and each time the Senate was permitted to do so it voted favorably on the bill.

H.R. 1 is a bill to provide a basis for a study of the effect of increased diversion of water from Lake Michigan of 1,000 cubic feet per second upon commerce among the several States, navigation on the Great Lakes, and their connecting waterways, and the Illinois Waterway; and also of the effect of such diversion upon the conditions of sanitation in the Illinois Waterway in the immediate vicinity of Lake Michigan, about the area of the Chicago Sanitary District.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, it is the intention of the leadership to have the Senate remain in session until 7 or 7:30 tonight.

I hope it will be possible to have an agreement—and I ask unanimous consent for that purpose—that when the Senate recesses tonight, it recess to meet tomorrow morning at 10 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I may say, furthermore, that it is proposed to have the Senate remain in session late tomorrow evening, perhaps as late as 8, 9, or 10 o'clock.

Mr. WILEY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. WILEY. I noticed the last remark of the Senator from Montana, in which he said it was planned to have the Senate remain in session late tomorrow night. I believe the Senator is acquainted with the fact that the Republicans are entertaining in one of the hotels downtown the distinguished senior Senator from Hawaii [Mr. FONG].

Mr. MANSFIELD. No; I am not.

Mr. WILEY. That event is planned for tomorrow night. It has been arranged for a number of weeks. I doubt whether it would be very comfortable to have all the Republicans leave under those circumstances.

Mr. KERR. I, for myself, would like to say that that would be an experience. I should like to find out how comfortable it would be. [Laughter.]

Mr. WILEY. I ask the distinguished Senator from California if I am correct in my statement.

Mr. KUCHEL. I did not hear the statement of the Senator from Wisconsin.

Mr. WILEY. I said that tomorrow night the Republicans plan to entertain the Republican Senator from Hawaii [Mr. FONG].

Mr. KUCHEL. The Senator is correct.

Mr. WILEY. Is that to be at 6 or 7 o'clock, and at what hotel?

Mr. KUCHEL. At about that time, at the Mayflower Hotel.

Mr. WILEY. That event has been arranged for many weeks. If the Senator from Montana could arrange his timepiece accordingly and not accommodate our good friend, the Senator from Oklahoma [Mr. KERR], in the way he suggested, I am sure it would be an accommodation to the Republicans.

Mr. MANSFIELD. We will take it into consideration; but I point out that probably at about the same time the Republicans are entertaining Senator FONG at the Mayflower, the Democrats will be entertaining Senator LONG of Hawaii on the Senate floor.

Mr. WILEY. That is an added reason why we should get away about 6 o'clock. Will the Senator from Montana give me some information on that subject?

Mr. MANSFIELD. I will talk to the Senator tomorrow about it and will see what we can do.

Mr. WILEY. I suggest that the Senator from Montana talk to the Senator from Illinois [Mr. DIRKSEN] and other Republicans who really arranged for this occasion. I did not have anything to do with it. I am a sort of outsider.

Mr. KERR. I did not have anything to do with it, either. I am just as ashamed of it as is the Senator from Wisconsin. [Laughter.]

Mr. WILEY. The Senator from Oklahoma knows about something else besides oil.

Mr. KERR. I hope the Senator from Wisconsin might learn from the Senator from Oklahoma.

Mr. WILEY. I learn every day.

Mr. KERR. Even about oil.

Mr. WILEY. Grease them up.

Mr. KERR. Mr. President, I was discussing H.R. 1 before the interruption concerning the world-shaking event of the Republicans entertaining the new Republican Senator was injected into the

situation. I do not blame the Republicans for feeling good at the addition of one Republican to the Senate of the United States. It is an unusual event. It is one worthy of being noted, an experience to provoke activity and celebration.

Ah, it is even told in Holy Writ how when the one lost lamb was returned to the fold, that event was more important than the momentous assiduity concerning the safety of the 99.

Mr. WILEY. The Senator from Oklahoma has been reading the Scriptures lately.

Mr. KERR. It just might be, Mr. President, as noteworthy a situation as the passage of H.R. 1 by the Senate. But I hope it will not immobilize the Senate to have the addition of the Republican Senator from Hawaii. I hope we might be able to continue to function in the orderly manner set up and provided in the rules of procedure.

DIVERSION OF WATER FROM LAKE MICHIGAN, AT CHICAGO

The Senate resumed the consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

Mr. KERR. Mr. President, I was about to say, H.R. 1 is a bill to provide additional diversion of water from Lake Michigan into the Illinois Waterway, and to provide a study to determine the effect of such diversion upon the navigation of the Great Lakes, of the Illinois Waterway, and other waterways connecting with the Great Lakes, and also upon the problem of sanitation in the Chicago Sanitary District.

The bill pertains to the waters of the United States of America, the navigation of those waters, commerce by transportation on those waters, and sanitary conditions in connection with the use of those waters. Therefore, it is very appropriately before the Senate.

Much has been said about the effect of the bill, if enacted, upon our esteemed and cherished neighbor to the North, the Dominion of Canada.

Mr. President, I wish to say that I have as high a regard for the relationship of our country with the Dominion of Canada as does any other Member of this body. I have so high a regard for Canada that I would do nothing to impair or question the integrity of the sovereignty of the Dominion of Canada; and I have so high a regard for Canada that I would not erroneously inject into a question relating to the proposed legislation before the Senate of the United States the question of our relationships with Canada, when the bill before the Senate is entirely limited in its effect to waters which are under the exclusive jurisdiction of the United States of America. I have such high respect for Canada that I would not attempt to put her skirt in an embarrassing posture, in order that I might arrange it in such a way that I could hide behind it—believing that Canada not only would have her modesty outraged, but also would have her dignity highly offended. I would no more seek to create the fictitious issue of a Canadian interest in this proposed legislation than I would—if I were upon the street, and were accosted by a policeman—seek to disrobe some available lady and disguise myself in her clothing, in order that I might thereby escape arrest as a result of a matter of my own responsibility.

Mr. President, 1,000 cubic feet of water a second of the waters of the United States of America, each day, for 1 year, is the volume involved in the issue before the Senate.

It has been said here that property rights of many sovereign States of the United States of America are about to be impaired. The Constitution of the United States charges the Congress with the responsibility of the regulation of commerce between the States, and the development of our navigable streams and waterways on a basis which will be for the benefit of all the States of the Union. Certainly in so doing, the principle that what helps one helps all is recognized, in addition to the principle that the rights of the United States should be safeguarded and promoted without impairing the rights of any State. Such is the proposal of House bill 1.

The testimony taken before the committee was that the diversion of this water might affect the water level of Lake Michigan by one-quarter of an inch. However, Mr. President, the level of that body of water varies, over the years, by as much as 7 feet, in the cycles between wet periods and dry periods, and by as much as 18 to 20 inches every year.

Yet it is claimed that the enactment of this bill would do great damage to port areas on Lake Michigan other than those immediately adjacent to Chicago, and that the enactment of the bill also would do irreparable damage to the water level of the other Great Lakes and the water level of the St. Lawrence River, by reason of the fact that the diversion of this quantity of water would lower the level of Lake Michigan by one-quarter of an inch.

The evidence before your committee was that the diversion of this water would hurt no one. I ask Senators how it could hurt anyone, if it affected the level of Lake Michigan by one-quarter of an inch, when, by reason of the operation of the natural rainfall and the dry periods and the wet periods, the water level varies as much as 7 feet.

Mr. President, as I have said, the problem is a very simple one; and it can be settled only by the Congress of the United States. The problem has to do with the development of navigation and transportation on one of our waterways; and this question is within the sole and exclusive jurisdiction, prerogative, and responsibility of the United States of America. The problem relates to the waters of a lake, no part of which is as close as 35 miles to Canada. In connection with the problem, a treaty has been referred to; and it has been stated that the treaty prevents the taking of the action proposed. However, Mr. President, the waters of Lake Michigan were specifically excluded from the treaty. The treaty was negotiated by a great American Secretary of State, Elihu Root. He was not a member of the Democratic Party; but, Mr. President, his ability as a great authority on international law and as an able Secretary of State has never been questioned by persons of either party. In seeking the approval of the treaty referred to by the opponents of this bill, he told the Foreign Relations Committee of the United States Senate that the waters of Lake Michigan were specifically excluded from the provisions of the treaty. Why, Mr. President? Because, inasmuch as those waters are the sole and exclusive responsibility and a natural resource of the United States of America, those waters, that natural resource, would neither appropriately be the subject of international negotiation with a country which had no interest in them, nor would it be lawful for a Secretary of State to undertake action with reference to that great natural resource, which is the exclusive asset of the United States of America, by means of a negotiation having to do with the international waterways between the two great countries.

So pending bill relates to water resources of the United States, in connection with which one State has a great need which can be met without doing the slightest damage to any other State; and the bill relates to a program for a very temporary period of time—1 year—and a directive to the Department of Health, Education, and Welfare and the Department of the Army to bring back to the Congress a report in regard to the effect on navigation, commerce, and sanitation of such a diversion, in order that a question which has been so highly controversial, and about which so many conflicting claims have been made, can then appropriately be considered by the Congress of the United States, in connection with the question of what, if any, future action should be taken by the Congress in regard to these water resources.

As I said a little while ago, this proposed legislation has been before the Senate many times. It has twice been passed by the Senate, when greater quantities of water were involved in the proposed legislation than is the case in the present bill. And it would be my hope, Mr. President, that the Senate would soon vote on this bill.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Could the Senator give us some graphic idea as to just how much is a thousand cubic feet per second? It is hard for me to picture that quantity. I wonder if the Senator could indicate what it means in the overall effect.

Mr. KERR. It amounts to about 750,000 acre-feet in a year.

That is not an exact figure, but approximate. It amounts to about 650 million gallons of water a day.

Mr. LONG of Louisiana. I thank the Senator.

Mr. WILEY. Mr. President, will the Senator yield for a question?

Mr. KERR. Yes.

Mr. WILEY. I should like to ask the distinguished Senator from Oklahoma to read the first and second committee amendments into the RECORD. Then I should like to ask some questions concerning them.

Mr. KERR. The first amendment begins on page 3, line 18, of the bill. I am sure the distinguished Senator from Wisconsin is not asking me to read because I am the only one who can do so, but I am glad to conform to his request, anyway.

Mr. WILEY. Does the Senator want my glasses?

Mr. KERR. I want to tell the Senator it is not what one is looking through, but looking to, that counts.

Mr. WILEY. It is what one is looking at that counts.

Mr. KERR. It may be. [Laughter.]

The amendment reads:

The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes.

Mr. WILEY. In relation to that provision, concerning the additional 1,000 cubic feet, how much is the district taking now?

Mr. KERR. At the present time there are 1,500 cubic feet per second being diverted from Lake Michigan into the vicinity and area of the sanitary district and out through the Illinois Waterway.

Mr. WILEY. Have they diverted three rivers?

Mr. KERR. Mr. President, I am sure that the Senator will develop the subject that he has just asked me about. I would not want to make an answer to his question which would be at all inaccurate or lacking in the qualities of illumination. There are some streams which might be regarded as rivers in the area where they flow which have had the course of flowage changed. I must say that they would not assume the dignity of being called rivers in the State of Oklahoma.

Mr. WILEY. The reason why I am asking these questions is that the distinguished Senator from Louisiana [Mr. LONG] asked how much water was being taken.

Mr. KERR. I believe the Senator from Louisiana asked me how much was to be taken by the terms of this bill.

Mr. WILEY. Yes. The answer was 1,000. Is it not a fact that at the present time they are taking about 3,100 cubic feet per second?

Mr. CHAVEZ. 1,500 feet.

Mr. KERR. 1,500 cubic feet per second are being diverted from Lake Michigan. That is all the water now being diverted from Lake Michigan. In addition to that, the pumpage by people in Chicago and that area taken from the sands which have communication with the lake, and which therefore probably are supplied with water from the lake through the sewage system of the Chicago area, go into the waterway; but the diversion from Lake Michigan as such, as the Senator well knows, at this time is 1,500 cubic feet per second.

Mr. WILEY. How much water besides that used for diversion is being taken? The Senator has mentioned sands contiguous to Lake Michigan.

Mr. KERR. I would not know.

Mr. WILEY. Is not the total 3,100 feet?

Mr. KERR. I would not be in a position either to verify that statement or to deny it, I will say to my friend from Wisconsin.

Mr. WILEY. Very well. Now, would the Senator mind reading the second committee amendment that has been suggested to the bill?

Mr. KERR. The Committee on Public Works added this amendment beginning on page 5, line 15:

Provided, That nothing in this Act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of one thousand cubic feet per second, or any other amount if hereafter recommended. Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada. But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan.

Mr. WILEY. Were either of these two amendments incorporated in any of the previous bills?

Mr. KERR. Neither of the two amendments which I have read at the request of the Senator from Wisconsin was in any previous bill before the Senate.

Mr. WILEY. I notice the last amendment——

Mr. KERR. I will say to the Senator from Wisconsin that these amendments were put in the bill in the hope that fears expressed by the Senator from Wisconsin and other opponents of the bill might be allayed. Much was said to our committee that the matter before the committee was not in reality a proposal to divert 1,000 cubic feet per second of water for a year, but for an unlimited time; that if the Congress of the United States ever enacted a bill to divert 1,000 cubic feet per second, although the bill specifically limited the time of such diversion to a year, it would be a diversion which would continue on ad infinitum. It was for that purpose that the amendment was placed in the bill, in order that it might be made crystal clear, definite, and positive that nothing in this act shall be construed to indicate any approval or authorization of a permanent increase in diversion in the amount of 1,000 cubic feet per second, or any other amount hereafter recommended.

Mr. President, much has been said about the question of relations with our Canadian neighbor. The fact is that only last year there was before the committee a letter from the Government of Canada in which it was specifically stated no objection existed to the diversion of 1,000 cubic feet per second for a year.

I wish to say that I understand Canada has taken a different position since then. Who knows? Since Canada did not oppose the bill last year, although it does oppose the bill now, by the time the Senate passes the bill and the Congress approves it, if it does, Canada may again have assumed the posture of no objection.

In order that the highest respect might be paid to the Canadian Government, and that recognition might be given to the fears of opponents of the bill, the sentence was inserted in the bill:

Prior to any authorization of other or additional diversion, consultation shall be had between the Governments of the United States and Canada.

Mr. President, in order that the absolute sovereignty of our Government with reference to these waters might neither be jeopardized nor surrendered, the sentence was added:

But nothing herein contained shall ever be construed to effect in any way, any and all rights now or heretofore existing in the United States in and to the exclusive control, use, and management of the waters of Lake Michigan.

Mr. HART and Mr. CASE of South Dakota addressed the Chair.

Mr. KERR. I yield to the Senator from Michigan.

Mr. HART. I thank the Senator very much.

To more clearly establish in my own mind the attitude which the committee had toward the position of our friend, the Dominion of Canada, I should like to ask a question.

Is the action of the committee an action taken with a realization that the Dominion of Canada suggests treaties may be violated if we approve the action recommended by the committee?

Mr. KERR. I will say to the Senator from Michigan, I am not aware of any position taken by the Dominion of Canada that treaties might be violated.

Mr. HART. If the Dominion of Canada in fact suggests that a treaty may be violated, would the position of the chairman of the subcommittee be different in this respect?

Mr. KERR. No; my position would be in that regard, Mr. President, that any treaty which exists, exists between our Government and the Dominion of Canada. If the Dominion of Canada feels that an act of Congress is one which would violate such a treaty, the appropriate approach is through the State Department to the President of the United States.

Under the Constitution the responsibility for navigation and commerce on our waterways is exclusively in the Congress. It is the opinion of the Senator from Oklahoma that the Congress, in the proposed legislation, would be operating in accordance with its own responsibility, prerogatives, and power. Therefore, we should take such action as we feel is our duty under that responsibility, being aware that if there is a matter between the two nations which should be submitted to the Congress it will be,

in due course, submitted by the President of the United States in the manner provided for in the Constitution and in the laws.

Mr. CHAVEZ. Mr. President, will the Senator yield to me for a short observation?

Mr. KERR. I yield.

Mr. CHAVEZ. Was it not reiterated in the committee that former Secretary Elihu Root stated in the early 1900's that no treaty obligation could be set aside because we maintain we have jurisdiction in the waters of the lakes?

Mr. KERR. The committee felt its action was entirely consistent with the statement of, and the position of, Elihu Root, the former Secretary of State; that is correct.

Mr. HART. In furtherance of the same effort to clarify in my mind the position of the committee, may I turn to the last sentence of the amendment which the Senator from Oklahoma read at the request of the Senator from Wisconsin? On page 6 the precise language is, "The exclusive control, use, and management of the waters of Lake Michigan."

I realize that I raise the question in an extreme fashion, but I think it will test the proposition I have in mind. Is it the view of the Senator from Oklahoma that if the United States wanted to do so, it is free to withdraw all the waters from Lake Michigan, instead of only 1,000 cubic feet per second? Is that the point the Senator from Oklahoma makes?

Mr. KERR. I say to the Senator, it is the position of the Senator from Oklahoma that the waters of Lake Michigan are exclusively under the control of the Government of the United States and that the Dominion of Canada has no ownership in or control over those waters.

I will say further, I actually would have a far different attitude toward the proposed legislation if men did not persist in trying to establish what I believe to be an erroneous position that Canada does have an interest in these waters. Actually, I think as a Senator of the United States I have as much responsibility in guarding the integrity of the ownership of these waters and the authority to control them vested in the U.S. Government as I have in any other phase of the proposed legislation.

As Senators know, we can give away a few billion dollars a year, and that is the extent of what we have done, but if by act of Congress, or by failure of the Congress to act, we do that which amounts to giving away what I regard to be the most precious natural resource we have, next to our soil—our water—on a basis which would be permanent in effect, to my way of thinking it would be a far graver mistake than giving away a few billion dollars a year.

Mr. HART. If I may, Mr. President, I will explain the reason for my question in the extreme example, using, instead of 1,000 cubic feet per second, all of the waters of Lake Michigan.

From our front porch in the summertime, at the Straits of Mackinac, we are not sure, though we can see both lakes, which is Lake Michigan and which is Lake Huron. Of this I am certain: If the position of the committee is that we can pull the plug on Lake Michigan, all of a sudden Lake Huron would disappear. I am trying to find out whether it is the position of the committee that the United States of America would respect its word with its neighbor to the north, if we would produce that effect?

Mr. KERR. I say to the Senator that the word of our country, to which he refers, is in a solemn, written document. I am sure the Senator has read it, and I am sure the Senator is familiar with its provisions. I am sure the Senator recognizes one of the provisions is that if either of the contracting parties feels that its rights are being jeopardized or damaged it shall protest with reference to such threat or probable action to the other Government.

Mr. HART. Is not the expression from the Canadian Ambassador to the United States a part of the committee record, and is not the Canadian Ambassador reasserting the position earlier taken by the Prime Minister that this action would jeopardize the treaty relationships?

Mr. KERR. I will say that whatever communication the Ambassador made would speak for itself. I also say to the Senator, if the communication says or is interpreted to say that Canada is in a position to prevent the United States of America from exercising its full sovereignty over Lake Michigan, it is an unwarranted position and one which is certainly not binding on the Senate of the United States.

Mr. HART. I thank the Senator from Oklahoma for his courtesy in yielding.

Mr. KERR. I now yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I voted to report this bill to the Senate. I felt that the primary question before the Public Works Committee, according to the custom-fixing jurisdiction over bills referred to several committees, placed upon the Committee on Public Works the responsibility for evaluating the project from a public-works standpoint. On that basis, I voted for the bill. If the bill comes to a vote here, purely on the public-works aspect, I shall vote for the passage of the bill.

I am not insensible, however, to the representations made by the Government of Canada, made in an official way, and, as I indicated during the time when the bill was before the committee, should the question of the attitude of the Canadian Government be raised, and with that the right of the Committee on Foreign Relations to consider the international aspects of the bill, I would be obliged to respect that question.

The rules of the Senate provide that to the Committee on Foreign Relations shall be referred all matters relating to the following subjects: First, relations of the United States with various nations generally, and many other things. The second, I think, is treaties.

At the time this bill was before our committee a year ago, we were given to understand that the Canadian Government had no objection to favorable action on the bill, which provided for a temporary diversion for the purpose of creating the basis for a judgment as to what a permanent diversion might do.

The situation before the committee this year was altogether different, for there we had the background of a note delivered by the Canadian Ambassador to the U.S. Government under date of April 9, 1959, which took a different position, and now we have a further note from the Canadian Ambassador, Mr. Heeney, to our State Department, dated the 21st of August 1959. That was only 5 days ago.

In this latest note of August 21 the Canadian Ambassador says that he is "instructed to inform you"—meaning the Government of the United States—"that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter."

I assume that means that he has taken note of the reporting of this bill by the Senate Committee on Public Works.

In this connection, the Ambassador writes to our State Department:

> I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the above-mentioned note.

The above-mentioned note was the note of April 9, 1959, their note No. 184. That note of April 9, 1959, said:

> The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular.

Probably that note ought to be placed in the RECORD, and I now ask unanimous consent that following my remarks the entire note No. 184 of the Canadian Government, dated April 9, 1959, may appear.

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

(See exhibit 1.)

Mr. CASE of South Dakota. Following the quotation I have just read, that Canada considers that many agreements and understandings would be broken, they referred to two treaties in particular: (a) the boundary waters treaty of 1909; and (b) the Niagara treaty of 1950.

In that connection they referred to the International Joint Commission supplemental agreements of October 29, 1952, and July 2, 1956, as forming the basis for the construction and operation of the hydroelectric power installations in international sections of the St. Lawrence River.

Mr. President, as far as I know, with whatever limited information I have at the present time, I think I would agree with the Senator from Oklahoma that the waters of Lake Michigan are waters of the United States, that they are entirely within the territorial boundaries of the United States, but I do recognize that when the Canadian Government takes this position, the Committee on Foreign Relations might be somewhat

concerned, and it might say that this does concern the relations of the United States with foreign nations generally, and in this instance specifically with the Government of Canada, with whom I think our relations are probably as important as with any other foreign power, if not more so. I hardly think it needs any emphasis at this time that the maintenance of friendly relationships with the Government of Canada, and an understanding relationship with the Government of Canada, is as important to the United States as it can be in relation to any other government on the face of the globe.

In view of that, and in view of this concern not casually expressed but formally expressed by a note of the Canadian Ambassador, and repeated, by way of emphasis, in this most recent note of August 21, it would make me feel, with the issue raised, that this matter should be referred to the Committee on Foreign Relations, and I would be obliged to say that if the Committee on Foreign Relations wants to examine the proposed legislation in the light of these notes, I would support a referral of the bill to that committee. I would hope that any referral would fix a date certain for reporting it to the Senate with such findings as the Committee on Foreign Relations might make.

I should like to ask the Senator from Oklahoma if it is his interpretation of the Boundary Treaty of 1909, and whatever other agreements may be in existence which pertain thereto, that the United States would have the right to erect a dam at the Straits of Mackinaw to prevent the waters of Lake Michigan from going into Lake Huron and from there proceeding on into Lake Erie and on to the St. Lawrence River.

Mr. KERR. Mr. President, I will say that I have as high regard for the Senator from South Dakota as of any Member of this body. I think the Senator is entitled to know that without his effort this bill would not be before the Senate, and his opinions are of great weight with the Senator from Oklahoma. In a few moments I will make it known why I am in disagreement with him to some extent on what he has just said.

In response to his question, I would say that if the dam he has mentioned would be one that would contain only the waters of Lake Michigan, then I believe the U.S. Government does have the authority to erect such a dam.

If it were a dam that would affect waters other than those of Lake Michigan and which are waters of an international waterway, then I would feel that such a dam should not be erected by this Government without consultation and agreement with Canada.

I say to the Senator from South Dakota that as I have attempted to understand the treaty of 1909, it has to do with the international waterway. In its language and in the testimony of the Secretary of State, who agreed to it and brought it to the Senate for ratification, it is made crystal clear the operation and effect of the treaty—it excludes the water of Lake Michigan from its operation and effect.

Mr. CASE of South Dakota. Mr. President, I read with great interest the speech which the Senator from Oklahoma delivered last year in connection with this subject. I heard a part of it; but in order that I might miss no part of it I took the RECORD along with me when I drove home after the session last year.

I was impressed by the argument the Senator made at that time that the waters of Lake Michigan were clearly waters that were, so to speak, domestic waters, and were not boundary waters. I do not have the information which would cause me to dispute that contention. If I looked into the question I might be disposed to raise some point about it. I do not know. I do not have any information which would lead me to challenge the Senator's conclusion in that respect.

The only reason why I feel, however, that the bill could be referred to the Foreign Relations Committee if the Foreign Relations Committee felt that this issue was raised, is that I think our friendly relations with Canada are extremely important; and if Canada has now explicitly and repeatedly, this year, taken the position that this proposal might break agreements, I think the Committee on Foreign Relations, if it wished to assert a jurisdictional right, could properly ask to have the bill referred to it for exploration of that phase of it.

Whether the Canadian position is justified or not is not the responsibility of the Public Works Committee to determine at this stage of the proceedings. I believe that the responsibility for exploring the international aspects rests primarily with the Committee on Foreign Relations; and it is purely on that jurisdictional question that I would vote for a referral of the bill to that committee. But, as I say, on the pure public works aspect, I do not believe that the diversion of 1,500 second-feet for a year would be harmful to the power projects on the St. Lawrence River or harmful to the cities which surround the lakes which lie, so to speak, downstream from Lake Michigan.

As the Senator from Oklahoma has pointed out, the fluctuation in various years has been as much as 7 feet from the normal; and the fluctuation within the season of any individual year runs to several inches, so I do not believe that a diversion which might, at the maximum, cause a variation of a quarter of an inch is serious of itself.

EXHIBIT 1

CHICAGO DIVERSION—CANADIAN NOTE TO UNITED STATES

(No. 184)

THE CANADIAN EMBASSY,
Washington, D.C., April 9, 1959.

SIR: I have the honor on instructions from my government to refer to proposals for legislation in the United States of America concerning an increase in the diversion of water from Lake Michigan through the Chicago drainage canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate. During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by U.S.A. authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Government of Canada, I have been instructed to bring the following considerations to your attention.

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States of America. The Government of Canada considers that many agreements and understandings between the United States of America and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular.

(a) The Boundary Waters Treaty, 1909: The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

If, as has been asserted by eminent U.S.A. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

(b) Niagara treaty, 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated. In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the international joint commission of October 29, 1952, as supplemented on July 2, 1956, and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deep draft may proceed with full load to and from the ports of the upper Great Lakes. In this connection I would refer to the following matters:

(a) The construction of the St. Lawrence Seaway. Legislation in the two countries

and the several exchanges of notes concerning the construction and operation of the seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

(b) Dredging. By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place or is about to take place in the International Rapids section of the river, in the Amherstburg Channel and in the St. Clair River. These agreements are based on the implied understanding that material changes would not be made in the volume of water available for navigation;

(c) New channel. In an exchange of notes dated February 28, 1959, it has been agreed that a new channel should be constructed to eliminate the so-called southeast bend of the St. Clair River. The agreement by the Government of Canada to this proposal was based on the understanding that there would be no artificial interference with the present supplies of water.

Because of the importance attached by the United States of America and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

I am instructed, therefore, to express the hope of the Government of Canada that the United States of America will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY.

Mr. KERR. Mr. President, I thank the Senator from South Dakota for his contribution to the debate. I remind him and other members of the committee of what I believe to be a very significant fact. I believe that the opponents of this legislation have just as vigorously denied that Canada has a right to settle this question as has the Senator from Oklahoma.

I was interested, entertained, and amused by what I regarded as two positions taken by the opponents of the bill which, if I understood them, were just as diametrically opposed as the east is to the west and the north to the south.

I have the highest regard and respect for Senators who oppose this legislation, and would no more jeopardize their right to oppose it than I would willingly permit the impairment of the rights of those who favor the legislation.

But if I rightly interpret their testimony before the committee, they actually presented more testimony against their position, that Canada has an interest in these waters, than did those who favored the legislation.

Mr. WILEY. The Senator does not mean that.

Mr. KERR. I not only mean it, but I intend to prove it.

Mr. WILEY. The Senator has not a chance.

Mr. KERR. I know I have a chance, and I may succeed.

Mr. WILEY. The Senator may not.

Mr. KERR. They were versatile, resourceful, and effective. They attacked the legislation on every front—on fronts which astounded me, and evidenced great resourcefulness on their part.

One of the objections they made to this proposed legislation was that it would infringe the rights of other States; second, that it would impair the right and ownership of Canada with respect to certain waters of Lake Michigan; third, that the matter referred to and sought to be handled under this legislation was exclusively before the Supreme Court of the United States.

The opponents were most vigorous in their protestation that the Supreme Court of the United States had exclusive jurisdiction to decide the questions referred to in this legislation; that the Congress of the United States could not legislate on the subject, because the Supreme Court of the United States had preempted control and jurisdiction of it in a case or cases pending before the Supreme Court; some of which have been before it since the late 1920's; and that, since exclusive control and jurisdiction of this subject had for more than a quarter of a century been lodged completely in the Supreme Court of the United States, it was not a matter appropriately before the Congress of the United States.

The cases in the Supreme Court referred to—and I ask the Senator from Wisconsin [Mr. WILEY] to correct me if I am in error—are as follows: States of Wisconsin, Minnesota, Ohio, and Pennsylvania against the State of Illinois and the Sanitary District of Chicago; the State of Michigan against the State of Illinios and the Sanitary District of Chicago; the State of New York against the State of Illinois and the Sanitary District of Chicago.

Those cases were brought to the committee and used as the basis for an argument that, since all the matters referred to in this legislation were before the Supreme Court of the United States in a pending case or cases, the subject matter was not one to be legislated upon by the Congress of the United States.

The Dominion of Canada was not a party to any of those cases. If this is a matter with respect to which the Supreme Court of the United States would have exclusive control and jurisdiction, to such an extent that not even the Congress, in accordance with the provisions of the Constitution with reference to the responsibility for navigation and commerce, could even legislate about it, how could it be a matter with reference to which the Dominion of Canada would have such an interest that the Congress of the United States could not legislate on it if it were a matter with reference to which the Constitution places responsibility on the Congress of the United States?

I submit that the two positions are directly conflicting. If the matter is exclusively before the Supreme Court of the United States in a case or cases between States, to which Canada is neither a party nor amicus curiae, so far as I know, how could it be a matter in which Canada had such an interest that the United States would be acting unilaterally in legislating on it?

The opponents of the bill have made the case that this is a matter for legislation by Congress, because if it is a matter with reference to which the Supreme Court of the United States could have exclusive jurisdiction, then it is either a matter about which Congress can legislate or a matter about which no country on this earth can have such an interest as to seek to prevent Congress from legislating.

Now about what we should do with reference to Canada: I would not, as I said a while ago, do anything within my power which would form the basis for any justification whatever for the impairment of the relations of the United States with our great neighbor and friend to the north. But we do both Canada and the United States a disservice if we do that which amounts to taking the position that Canada has an interest in a matter with reference to which she has no interest. There is no more basis for negotiation with Canada with reference to the water rights in Lake Michigan than there is for the distinguished Senator from Illinois [Mr. DOUGLAS] to go over and ask the distinguished Senator from Wisconsin [Mr. WILEY]: "How much money do you have in the bank? I want to know, because if it is a bank in which I have some money, I want to talk to you about how much of your account belongs to me." It would be just as farfetched and just as ridiculous.

I should like to read a few verses from the Good Book, St. Matthew, chapter 22, verse 15:

Then went the Pharisees, and took counsel how they might entangle him in his talk.

If I ever saw a similar situation, this is it.

And they sent out unto Him their disciples with the Herodians, saying, Master, we know that thou art true, and teachest the way of God in truth, neither carest thou for any man: for thou regardest not the person of men.

Tell us therefore, What thinkest thou? Is it lawful to give tribute unto Caesar, or not?

Mr. President, I never saw a more appropriate illustration.

Is it lawful to give tribute unto Caesar, or not?

They thought they had Him, Mr. President. If He said, "No," ah! Then He would offend mighty Rome, which held Jerusalem as vassal and a great host of people subject to any degree of domination a conquering country could impose. If He said, "Yes," then He would offend the nationalistic and patriotic feeling of every Hebrew. They had Him—they thought.

But Jesus perceived their wickedness, and said, Why tempt ye me, ye hypocrites?

Shew me the tribute money. And they brought unto Him a penny.

And He saith unto them, Whose is this image and superscription?

They say unto Him, Caesar's. Then saith He unto them, Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's.

Mr. President, if there was aught involved in this controversy which belonged to Canada, we should give it to Canada. If, however, the waters of Lake Michigan, as they cannot be otherwise, are the property and the responsibility and resource of the United States of America, we should render unto the United States of America the things which are of the United States of America.

As I said a while ago, the opponents of the bill made a mighty effort, the only interpretation of which is that the rights are exclusively those of the United States of America. Otherwise there would have been not the slightest foundation for their position that all these matters are so completely within the jurisdiction and under the control of the Supreme Court of the United States, not an international court, not the supreme court of this hemisphere, not a court of claims of Canada, but so completely under the exclusive control and jurisdiction of the United States of America that Congress should not interfere with the complete handling of them by the Supreme Court of the United States.

Therefore, I say that they themselves have put to flight the slightest possibility of a justification for Congress to say it is a matter in which Canada has such a proprietary interest that it is not an appropriate subject of legislation by Congress.

Mr. DOUGLAS. Mr. President, I thank the distinguished Senator from New Mexico [Mr. CHAVEZ] and the distinguished Senator from Oklahoma [Mr. KERR] for the way in which they have handled this bill, both in committee and on the floor.

It is quite obvious from the maps which have been placed in the Chamber that the Straits of Mackinac, which form the northeastern boundary of Lake Michigan, are 37 miles from the International Boundary Line. When the distinguished junior Senator from Michigan [Mr. HART] looks out on those waters and is unable to determine whether he is looking at Huron or Michigan, it is certain that he will seee that the International Boundary Line and Canadian waters are 37 miles to the east.

That is the geographical basis for the brilliant argument the Senator from Oklahoma [Mr. KERR] has just now made—namely, that the waters of Lake Michigan are exclusively American. The Senator from Oklahoma referred several times to the statement made by Secretary of State Elihu Root when he submitted the 1909 treaty with Canada. For the sake of the RECORD, I shall read Secretary Elihu Root's own words, twice repeated:

I have carefully guarded the treaty, in order not to include Lake Michigan.

Later he said:

The definition of "boundary waters" was carefully drawn in order to exclude Lake Michigan.

So the Senator from Oklahoma was on absolutely sound ground when he pointed out that Lake Michigan is exclusively an American waterway, and therefore is not subject to international jurisdiction, and was specifically excluded by the treaty which the United States negotiated with Canada, which was ratified by the Senate and also was ratified by the Canadian Parliament.

Mr. President, the opponents of this measure have so misrepresented the pending bill, that it is important for us to know at the very outset what the bill will do and what it will not do.

There have been unmistakable signs that the opponents of the bill may stage what is known as a filibuster, although nearly all the putative members of the filibustering crew are declared opponents of the filibuster.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. Does the Senator from Illinois recall the debate which occurred on this measure last year?

Mr. DOUGLAS. I well recall it; and I recall how, at 3 o'clock in the morning, the junior Senator from Wisconsin [Mr. PROXMIRE] said, "I have a speech of 294 pages, which I am prepared to give," and he was in very vigorous form; and that broke up the "show."

Mr. PROXMIRE. Does the Senator from Illinois recall how long the Senator from Illinois and the Senator from Oklahoma [Mr. KERR]—both proponents of the bill—held the floor and talked on the bill, last year; and does the Senator from Illinois recall how long the Senator from Michigan, the Senator from Wisconsin, and all the other opponents of the bill held the floor?

Mr. DOUGLAS. I think we spoke for about 1½ hours.

Mr. PROXMIRE. Mr. President, the Senator from Illinois is completely mistaken. The fact is that, last year, the proponents of the bill took almost twice as long as did the opponents of the bill.

Mr. DOUGLAS. I point out that I shall speak for approximately 18 minutes, and if not interrupted, shall then sit down; and then the opponents of the bill can speak, and the proponents of the bill will take vows of silence.

Mr. WILEY. Impossible. [Laughter.]

Mr. PROXMIRE. Mr. President, is the Senator from Illinois not an opponent of the filibuster?

Mr. DOUGLAS. Yes; I am.

Mr. PROXMIRE. Does the Senator from Illinois recall the great fight against the natural gas bill?

Mr. DOUGLAS. That was not a filibuster.

Mr. PROXMIRE. Does the Senator from Illinois recall how long he spoke on that bill?

Mr. DOUGLAS. I spoke for 3 consecutive days.

Mr. PROXMIRE. I thank the Senator. Does he recall how long his colleagues who joined him in opposing that bill talked?

Mr. DOUGLAS. We talked about 30 days.

Mr. PROXMIRE. They talked about 30 days?

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Well, I can assure the Senator from Illinois that we shall not take much more time than that; and this will not be a filibuster, either. [Laughter.]

Mr. DOUGLAS. I may say that a filibuster is prolonged discussion which is intended to prevent the taking of a vote. We were not trying to prevent the taking of a vote; but we wanted the vote to be taken when Senators and the people were thoroughly informed about the nature of the bill.

The pending measure has been before the Senate many, many times.

Mr. PROXMIRE. Let me say to the Senator from Illinois that today the distinguished Senator from Ohio [Mr. LAUSCHE] has very well and very emphatically made the point, that there are 480 pages of hearings on this bill which Senators have not had an opportunity to inform themselves about; and it is the purpose of the opponents of the bill to do all we can to inform our colleagues and to inform the country of the very strong case which has been made against the bill. That will take some time. However, we have no intention—or, at least, I, for one, have no intention—of preventing the Senate from voting on this measure.

Mr. DOUGLAS. I thank the Senator from Wisconsin for his assurance.

Mr. HART. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. HART. I shall make no such self-serving statement.

However, I believe it necessary to point out that I was not here when this issue was previously debated in the Senate.

Inasmuch as I am apprehensive lest a point I have in mind not be made during the subsequent debate, because of confusion which might then exist, at this time I should like to inquire of the senior Senator from Illinois with respect to the treaty which has been referred to.

The very distinguished lawyer, Elihu Root, has been mentioned as having expressed the opinion, in regard to the treaty in question, that Lake Michigan was excluded from the treaty of 1909; and we are told that Elihu Root explicitly made that statement.

Let me ask when Elihu Root retired from the State Department or that scene; or, more precisely, did he ever express an opinion in regard to the Niagara Treaty of 1950?

Mr. DOUGLAS. Oh, no.

Mr. HART. So Elihu Root did not express an opinion in regard to the claim of the Canadian Parliament that the proposed diversion, referred to in the pending bill, would constitute a violation of the Niagara Treaty of 1950?

Mr. DOUGLAS. No. That is another point.

Mr. HART. That is a point which I wish to bring up in connection with this debate.

Mr. DOUGLAS. It is true that there was another treaty in 1950.

Mr. HART. Certainly.

Mr. DOUGLAS. Of course, there is a treaty which deals with the waters of the Niagara River, which flow from Lake Erie into Lake Ontario. But that treaty does not prescribe or require that there must be a given flow of water or a given level of water in Lake Erie itself. The treaty merely provides that the water which does flow from Lake Erie into the Niagara River is to be divided between the United States Government and the Canadian Government.

Mr. HART. I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, in order to head off any charge, either by the Senator from Wisconsin [Mr. PROXMIRE] or by anyone else, that I am speaking at undue length, I shall be very brief and succinct in my remarks.

Mr. President, the O'Brien bill, H.R. 1, is a study bill, and it is not actually a diversion bill, as has been maintained. It does not provide for any permanent added diversion of the waters of Lake Michigan. It does not even call for any added diversion throughout the 3-year study period, although this was contained in earlier bills introduced some years ago.

What the O'Brien bill does is to provide for a 3-year study of the waste disposal problems of the Chicago metropolitan area with its 5 million inhabitants. This study is to be conducted by the Department of Health, Education, and Welfare and the Army Engineers with no holds barred about the subjects they are to investigate and to report upon to the Congress. They are to go into the facts about the present situation and determine whether the pollution of the Chicago River, the ship canal, and the Des Plaines River is so serious that it requires improvement. They can appraise the present efficiency of the Chicago Sanitary Disrtict. They are to study methods of reducing the pollution, including added chlorination and aeration. They are also to study the effects upon pollution of an added diversion of water from Lake Michigan for 1 year of 1,000 cubic feet per second.

In order that this latter study may be realistic, and not purely theoretical, there is to be an actual diversion of this water during 1 year of the study, but for 1 year only. The effect of such diversion upon the levels of the Great Lakes, already known to scientists and engineers, will be examined anew together with its effect upon shipping and power. Since the Lake States and cities are trying to compel Chicago to discharge its effluent into the lake, as they must necessarily do, both for their effluent and for their raw sewage, we also ask for a scientific study of this question and of lake currents and whether it would not pollute the bathing beaches—as is the effect in Milwaukee and other lake cities—and also dangerously pollute the drinking water of the Chicago-Gary area with its nearly 6 million people.

At the conclusion of the study, the Department of Health, Education, and Welfare and the Army Engineers will make recommendations to Congress as to what should be done. In order to be eminently fair to Canada, the bill is amended to specifically prohibit any permanent diversion of any additional water from Lake Michigan without consultation between the Governments of the United States and Canada, reserving, of course, all rights now existing in the United States to the exclusive control, use, and management of the waters of Lake Michigan.

It has already been mentioned that an amendment has been put into the bill broadening the study which the Department of Health, Education, and Welfare is to make; and it is important to point out that this amendment has been proposed by the Chicago sanitary district and by the proponents of this measure. This is not an amendment that has been forced upon us; this is an amendment which we ourselves propose in order to show to the Lake States and to Canada that we want to meet them 99 percent of the way, because Canada and the Lake States in times past have said, "Well, you should study the alternative methods—aeration, chlorination, the question of storm sewers, whether your system is working properly, whether you are handling industrial wastes correctly, and so forth."

We ask, therefore, that an amendment be included in the bill which would specifically require these items to be included in the study.

Now we face this extraordinary situation: that when we are doing that which Canada and the Lake States said we should do in the past, they now say they do not want the study at all. In other words, in years past the Lake States have said, "We want a study to go into these matters." Now we are saying that the study should take up these items, and yet the opposition persists—which indicates this was not the real reason for their opposition in times past.

That is all there is to this innocent little bill. It is indeed strange that our sister lake State and Canada should have created so much noise and confusion over so simple and harmless a request. But since so great an uproar has been created, and so many false charges have been made, it is well to answer certain elementary questions:

First. Is the waste-disposal system of the Chicago Sanitary District efficient?

The answer is "yes." It is the most efficient sewage disposal system in the United States, and probably in the world. Its plants have been termed by civil engineers one of the seven modern engineering wonders of America. We have spent over $400 million upon it. The district uses the method of activated sludge, the best now known, which removes 90 percent of the solids while the final effluent satisfies approximately 90 percent of the basic oxygen demand in the water.

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

Mr. DOUGLAS. I yield.

Mr. WILEY. Who is to make the study?

Mr. DOUGLAS. The Department of Health, Education, and Welfare and the Army Engineers.

Mr. WILEY. Does the bill so provide?

Mr. DOUGLAS. Yes.

Mr. WILEY. I notice a part of the report is a letter from Arthur S. Flemming, which says, in part:

> In view of the multiple interests involved and the many indirect benefits which could flow from such a study, this Department is unable to take a position on the desirability of the financing pattern proposed by the Bureau of the Budget. For the same reasons we believe that it would be unwise to permit technical staff in the employ of any of the interested parties, public or private, to perform the actual work for the study.

The Senator says it is under the Department of Health, Education, and Welfare.

Mr. DOUGLAS. I say the bill provides in section 2 that the "Secretary of Health, Education, and Welfare, in cooperation with the Secretary of the Army (acting through the Chief of Engineers), shall cause a study to be made of the effect on the Great Lakes and their connecting waterways and on the Illinois Waterway of the increased annual diversion of 1,000 cubic feet of water per second."

The study is also to include the other subjects I have mentioned, which have been added by amendment.

On page 5 of the bill there is a further provision:

> Upon completion of the study authorized by subsection (a) of this section, the Secretary of Health, Education, and Welfare and the Secretary of the Army shall correlate the results of such study, and shall report such results to Congress.

That is exactly true. The study is to be conducted by both agencies, and a report is to be made by both agencies.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. AIKEN. Can the Senator advise why the limitation on the maximum amount was removed in the bill this year?

Mr. DOUGLAS. The limitation on the maximum amount?

Mr. AIKEN. As I recall, the bill last year provided that not over 5,000 cubic feet of water per second could be diverted at any one time.

Mr. DOUGLAS. The average is to be 2,500.

Mr. AIKEN. The average is to be 2,500, but the bill last year, I am sure, provided that a maximum of 5,000 cubic feet of water per second could be drawn at any one time. This year the maximum amount seems to have been eliminated.

Mr. DOUGLAS. I do not see the limitation of 5,000 cubic feet.

Mr. AIKEN. No. I wonder why that was deleted this year.

Mr. DOUGLAS. What is the question?

Mr. AIKEN. I wonder why the limitation was deleted this year. I am sure 5,000 cubic feet of water per second during the dry season was provided in the bill last year. I understand the average, of course.

Mr. DOUGLAS. I will say I personally would not object to the reimposition of the 5,000 cubic feet of water per second maximum limitation.

Mr. AIKEN. It ought to be in the bill. As the Senator from Illinois knows, I am particularly interested from the viewpoint of low cost power development, of which my State now fortunately gets 130,000 kilowatts.

Mr. DOUGLAS. As a result of the help of the Senator from Illinois.

Mr. AIKEN. That is correct. I appreciated the help. We do not want to lose any part of that, if we can help it.

Mr. DOUGLAS. I would be perfectly willing to reimpose the 5,000 cubic feet of water per second maximum at any one time.

Mr. AIKEN. If there is any likelihood that the bill will pass, there should be a maximum amount provided.

Mr. DOUGLAS. The bill is going to pass, and at an appropriate time we will propose the amendment.

Mr. AIKEN. All we lose during the period of low water at the present time is firm power.

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

Mr. DOUGLAS. Well, Mr. President, this is exactly what happened last year. I started to speak, and then the questioning began. It took a great deal of time.

Now my friend from Wisconsin has charged to me all the time that my questioners took. I would prefer to make a very brief speech and sit down, and then let the rest of the Senators talk on their own time.

Mr. AIKEN. I have just one more short question.

Mr. DOUGLAS. I do not want to be discourteous.

Mr. AIKEN. Does the Senator from Illinois think that consideration of the bill at this time is possibly a prelude to adjournment, as it has been in the last few years?

Mr. DOUGLAS. No; I think we have a good many pieces of legislation ahead of us to consider, including the labor bill, foreign aid, the highway bill, civil rights legislation, and so forth. The prospect of a last-minute filibuster—or the threat of a filibuster—being successful is not as great as it was last year.

The prospect to which the Senator from Vermont looks with such hope is really a mirage.

Mr. AIKEN. I am sure the Senator from Illinois would not object to setting the bill aside for consideration of the housing bill or for consideration of a highway financing bill.

Mr. DOUGLAS. I think we have set aside 3 days for this discussion. All the Senator from Illinois wants to do is to have his brief minute upon the stage, and then sit down. I hope my good friends will let me do that. I should like to say my little piece and then sit down.

Mr. AIKEN. I did not intend to disturb the Senator from Illinois or to use much time. I was simply asking for information as to why the limitation on the maximum amount was taken out of the bill.

Mr. DOUGLAS. That is a very good question, and I am very glad to meet it by saying I think it was a slip in draftsmanship, which we will be very glad to correct.

Mr. AIKEN. It must have been.

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

Mr. DOUGLAS. I would prefer not to yield.

Mr. LAUSCHE. Very well.

Mr. DOUGLAS. So that the Senator may talk on his own time.

Mr. PROXMIRE. If the Senator will yield for an observation, I am very sorry that the great Senator from Illinois has interpreted my earlier statement as being critical of his conduct. I thought the Senator conducted himself brilliantly and effectively the last time. The Senator can be sure that I will not accuse him of filibustering that time. I did not intend to accuse him of filibustering the last time.

Mr. DOUGLAS. The import is the same.

Mr. PROXMIRE. If the Senator will yield to the Senator from Ohio and to the Senator from Wisconsin, we simply want to do our best to bring to the attention of the Senate as much information as we can. We know the Senator from Illinois is an outstanding authority on the bill. One of the best ways to present information is to question an authority such as the Senator from Illinois, who is such a well-informed proponent of the bill.

Mr. DOUGLAS. Since the plans of the Senator from Wisconsin and the Senator from Ohio have become more evident, I think it would be better if I would simply go through my remarks and then sit down. Then the Senator from Wisconsin can talk on his own time, instead of talking on my time, and blaming me for the time which he takes.

Mr. PROXMIRE. There is no time limitation on debate, as point No. 1.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Point No. 2 is that I have assured the Senator from Illinois I will not blame him.

Mr. DOUGLAS. I am trying to protect my reputation against the attack of the Senator from Wisconsin.

Mr. President, I must decline to yield, and I will present my remarks.

Mr. PROXMIRE. I have only one other observation. That is, I know of no man in the Senate, and few men in the country, if any, who are as wise, capable, and competent as the Senator from Illinois.

Mr. DOUGLAS. Well——

Mr. PROXMIRE. If the Senator from Illinois is unable to answer questions on this issue, which he understands so well, I think it speaks volumes for the lack of merit in the proposal.

Mr. DOUGLAS. I will say, when the Senator from Wisconsin takes the floor I may interrupt him from time to time. [Laughter.] For the time being, we will postpone that.

Mr. LAUSCHE. Mr. President, the words of the Senator from Wisconsin seem to me to carry great weight. When the Senator from Illinois does not think he can answer questions, there is a justifiable inference that the Senator does not have faith in his cause.

Mr. DOUGLAS. The Senator from Wisconsin paid me a generous tribute, which I do not think is deserved, but I am ready to let his statement go in the RECORD, and let that be an answer to the rather derogatory comment of my friend from Ohio.

As I said, Mr. President, we have spent over $400 million upon our system of sewage disposal. We use the method of activated sludge, which is the best now known. This removes 90 percent of the solids, while the final effluent satisfies approximately 90 percent of the basic oxygen demand in the water.

Mr. President, I have prepared tables based on the very accurate reports of the sanitary district from 1952 on, and I ask unanimous consent that they be printed at this point in the RECORD.

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

SANITARY DISTRICT AREA AND POPULATION

Present area of sanitary district (square miles)	869
Present estimated human population	5,000,000
Present estimated total equivalent population	[1] 8,600,000

Population forecast

Year	Human	Total equivalent [1]
1960	5,070,000	8,780,000
1985	6,487,500	12,150,000
2010	7,305,000	14,300,000

[1] Includes industrial wastes on the basis of equivalent b.o.d. of 0.17 pound per day per capita.

Source: Greeley & Hansen Engineers, July 23, 1959.

Year	Sewage treated, million gallons per day	Percent b.o.d. removal	Solids, tons per day raw sewage	Percent solids removal
1952	1,112.8	93.6	786.3	91.1
1953	1,103.8	89.6	741.5	84.7
1954	1,170.6	88.1	781.2	82.9
1955	1,183.3	86.4	876.4	82.4
1956	1,149.6	85.8	937.5	88.2
1957	1,230.7	85.6	862.0	80.6
1958	1,103.0	90.6	836.2	87.6
1959 (6 months)	1,227.2	90.5	881.2	85.5

Metropolitan Sanitary District of Greater Chicago, 1959 monthly breakdown for 4 major treatment works, January to June, inclusive

Month	Sewage treated, million gallons per day	Percent b.o.d. removal	Solids, tons per day raw sewage	Percent solids removal
January	1,065.0	91.0	806.6	86.9
February	1,186.5	85.5	875.4	78.2
March	1,250.6	90.9	880.6	86.2
April	1,250.1	90.8	869.6	84.8
May	1,314.2	92.0	898.8	86.8
June	1,296.6	92.9	956.2	90.4

Mr. DOUGLAS. The Senators from Wisconsin have made much of a slump in our efficiency in 1956 and 1957, when the basic oxygen demand satisfied went down to about 86 and when in 1957 the percentage of solids removal went down to 80.6, and they had an enjoyable time attacking the efficiency of the Chicago system and talked about the glorious

Milwaukee system, so superior they said in all respects.

That slump in the efficiency of the Chicago system was caused by the breakdown of one of the plants. But all this has been remedied, and under a new administration, the figures for June of this year are as follows: 90.4 of solids being removed and 92.9 percent of the basic oxygen demand being met. It is interesting that our critics do not bring their figures up to date. They do not go into the tremendous improvement which we have once again effected in our system.

In contrast with Chicago, nearly all the other lake cities either dump their raw sewage into the lake or use a relatively inefficient primary or sedimentation system which only removes from 40 to 60 percent of the solids. The result is that they are seriously polluting the waters and beaches and creating nuisances.

I ask unanimous consent that a table on this point be inserted in the RECORD.

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

Sewage treatment by cities on Great Lakes

City	Population (metropolitan area)		Type of treatment	Removals (b.o.d.)	Percent (solids)	Remarks
	Number	Year				
Milwaukee, Wis.	1,000,000	1958	Complete	94.0	92.5	Second plant planned only provides sedimentation treatment. Milwaukee beaches closed because of pollution.
Toronto, Canada	1,416,000		Primary	[1] 35.0	[1] 45.0	Plant extensions to be finished in 1961; will provide complete treatment.
Buffalo, N.Y.	576,000	1958	do	29.0	34.2	
Erie, Pa.	160,000	1957	High rate aeration.	[1] 70.0	[1] 70.0	Plant recently completed.
Cleveland, Ohio	1,186,900	1954	Part primary, part complete.	70.4	74.7	
Toledo, Ohio	335,000	1957	Primary	37.5	47.8	Plant extensions to be finished this year; will provide complete treatment.
Detroit, Mich.	2,661,000	1958	do	36.0	51.8	
Chicago, Ill.	4,900,000	1958	Complete	90.6	87.6	

[1] Estimated.

NOTE.—In 1958, the b.o.d. in the Milwaukee plant effluent averaged 18 p.p.m., compared with only 10 p.p.m. in the effluent from the Chicago plants.

Mr. DOUGLAS. Buffalo, N.Y., for instance, which is objecting to our request, removes only 34 percent of the solids and only meets 29 percent of the basic oxygen demand. Erie, Pa., which is objecting to Chicago, only removes 70 percent of the solids and meets 70 percent of the basic oxygen demand.

Cleveland, Ohio, over which my good friend, the senior Senator from Ohio, once presided, has only 74.7 percent removal of solids, 70.4 percent oxygen demand being met.

Toledo, Ohio, only 47.8 percent of solids removed and 37.5 percent of the basic oxygen demand met.

These are very inefficient systems.

Detroit, Mich.—and Michigan has been attacking Chicago—51.8 percent of solids removed, only 36 percent of basic oxygen demand being met.

Toronto, Canada, only 45 percent of solids removed, 35 percent of basic oxygen demand met.

Now we came to Milwaukee, the city which was said to have the perfect system, whose virtues were extolled by both the senior and the junior Senators from Wisconsin, who said, "You in Chicago should be as we do in Milwaukee."

It is true that at one time Milwaukee did have an efficient system. They have a good sewage disposal plant. They use the same method which we pioneered, the system of activated sludge, and I want to congratulate the people of Milwaukee for the efficient work which has been done at that plant, because they remove 92.5 percent of the solids and meet 94 percent of the basic oxygen demand.

But that is not the whole story. In South Milwaukee, which this plant does not serve, they are dumping raw sewage into Lake Michigan, and there are many industries in Milwaukee dumping raw sawage, and the situation became so terrible that last week the commissioner of health of Milwaukee had to close 7 of the 10 bathing beaches in Milwaukee because they were dangerous to the public.

We have offered to send our best sanitary engineers to Milwaukee to help them, and we will be glad to renew this offer, but I would say to my friends from Wisconsin, "Instead of throwing filth at Chicago, go back home and clean up the mess in Milwaukee."

Mr. WILEY. Will the Senator yield?

Mr. DOUGLAS. Since I referred to the Senator's State, I think I should yield to him.

Mr. WILEY. Mr. President, I should like to correct the distinguished Senator a little. In the first place, his argument is another diversion. Let us see just what the facts are.

The lake is down 7 feet.

Mr. DOUGLAS. Does the Senator claim that we are responsible for the lowering of the lake by 7 feet?

Mr. WILEY. Just a minute now. It is down 2½ feet more than it has ever been in its history.

I asked about the Senator's previous statement, and in relation to the matter it was said that Bradford and McKinley Beaches are closed because of the degree of weed and plant growth which comes from the lower water level.

Mr. DOUGLAS. Those are the northern beaches, but not the southern beaches in Milwaukee.

Mr. WILEY. Incidentally, the water level now is 2.1 feet below its average, according to U.S. Army Engineers:

> The pollution problem here is a combination of three factors, the first being that three rivers (the Milwaukee, Menomonee, and Kinnickinnic) converge here in the city, each carrying effluent from the outlying upstream areas into the lake; secondly, there has been a great increase in ship loading and unloading in Milwaukee; thirdly, yachts and cruisers at the South Shore Yacht Club area, and there are estimated to be over 100, are equipped with marine toilets, resulting in sewerage being deposited into the lake less than 100 feet from the beach.

Mr. DOUGLAS. Who is making the statement?

Mr. WILEY. I again say that while these are the facts, the real facts, let us recognize, as I think the Senator has just said, that the particular plant that we have is doing a grand job, and it is so stated.

The letter I have quoted reads:

> I am informed by Mr. Ray Leary, chief engineer and general manager of the sewerage commission, that our plant is 97 percent efficient in removing bacteria and 93 to 95 percent efficient in the removal of solids.

Mr. DOUGLAS. I said that.

Mr. WILEY. Also that we make fertilizer, which Chicago does not, but which she throws into the stream, and that creates the conditions evidenced by the pictures that were produced in evidence.

I again say it is of no relevancy what Milwaukee has. The question is whether or not this bill refers to navigation or whether it refers to sewage cleansing. That is the issue that is raised here by the people on the side of the Senator from Illinois, and they try to make out that the object is a matter of commerce and navigation. That is the authority for the Federal Government getting its nose into the matter. Otherwise it would not have any business in entering the picture.

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

Mr. DOUGLAS. May I reply to the Senator from Wisconsin first?

Mr. LAUSCHE. Yes.

Mr. DOUGLAS. I do not know who is the author of the statement the Senator read.

Mr. WILEY. It is a letter from the mayor's office.

Mr. DOUGLAS. Oh, yes. He has been very much embarrassed by this, but the commissioner of health, Dr. Krumbiegel, gave other reasons, including the fact that there was industrial waste which did not go through the plant, and the fact that there were many communities in South Milwaukee which dumped raw sewage, and including the fact that the rivers in the southern portion of the city are in an extremely unsatisfactory condition. So the health commissioner was much more specific.

But I may say in this connection that I am not interested in trying to smear

Milwaukee, but the people from Wisconsin have for years attacked Chicago and have said that we were not doing our job. I point out that we have a better record even than Milwaukee, and as compared with the other lake cities we are very much superior. Milwaukee is next to Chicago, but does not have now as good a record as Chicago, although in times past it did.

Mr. WILEY. Let me read another paragraph.

A review of news and editorial articles in the Chicago papers indicates that a well-defined and calculated effort is being made on the part of Chicago officials to cloud the diversion issue by employing the strategy of constant carping on the problem of pollution.

I hope that the above information will be of assistance to you.

Mayor Zeidler has just returned from a brief trip to Springfield, Ill., and observed first hand the pollution problem in some Illinois streams. He may be in contact with you in the very near future.

Kindest regards.

Sincerely,

JOSEPH A. DRIES,
Assistant Secretary.

The point I wish to make—and I made it once before on this floor, when the distinguished Senator from Illinois rose and spoke as he is speaking now—is that any justification of thievery because another steals is no justification for stealing. That does not mean that either of these parties steals, but this is only another diversion on the part of the city of Chicago.

Mr. DOUGLAS. No; it is not.

Mr. WILEY. It is trying to confuse the issue, and blame someone else for doing something which it is doing to the extreme.

Mr. DOUGLAS. Why is the Senator afraid of the facts?

Mr. WILEY. Why is the Senator from Illinois afraid of the facts?

Mr. DOUGLAS. I am not.

Mr. WILEY. If the Senator wishes to put on a show, I will put on a show too. I do not believe there is any use in yelling our heads off at each other. If we want to be logical, let us get at the facts.

Mr. DOUGLAS. In the past Milwaukee has done well, but unfortunately it has neglected to keep up with its population and industry growth. Matters have gone to the point where it is necessary to close 7 out of 10 bathing beaches, because of pollution.

Mr. WILEY. Are we trying Milwaukee, or are we trying to find the justification for the bill?

Mr. DOUGLAS. I am trying to show that we in Chicago are doing a good job. It is not our fault that we need additional water. If the Senator from Wisconsin will contain himself for a moment, the evidence will become clear.

Mr. WILEY. Is it not a fact that the first vote in the committee was seven to seven to table?

Mr. DOUGLAS. What has that to do with the merits of the bill?

Mr. WILEY. Is that the fact?

Mr. DOUGLAS. I think it is a fact.

Mr. WILEY. The next vote was six to eight.

Mr. DOUGLAS. I think that is true.

Mr. WILEY. We have that in the record. That shows there is a divergence of opinion as to the merits of the bill. If there were a vote in the committee now, it would be found that the bill would remain in the committee. Does the Senator wish to move to refer it back to the committee?

Mr. DOUGLAS. No; of course not. I shall proceed, if I may.

The second question that is raised is this: If the Chicago system of waste disposal is so efficient, why are the waters of the Chicago and Des Plaines Rivers and the ship canal so polluted?

I hope the Senator from Wisconsin will pay attention on this point. The answer is very simple. The relative efficiency of the sanitary district is very high, but the volume of waste which must be handled is so tremendous that the residual is still great. The sanitary district serves a population of 5 million and handles industrial waste which is the equivalent of another 3.6 million. This makes a total of 8.6 million. Even though the residual of solids is only about 10 percent, this is equal to the wastes of 860,000 people.

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

Mr. DOUGLAS. No. Not at this time.

This is more than the population of Milwaukee, Toledo, Buffalo, and indeed of all the lake cities except Detroit and Cleveland.

The result is that the Illinois Waterway is badly polluted for 40 miles south of Chicago. It is not as badly polluted as the Michigan representatives attempted to show by choosing a month when there was little diversion of water. But it is still badly polluted, and this is the condition which we are seeking to cure.

The impression has been spread abroad that Chicago selfishly wants this study for its own advantage.

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

Mr. DOUGLAS. I shall be glad to yield in a moment.

This is far from the truth. We want to protect the communities immediately downstream from us and to be a good neighbor to them. It is primarily on their behalf that we ask for information, and ultimately for some form of remedial action.

We hope that any dislike for Chicago will not result in the denial of aid to the people in the communities to the south of us.

I now yield briefly to the Senator from Wisconsin.

Mr. WILEY. Mr. President, in order that the distinguished Senator may realize that I appreciate fully that 6 years ago Chicago's plant was one of the wonders of the world, let me say that since then approximately 420,000 square miles have been added, and the impact on the plant of sewage from that area has created a situation which was mirrored by the photographs which the gentlemen from Michigan brought before the committee.

Mr. DOUGLAS. Let me say that we did add some territory, but it added only about 3 percent to the population served. One of the troubles with Milwaukee has been that, as the population outside the city has increased, it has not added this territory, with the result that the raw sewage goes into the lake, and the beaches are polluted and closed. In other words, it is partially because Milwaukee has not done what Chicago has done that Milwaukee is in the fix in which she now is.

Mr. WILEY. I shall have to dispute that statement. I will have to say definitely that with the water down some 7 feet, and with the aggregation of weeds because of low water, the beaches outside the city have been affected. It is a combination of all those circumstances. However, the plant itself works efficiently with the sewage it handles.

Mr. DOUGLAS. Yes; but it does not handle all the sewage. The South Side plant has not yet been built; and when it is built, it will be merely a primary sedimentation plant, removing between 40 and 60 percent of the solids, as compared with 90 percent in the case of Chicago.

Mr. WILEY. Did the Senator admit that Chicago added about 420 square miles of sewage area in the past 6 years?

Mr. DOUGLAS. Yes; we have. But there has been only a 4-percent growth in population. That is one of the strengths of the system, rather than the reverse. We have taken care of outlying communities, so that they will not dump raw sewage.

Mr. WILEY. Is it true that Chicago advertises in other places, that, because of the fine sewage disposal plant it has, and because of lower taxes, manufacturing plants are being induced to come there?

Mr. DOUGLAS. I believe that the superiority of Chicago's sewage disposal plant compared with the sewage disposal system of any other city in the country does attract industry.

Mr. WILEY. The answer is "Yes."

Mr. DOUGLAS. Why should Milwaukee be jealous of that fact?

Mr. WILEY. Chicago says, "Come in, boys. We have a good sewage disposal system."

Mr. DOUGLAS. The Senator is trying to tear our sewage disposal system down, so that Milwaukee can get the industry.

The third question which is raised is as follows: Why do sanitary engineers think that the diversion of more water will reduce the pollution?

This involves some high school chemistry, but if Senators will think back, it will be found to be very simple. Fresh water contains oxygen which it absorbs from the air. As we all know, oxygen is the great purifier. It burns up impurities, either in a dry or wet condition. It kills harmful bacteria. An additional 1,000 cubic feet per second of lake water would supply an average additional 57,000 pounds a day, or more than 28 tons, of this all-important oxygen.

The fourth question that is raised is: Could not some other method do just as well as added diversion? Most sanitary engineers do not think so. But we want the other methods to be studied, and

have so provided in the amendment to which I have referred. The two alternatives that have been most frequently mentioned are (a) chlorination and (b) aeration, effected by injecting compressed air into the waters of the canal below the point of discharge of the treated sewage.

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

Mr. DOUGLAS. Let me finish the paragraph.

Both are expensive, but if the study should reveal that, all things considered, one of these methods is preferable, we will gladly comply. Other cities which are in difficulty on these problems can learn a great deal from the results of such studies.

I do not see why Milwaukee is opposing this measure, because Milwaukee has a great deal to learn. She does not know it all, as the Senators from Wisconsin have assumed in the past. Such a study as the one proposed would be of great aid to Milwaukee. We are trying to help her get out of the fix she is in.

Mr. WILEY. Then Chicago should quit its diversionary tactics and attend to its own knitting, instead of blaming Milwaukee.

How much water does the city of Chicago now take?

Mr. DOUGLAS. Between 3,200 and 3,300 cubic feet a second; 1,500 by actual diversion, and 1,760 cubic feet a second by domestic pumpage.

Mr. WILEY. Who was it who testified before the committee that $1 million a year would take care of the entire problem of chlorination?

Mr. DOUGLAS. Let the problem be studied. All we are asking for is a study.

Mr. WILEY. The Senator did not answer the question. Who was it who said that in the testimony?

Mr. DOUGLAS. Who was it?

Mr. WILEY. I am asking the Senator, because I do not recall the name.

Mr. DOUGLAS. If the Senator is asking me, he must know. I ask him, Who was it?

Mr. WILEY. I will look it up. I know it was stated, but I do not remember the name.

Mr. DOUGLAS. There is one proposal, however, which we think is especially dangerous. This is the attempt of the other Lake States to compel Chicago to return its effluent to Lake Michigan, as they now do, and as we did prior to 1899, when we reversed the flow of the Chicago River from going into Lake Michigan to the Illinois-Mississippi Waterway.

When we dumped our sewage into the lake, from which we get our drinking water, we had very bad typhoid epidemics. We do not want to go through that again, nor do we want our people to suffer from virulent gastro-intestinal diseases and disorders. Milwaukee can largely escape the consequences of its actions because of the north-to-south movements of the lake currents; also, her disposal plant is on the north side of Milwaukee, and therefore its discharge is carried south. However, South Milwaukee inherits some of this, and Kenosha and Racine also suffer from the bad habits of Milwaukee. But Chicago is near the foot of the lake.

Mr. WILEY. Has Chicago any bad habits?

Mr. DOUGLAS. Yes, we have bad habits, but we are curing them.

Chicago is near the foot of the lake, and to be compelled to discharge its effluent back into the lake would not merely put its south shore beaches out of commission, but would endanger the health of the several million people who, from the Chicago south side to Gary, Ind., get their drinking water from the lake. That is why we are asking in the bill for a study of the currents in the southern half of Lake Michigan to help determine the dangers of this course which is being pressed upon us by our sister States, and which has now been referred by the Supreme Court to Judge Albert Maris as a special master. Incidentally, such a study would be invaluable to Judge Maris in helping him to arrive at a proper decision.

My fifth question is: What would be the effect of this added diversion of 1,000 cubic feet per second for 1 year upon the levels of the Great Lakes? It is here that the imagination of the Lake States and of Canada runs riot and conjures up false and grossly exaggerated effects. At times, our opponents talk as though this would be a catastrophic fall in lake levels with terrible damage inflicted on shipping and harbors. The answer of the Army Engineers, the International Joint Commission, and competent hydraulic engineers is very direct. This is shown in the report of the U.S. Engineers, Senate Document No. 28, 85th Congress, 1st session, page 55, a memorandum of theirs dated May 1, 1958, and also Senate Document 28, 85th Congress, page 13. These show:

First, there would be no effect whatsoever on the level of Lake Superior.

Second, the maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

Third, the maximum effect upon Lakes Erie and Ontario would be one-sixth of an inch.

The lake shippers and politicians are blowing up this insignificant reduction to a horrendous loss. As a matter of fact, over 23-year cycles the level of the lakes falls and rises by as much as 6 to 7 feet. Our opponents will at times slyly imply that it is the diversion of water at Chicago which causes this 75-inch decrease.

The senior Senator from Wisconsin [Mr. WILEY] has spoken loosely of this 75-inch fall, implying that it is caused by diversion of water at Chicago. But I notice that he and his associates remain discreetly silent about the corresponding increase which always sets in later. In other words, Chicago is blamed for the fall but is not credited for the rise, when the truth is that we are not responsible for either. Both conditions are probably caused by longtime cycles in rainfall.

The seasonal rise and fall in the lake levels is approximately 1 to 2 feet. We are not responsible in the slightest degree for that.

Lowering effect of 1,000 cubic feet per second diversion for 1 year

	Inches
Lakes Michigan-Huron	¼
Lake Erie	⅛
Lake Ontario	⅛

Source: U.S. Engineers Memo Report, May 1, 1958.

Lowering effect of 1,000 c.f.s. diversion on continuing basis

	2 years	3 years	Permanent [1]
	Inch	Inch	Inch
Lake Michigan-Huron	½	5/6	1
Lake Erie	¼	⅜	5/6
Lake Ontario	¼	⅜	⅝

[1] U.S. Engineers report, p. 50.

Source: U.S. Engineers report (S. Doc. 28), 85th Cong., 1st sess., p. 55.

Natural fluctuations of Great Lakes

Cyclical fluctuations (23 years)	4 to 7 feet.
Seasonal fluctuations (annual)	1 to 2 feet.
Daily or hourly fluctuation	"Few inches to several feet."

Source: U.S. Engineers report (S. Doc. 28), 85th Cong., 1st sess., p. 13.

In view of these seasonal and cyclical fluctuations, which do affect harbor depths most markedly, how insignificant is the variation of one-sixth to one-quarter of an inch? Not even Mr. George M. Humphrey, the moving spirit among the lake shippers, and who behind the scenes is the chief opponent of the bill, can contend that such a minute lowering will affect the degree to which he can load his ore boats and other ships.

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

Mr. DOUGLAS. I yield.

Mr. WILEY. I want to read from page 303 of the hearings. It concerns what I was referring to:

> The U.S. Public Health Service has indicated that there are measures which the sanitary district can take which would be equivalent to increased diversion of water from Lake Michigan for sanitation purposes. Additional sewage treatment measures at Chicago; namely, aeration or chlorination, or a combination of the two. (See Senate Subcommittee of Public Works Committee hearings, 1958, pp. 92–93.)
>
> Based on aeration: First cost, $2 million; annual cost, $250,000.
>
> Based on chlorination: First cost—
>
> Not given.
>
> Annual cost, $550,000.

The question is, Why does the Senator raise this water issue for this little amount for Chicago, with its vast income, and with its vast population of 7 million or 8 million which it can tax?

Mr. DOUGLAS. Will the Senator read the bill? The bill specifically provides that the study is to consider the possibility of aeration or chlorination, as well as the diversion of water. We want to study these questions. If it turns out that aeration or chlorination is a better method than diversion, we will abide by the results of such a study.

Mr. WILEY. Well, that is something which means something, coming from the senior Senator from Illinois.

Mr. DOUGLAS. Will the Senator from Wisconsin take a similar pledge? Will he say that if the study recom-

mends permanent diversion, he will abide by it?

Mr. WILEY. I have no authority to make such a pledge. I would not make it.

Mr. DOUGLAS. Will the Senator make it as an individual?

Mr. WILEY. There is authority which says that chlorination or aeration will do the job. That is what I am saying.

Mr. DOUGLAS. I simply say: Let these questions be considered in the study; and if it turns out that aeration or chlorination are better methods than additional water diversion, we will abide by the decision. The trustees of the sanitary district have said, over and over again, that they will abide by the results of such a study. Will the Senator from Wisconsin, in turn, take the same pledge which we are willing to take? Will you say, Mr. Senior Senator from Wisconsin, that you will abide by the results of the study?

Mr. WILEY. I say that the Chicago district has never abided by one decree of the Supreme Court, which handled this matter.

Mr. DOUGLAS. That is slander. I must protest. We have abided by every decree. We have proceeded under the law.

Mr. WILEY. The Supreme Court said that Chicago made a mess and will not clean it up. It is Chicago's business to clean it up, the Supreme Court has said.

Mr. DOUGLAS. Why did not the Court charge us with being in contempt of court? We are not in contempt. No such charge has ever been made. We obeyed the decision of the special master of the Supreme Court in 1930. We carried it out at a cost of more than $400 million. Our original diversion was under permission from the Secretary of the Army. We have proceeded under the authority of administrative officials, of the courts, and of Congress. We will continue to abide by such authority.

Mr. WILEY. Chicago has not filed the annual reports which it was told to file. Chicago has not done that. In other words, the Court has repeatedly stated, when the matter has come before it, that Chicago made the mess; now let her go ahead and clean it up. Now Illinois simply wants the rest of the States to help her clean up the mess.

Mr. DOUGLAS. I will let the Senator from Wisconsin make his points on his own time.

As a matter of fact, the permanent diversion of a thousand cubic feet per second—for which we are not asking at this time—would only lower the level of Lakes Michigan and Huron by 1 inch and Erie and Ontario by about five-eighths of an inch. This, too, would be insignificant both in comparison with the seasonal and cyclical fluctuations and in terms of its effects on ship loadings. Incidentally, we should remember that Canada has been diverting 5,000 cubic feet from Hudson Bay into the Great Lakes system for nearly 20 years.

Therefore, we can see what little legitimate reason she has for complaint.

Canada made that diversion into the Great Lakes system at a time when our lake levels were rising and we were suffering resultant shore damage. Canada raised the level of Lake Michigan and Lake Huron by approximately 5 inches. That was an accomplished fact. Faced with an accomplished fact, the United States acquiesced, and we in Chicago have never protested. On the contrary, we believe that Canada had the right to shift waters out of Hudson Bay into Lake Superior.

Mr. WILEY. Did that mean that Canada added 5,000 cubic feet a second?

Mr. DOUGLAS. Yes, Canada added to the waters of the lakes 5,000 cubic feet a second.

Mr. WILEY. Very well; I wanted to make that clear.

Mr. DOUGLAS. And that did damage to our shorelines; but we did not protest.

Mr. WILEY. But the proposal now before the Senate is to make a diversion of water from the Great Lakes.

Mr. DOUGLAS. That is correct; and I think additional water could well be diverted by Canada in the same area.

Mr. President, as I stated a moment ago, at that time Canada added that much water to the Great Lakes, and raised their level accordingly; and, therefore, we can see what little legitimate reason she has for complaint. But, similarly, we believe that the United States has a right to shift water from Lake Michigan to the Mississippi.

And yet we are anxious to have this whole question of lake levels gone into once again.

In conclusion, let me say that Chicago will abide by the decision and recommendation of the report and of the court. It only asks that its opponents give a similar pledge.

When cornered on the points which I have mentioned, the opponents of the O'Brien bill fall back upon the argument that House bill 1 is merely a means of getting our foot in the door or, to vary the analogy, sticking the camel's nose under the tent. "Give them this study," say our opponents, "and Chicago will be back, at the end of the three years, asking for permanent diversion. Therefore, stop them now."

The answer to this contention is that we will only ask for permanent diversion if, after the 3 years' study, the Department of Health, Education, and Welfare so recommends. Even then, the further consent of Congress would be needed. But if the verdict goes against us, we will drop the matter, and proceed to use the other methods which may be recommended. I have given this pledge countless times in debates with Senator PROXMIRE—we debated this matter in both Milwaukee and Chicago—and in testimony before the Public Works Committee, and my pledge has been affirmed and upheld publicly by the members of the Sanitary Board. I repeat it once again.

We of Chicago can take this position, because all we are seeking is the truth. We are willing to be guided by it and to live by it. We believe it will confirm our contentions. But, if it does not, we will abide by the conclusion. That is why we want this study to be made, so we may know what should be done.

But up to now, our opponents have refused to give a similar pledge. They seem to be afraid that the verdict will be in our favor. Hence, up to date they will not agree to drop their opposition if the study should recommend permanent diversion.

I challenge the Senators from the Lake States, and particularly those from Wisconsin, who have been so vehement in their opposition——

Mr. WILEY. Mr. President, the Senator from Illinois is the one who has been vehement.

Mr. DOUGLAS. As I was saying, Mr. President, I challenge the Senators from the Lake States, and particularly those from Wisconsin, who have been so vehement in their opposition, to state whether they will take the same pledge that I have taken. I ask whether they will agree to abide by the recommendation of the impartial study, as Chicago is willing to do.

Does the Senator from Ohio agree to abide by it? Does the Senator from Michigan agree to abide by it?

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

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Does not the Senator from Illinois agree that the Army Engineers testified, and so stated in their reports, that only after a 3-year diversion could there be established by experiment, what would be the permanent impact of lowering the level of the waters of the Great Lakes?

Mr. DOUGLAS. But we are not asking for that; we are asking only for a 1-year diversion; and we are willing to say that we think that from that 1-year diversion they can obtain sufficient evidence to be able to make a recommendation.

Mr. LAUSCHE. Did not the Army Engineers testify that a 1-year diversion would not be sufficient?

Mr. DOUGLAS. Well, if the Senator from Ohio wishes to propose an amendment, so as to provide for a 3-year diversion, we will accept such an amendment. Does he propose that?

Mr. LAUSCHE. No.

Mr. WILEY. Mr. President, who is becoming vehement now?

Mr. LAUSCHE. Mr. President, I am stating to the Senator from Illinois that from the very beginning of this problem, in 1900, the city of Chicago has failed to carry out the directives of the Supreme Court. I now wish to read what the Supreme Court said in the case of *Wisconsin* v. *Illinois*, 278 U.S. 367; and I now read from the footnote which appears on page 237 of the committee hearings on House bill 1 and Senate bill 308:

That decision was later summarized by the Court as follows:

"It was decided that the defendant State and its creature, the sanitary district, were reducing the level of the Great Lakes, were inflicting great losses upon the complainants, and were violating their rights by diverting from Lake Michigan 8,500 or more cubic feet per second into the Chicago Drainage Canal for the purpose of diluting and carrying

away the sewage of Chicago. The diversion of the water for that purpose was held illegal, but the restoration of the just rights of the complainants was made gradual rather than immediate in order to avoid so far as might be the possible pestilence and ruin with which the defendants have done much to confront themselves."

I understand that Chicago is now diverting only 3,300 cubic feet a second.

Mr. DOUGLAS. The actual diversion is 1,500 cubic feet a second; and the domestic pumpage is approximately 1,760 cubic feet a second. This is only about 60 cubic feet per second more pumpage than there was in 1930.

Mr. LAUSCHE. Yes; but the 1,760 cubic feet a second goes down the Mississippi, too, not back into the Great Lakes. Is not that correct?

Mr. DOUGLAS. Yes; I think that is true.

Mr. LAUSCHE. So 3,300 cubic feet a second are being taken out of the Great Lakes water basin——

Mr. DOUGLAS. Under permission from the Supreme Court.

Mr. LAUSCHE. That is correct.

But is it not a fact that the city of Chicago has tried to persuade the Supreme Court to grant it more, but has not succeeded in that effort?

Mr. DOUGLAS. That case is before the Supreme Court.

Mr. LAUSCHE. Yes. It is for that reason that, not being able to obtain from the Supreme Court what Chicago believes she should have, she has attempted to have the Congress change that law.

Mr. DOUGLAS. But we are not asking for any water. We are merely asking for a study.

The Senator from Ohio quoted from a decision by the Supreme Court, which I believe was rendered in the 1920's.

Mr. LAUSCHE. No; in the 1930's.

Mr. DOUGLAS. Yes; in the 1930's, but based on conditions which existed in the 1920's. That was 30 years ago.

Let me say that when Chicago reversed the flow of the Chicago River, Chicago was given permission by the Secretary of the Army to take 10,000 cubic feet a second. For a time Chicago took that amount; and then I believe Chicago reduced it to 6,500 cubic feet a second.

I believe Chicago was wrong in not moving as quickly to a modern sanitary system as she should. I believe that was an error on the part of Chicago; and I believe that the order of the Supreme Court in 1930 was correct. As a result of that order, as I have stated, Chicago has spent more than $400 million to comply. Chicago was allowed to remove 1,500 cubic feet of water a second; and that amount of removal is perfectly legal.

Now—since the city of Chicago has grown enormously in population and industry, and since the problem of waste disposal has intensified—we wish to see what is the best way to handle this terrific volume of waste. We think one method is to use additional water from Lake Michigan. We want to have a test made for only 1 year.

If the Senator from Ohio thinks that is an inadequate period of time, and if he wishes the test to be made for a period of 3 years, I shall be delighted to have it made for 3 years. But whenever it was proposed for 3 years, the opponents attacked that proposal, on the ground that 3 years would be too long.

Furthermore, we are ready to abide by the results of the study. We ask whether those on the other side are willing to abide by the results of the study.

Mr. LAUSCHE. Let me ask whether the Senator from Illinois is willing to state, here on the floor of the Senate, that after the 1-year diversion of 1,000 cubic feet a second, he will not ask the Congress to make that a permanent diversion.

Mr. DOUGLAS. I have said that we will abide by the result of the study. If the study is in our favor, we will ask for permanent diversion. If the study is not in our favor, we will not ask for it.

I simply ask whether those on the other side are ready to make a similar pledge. If the study recommends additional diversion, are they willing to comply with the results of the study? Are they, or are they not?

Mr. LAUSCHE. Yes, I will answer the question the Senator from Illinois has asked. The Army Engineers have already stated that there will be permanent and irreparable damage to the hydraulic generating capacity on the St. Lawrence Seaway and to the navigational capacity of the Seaway.

Mr. DOUGLAS. How foolish can people get about a quarter of an inch lowering of the level on Lakes Michigan and Huron and of one-sixth to one-eighth of an inch on Lakes Erie and Ontario? The Senator from Ohio quoted from the sayings of the Master in dealing with the Pharisees. I should like to give another quotation from the sayings of the Master, "Ye blind guides, which strain at a gnat, and swallow a camel."

Mr. LAUSCHE. May I say to the Senator from Illinois, in relation to the matter of the Pharisees, a reading of the decisions will point out that the greatest of ingenuity has been practiced by Illinois for 50 years in trying to get more and more water out of the Great Lakes.

Mr. DOUGLAS. On the contrary, we have been taking less and less water from the Great Lakes. We started out with 10,000 cubic feet per second, under permit granted by the Secretary of the Army. We cut that down to 6,500. The Supreme Court said that was too much and should be reduced to 1,500. We have complied with that decision. In the meantime the city has grown more rapidly than has Cleveland, and more rapidly than has Milwaukee, with the result that we have a tremendous problem, with which we have to deal.

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

Mr. DOUGLAS. Yes.

Mr. LAUSCHE. May I point out for the RECORD that in 1956 the State of Illinois petitioned the Supreme Court of the United States for a temporary modification of the 1930 decree. The sanitary district again moved the Supreme Court for a clarification of that decree so as to provide that Congress could determine and authorize the amount of diversion required. On motion of the complainant States, the Supreme Court, on December 7, 1956, denied the sanitary district's request.

I submit to the Senator from Illinois that the Supreme Court for 59 years has been repeatedly declaring that the city of Chicago has not acted justly with the riparian States and cities on the Great Lakes and on the St. Lawrence Seaway.

Mr. DOUGLAS. I think the Senator from Ohio may have reference to a temporary diversion of an added 8,500 cubic feet per second which was granted by the Supreme Court, not for the sake of Chicago, but to provide more water for the lock at Alton, and also as a health measure.

Mr. LAUSCHE. May I ask the Senator another question?

Mr. DOUGLAS. Yes.

Mr. LAUSCHE. Is it the purpose of this bill to procure water to make a test of what can be done by development of an artificial sewage system in the Chicago Drainage Canal, or is it the purpose of Chicago to get water for navigational purposes and hydroelectric generation?

Mr. DOUGLAS. There is no hydroelectric purpose, because there is very little power developed at Lockport. This is really a minimum——

Mr. LAUSCHE. It is principally for sewage disposal?

Mr. DOUGLAS. That is right. There will be incidental benefits to navigation.

Mr. LAUSCHE. Could we state it to be an established fact that the Senator wants this water principally for sewage, and that its use for navigation is only incidental?

Mr. DOUGLAS. The purpose is to reduce pollution in the communities downstream from Chicago.

Mr. LAUSCHE. And that navigation purposes are merely incidental and accidental?

Mr. DOUGLAS. That purpose is secondary, but it is there.

Mr. LAUSCHE. But the Senator is here saying, "We have a sewage disposal problem"?

Mr. DOUGLAS. Indeed we do, not because we are inefficient—we are extremely efficient—but because of the magnitude of the problem with which we are faced.

Mr. LAUSCHE. And because there is such a sewage disposal problem, the Senator wants the waters of the lake diverted to Chicago?

Mr. DOUGLAS. And, of course, the pollution of the canal does itself affect navigation.

Mr. LAUSCHE. But the act under which the canal was built in 1900 was one in which the Army Engineers were allowed to give authority to divert water for navigational purposes. Is that not correct?

Mr. DOUGLAS. Yes; I think that is true, but——

Mr. LAUSCHE. And under that law Chicago cannot get the water that the Senator feels it is entitled to.

Mr. DOUGLAS. Well, under the rulings of the Court, we are not able to get it.

Mr. LAUSCHE. That is, the Court said Chicago was not entitled to the water?

Mr. DOUGLAS. In 1930 the Court limited the water to 1500 cubic feet per second, but the Court also looked in the future to prospective action by Congress. It did not set itself up as the permanent arbiter in this matter.

Mr. LAUSCHE. Is it not fair to say, then, that Chicago cannot, under the existing law, go back to the Court and get the water it wants; and, therefore, it wants the Congress to change the law?

Mr. DOUGLAS. Congress has this power already; and all we want is a study. It is almost incredible that I have to repeat this over and over and over again. Senators keep talking as though this is permanent diversion. We are not proposing that. We are proposing a 3-year study, in only 1 year of which there would be diversion. There will be a study of alternative methods, including the dumping of the effluent back into the lake, which the Senator wants, and then there will be a series of recommendations, by which we will abide. I come back to the point again: We are ready to abide by those recommendations. Is the Senator?

Mr. LAUSCHE. The answer to that question, if I may say it to the Senator from Illinois, is that he is wanting to take the property of the State of Ohio. He is wanting to take the property of the States of Wisconsin, Indiana, New York, and Pennsylvania.

Mr. DOUGLAS. Those waters belong to the United States.

Mr. LAUSCHE. Those waters belong to the people of Ohio——

Mr. DOUGLAS. They belong to the United States, and Congress has the right to determine how those waters shall be used.

Mr. LAUSCHE. Under the act of 1890, under which we have been operating, the law provided that water can be diverted only for navigational purposes. The Senator wants us to abide by a test, after Chicago takes our property, and then say we shall yield. We certainly will not do it.

Mr. DOUGLAS. Well, it is very interesting that neither the Senators from Wisconsin, Michigan, or Ohio have agreed to abide by the result of the study. They are silent when challenged in that respect.

Mr. PROXMIRE. Mr. President, will the Senator yield? The Senator from Illinois has refused to yield to the junior Senator from Wisconsin. I have repeatedly sought to get the Senator to yield.

Mr. DOUGLAS. I will yield to the Senator from Wisconsin if he will answer the question: Is he willing to abide by the decisions or recommendations? Yes or no?

Mr. PROXMIRE. I may say to the Senator from Illinois that I will abide by a decision of an impartial study group. This is not an impartial study. It is a stacked deck. I believe I can prove it to the satisfaction of the Senator from Illinois if he so desires. It is a stacked deck. It is not a study of aeration. It is not a study of chlorination. It is a study only of diversion. If the Senator from Illinois will seek a study that is fair, along with the various alternatives, I will be delighted to abide by the decision or recommendations. I ask the Senator from Illinois why Illinois and the sanitary district does not abide by the decision of the Supreme Court or its findings or suggestions?

Mr. DOUGLAS. We are.

Mr. PROXMIRE. Why not wait until Judge Maris, the special master, makes his findings and abide by them?

Mr. DOUGLAS. Because he needs this study in order to make a decision. As a matter of fact, we would want to have material on whether we should return the effluent to the lake or not, and this involves a study of lake currents.

As Senators know, we are down toward the bottom of the lake, where the north-south current does not operate as well. There are some slow whirlpools rotating about. The effluent, if discharged into the lake, might go round and round.

We will have to have the study both on the surface of the water and on depths below the surface. It will be necessary to study chlorination, aeration, and whether a system of storm sewers should be put in. Everything for which the Senator from Wisconsin asked last year is to be provided. Still the Senator is not satisfied. All the Senator does is shriek, "Stacked deck, stacked deck; the verdict may go against me, so therefore I will not play."

Mr. PROXMIRE. Mr. President, will the Senator yield, since he has mentioned my name?

Mr. DOUGLAS. Certainly, I yield. If one lives by the sword, one must be prepared to die by the sword.

Mr. PROXMIRE. A fair study would be something which I should like to mention.

Mr. DOUGLAS. Is the Senator saying that the Department of Health, Education, and Welfare, and the Army Engineers would not make a fair study?

Mr. PROXMIRE. No; of course not. I am saying that the Senator proposes to give them conditions under which they would have no opportunity to make a proper study.

Mr. CHAVEZ. Mr. President——

Mr. PROXMIRE. The Senator mentioned my name, and I have asked him to yield. I would like to ask a question and to have the Senator reply.

Mr. DOUGLAS. The chairman of the committee wants to ask me a question. I will yield later to the Senator from Wisconsin, but I now yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, on page 3 of the bill a Senate amendment was inserted, which will answer the question of the Senator from Wisconsin. It can be found on line 18:

> The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams—

It is all-inclusive.

Mr. DOUGLAS. And it includes the added words: "the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes."

Now, Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to say to the Senator from Illinois that my idea of a fair study would either be a study without the diversion of water; or a study of the kind described, with 6 months of preparation, a year of study of the water before diversion, a year of study during diversion, with 6 months to make a report, followed by a similar 3-year period during which we would study the actual aeration, with the pipes put in and the water aerated, followed by another 3-year study of the chlorination, with chlorine in the water. After the 9-year period we would have a report.

I notice the Senator from Illinois seems to feel this is amusing. It seems to me this is the fair way to do it.

Mr. DOUGLAS. The Senator wants 9 years.

Mr. PROXMIRE. Perhaps.

Mr. DOUGLAS. This is a proposal for interminable delay.

Mr. PROXMIRE. I will say to the Senator from Illinois that competent people in the Public Health Service and competent engineers in the Corps of Engineers tell us that they do not need a diversion in order to tell us what the results of permanent diversion would be. The Senator knows that perfectly well, from the record.

Mr. DOUGLAS. This is purely a proposal to sidetrack the bill.

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

Mr. DOUGLAS. I have only two paragraphs more. I am axious to conclude. If the Senator will permit, I should like to conclude and sit down, and then the Senator can claim the floor in his own right.

Mr. WILEY. I would like to ask only two questions.

Mr. DOUGLAS. May I finish my statement? Can the Senator restrain himself for about a minute?

Mr. WILEY. The Senator desires to have me wait?

Mr. DOUGLAS. Yes.

Mr. WILEY. Very well.

Mr. DOUGLAS. It is extraordinary that the Senators have not risen to the challenge which I gave them. They are mute.

Mr. HART. Mr. President, will the Senator yield? I have been standing, but I am hesitant to interrupt.

Mr. DOUGLAS. I yield.

Mr. HART. I respond to the challenge. The Senator is talking now about the question of, Will the Senators from the several affected States agree to the test?

Mr. DOUGLAS. Will the Senator abide by the results of the study?

Mr. HART. I was reminded, as the parent of eight children, that this proposal sounds exactly like the kind of

proposal parents put to their children when they are trying to "con" their children into going to bed early. There is always omitted a salient fact.

Certainly I would agree, if instead of keeping the water the Senator would provide that it be returned to the lake while the test is being made. Otherwise, the property is being taken.

Mr. DOUGLAS. I should like to refer the Senator to the chart on page 355 of the hearings, which indicates there may well be a whirlpool down at the bottom of the lake, which would affect this very definitely.

Mr. HART. Is there that much water being taken from the lake?

Mr. DOUGLAS. No. If we return the effluent to the lake the tendency, according the previous studies, is for the water to rotate in this fashion, as indicated. It would not move on, as is the case in the north, but would remain within a radius of 3 or 4 miles of the place where it started. This would result in permanent pollution. It would not only damage the filtration plants, but it would also damage the water.

Mr. HART. There is a tendency, the Senator says, for this to happen. It is a tendency which could be overcome, I assume. It is not an absolute law of nature that this would happen.

Mr. DOUGLAS. We do not know that, but the studies which have been made in the past indicate the whirlpool effect.

Mr. HART. I have responded to the inquiry of the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator.

Mr. HART. I have stated the terms on which I think a fair deal could be made.

Mr. DOUGLAS. If the Senators refuse to take this pledge, as they apparently have refused, this will show that they are afraid of the truth, that in their hearts they believe we are right, and that they are building their case instead upon the sands of prejudice and passion. And, in this case, their remonstrances should not be given credence and the O'Brien bill should be passed.

I submit that this bill maps out the only logical step to take. Let us take this matter, so vitally effecting health and sanitation, out of pressure politics and put it instead into the hands of experts. This will save Congress many headaches and much time, and it will at the same time lead to a better and wiser solution, not only for the people of Chicago and the communities downstream, but also for those of the entire United States as well.

Let us pass H.R. 1, the O'Brien bill, and get on with the many jobs before us.

Mr. ALLOTT. Mr. President——

Mr. DOUGLAS. Now I should like to yield the floor and let the Senator from Wisconsin speak on his own time. If he insists on asking a question which he feels I alone can answer, I will be glad to answer.

Mr. WILEY. I simply want to say, in relation to the remark about the bottom of the lake, we want the bill at the bottom of the lake, and nothing else.

We think the Senator has not answered in his argument today the question regarding Canada. Does the Senator agree with the argument of the Senator from Oklahoma today in relation to the jurisdiction of the Court and the jurisdiction of the Senate? Does the Senator agree with that argument?

Mr. DOUGLAS. I simply say that the Lake States are certainly in a contradictory position when they, on the one hand, say this must be handled by an international treaty and, on the other hand, assert the supremacy of the Supreme Court. That is contradictory.

We take a different postion. We say that Congress can and should act in this matter, and that the study which Congress authorizes will be of advantage to the Court. We are willing to consult with Canada if any permanent diversion is provided, but we are not willing to surrender our sovereignty.

Mr. WILEY. Is the Senator willing to abide by the decision of the Court?

Mr. DOUGLAS. Of course.

Mr. WILEY. Then why present the bill?

Mr. DOUGLAS. Because the Court needs the study to help it make the decision. Also, Congress has jurisdiction.

Mr. WILEY. That is not what one of the departments has said. One of the departments said it was not necessary to make the study. The facts are in evidence.

This afternoon we produced evidence to show how much it would cost to purify the sewage, so to speak; but, be that as it may, I have another question to ask the Senator.

Does the Senator think that the Canadian Government, which has treaties and agreements with the United States, is stating a logical and legal position?

Mr. DOUGLAS. No; I do not. Under the terms of the treaty of 1909 Lake Michigan is not international waters.

Mr. WILEY. The Senator could not convince the Prime Minister to that effect, could he?

Mr. CHAVEZ. We convinced ourselves.

Mr. WILEY. But not the Prime Minister.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am trying to yield the floor.

Mr. PROXMIRE. I understand the Senator from Illinois to say that if we wanted to ask him questions he would yield.

The PRESIDING OFFICER. The Senate will be in order. It is the understanding of the Chair that the Senator from Illinois yielded the floor.

Mr. PROXMIRE. Mr. President, has the committee amendment been laid before the Senate?

The PRESIDING OFFICER. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 18, it is proposed to insert:

The studies described above shall include, but not be limited to, the effect of the diversion of an additional one thousand cubic feet per second on the levels of the Great Lakes, and shall also include a study of the effect of currents and flows of water throughout the south one hundred and seventy-five miles of Lake Michigan, the effect of aeration, chlorination, sources of pollution, studies of the quality of water in the Illinois Waterway and tributary streams, the possibility of the separation of storm and sanitary sewage, and a study of the treatment of industrial wastes.

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

Mr. PROXMIRE. I yield.

Mr. McNAMARA. What is the present status of the committee amendment?

The PRESIDING OFFICER. The first committee amendment is pending. It has not been agreed to.

Mr. McNAMARA. Will someone explain to me the purpose of the first committee amendment? Does the Chair have the information? Apparently there is no one here who is in a position to defend this amendment.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Would it be in order for the clerk to read the first committee amendment again?

Mr. McNAMARA. I have the language of the amendment before me. I want to know what it means. It is written in technical terms. I want to know its effect.

The PRESIDING OFFICER (Mr. HART in the chair). The duty of the Chair does not extend that far, even assuming the ability of the Presiding Officer, as a Senator from Michigan, to do so.

Mr. McNAMARA. I did not want to ask anyone in particular. I simply want to know what it is we are expected to vote on.

Mr. MANSFIELD. Mr. President, it is not the intention of the leadership to ask for a vote on this amendment tonight, but simply to have it pending for action tomorrow. At that time the members of the Committee on Public Works will be here to answer any and all questions which may be raised by the senior Senator from Michigan and any other Senators, based upon information which the members of the committee have in their possession. But the amendment will not be voted on tonight; it will be the pending business of the Senate tomorrow.

Mr. McNAMARA. Do I understand from the reply of the acting majority leader that the information cannot be supplied at this time?

Mr. MANSFIELD. That is true, because, unfortunately—and again it is the fault of the acting majority leader—Senators have been told that there would be no votes this evening, and they left on the assumption that as soon as the junior Senator from Wisconsin finished asking some questions, the Senate would recess.

Mr. McNAMARA. I thank the Senator from Montana.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin will state it.

Mr. PROXMIRE. Will the Chair inform the Senator from Wisconsin

whether at the present time he has been recognized to speak on the first committee amendment?

The PRESIDING OFFICER. The Senator from Wisconsin has been recognized to speak on the first committee amendment.

Mr. PROXMIRE. I am speaking on the first committee amendment. Is that correct?

The PRESIDING OFFICER. In a parliamentary sense, yes.

Mr. PROXMIRE. I thank the Presiding Officer. My reason for asking for recognition is that the senior Senator from Illinois has delivered a very effective speech, one of the most effective I have ever heard on this issue—and a number of speeches have been made.

I thought, in all fairness, and for the information of all Senators, that it would be wise to bring out some of the points made by the Senator from Illinois to see just how far we can go in understanding them. For that reason, I asked the Senator from Illinois to be present so that I could ask him some questions. I know that he has retired from the floor temporarily; I hope he will return.

Mr. President, I have before me an editorial entitled "No Lake Diversion Ever Voted," published in the Milwaukee Journal. The first paragraph reads:

The new diplomatic note from Canada must make it perfectly clear to the U.S. Senate, as it should have been all along, that an act of Congress allowing Chicago to divert more Great Lakes water cannot be voted in good conscience and in good faith.

Mr. President, I hope the editorial will be read in its entirety by as many Senators as can do so before tomorrow.

It is my understanding that sometime tomorrow a motion may be made to refer the bill to the Committee on Foreign Relations. I feel very strongly that it should be referred to the Committee on Foreign Relations.

The fact is that at least two—and I believe three—of the members of the Committee on Public Works, which reported the bill favorably, feel likewise, as they have said in the committee report. It is my understanding that the six members of the Committee on Public Works who voted against reporting the bill also feel that it should be referred to the Committee on Foreign Relations. This means that a majority of the members of the Committee on Public Works, who spent many weeks considering the bill and who have explored it very thoroughly, agree, in view of the recent Canadian protest, and in view of the fact that Canada at least believes, whether we agree with Canada or not, that treaties may be violated if the legislation is enacted, that in deference to a good neighbor and a sovereign country, H.R. 1 should be referred to the Committee on Foreign Relations.

In order to provide documentation, I ask unanimous consent, first, that the entire editorial from which I have read be printed at this point in the RECORD.

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

NO LAKE DIVERSION EVER VOTED

The new diplomatic note from Canada must make it perfectly clear to the U.S. Senate, as it should have been all along, that an act of Congress allowing Chicago to divert more Great Lakes water cannot be voted in good conscience and good faith.

Canada fears that the proposed increase in diversion, from 1,500 to 2,500 cubic feet per second, would do great harm to lakes shipping, harbor installations, dredged channels and power developments by lowering lake levels more than nature does in its cycles. This would affect Canadian rights and interests since the Dominion shares Great Lakes shore lines.

It is immaterial that the Chicago proposal is couched in terms of temporariness and experiment; it would still be a diversion by act of one party without consent of the other, wrong in principle and wrong in precedent. And Chicago's soft-soap offer to pay any resulting damages, now written into the bill, is patently as meaningless as the Canadian note implies.

The overriding fact remains that any diversion purporting to be authorized by unilateral act of Congress would violate treaties with Canada that recognize the common interest in waters of the Great Lakes Basin. And even if there were no treaties, it would ethically violate all accepted standards of comity between nations.

All but unknown or ignored in this controversy is the fact that even the present diversion is not by act of Congress. Thus any diversion bill now would be precedent setting, opening a door for more and bigger future diversions, possibly calamitous, by one country or the other in a competitive or retaliatory spirit.

The fact is that Chicago, way back at the turn of the century, was permitted to reverse the Chicago River, making it flow out of Lake Michigan instead of into it. It was the War Department that set a diversion rate for this purpose, and Chicago worked this rate all the way up to a tremendous 8,500 cubic-feet per second.

Then it was the U.S. Supreme Court in 1930, on the plea of Wisconsin and other States, that ordered Chicago to stop it—not just cut it down, but cut it out. The Court did not approve of any diversion, but as a practical matter, the reverse flow being by then too firmly an established fact, it had to leave the present 1,500 foot diversion—to maintain navigation, not to flush sewage. That's the only reason why there is any diversion at all today.

Chicago and Illinois nevertheless have persuaded the more tractable House again this year, as they have sought since 1937, to stick the legislative nose into this issue. But the Senate has a constitutional duty in foreign affairs, as a partner in exercising the treaty power. Surely it must now see how the diversion bill evokes that responsibility.

Mr. PROXMIRE. I also ask unanimous consent, Mr. President, that a series of notes from the Canadian Government to the U.S. State Department, stating the position of the Canadian Government, be printed at this point in the RECORD. Mr. President, in order to make sure that the notes are printed in the RECORD in the order which I believe will be of the greatest assistance in giving information to Senators, I ask that they be printed in inverse chronological order—that is to say, that the first one to be printed be the note of August 20; the second be the note of June 12; the third be the note of April 9—also identified as "No. 184"—and that the fourth be that of February 20, 1959. Some of them are aide memoires; some of them are memorandums; and some are identified in other ways. But all of them point out the clear, emphatic position of Canada that passage and enactment of this bill would be against Canada's best interests. Although I am sure many Senators favor enactment of the proposed legislation, if they will read these documents, they will recognize that Canada certainly deserves consideration at least by the only Senate committee which is competent to pass on such proposed legislation—namely, the Foreign Relations Committee—and that the Public Works Committee recognizes that the Foreign Relations Committee alone is competent to pass on proposed legislation of this sort.

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

INFORMATION OFFICE,
CANADIAN EMBASSY,
Washington, D.C.

Following is the text of a note delivered to the State Department on August 20, 1959:

"I have the honor to refer to my note No. 184 of April 9, 1959, concerning legislative proposals to increase the diversion of water from Lake Michigan at Chicago.

"I am instructed to inform you that the Government of Canada has taken note of the recent legislative developments in the United States concerning this matter. In this connection, I am to advise you that the Government of Canada explicitly reaffirms the position set forth at length in the abovementioned note. In the view of my Government any additional diversion of water out of the Great Lakes watershed would be inconsistent with the existing agreements and arrangements which together constitute an agreed regime with respect to these waters. The proposed unilateral derogation from the existing regime therefore occasions serious concern in Canada.

"Please accept, sir, the renewed assurances of my highest consideration.

"A. D. P. HEENEY,
"Ambassador."

JUNE 12, 1959.

His Excellency A. D. P. HEENEY,
Ambassador of Canada.

EXCELLENCY: I have the honor to refer to your note No. 184 of April 9, 1959, expressing the concern of your Government with regard to legislative proposals to increase the diversion of water from Lake Michigan at Chicago, which are now pending before the U.S. Congress.

The Department transmitted copies of this note to the Committee on Public Works of the U.S. Senate on April 16, 1959. Additionally, the Department has been giving careful study to its contents with particular regard to the allegations therein that certain enumerated agreements and understandings between the United States and Canada would be broken should unilateral action be taken to increase the diversion from the Great Lakes watershed at Chicago. It is to be noted in this connection that the Department is not in accord with all of the points made by your Government in the aforesaid note and consequently must reserve its position with respect to those allegations of a legal nature contained therein.

The Department considers that further consultation between representatives of our two Governments might prove useful. Accordingly, we would be pleased to receive the views of your Government on the desirability of such consultation taking place in the near future.

Accept, Excellency, the renewed assurances of my highest consideration.

———, ———,
(For the Acting Secretary of State).

CANADIAN NOTE NO. 184

The Honorable CHRISTIAN A. HERTER,
Acting Secretary of State,
Department of State, Washington, D.C.:

I have the honor on instructions from my Government to refer to proposals for legislation in the United States concerning an increase in the diversion of water from Lake Michigan through the Chicago Drainage Canal. It is noted that one proposal to this effect has been approved by the House of Representatives and will shortly be considered by the Senate.

During a period of many years there have been numerous occasions on which the Government of Canada has made representations to the Government of the United States of America with respect to proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago.

Many of these representations have been directed toward particular proposals then under discussion by U.S. authorities. Because of the importance of the question, the Government of Canada believes it timely to reexamine the considerations which it regards as most important concerning any proposals for additional diversion of water from the Great Lakes watershed. Accordingly, in order that there may be no misunderstanding as to the views of the Government of Canada, I have been instructed to bring the following considerations to your attention.

Every diversion of water from the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the basin for all purposes. The Government of Canada is opposed to any action which will have the effect of reducing the volume of water in the Great Lakes Basin. Careful inquiry has failed to reveal any sources of water in Canada which could be added to the present supplies of the basin to compensate for further withdrawals in the United States.

The Government of Canada considers that many agreements and understandings between the United States and Canada would be broken if unilateral action were taken to divert additional water from the Great Lakes watershed at Chicago and directs attention to provisions of two treaties in particular:

"(a) The Boundary Waters Treaty of 1909: The applicability of either article II, paragraph 2 or article III of this treaty depends upon the interpretation of physical facts.

"If Lake Michigan physically flows into the boundary water Lake Huron, article II preserves to Canada the right to object to such a diversion which would be productive of material injury to the navigation interests in Canadian waters.

"If, as has been asserted by eminent U.S. jurists, article III of the treaty applies, no further diversion shall be made except with the approval of the International Joint Commission.

"(b) Niagara Treaty of 1950: This treaty allocates water for scenic and power purposes. The amount of water which shall be available for these purposes is the total outflow from Lake Erie. The specific inclusion of certain added waters in article III of the treaty emphasizes the underlying assumption that existing supplies will continue unabated."

In addition to these treaty provisions, there is a further agreement of far-reaching importance. Power development in the Provinces of Ontario and Quebec is predicated upon agreed criteria for regulation of the flows of the St. Lawrence River. The order of approval of the International Joint Commission of October 29, 1952, as supplemented on July 2, 1956 and accepted by both our Governments, forms the basis for the construction and operation of the hydroelectric power installations in the international section of the St. Lawrence River. Criterion (a) of this order of approval assumes a continuous diversion out of the Great Lakes Basin limited to the present 3,100 cubic feet per second at Chicago.

Navigation and commercial interests depend upon the maintenance of the basis upon which channel enlargements have been designed in order that vessels of deep draught may proceed with full load to and from ports of the upper Great Lakes. In this connection I would refer to the following matters:

"(a) The construction of the St. Lawrence Seaway: Legislation in the two countries and the several exchanges of notes concerning the construction and operation of the Seaway now just completed are based on the assumption and understanding that there will not be unilateral action repugnant to the purposes of the legislation. Withdrawal of water from the Great Lakes Basin would materially affect the operation of the St. Lawrence Seaway;

"(b) Dredging: By agreement contained in the various exchanges of notes between the two countries, profiles have been prepared for the excavation which has taken place, or is about to take place, in the International Rapids section of the river, in the Amherstburg Channel, and in the St. Clair River. These agreements are based on the implied understanding that material changes would not be made in the volume of water available for navigation.

"(c) New channel: In an exchange of notes dated February 28, 1959, it has been agreed that a new channel should be constructed to eliminate the so-called Southeast Bend of the St. Clair River. The agreement by the Government of Canada to this proposal was based on the understanding that there would be no artificial interference with the present supplies of water."

Because of the importance attached by the United States and Canada to the honoring of international undertakings in letter and in spirit, the Government of Canada views with serious concern any possible impairment of agreements and undertakings relating to the Great Lakes Basin. Furthermore, the alarms created by repeated proposals for diversion which inevitably disturb the people and industry of Canada are a source of profound irritation to the relations between our two countries which we can ill afford.

I am instructed, therefore, to express the hope of the Government of Canada that the United States will view this matter with equal concern and will be able to give satisfactory assurances that unilateral action will not be taken which would imperil the present regime of the waters in the Great Lakes Basin and the status of the agreements and understandings to which I have referred.

Please accept, sir, the renewed assurances of my highest consideration.

A. D. P. HEENEY.

WASHINGTON, D.C., *April 9, 1959.*

OTTAWA, *February 20, 1959.*

On a number of occasions in the past, the Canadian Government has expressed its objections to proposals envisaging increased diversions of water from Lake Michigan at Chicago. Once again, and at the invitation of the Government of the United States through the U.S. Embassy's Aide Mémoire of February 9, 1959, the Government of Canada is anxious to make known its views on legislative proposals now before Congress, such as bill H.R. 1, which are intended to authorize an increased diversion of water from the Great Lakes Basin into the Illinois Waterway.

While recognizing that the use of Lake Michigan waters is a matter within the jurisdiction of the United States of America, it is the considered opinion of the Canadian Government that any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.

The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

ROBERT A. FARQUHARSON,
Counselor, Canadian Embassy.

Mr. PROXMIRE. Therefore, Mr. President, I earnestly plead with my colleagues to read the pages of the CONGRESSIONAL RECORD, so that they can give these matters the greatest consideration; I fervently hope that they will agree with us.

Mr. President, apparently the senior Senator from Illinois (Mr. DOUGLAS) has had to leave the floor. I realize that he made a long speech today, and was on the floor a long time. He did an outstanding and an excellent job, and certainly I understand his weariness.

At this time I should like to make several points in connection with the speech which he has made today in the Senate.

On page 3 of his speech, we find the following:

> 3. Why do sanitary engineers think that the diversion of more water will reduce the pollution?
>
> Fresh water contains oxygen which it absorbs from the air. Oxygen, as we all know, is the great purifier. It burns up impurities, either in a dry or wet condition; it kills harmful bacteria. An additional 1,000 cubic feet per second of lake water would supply an average additional 57,000 pounds per day of this all-important oxygen.

The Senator from Illinois spoke with positive knowledge and conviction on the subject. He used the figure 57,000 pounds a day. He did not say 50,000 pounds, or approximately that much. I wanted to ask him whether he was sure. Knowing him as I do, I feel sure that his answer most probably would be in the affirmative. I assume that it would be in the affirmative, because I do not think he would have made the statement in the unqualified way in which he did make it if he had not believed it was true.

I make this point for the reason that if the Senator from Illinois now knows what effect the diversion will have on the oxygen content of the water of the Illinois Waterway, then what would be the purpose of diverting an additional 1,000 cubic feet a second for a year, against the very emphatic protests of the Lake States and the very clear and emphatic protests of the Dominion of Canada?

If the Senator from Illinois already knows that—and I believe he does; and, on the basis of the testimony we have received from the Public Health Service,

I believe this testimony is well known and well established—then there is no necessity to make the proposed diversion.

I now read the next part of the speech the Senator from Illinois made today:

4. Could not some other method do just as well as added diversion? Most sanitary engineers do not think so.

I notice that the Senator from Illinois did not quote any authority. It is true that the Chicago metropolitan district has competent engineers; but I think all must recognize that those gentlemen are biased, and of course they could not speak with objectivity.

It seems to me that if the Senator from Illinois wishes to establish the correctness of his assertion—which is an extremely important one—he should be able, after 4 years of hearings and testimony by a great many witnesses, many of them most objective, to be able to refer to the testimony of at least one unbiased engineer who says that is the best way to do it.

Then the Senator from Illinois said:

But we want these other methods to be studied, and have so provided in an amendment to the bill. The two alternatives that have been most frequently mentioned are (a) chlorination, and (b) aeration effected by injecting compressed air into the waters of the canal below the point of discharge of the treated sewage.

I wanted to ask the Senator from Illinois whether he thinks that would be fair, after the proposed diversion for 1 year. But there would not be 1 year of aeration of the water of the Illinois Waterway, and there would not be 1 year of chlorination of the water of the Illinois Waterway. If there is to be a fair study of the effect and the value of the proposed diversion, on the one hand, and of aeration, in the second place, and of chlorination, in the third place, then all of them should be studied in precisely the same way, first with a 3-year study, in regard to the proposed diversion; then a 3-year study, under exactly the same circumstances, in regard to aeration; and then a 3-year study in regard to chlorination.

Mr. President, I have only a few more points to make at this time.

Mr. President, I ask that my remarks in regard to House bill 1 be printed in the RECORD immediately following the speech made earlier today by the Senator from Illinois, in view of the fact that my remarks pertain to his speech. Accordingly, I think it only fair that the Members of the Senate who will read the RECORD will have the benefit of as full a case in regard to this matter as possible, and—thus—that my presentation be printed in the RECORD immediately following that made by the Senator from Illinois.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, on page 4 of the speech of the Senator from Illinois [Mr. DOUGLAS], we find the following:

We are asking in this bill for a study of the currents in the southern half of Lake Michigan to help determine the dangers of this course which is being pressed upon us by our sister States and which has now been referred by the Supreme Court to Judge Albert Maris as a special master. Incidentally, such a study would be invaluable to Judge Maris in helping him to arrive at a proper decision.

The Senator from Illinois said over and over again that the study would be helpful to Judge Maris.

Mr. President, Judge Maris has been appointed by the Supreme Court; he is the special master. If he wanted such a study made, he would only have to request it. The fact is that the Supreme Court has empowered him to make the study; and he is in a position to make it, and he can make his position clear to the Congress and to the people of Illinois. But he has not done so.

At a meeting held in Philadelphia, attended by Judge Maris and, I understand, by attorneys from Chicago, Judge Maris did not then ask for the enactment of such legislation; and at no time has he asked for it. He has never indicated that he thought such a study would be helpful.

So I believe that any fairminded person would have to conclude, from looking at the record, that the jurisdiction of the Supreme Court would be compromised by the passage of this measure. It would be an affront to Judge Maris. It would mean that the Congress, instead of permitting the Supreme Court to make the study which it intends to make—and it already has set into motion the machinery for making it, would take the matter out of the hands of the Supreme Court, and the Congress itself would make the study.

A little later, on page 4, the Senator from Illinois made the following points:

1. There would be no effect whatsoever on the level of Lake Superior.

2. The maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

At that point, the Senator from Illinois was talking about the effect of a temporary diversion for 1 year.

My question to the Senator from Illinois is this: Why have the diversion, if the Senator from Illinois can assure the Senate at the present time that the conseqences of the diversion would be only a maximum reduction of one-quarter of an inch in the levels of Lake Michigan and Lake Huron, and if he can assure the Senate—as he did, in connection with the chart which is displayed in the Chamber—what will be the permanent effects of the diversion. If he knows what will be the effects on the lake levels and on the quality of water in the Illinois Waterway, why have a diversion which is so fervently protested against by five or six States and by the Dominion of Canada?

Furthermore, it is very significant that the Senator from Illinois said:

The maximum reduction in the level of Lakes Michigan and Huron would be one-quarter of an inch, and this only after a period of years.

But the fact is that it would take 15 years to do that. But when is it proposed that the Congress be informed of the results of the study? After only 3 years. It is perfectly obvious that there is no information that would be helpful to the Congress in determining the effects of a diversion that would have its effect over a 15-year period, when the report is due only after 3 years of that 15-year period.

Then the Senator went on to say:

The maximum effect upon Lakes Erie and Ontario would be one-sixth of an inch.

Once again I should like to ask the Senator from Illinois if he is sure. If he is sure this is true, then why have a diversion of 1,000 cubic feet per second, which is strenuously opposed by a number of States and the Dominion of Canada?

On page 5 of his statement the Senator from Illinois said:

As a matter of fact, the permanent diversion of a thousand cubic feet per second—for which we are not asking at this time—would only lower the level of Lakes Michigan and Huron by five-eighths to 1 inch.

If he knows it, why have the diversion which we and the Dominion of Canada consider consists of a taking of property away from us? Why have the diversion if the Senator has the information without having a study?

Then the Senator from Illinois pointed out, on page 5, paragraph 4:

Chicago will abide by the decision and recommendation of the report and of the Court. It only asks that its opponents give a similar pledge.

Mr. President, I wanted to ask the Senator from Illinois if it is true that the Supreme Court, in 1930, asked Chicago to file two reports a year thereafter and whether or not Chicago has complied with that request. It is my understanding Chicago has been asked to do that and that Chicago has not complied with the decision of the Supreme Court. Chicago has failed to comply with the requirements and requests of the Supreme Court.

Mr. President, at the conclusion of his remarks, but not in his printed text, the Senator from Illinois said that there would be some incidental benefits to navigation from this diversion and he emphasized this two or three times. He said that the primary benefit would be to the sanitary district and to the sanitary quality of water in the Illinois Waterway.

This statement by the Senator from Illinois was flatly contradicted by Col. Arthur C. Nauman, of the Corps of Engineers, in his testimony in 1958 before the Public Works Committee, when he said there would be no beneficial effects to navigation on the Illinois Waterway by additional diversion. He has said that as clearly as it could be stated. There is no question about it. There are no incidental beneficial effects, and no competent authorities have questioned that statement. The only possible beneficial effect would be in the quality of water in the Illinois Waterway.

We have the most competent authority, the top man on pollution in the Public Health Service, who has told us that he does not need the diversion to tell us

exactly what the effect of the permanent diversion of 1,000 feet or any other amount would be on the oxygen content of the water in the Illinois Waterway.

Mr. President, there were a few other questions I wanted to ask the distinguished Senator from Illinois. As I have said, I understand why the Senator felt it was necessary to leave. I think, in all fairness, I should make these points. I was prepared to ask the Senator from Illinois these questions while he was making his excellent speech. I asked him a question in the beginning. He said after that he would not yield to me. He yielded to my senior colleague from Wisconsin and the Senator from Ohio occasionally. He refused to yield to me. I do hope in the course of the debate we shall have an opportunity to explore the points he has made, which, if they are not challenged, may perhaps persuade a number of Senators to vote for the proposed legislation. I think when those points are examined and challenged, it is clear there is no merit to the points; and when those points are refuted, the argument of the Senator from Illinois disappears.

SALE AT MARKET PRICES OF AGRICULTURAL COMMODITIES TO PROVIDE FEED FOR LIVESTOCK

Mr. MANSFIELD. Mr. President, I ask unanimously consent that H.R. 1 be temporarily laid aside and that the Senator from Wisconsin [Mr. PROXMIRE] not lose the floor, so that the Senate may proceed to consider Calendar No. 729, S. 2504, with the proviso that once action has been taken on that bill, we may return to the consideration of H.R. 1, and that the Senator from Wisconsin will retain his right to the floor.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent the Senate may proceed to the consideration of Calendar No. 729, S. 2504.

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

The LEGISLATIVE CLERK. A bill (S. 2054) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement indicating the need for the proposed legislation. The bill covers a drought area in the Great Plains region, and the relief it provides is very much needed at this time.

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

STATEMENT

The bill authorizes the sale at market prices of feed grains owned by Commodity Credit Corporation to meet shortages in emergency areas. The bill thus exempts such sales from the minimum resale price provision of section 407 of the Agricultural Act of 1949. The bill also authorizes the Secretary of Agriculture to permit the harvesting of hay from conservation reserve lands under certain conditions to alleviate hardship caused by natural disaster.

SECTION-BY-SECTION EXPLANATION

Section 1 authorizes the Secretary of Agriculture to sell wheat, corn, oats, barley, rye, or grain sorghums owned by Commodity Credit Corporation at market prices to provide livestock feed in any area determined to be an emergency area under section 2. This provision constitutes a limited exemption from section 407 of the Agricultural Act of 1949, which prohibits the Commodity Credit Corporation from selling any of such commodities for "less than 5 percent above the current support price for the commodity, plus reasonable carrying charges." Sales for seed or feed are excepted by section 407(C) from this limitation if they will not substantially impair any price-support program, but in the past the Secretary has been reluctant to find that they will not.

Section 2 authorizes the Secretary of Agriculture to designate the areas in which the sales authorized by section 1 may be made. He may make such designation if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe, there is a shortage of feed for livestock in the area. Such a designation by the Secretary would not be required to meet the more rigid conditions of Public Law 875, 81st Congress, section 2(d) of Public Law 38, 81st Congress, or section 407 of the Agricultural Act of 1949, which require certification by the Governor and a determination by the President that a "major disaster" has occurred.

Section 3 restricts sales under section 1 to persons unable to obtain sufficient feed for their livestock without undue financial hardship and who agree to use the grain purchased by them only to feed such livestock. The Secretary would, of course, be expected to work out a program under which the normal channels of trade might be used in making such sales.

Section 4 imposes a penalty to be collected by civil suit upon any person who breaches his agreement to use feed purchased under section 1 only for his own livestock. The penalty would equal the market value of the feed with respect to which the breach occurs.

Section 5 authorizes the Secretary to permit the harvesting of hay from conservation reserve lands if the Governor certifies the need therefor and the Secretary determines that such harvesting is necessary to alleviate damage, hardship, or suffering caused by a natural disaster. This authority is similar to that which the Secretary now has to permit the grazing of conservation reserve lands, and is based upon the same considerations. The committee felt that it made no sense to provide Government assistance in the importation of hay into a drought area, as has been done in the past, and at the same time to prevent hay growing in the area from being harvested. The Department has indicated that necessary safeguards to prevent abuse of permission to harvest hay might be more difficult to enforce than those applicable to grazing permission. The committee felt, however, that such enforcement problems were not more serious than many imposed on the Department in connection with other programs and should not prevent enactment of this desirable measure. Section 485.163(b)(4) of the conservation reserve program regulations provides that no annual payment will be made if the land is grazed pursuant to permission from the Secretary. It is expected that similar provision would be made if hay harvesting were permitted.

EXISTING FEED GRAIN ASSISTANCE AUTHORITY

Section 407 of the Agricultural Act of 1949 now authorizes the Commodity Credit Corporation to make available any farm commodity owned by it for use in relieving distress "in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress." Section 2(d) of Public Law 38, 81st Congress, authorizes the Secretary "in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress * * * to furnish * * * feed for livestock * * *." A Department press release describes its existing program as follows:

"4. Feed grains: If the President has declared the State a major disaster area, the Secretary of Agriculture may designate specified areas eligible for livestock feed grain programs. In extreme cases, under the disaster relief feed grain program surplus grains are made available on a temporary donation basis to State agencies for feeding distressed livestock. Under the emergency feed program, eligible farmers may receive assistance of $1 per hundredweight in the purchase of surplus grains for maintaining foundation herds of cattle, sheep, and goats. This second program operates through authorized feed dealers."

Because of the legislative and administrative history of these provisions, as well as some differences in the provisions themselves, the Department is reluctant to extend assistance under them in the case of a first-year drought, or to provide relief under them for hogs or other than foundation herds. As pointed out in the discussion herein of section 2, the criteria for designation of an area for feed assistance under the bill are less stringent than those provided for by existing law. On the other hand, where existing law authorizes donations, the bill goes only so far as to permit the sale at market prices.

IMMEDIATE NEED FOR BILL

In introducing the bill Senator MUNDT described the situation in his own State which made its introduction necessary as follows:

"This bill has been drafted to provide the Secretary of Agriculture with the necessary statutory authority to meet a critical feed situation which currently exists in many counties throughout my home State of South Dakota. South Dakota has been hit by severe drought conditions, and it appears certain that the production of corn and other feed grains is going to be far below the normal annual volume. Feed grain producers, anticipating this low harvest, are holding in storage corn and other feed grains, which would normally be moving into the market. This retention of feed from the market is occurring for at least two reasons. First, many South Dakota feed grain producers are also engaged in livestock production. Normally these farmers feed a portion of their crop, and move the remainder into the grain markets. However, this year the portion of last year's crop that would normally be marketed is being held, for it will be required to meet their own feeding needs. Second, other commercial feed grain producers are, undoubtedly, holding a portion of last year's crop in storage, awaiting a more favorable market price.

"The unfortunate result of this retention of feed by producers is that there is simply no feed available for purchase in many drought-stricken areas at the normal markets. Thus, livestock feeders and producers who are not diversified and who do not raise their own feed are not able to purchase their feed requirements.

"I have received numerous letters from livestock men and farmers who request that the surpluses owned by the Commodity Credit Corporation be made available for purchase at the existing market prices. I am advised that Commodity Credit Corporation has approximately 44 million bushels of corn in storage in South Dakota.

* * * * *

"It is patently obvious that livestock producers and feeders cannot afford to pay the premium prices for feed, which are required under the existing statutes. It is equally obvious that the current feed shortage cannot persist much longer without causing irreparable damage to the livestock industry in South Dakota. The feed shortage is so severe in some areas of the State that producers are sincerely fearful of depredation of foundation herds. Should this tragedy occur, it would be a matter of years before the South Dakota livestock industry would be fully recovered."

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of August 8, 1959, for a report on S. 2504, a bill to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

This Department does not recommend the enactment of S. 2504.

Section 1 of the bill provides notwithstanding the provisions of section 407 of the Agricultural Act of 1949, the Secretary of Agriculture is authorized to sell, at market prices, any wheat, corn, oats, barley, rye, or grain sorghums owned by the Commodity Credit Corporation, to provide feed for livestock in any area determined by him to be an emergency area.

Section 2 provides that the Secretary may designate any area as an emergency area for the purposes of this act if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe, there is a shortage of feed for livestock in such area.

Section 3 provides that the Secretary shall not sell feed grains under this act to any person unless he is satisfied that such person does not have, and is unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by him, and unless such person agrees to use the feed grains only for feed for such livestock.

Section 4 provides a penalty provision in case of misuse of feed provided under the bill.

Section 5 amends section 107(a)(3) of the Soil Bank Act authorizing the Secretary to permit producers, under emergency conditions, to harvest hay on conservation reserve acres.

Our major objection to S. 2504 stems from section 2 which would place responsibility in the Secretary for designating any area as an emergency area as a result of catastrophe if he determines there is a shortage of feed therein. No standards are provided for evaluating the extent of the catastrophe. There appears to be no need for such additional authority. Present provisions of section 407 enable the Secretary to make available such supplies of commodities, including feed grains, owned or controlled by Commodity Credit Corporation as are deemed necessary in connection with major disasters determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended. In this situation, therefore, additional authority in this field not only is unnecessary but would unduly complicate operations and determinations required to be made in view of present legislation.

The first section of the bill authorizing sales at market prices of CCC-owned feed grains including wheat, for livestock feed, in areas determined by the Secretary as emergency areas, would give rise to additional problems. For example, such sales could have price-depressing effects on the normal marketing of livestock feeds through established commercial trade channels. Aside from interference with normal commercial transactions, such sales could seriously impair effective price-support operations in the designated areas. Net result, then, may require the takeover of larger quantities of these commodities under the price support program and lead to increased losses.

Section 5 would amend section 107(a)(3) of the Soil Bank Act by authorizing the Secretary to allow the producer to harvest hay on conservation reserve acres which are under contract under certain emergency conditions. No provision is made for this in the present law which permits the farmer in a specified disaster area who has livestock to graze the designated acreage during the emergency period. Permission to harvest hay from the land would open the door to abuses of the program and defeat of the purposes by permitting the harvest of hay from the acreage and sale of that hay at a later date, long after the emergency is past. To prohibit sale would require the employment of additional persons to check and an additional procedure for checking and spot checking. Farmers participating in the program in other areas would be unable to understand why hay could be cut for storage and sale in one area and not from theirs. When under present law the growth on the land is permitted to be pastured in a disaster area, it alleviates the problems of the man who owns cattle and does not create additional problems and pressures.

In view of the telephone request for immediate submission of this report in order that the committee may consider it immediately, we have not obtained advice from the Bureau of the Budget regarding the relationship of this proposed legislation to the program of the President.

Sincerely yours,

E. L. PETERSON,
Acting Secretary.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, the Secretary of Agriculture is authorized to sell, at market prices, any wheat, corn, oats, barley, rye, or grain sorghums (hereafter referred to as feed grains), owned by the Commodity Credit Corporation, to provide feed for livestock in any area determined by him to be an emergency area under section 2.

SEC. 2. The Secretary may designate any area as an emergency area for the purposes of this Act if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe, there is a shortage of feed for livestock in such area.

SEC. 3. The Secretary shall not sell feed grains under this Act to any person unless he is satisfied that such person does not have, and is unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by him, and unless such person agrees to use the feed grains only for feed for such livestock.

SEC. 4. Any person who fails to carry out an agreement entered into under section 3 with respect to any feed grains purchased under this Act, or who disposes of any such feed grains other than by feeding to livestock owned by him, shall be subject to a penalty equal to but not in excess of the market value of the feed grains involved, to be recovered by the Secretary in a civil suit brought for that purpose.

SEC. 5. Section 107(a)(3) of the Soil Bank Act is amended by inserting before the period at the end thereof a comma and the following: "and except that the Secretary may authorize the producer to harvest hay on such acreage if, after certification by the Governor of the State in which such acreage is situated of the need therefor, the Secretary determines that it is necessary to permit such harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster."

THE PONY EXPRESS

Mr. ALLOTT. Mr. President, the pages of American history glow with no more romantic, glorious episodes than those which deal with the era of the pony express. The spirit and daring of its riders has held the wonder of generations of American boys. The brief history of this gallant band of men is one which must be preserved, however, best we can. My distinguished friend, the very able senior Senator from Utah [Mr. BENNETT] has introduced a bill which seeks to accomplish that end, and I am privileged to cosponsor S. 2454.

In keeping with the aims of the bill and of the Pony Express Centennial celebration, I wish to invite attention to a very colorful history written by my good friend of 25 years, Rev. Raymond W. Settle. It is entitled "The Pony Express: Heroic Effort, Tragic End."

Reverend Settle spent 7 years in my hometown of Lamar, Colo., during which time my knowledge and appreciation of Western lore was enhanced by this remarkable man. As teacher, author, and clergyman, Raymond Settle has established for himself an outstanding reputation as a chronicler of the West.

So that my colleagues may share the excitement of reading again of those splendid days of yesteryear, I ask unanimous consent that excerpts from the article be printed at this point in the RECORD.

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

THE PONY EXPRESS: HEROIC EFFORT, TRAGIC END

(By Raymond W. Settle)

Everyone connected with the Pony Express knew, from the very beginning, that it would operate only temporarily. On April 3, 1860, in a celebration commemorating the start of the first rider from St. Joseph, Mo., Alexander Majors, partner in the firm of Russell, Majors & Waddell, which founded, operated, and owned the Express, said in a speech that it was but the forerunner of "a more important and greater enterprise, which must soon reach its culmination, viz., the construction of a road upon which a tireless iron horse will start his overland journey."

Mayor M. Jeff Thompson grew prophetic on the same occasion, and said "Hardly, will the cloud of dust which envelops the rider die away before the puff of steam will be seen upon the horizon."

That a railroad from the Missouri River to the Pacific coast, which both speakers had in mind, would make the Pony Express unnecessary and terminate its service was both logical and inevitable. William H. Russell, another partner in the firm of Russell, Majors & Waddell and president of the Central Overland California & Pike's Peak Express Co., who had helped promote several short railroads in Missouri a few years before, also knew this, and so did William B. Waddell, the third partner.

Public interest in a transcontinental railroad across the plains and mountains was keen, and mounting year by year. Mayor Thompson and the people of St. Joseph had been dreaming dreams and seeing visions about the proposition for a long time. The recent completion of the Hannibal & St. Joseph Railroad, the first to be built across the State, and plans to push the Roseport & Palmetto line across the plains of Kansas to Denver, with the expectation of later extending it all the way to the Pacific coast, made them believe their little city of St. Joseph was destined to be the gateway to the boundless West.

Since the Pony Express constitutes an important segment of the story of transporting U.S. mail to the Pacific coast, it is necessary to outline that broader narrative here. It all began with the discovery of gold at Sutter's mill in California on January 24, 1848. During the following year 100,000 people rushed into that region seeking riches. In 1850 the population was estimated to be about 300,000. By the time the Pony Express was started it numbered almost 400,000.

The first agitation for mail service to the Pacific coast was promoted by immigrants to Oregon. In March 1847, a bill to provide this service, which included the building of five steamships under the supervision of the Secretary of the Navy, was passed by Congress. While the ships were being constructed, contracts for transporting the mail to Oregon via the Isthmus of Panama were let. The one for the Atlantic end of the line went to A. G. Sloo, of Ohio, and that for the Pacific to Arnold Harris, of Arkansas. In April 1848, William Aspinwall formed the Pacific Steamship Co. Sloo transferred his contract to George Law, and that of Harris went to Aspinwall. The service was to be once a month, with a stop at the infant town of San Francisco. While the first steamer, the *California*, was en route to the Pacific around Cape Horn, gold was discovered at Sutter's mill. When the ship reached San Francisco she was left stranded in the bay by her entire crew, who stampeded off to the gold diggings.

From the beginning the once a month arrangement was unsatisfactory to the people of Oregon and California. The majority in both territories, having come overland from the Missouri River, were convinced that a mail line over the same road would render far better service than a sea route via Panama.

The people of the west coast not only wanted more frequent, regular service, but also a speedier one. After several unsatisfactory attempts to establish a line on the central route by way of Salt Lake City, Congress, in 1857, authorized a semiweekly overland mail to California on a 25-day schedule, with pay of $600,000 per year.

The route, chosen by the Postmaster General, ran from St. Louis through Little Rock, Ark., El Paso, and Preston, Tex., Forts Fillmore and Yuma, Ariz., to San Diego and San Francisco—a distance of approximately 2,800 miles. In the East it became known as the Horseshoe or Ox-bow Route.

The contract to carry the mail over this long route was given to the Overland Mail Co., whose president, John Butterfield, was also one of the organizers of the American Express Co. This concern, which had much to do with the Pony Express during the last 4 months of its existence, was organized and financed by representatives of the four principal express companies in the country, the American, Adams, National, and Wells Fargo.

Before service on this line began, a storm of protest over its length was raised in California and the East. In spite of complaints, however, Butterfield laid out his route, built stations, bought equipment, and stocked it with good horses. Service began on September 16, 1858. The criticisms continued in spite of the fact that the coaches ran with amazing regularity and on schedule time.

About the time the Overland Mail Co. went into operation, gold was discovered in Colorado. The great number of people who flocked to the new El Dorado on Cherry Creek led William H. Russell and John S. Jones to organize the Leavenworth & Pike's Peak Express Co. and run a line of stages from Leavenworth, Kans., to the infant town of Denver. The organization of this company introduced Russell to the stagecoach and express business and opened to him the possibilities of transporting the mail to California over the central route. About a week before the line went into actual operation he bought J. M. Hockaday & Co.'s contract to carry mail from the Missouri River to Salt Lake City.

The Leavenworth & Pike's Peak Express Co. was destined for only a brief existence. Because of the firm's inability to pay running expenses and notes owing for equipment and stock, Russell, Majors & Waddell were compelled to take over the line on October 28, 1859. Instead of discontinuing the former, a new concern, the Central Overland California & Pike's Peak Express Co., was organized to absorb it.

Without a doubt competition with the Overland Mail Co. for the business of carrying the mail to the west coast was one of the primary reasons for organizing the new company. On May 11, 1860, the Postmaster General annulled George Chorpenning's contract for carrying the mail from Salt Lake City to the west coast, and awarded it to the Central Overland California Pike's Peak Express Co. This put the company into the stagecoach, express, and mail business for the territory from the Missouri River to California over the central route and in a position to compete with the Overland Mail Co.

Although the Central Overland now had two mail contracts on that route, the combined pay was only $260,000 per year, less than half the amount the Overland Mail Co. received. That, as experience quickly demonstrated, was not even enough to pay the actual expenses of operation. It did, however, encourage the friends and advocates of the central route to hope that a contract to carry all of the mail might be eventually secured.

In normal circumstances and with the pony express to dramatize and keep that route in the public mind, both in the East and West, the firm of Russell, Majors & Waddell and their new company might have wrested the great mail contract away from its rival, the Overland Mail Co. The struggle between the giants, however, never progressed beyond the preliminary stage of jockeying for position. The probabilities are that had the threat of civil war been abated in 1860 there would have been two lines with profitable mail contracts covering them. The one could have served southern California, and the other the central and northern portion and the Northwest. Under this arrangement good service could have been provided and the sectional controversy over the routes satisfactorily compromised.

When Congress convened in December 1860, the hoary battle of the routes was resumed. In spite of the fact that Southern influence and power declined daily by the secession of States and the resignation of Members of both Houses, the struggle promised to be almost as bitter as ever.

On February 2, 1861, the annual post route bill, which provided for a daily mail from the Missouri River to California with pay of $800,000 per year, was introduced. This did not designate the central route, but apparently its backers had it in mind. Senator William M. Gwen, of California, thought the pay should be $1 million and that the contract should go to Russell, Majors & Waddell and their Central Overland California & Pike's Peak Express Co.

William H. Russell and William B. Dinsmore, president of Adams Express Co. and also John Butterfield's successor as president of the Overland Mail Co., were both in Washington at this time. Moreover, they were without doubt carrying on negotiations relative to the consolidation of the two routes. That this was so is indicated by the fact the Post Office and Roads Committee of the Senate was debating this very thing. What happened later regarding those routes and the plan adopted by the rival companies is further evidence of it.

Unfortunately a common sense plan did not mature. While the post route bill was being debated in the Senate, and before the Post Office and Roads Committee of the same body had made a report, word reached Washington that the Overland Mail line had been "cut up by the roots" by the Confederates in Texas and all its stages stopped. This was all too true. The mail had been halted at Fort Smith, Ark., in the East and Tucson, Ariz., in the West. The stage station at Syracuse, Mo., and the principal railroad bridges on the Missouri Pacific Railroad west of St. Louis had been burned. Service on the southern route was never resumed. For a period of approximately 3 months the only mail service the people of the west coast had was carried to them by pony express and the Russell, Majors & Waddell Co., or by sea.

If this company ever received any extra pay for the added burden and expense it cheerfully bore during that interim, no record of it exists. The Overland Mail Co., however, received full pay during the time its line was out of commission and $50,000 besides for losses in stock and equipment.

With Texas out of the Union and Confederate Forces being rapidly mobilized in Arkansas and Missouri, it was obviously impossible to continue the transportation of mail to California over the southern route. For the time being the Overland Mail Co. was out of business, a casualty of the war.

The breaking up of that company's line and the stopping of mail to California over it presented the Government with as pretty a dilemma as one could hope to find. The Overland Mail Co. had faithfully discharged its obligations under its contract, and the stoppage of the mail to California could in no manner be charged to it. The case was so simple and plain that everybody's sympathy was aroused, and no one thought of attempting to find grounds for annulling the contract and awarding it to the Central Overland California & Pike's Peak Express Co. Neither was there any complaint against the Central Overland's handling of the mail on the central route; nor was there any reason for annulling its two contracts and awarding them to the Overland Mail Co. To further complicate the situation, the financial condition of both companies, plus the shattered economic structure of the whole country, made it almost impossible for either of them to secure large loans which would be necessary if one company were to attempt to carry the whole burden alone.

The truth of the matter was there was no simple, easy way out of the dilemma. The

Overland Mail Co. had the main contract for transporting mail to California, but no line over which to travel. The Russell, Majors & Waddell Co. had two minor contracts and the only open, unexposed route. What to do? Solution of the dilemma by the process of annulment and the certain ruin of one of the contractors was not considered.

And something had to be done, for the regular flow of mail to and from California had to be maintained at any cost. A movement to carry that State out of the Union, or divide it north and south, was already being promoted with some promise of success. If California seceded, her gold would be denied the hard-pressed Union. Furthermore, if that catastrophe occurred, the position of Oregon and Washington would be jeopardized.

Without a doubt the dilemma was solved by an understanding between William H. Russell, William B. Dinsmore, and congressional leaders as to what could and should be done in the crisis. Five days after the news of the disaster to the Overland Mail Co. reached Washington, the Senate Finance Committee reported the post office appropriation bill. This provided for the bodily removal of the Overland Mail Co. from the southern to the central route, letter mail on a 20-day schedule 8 months of the year and 23 days for the remaining time, and the continuation of the Pony Express semiweekly until the transcontinental telegraph line was completed. The pay was $1 million per year.

The swift, smooth progress of the bill through both branches of Congress, together with what happened immediately afterward, indicates previously considered plans, harmony, and understanding between all parties concerned.

The bill was approved by President Buchanan on March 2, 1861, and became the law of the land immediately. On March 12, E. S. Childs, Acting Second Assistant Postmaster General, officially notified Dinsmore that the Postmaster General had ordered service discontinued on the southern route by the Overland Mail Co. and that a like service was to be performed on the central route. This service was to begin July 1, 1861. Four days later, March 16, Russell and Dinsmore signed a contract in New York, under which the central route was divided into two sections with each assuming operation of one of them.

Everybody concerned with this great contract was satisfied with its provisions. Russell wrote William B. Waddell that it was "all the company could ask, and as much as I ever encouraged them to hope for, and withal an A No. 1 contract, one that will pay big money if well managed, I am content. We should get the thing up right, work it with energy, and with its results entirely relieve R. M. & W."

Russell's feeling of satisfaction with the contract was fully justified. In the first place, he and his partners, Majors and Waddell, would receive $220,000 a year more for operating over approximately half the route from the Missouri River to Salt Lake City than they were then receiving for covering the whole line to Placerville, Calif. It is true that the cost would be greater, but with improved facilities an increase in passenger and express receipts was expected. Considering the precarious condition of the company, the new contract was a windfall indeed.

Dinsmore was also highly pleased with the contract. Hiram S. Rumfield, agent for the Overland Mail Co. at St. Louis and later at Salt Lake City, said that after the service on the southern route was stopped the proposition of abandoning the business altogether was freely discussed by the officers of the company. He also said that the contract with Russell was "regarded as advantageous to the Overland Mail Co."

Technically, and according to the provisions of the bill passed by Congress, the Overland Mail Co. was the sole mail contractor on the central route. Not only that, orders for service upon that route were delivered only to that company. Under a strict interpretation of the bill the Central Overland California & Pike's Peak Express Co. would be put entirely out of the business of carrying the mail and operating the pony express over the central route.

It was not so intended and did not turn out that way. Under his contract with Russell, Dinsmore surrendered the eastern division, the best and easiest managed half of the line from the Missouri River to Salt Lake City. For his own company he retained the more difficult, hazardous western division. This was the obvious thing to do since Russell's company, being familiar with the eastern division and already established upon it, could carry on as usual during the critical period of change and readjustment. In addition the western end of the old Overland Mail line on the southern route, not having been raided as was its eastern sections, still retained intact its stock, equipment, and personnel. Therefore the simplest, easiest, and cheapest way to put the new line on the central route into operation was to move it all north from southern California to Placerville.

Convenience and economy probably account for making Placerville the western terminus of the Overland Mail Co. line instead of Sacramento. The situation regarding that short 50-mile stretch was practically identical with that on the eastern division. The Pioneer Stage Line was already successfully operating a line of daily stagecoaches between Virginia City and Sacramento. Arrangements were therefore made with that company whereby it assumed responsibility for the mail, express packages, and passengers from Placerville onward.

Under the provisions of the bill passed by Congress, the Pony Express line also ended at Placerville. The arrangement with the Pioneer Stage Line and the fact that the telegraph line now extended eastward to Fort Churchill made it unnecessary, so far as the Overland Mail Co. was concerned, for the express to go farther.

In view of the oft-repeated statement that the pony express never had official Government recognition or sanction, it is significant that the bill not only expressly stipulated that the express should be operated, but also fixed the fee to be charged. After July 1, 1861, and as long as it operated, it was a Government authorized service running on a schedule included in the law.

It has been claimed that Wells Fargo Express Co. made the reductions in pony express rates in 1861—from $5 to $2 an ounce in April and to $1 on July 1. Wells Fargo had nothing whatever to do with these changes, although on April 15 William H. Russell appointed it temporary agent for the Central Overland California & Pikes Peak Express Co. in San Francisco. Since the contract with Dinsmore was already signed, this appointment would expire on July 1. With these simple and relatively unimportant facts as a basis, the exaggerated claim has been made that Wells Fargo Express Co. rendered a great public service by reducing pony express rates.

The plain truth is that Wells Fargo Express Co. was merely acting temporarily as agent for the Central Overland California & Pike's Peak Express Co. during the interim between the passage of the bill providing for the removal of the Overland Mail Co. to the central route and the first of July, a period of a few weeks. During that period Wells Fargo's duties and responsibilities were identical with those of other agents elsewhere—in St. Louis and Chicago, for instance, where activities consisted of handling express and passenger business, pony express letters, and carrying out instructions as agent from the company. Among those instructions was the reduction of pony express rates from $5 to $2 per ounce. Thus whatever praise is due anyone for this reduction must go not to the agent but to the Russell, Majors & Waddell Co., who alone had exclusive authority to make it.

The second reduction, on July 1, was made by act of Congress, with which the Overland Mail Co. and the Central Overland California & Pike's Peak Express Co. were obliged to conform. No more need be said on this particular point. So far as the actual history of the pony express is concerned, and under normal historical circumstances, the reduction of rates in 1861 would be merely one of many minor points worthy of no more than brief mention. However, since the reduction has been made the basis for inflated claims and sweeping misstatements designed to elevate Wells Fargo to the detriment of the daring men, William H. Russell, Alexander Majors, and William B. Waddell, who founded, financed, and operated the pony express, a detailed analysis of the rate reductions is necessary here.

The question of why in April 1861, Wells Fargo Express Co. issued its first two adhesive franks, the so-called pony express stamps with the likeness of a pony express rider upon them, when it had nothing of that kind of its own, is a rather intriguing one. One answer could be for its use as agent, and the other that it was preparing to inaugurate a pony express on the 50-mile section between Sacramento and Placerville on July 1 when the Overland Mail Co. would take over the western division of the central route.

Without a doubt the starting of that line figured in the negotiations between Russell and Dinsmore, as did the arrangement with the Pioneer Stage Line prior to the passage of the overland mail bill by Congress. On June 26, 1861, Wells Fargo Co. advertised that beginning July 1 it would "run a pony express from San Francisco to Placerville on Wednesdays and Saturdays * * * connecting with the Overland Mail Co.'s pony express from Placerville to St. Joseph." The latter was, of course, the original pony express. In the meantime the Overland Mail Co. appointed Wells Fargo its agent in San Francisco. Just here it should be borne in mind that the management and operation of these pony express lines were two separate, unrelated functions. Although the advertisements stated that the Wells Fargo line would run from San Francisco to Placerville, it was understood that letters from the former city would go to Sacramento by boat.

Philatelic journals indicate that on July 1 Wells Fargo Express Co. issued three new adhesive franks. These consisted of a $1 red, a $2 green, and a $4 black, which complied with the rate stipulated in the overland mail bill. These were followed by others of 10- and 25-cent values in 1862. In addition to those bearing the likeness of a pony express rider, others of a different design were later issued.

The idea for these adhesive franks was neither new nor unique. Boyd's City Express, New York City, used them as early as 1844. The first of this type used in the United States, antedating the gummed postage stamp by about 5 years, was used by the City Dispatch Post, New York, in 1842. Adams & Co., which started in the express business in California in 1849, put out two of them in 1854. These were the earliest issued west of the Mississippi River. In 1861 scores of letter and newspaper city delivery concerns, called by various names, were in operation all over the United States, including California, most of them using adhesive franks.

Neither the fact that Wells Fargo issued these franks nor that letters bearing them

were carried over the original Pony Express line is to be taken as proof that this company had anything whatever to do with the management and operation of either the Central Overland California & Pike's Peak Express Co. or the Overland Mail Co. There was, of course, an arrangement whereby letters bearing these franks were honored, first by the Russell, Majors & Waddell Co. and after July 1 by the Overland Mail Co., and their share of the fee collected. They prove nothing except that Wells Fargo Express Co. advertised that they would run a 50-mile pony express of their own.

The contracts between Russell and Dinsmore having been signed, steps looking toward the beginning of service on July 1 were taken. In the East the Overland Mail Co. stock and equipment, whatever remained of it, was sold to Russell's company. This was possibly in exchange for similar property of the latter on the western division, and doubtless included Pony Express horses, stations, and other apparatus. E. S. Alvord was appointed general superintendent of the whole route, Hiram S. Rumfield was Overland Mail Co. agent at Salt Lake City, and H. Montfort, agent for the Pioneer Stage Line at Sacramento, filled the same office there. Fred K. Cook, assistant treasurer of the company, had his headquarters at Salt Lake City. In southern California, William Bulkley, superintendent of the Coast Route from Los Angeles to San Francisco, and his assistant, James G. Beggs, moved horses, stagecoaches, and other equipment north to Placerville. Some of the old Overland Mail Co. employees went along, but most of the station keepers, stock tenders, and Pony Express riders in the employ of the Central Overland California & Pike's Peak Express Co. retained their jobs.

It is indeed unfortunate that after almost a century the personalities of William H. Russell, Alexander Majors, and William B. Waddell, the men who founded the Pony Express, and heroically bore the disastrous expense of it, should be obscured, and the name of Wells Fargo Express Co., which was not responsible for it in any manner at anytime, be more prominently associated with it in the public mind. It is interesting to note that prior to the year 1930 there is nothing in documented history which even purports to connect Wells Fargo with the origin, management, or operation of the Pony Express. But following the lead of misinformed writers, publicity agents, and motion picture producers, vast numbers of Americans of all ages today believe this untruth.

On June 16, 1860, about 10 weeks after the first Pony Express riders took off at both ends of the line, Congress authorized the enterprise that would terminate its career some 18 months later. This was the passage of a bill instructing the Secretary of the Treasury to subsidize the building of a transcontinental telegraph line to connect the Missouri River and the Pacific coast, to an amount not to exceed $40,000 per year for 10 years.

The passage of the bill resulted in the incorporation of two companies to build the line—the Overland Telegraph Co., of California, and the Pacific Telegraph Co., of Nebraska. On July 4, 1861, Edward Creighton began building the latter company's line westward from Julesburg, Colo., toward Salt Lake City. Twelve hundred miles to the west on the same day at Fort Churchill, James Gamble set the first pole in the Overland Telegraph Co.'s eastward reaching line, and a race to be the first to reach Salt Lake City was on.

While the lines were under construction the pony express operated as usual. Letters and newspapers were carried the entire length of the line from St. Joseph to Sacramento, but telegrams only between the rapidly advancing wire ends. The pony express riders, who knew that the meeting of the lines in Salt Lake City would terminate their occupation, took a deep interest in the progress of the work. They carried news and reports from one construction crew to another and were able to forecast, almost to a day, when the job would be completed.

Creighton won the race by setting his last pole in Salt Lake on October 20, 1861. Four days later Gamble's crew arrived. On the 26th the wires were joined, and San Francisco was in direct telegraphic connection with New York. On that day the pony express was officially terminated, but it was not until November that the last letters completed their journey over the route. Thus the telegraph, and not the transcontinental railroad as prophesied by Alexander Majors and Mayor M. Jeff Thompson in St. Joseph on April 3, 1860, brought an end to the pony express.

As a final salute to the pony express the following editorial written by Mr. McClatchy, of the Sacramento Bee appeared in his Daily Bee, Sacramento, Calif., October 26, 1861:

"FAREWELL PONY

"Our little friend, the pony, is to run no more. 'Stop it,' is the order that has been issued by those in authority. Farewell and forever, thou stanch, wilderness-overcoming, swift-footed messenger. [For the good thou hast done we praise thee; and, having run thy race, and accomplished all that was hoped for and expected, we can part with thy services without regret, because, and only because, in the progress of the age, in the advance of science and by the enterprise of capital, thou hast been superseded by a more subtle, active but no more faithful public servant.] Thou wert the pioneer of a continent in the rapid transmission of intelligence between its peoples, and have dragged in your train the lightning itself, which, in good time, will be followed by steam communication by rail. Rest upon your honors; be satisfied with them, your destiny has been fulfilled—a new and higher power has superseded you. Nothing that has blood and sinews was able to overcome your energy and ardor; but a senseless, soulless thing that eats not, sleeps not, tires not—a thing that cannot distinguish space—that knows not the difference between a rod of ground and the circumference of the globe itself, has encompassed, overthrown and routed you. This is no disgrace, for flesh and blood cannot always war against the elements. Rest, then, in peace; for thou hast run thy race, thou hast followed thy course, thou hast done the work that was given thee to do."

The following notice of discontinuance of the pony express appeared as an advertisement in the Sacrameno Union, Sacramento, Calif., page 2, column 6, October 26, 1861:

"Pony express will be discontinued from date.

"WELLS, FARGO & CO.
"Agents.

"SACRAMENTO, *October 25, 1861.*"

Through approximately 18 months of variable weather, Indian disturbances, and almost insurmountable difficulties, the express had faithfully discharged its responsibilities in such a manner as to win unstinted, unanimous praise. During that time 308 runs were made, covering a total distance of 616,000 miles. On those runs 34,753 letters were carried, with the loss of only one mochila. Of the total, 23,356 letters originated in California and 11,397 in the East. Estimated receipts were $91,404, of which the West supplied about two-thirds, or $60,844.

From the very start it was evident that the people of California prized the pony express more highly than did their countrymen in the East. Everybody on the Pacific coast wanted rapid communication with the rest of the country, but most of the people east of the Missouri River, being preoccupied with the daily unfolding tragedy of the Civil War, were unconcerned. If they wrote to anyone in California at all, and the vast majority of them did not, they were content to send the missive by stagecoach or by sea, even though it took 10 or 12 days longer for it to reach its destination.

The people in the East, however, were no more backward in their use of the pony express than the U.S. Government. Prior to July 1, 1861, the various departments in Washington, including the War Department, mostly ignored it, although there were military establishments at Camp Floyd, Utah, Fort Churchill, Nev., and at various points on the Pacific coast. After that date the Pony Express carried 5 pounds of mail per run, 32 pounds per month, for the Government free of charge.

About the time Russell and Dinsmore signed their contract, an undated "Estimate of Receipts and Disbursements" from May 1, 1861, to July 1, 1862, by the Central Overland California & Pike's Peak Express Co. was prepared and a copy sent to William B. Waddell. This shows an expected 500 letters per trip each way, or 2,000 per month, with total receipts of $120,000 for the 14-month period.

This estimate, as proved by actual subsequent experience, was far too optimistic, as were most of the other items in it. Alexander Majors sadly remarked many years later that the pony express cost him and his partners $100,000. This statement made without access to actual balance sheets is, without doubt, much too conservative. The probabilities are that it cost them approximately half a million dollars.

Early in the organizing of the pony express, Benjamin Holladay, an old friend and business associate of Russell, made loans and advanced money to the Central Overland California & Pike's Peak Express Co. By July 1, 1861, when the Overland Mail Co. moved onto the central route, these loans amounted to $200,000. On April 26 of that year at a meeting of the board of directors of the Central Overland California & Pike's Peak Express Co., Russell resigned as president, and Bela M. Hughes, his old friend and formerly agent for Russell, Majors & Waddell at St. Joseph, was elected to the office. On the following July 5 in another meeting of the board, Hughes was instructed to give Holladay a note and deed of trust upon the entire personal property of the company. For some reason this was not done until 4 months later.

Since the financial status of the company showed no signs of improvement, Holladay asked for further protection of his loans and advances. Consequently, on November 22, 1861, almost a month after the pony express passed out of existence, Hughes and John W. Russell, secretary, were ordered to give him a bond in the amount of $100,000 and a mortgage upon all of its real estate. On the same day the deed of trust authorized the preceding July 5 was made to three trustees, with Holladay as beneficiary.

The progressive measures taken to protect Holladay constitute an index to the declining fortunes of the Central Overland California & Pike's Peak Express Co. Three weeks after the bond and mortgage were given, Holladay declared the bond forfeit and asked the trustees to sell the company under the deed of trust. They complied with his request, and advertised that it would be sold at auction in Leavenworth, Kans., on December 31, 1861. Other creditors, however, secured an injunction, the sale was not made, and the company went ahead as usual.

In spite of heroic measures to finance and rehabilitate the company it went from bad to worse. In derision its own employees dubbed it "Clean out of cash and poor pay." After a hearing in court the injunction was dissolved, and on March 7, 1862, the company was again advertised for sale at auction. There being no interference this time, Holladay bid it in for $100,000. He said it

owed him $208,000 and he would give it to anyone who would reimburse him for his bid and the loans he had made.

In writing this summarized account of great and involved events, the author is animated by two motives—to give everyone concerned whatever credit is due him, and to correct certain widely believed errors and misstatements of fact. The story of Wells, Fargo Express Co. is one of the most thrilling, most fascinating in the whole range of American history. Its contribution to the building of the West was incalculable, and the men who created and operated the business rank with the greatest organizers and promoters the country has produced. The measure of praise due them is exceedingly large.

On the other hand, to credit that company with important things someone else did and lavish unearned praise upon it to the detriment of the ones who actually did those things is not right. Nevertheless, that unworthy act has been committed by misinformed, careless, or selfish persons willing to profit by the misinterpretation or misstatement of thoroughly documented historical fact.

MILITARY AIR TRANSPORT SERVICE

Mr. ALLOTT. Mr. President, I have followed with a great deal of interest, as a member of the Appropriations Committee, the continuing discussion of the proper policies for future development of the Military Air Transport Service. I have concluded, as it seems to me anyone who really looks at the problem must, that the complexities of the problem are tremendous.

It is very difficult to reduce the whole problem into manageable proportions which can be handled in terms of how much money should be spent for what. But, without going into all the ramifications, it seems to me it helps to look at MATS operations in terms of its two principal missions:

First, and most important, is a hard-core mission of strategic air transportation in an emergency. This requirement necessitates instantaneous reaction on the part of airlift forces, is of a relatively short duration, and would take place during the first days of a war or general emergency. The hard-core requirements can be properly measured in terms of number of trips or sorties rather than on a ton-mile basis.

Second, the remaining MATS wartime airlift requirements are not directly related to the execution of war plans, and are sustained air logistic or airline-type requirements measurable in terms of ton-miles. These wartime, like peacetime, logistic requirements could be satisfied by either MATS military operation or civil carriers. To have these wartime requirements levied on MATS transport fleet, however, reduces MATS ability to fulfill its hard-core requirement in addition to placing a greater financial burden upon the Department of Defense in peacetime.

The hard-core requirement can best be met by a transport force operated at a low utilization rate—approximately 1 to 1.5 hours per day per aircraft—and kept in a high in-commission or readiness status in a manner similar to the combat forces it is designed to support. Although the utilization rate of about 1 to 1.5 hours would surge upward at the outbreak of war, the fleet need not sustain the increased rate, since the hard-core airlift requirement exists for a relatively short period of time. The MATS transport fleet is currently operated at a vastly higher utilization rate than the forces it is designed to support. Moreover, it is operated at a higher utilization rate than all other military air transport forces that have a hard-core mission to perform. MATS' own troop carrier units, like all other Air Force air transport forces, operates at less than one-third of the MATS transport fleet utilization rate. These military transport bills, including MATS' own troop carrier units, are hard-core transport forces.

The current MATS transport fleet utilization rate is considerably over and above that required for MATS to be capable of handling its hard-core wartime requirements. Its utilization rate, in fact, is designed to enable MATS to perform both its hard-core requirements as well as most of the sustained airline-type logistics job. In this connection, it should be noted that if the civil carriers did not possess their current capability the wartime airlift requirements to be met by MATS aircraft would be greater than is currently the case. It likewise follows that if the civil carriers' capability is increased, the MATS wartime logistics requirements would be correspondingly lessened. Thus, by increasing the civil carriers' capability, the scope and nature of MATS operation can be reduced to and concentrated upon the hard core in both peace and war, with civil carriers performing the logistics role. Such a reorientation of MATS operation would produce widespread national defense and economic benefits.

The Department of Defense, the Federal Aviation Agency, and the airlines themselves, together with all other interested groups, are working diligently to come up with a solution to this problem so critical to the national interest. I understand that some of our domestic and international airlines have requested permission of the CAB to meet with the Defense Department to work out a long-range plan. I trust and hope that permission will be granted so that we may move rapidly and promptly toward a reasonable plan for military air transportation.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

OPPOSITION TO PROPOSAL TO INCREASE FEES FOR ENTRANCE TO NATIONAL PARKS

Mr. ALLOTT. Mr. President, there has been some discussion here in recent weeks on the future of our national parks. In this regard, an article by Marion Clawson was printed in the RECORD. Coming from an area of parks, monuments, and forests, I have a deep and personal interest in the future development of these great recreational areas. We, in Colorado, and our friends, who drive many hundreds of miles to visit with us, use them and enjoy them, in many different ways. Mountain climbers—vigorous and skilled—thrill to the challenge and the grandeur of the rugged, isolated peaks in Rocky Mountain National Park. Others, who enjoy the same thrill more vicariously from the Trail Ridge Road—which is also U.S. Highway 34—often have only a few, fleeting hours to spend in the wonderful park. And so it goes: each person who can do so uses the parks and the mountain areas according to his own desire, his own time, and his own resources.

We have in this Nation a growing amount of leisure time. I agree that everything possible must be done to make our public wonders available for all of the many good uses which can come through these leisure hours. I do not agree with Mr. Clawson's theory that we should, as he suggested, increase entrance fees by more than eightfold and "to initiate other, direct measures to reduce the casual visits to national parks."

Secretary of the Interior Fred A. Seaton vigorously defended the right of all Americans to visit their national parks without paying excessive entrance fees, in a letter to Bruce M. Kilgore, editor of National Parks magazine. The editor had asked the Secretary to comment on Mr. Clawson's article in the July issue of the magazine.

Mr. President, I ask unanimous consent that Mr. Seaton's letter be printed at this point in my remarks.

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

AUGUST 12, 1959.

DEAR MR. KILGORE: Thank you for your letter of July 14 calling attention to the marked article "Our National Parks in the Year 2,000," by Marion Clawson, in the July 1959 issue of National Parks magazine. You invite me to comment on the article.

Mr. Clawson makes three suggestions, and on the first two I am in general agreement with him.

1. "There needs to be ample opportunity for outdoor recreation in places other than national parks." Traditionally, this Department has worked with all public agencies concerned with the provision of outdoor recreation. The Park, Parkway, and Recreation Area Study Act of June 23, 1936, was an outgrowth of this policy. You are familiar with our extensive program of cooperative planning under this law.

2. "Instead of urging people to come, let us urge them to stay. Let us try to make the visit of the typical citizen a little richer, with more emotional and intellectual depth." The Department is attempting to do everything it reasonably can to make possible a significant and meaningful experience for visitors to the parks instead of trying to rush great numbers in and out, as in a railroad station.

Major emphasis in our 10-year Mission 66 project, launched in 1956, is placed on the national park interpretive and campground program to encourage people to stay and learn more about the parks. It has also been a traditional policy of the Department to encourage wilderness preservation and the use of the back country in the parks. Many of the concessioners have cooperated in a practical manner, through provision of hikers' camps and other back country facilities and services.

3. In order to reduce casual visits to national parks, Mr. Clawson suggests that entrance fees be raised sharply—"to something in the order of $25 where they are now $3."

No matter how well-intentioned Mr. Clawson may be, and I cheerfully give him credit for being perfectly sincere, on this point it is necessary to disagree with him. It is our conviction that the kind of experience people seek in the national parks, which are supported by and belong to them, should be available to all. As Lincoln reminded us many years ago, ours is a government "for the people"—all the people. No one is in a position to say that another person will not gain significantly from a visit to a national park, even though such a person appears to be interested primarily in recreational enjoyment rather than cultural enrichment.

It is also our conviction that to provide such an opportunity a positive conservation program is necessary. Surely this country is sufficiently resourceful to develop an adequate National Park System for our expanding needs of the future. We are working toward that objective, not only by careful planning and development of existing parks, but through comprehensive planning surveys to determine the kinds and location of areas to be recommended for inclusion from time to time in the National Park System. Furthermore, we are confident the recommendations of the Outdoor Recreation Resources Review Commission will assist materially in pointing out the way to meet the long-range problems in planning outdoor recreation for the American people.

Sincerely,

FRED A. SEATON,
Secretary of the Interior.

Mr. ALLOTT. Among the remarks the Secretary made on which I should like to comment is this statement:

Instead of urging people to come, let us urge them to stay. Let us try to make the visit of the typical citizen a little richer, with more emotional and intellectual depth.

Mr. President, I submit that this is the purpose of the parks system.

Mr. Seaton further said "It is also our conviction that to provide such an opportunity a positive conservation program is necessary," for enjoyment of the park system by the people of the United States.

I am astounded that anyone would introduce for the RECORD, and with approbation, a proposal that we increase the fee system for entrance into the national parks of this country, established by all of the people of the country, old and young, rich and poor, whatever their status may be, so as to provide for fees running as high as $25 for admission to national parks.

Some people who believe or say they believe in a national park system certainly have missed the entire point of our national parks, and it would be a sad day indeed for the recreational facilities of this country if such a proposal were ever entertained.

Mr. President, I propose to speak just a few minutes to another matter.

The PRESIDING OFFICER. The Senator from Colorado is recognized for that purpose.

PROCEDURE ON THE FLOOR OF THE SENATE: PERSONAL STATEMENT BY SENATOR ALLOTT

Mr. ALLOTT. Mr. President, just recently I was forced to take issue with the majority leader on the procedure in the Senate of the United States, when I reintroduced into the RECORD the notes of the reporter which showed conclusively that the Senator from Kentucky had been recognized and the floor was usurped by the majority leader.

I wish to comment on this for a few moments because it seems to me it evidences a trend in the U.S. Senate which I regard with great fear. This was brought out more particularly today when my very good friend, who is now on the floor, the junior Senator from Montana [Mr. MANSFIELD] was holding the floor and yielded it to the junior Senator from Missouri, who spoke for some 20 minutes. During this time the Senator from Montana very properly kept his feet, and, for all purposes was in control of the floor.

I listened to all the remarks of the Senator from Missouri, and, although I take very sharp issue with his conclusions and with the statements he made, I listened to him without interruption. I think there are times when Senators have a right to speak without interruption; and though I disagree violently with the junior Senator from Missouri, and though I believe his suppositions and arguments were erroneous, I listened to him. But when the Senator from Missouri started the farming out process by yielding to another Senator, who spoke for 3 or 4 or 5 minutes, I called for the regular order.

There were some harsh words—biting words—spoken by the Senator from Missouri at that time, which he asked me if he could expunge from the RECORD. I so agreed. But the words remain.

I cannot fail to point out here that the senior Senator from Colorado has probably taken as little time of the Senate as almost any other Member of this body—certainly he has consumed far less time on the floor of the Senate during the past 5 years he has been here than have most other Members. In fact, some Members who are serving their first term have spoken far more in the short time they have been here than the senior Senator from Colorado has spoken in 5 years.

Therefore, I feel very sensitive on this point. On one occasion when I spoke on the floor of the Senate extensively on a certain matter, I was told by the majority leader that I had violated every rule in the book. This statement was expunged from the RECORD.

I wish to make one point clear. I am a lawyer. I have been a practicing lawyer for 30 years. I have a deep regard for the law, and I have a deep regard for the rules of the Senate. I try to abide by them, and I shall continue to try to abide by them. But day after day and week after week I have come to the Chamber seeking recognition to speak for perhaps 3 or 4 or 5 minutes—sometimes a little longer—and have sat here almost invariably from 3 to 5 or 6 hours while much of the time was actually consumed by one Senator who was controlling the floor and farming out time to other Senators.

I regret—and I am sure every other Senator regrets—the necessity of having to rise and ask for the regular order. I regretted it today. But at that time I had been sitting here for about an hour and a half. The Senator from Missouri tells me that at that time he had been here for 3 hours. Therefore, he was also understandably a little warm about the situation; and that was what impelled the acting majority leader to yield to him. I have no objection to that.

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

Mr. ALLOTT. I yield.

Mr. MANSFIELD. The distinguished senior Senator from Colorado has always kept within the rules of this body. If we were strictly to observe the rules as they are laid down in the Senate Manual, that would mean, of course, that we would have to remain at our desks while we were speaking. The Senator from Colorado always does that.

It would mean that we would not have the opportunity to parade up and down between the seats, or in front of the Chamber, because we could be called to order.

The Senator from Colorado has always observed the 3-minute limitation; and I can understand why, under certain circumstances, he calls for the regular order.

However, I think the Senator will also understand that this afternoon the situation was a little peculiar, a little different, because of the 2 hours in the morning hour, and the questions inherent in that situation.

I know that the Senator waited patiently. I know that the Senator from Missouri waited patiently. If there is any fault to be found in connection with farming out time, the fault is mine. While I did not do it under the morning hour, I did attempt to rectify some of the difficulties engendered by reason of the morning hour, by farming out time during the course of general debate, while we were trying to make House bill 1 the pending business.

So far as the Senator from Colorado is concerned, to the best of my knowledge he has always followed the rules of the Senate with nice accuracy.

Mr. ALLOTT. I thank the Senator, whom I admire, as he knows, and whom I regard as a friend, for his very kind remarks.

I wished to discuss this subject for a few minutes, because I felt that I had to make my ideas on the subject known.

I feel that in the conduct of the business of the Senate there are times when strict adherence to the exact line of the rules is not a necessity; and I shall never call for the regular order unless I feel that the rules are being abused. I serve notice that I propose, from now on, so long as I am a Member of the Senate, to call for the regular order when I feel that any privilege is being abused. I do not quarrel with the extension of the rule under which the Senator from Missouri was recognized. He had been waiting a long time. I sympathized with him because day after day I have sat here for 3 or 4 or 5 or 6 hours waiting to obtain the floor.

Only in cases of abuse will I ever object; but I put the Senate on notice that I will not personally sit here, especially

when I desire the floor, and consent that any one Senator may farm out time indiscriminately all over the Chamber, with the result that many Senators who desire recognition are left in their seats.

THE INTERPARLIAMENTARY UNION

Mr. ALLOTT. Mr. President, I should like to speak on a subject to which the Senate has paid very little attention. Some 48 years ago the United States formed a group known as the Interparliamentary Union. We were the moving force in it. It was an attempt to bring into a group known as the Interparliamentary Union representatives of the legislative bodies, parliaments, and congresses of the various countries of the world. Today 59 countries are members of that body.

Starting yesterday, the Interparliamentary Union met at Warsaw. The United States is entitled to 21 delegates to the Interparliamentary Union, and it has the next to the largest delegation, Russia having a larger one only by reason of her population. Up until last year, so far as I know, the United States has always been represented at these meetings by its delegation.

Frankly, we are in this position: This body is a meeting of legislators from all over the world. We started the organization. Some of my friends and some of the critics of it have asked, "Why do we not get out of it?" I think we should not get out of it because it has one of the greatest potentials of any organization in existence for international understanding.

The total appropriation for the maintenance of our membership in this organization was increased to $30,000 this year. I think we must admit that it has accomplished more and has done more good than any other organization toward establishing good will and contact with the men who make the laws in other countries.

The Interparliamentary Union started its meeting for 1959 in Warsaw yesterday, the first conference ever held behind the Iron Curtain. It is not being held under Soviet auspices. It is a conference of the Interparliamentary Union, which sets its own place of meeting. It met in Bangkok in 1956, in London in 1957, and in Rio de Janeiro last year.

Because of the situation on the floor of the Senate last year, we sent a very small delegation, but I must say in deference to the Senators who attended that we fared very well. Under the circumstances, they did a magnificent work because the members of the Soviet bloc were trying, of course, to spread Communistic propaganda.

In Bangkok, in 1956, the Russians were all set for a great propaganda offensive directed toward the undeclared nations of the world. But because the United States was represented at the conference in force, we were able to stymie that effort and turn the good will of those countries toward the United States.

The regrettable thing about this situation is twofold: first, that Congress itself does not realize the importance of this particular meeting; second, that we do not have, and will not be able to have, because of the situation upon the floor of the Senate, anything near a full delegation. Several Senators left last night, and I understand that other Senators will, in all probability, leave on Saturday to attend the sessions during the next week.

It is my hope, and I so recommend to the leadership on both sides of the Senate, that some means may be found, if we should find ourselves in a position to do so in another year, to recognize the importance of this particular Conference, no matter who the delegation may be; and that in some way the majority leader and the minority leader may enter into an agreement with respect to the work on the floor of the Senate, in order to enable the United States to be represented by a full delegation at the Conference.

I know that to me, personally, the attendance at the Conference broadened my depth and understanding of international relations and the problems of other countries. I am sure that in the same tone, and by the same token, we bring our ideas to those other countries, and we bring them at a significant point, which cannot be done in any other way, namely, to the men and women who make the laws of the other countries.

Mr. President, I yield the floor.

RECESS UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. PROXMIRE. Mr. President, in accordance with the order previously entered, I move that the Senate recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 15 minutes p.m.) the Senate took a recess, under the previous order, until tomorrow, Thursday, August 27, 1959, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 26, 1959:

DIPLOMATIC AND FOREIGN SERVICE

Harry F. Stimpson, Jr., of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay, vice Walter C. Ploeser.

INTERNATIONAL ATOMIC ENERGY AGENCY

John A. McCone, of California, to be the representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency.

Paul F. Foster, of Maryland, to be alternate representative of the United States of America to the third session of the General Conference of the International Atomic Energy Agency.

IN THE MARINE CORPS

The following-named officers of the Marine Corps to be placed on the retired list with the grade of lieutenant general, pursuant to the provisions of title 10, United States Code, section 5233:

Edwin A. Pollock
Merrill B. Twining

Lt. Gen. Vernon E. Megee, U.S. Marine Corps, to be placed on the retired list with the grade of lieutenant general, pursuant to the provisions of title 10, United States Code, section 5233.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior assistant scientists

Lyle C. Kuhnley
Sotiros D. Chaparas
George R. Healy
Conrad E. Yunker

To be assistant scientist

Kenneth O. Phifer

To be senior assistant health services officers

Virginia Pence
William B. Parsons
Claudia B. Galiher

To be assistant health services officers

Don M. Hufhines
Charles P. Froom

II. FOR PERMANENT PROMOTION

To be senior assistant surgeons

James S. Sullivan
Paul N. Vann
Joseph O. Dean, Jr.
Charles A. Peterson
Paul G. Belau
Donald E. McMillan
Norris D. Buchmeyer

CONFIRMATIONS

Executive nominations confirmed by the Senate August 26, 1959:

DEPARTMENT OF JUSTICE

J. Walter Yeagley, of Indiana, to be an Assistant Attorney General.

U.S. ATTORNEYS

Lynn J. Gillard, of California, to be U.S. attorney for the northern district of California for a term of 4 years.

Charles D. Read, Jr., of Georgia, to be U.S. attorney for the northern district of Georgia for the term of 4 years.

William B. Jones, of Kentucky, to be U.S. attorney for the western district of Kentucky for a term of 4 years.

Russell E. Ake, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years.

U.S. MARSHAL

John H. Phillips, of Mississippi, to be U.S. marshal for the northern district of Mississippi for the term of 4 years.

BOARD OF PAROLE

To be members of the Board of Parole for the term expiring September 30, 1965, now serving under appointments which expire September 30, 1959.

Lewis J. Grout, of Kansas.
Gerald E. Murch, of Maine.

SUBVERSIVE ACTIVITIES CONTROL BOARD

James R. Duncan, of Virginia, to be a member of the Subversive Activities Control Board for a term of 5 years, expiring August 9, 1964.

DEPARTMENT OF STATE

Walter C. Dowling, of Georgia, to be an Assistant Secretary of State.

Eric H. Hager, of Connecticut, to be legal adviser of the Department of State.

INTERNATIONAL MONETARY FUND

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years.

DEVELOPMENT LOAN FUND

Vance Brand, of Ohio, to be Managing Director of the Development Loan Fund.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 26, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Deuteronomy 9: 3: *Understand therefore this day, that the Lord thy God is He who goeth before thee.*

O Thou who art the infallible counselor of our minds, in this moment of prayer, wilt Thou answer our loftiest aspirations with Thy divine inspiration.

We are commending and committing our President to Thy gracious providence as he takes counsel with the leaders of the peace-loving nations.

May Thy Holy Spirit guide them and enable them to register a larger measure of achievement in promoting amity and concord among all the members of the human family.

Grant that, as we face wistfully a future that none can forecast or foresee, we may never be tempted to feel that the better nature of man has expended itself and is incapable of ascending to greater heights.

Help us to fortify our souls with the assurance that the future will be as radiant and bright as the promises of God.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On August 21, 1959:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 4120. An act for the relief of certain officers of the Public Health Service; and

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

On August 24, 1959:

H.R. 4242. An act for the relief of certain aliens;

H.R. 7165. An act for the relief of Filip Lewensztejn (Harry Lipa Levenstein); and

H.J. Res. 405. Joint resolution for the relief of certain aliens.

On August 25, 1959:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 267. An act to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected;

H.R. 271. An act to amend title 38 of the United States Code to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy);

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 1705. An act for the relief of Louis J. DeWinter and Simone H. DeWinter;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 2188. An act to set aside certain lands in Washington for Indians of the Quinault Tribe;

H.R. 2191. An act to designate a stream in California as the "Petaluma River";

H.R. 2193. An act to designate the Coyote Valley Reservoir in California as Lake Mendocino;

H.R. 2398. An act to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania;

H.R. 2405. An act to amend section 101 of title 38, United States Code, to provide that a child shall be deemed to be the adopted child of a veteran where the child was a member of the veteran's household and is adopted by the spouse of the veteran within 2 years of the veteran's death;

H.R. 2465. An act to authorize the conveyance by the Secretary of Commerce of certain lands in Arlington County, Va.;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes;

H.R. 2934. An act to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.;

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 3365. An act to authorize the crediting of certain service for purposes of retired pay for nonregular service, and for other purposes;

H.R. 4328. An act to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes;

H.R. 5854. An act to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes;

H.R. 6288. An act to establish a National Medal of Science to provide recognition for individuals who made outstanding contributions in the physical, biological, mathematical, and engineering sciences;

H.R. 6378. An act to authorize the American Society of International Law to use certain real estate in the District of Columbia as the national headquarters of such society;

H.R. 6500. An act to amend Public Law 85-818;

H.R. 7112. An act to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended;

H.R. 8225. An act to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; and

H.R. 8527. An act to exempt certain pension and other employee trusts from the laws of the District of Columbia relating to perpetuities, restraints on alienation, and accumulation of income.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and a joint resolution of the House of the following titles:

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature; and

H.J. Res. 444. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

The message also announced that the Senate insists on its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two houses thereon, and appoints Mr. CHAVEZ, Mr. NEUBERGER, Mr. MCCARTHY, Mr. CASE of South Dakota, and Mr. PROUTY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi;

S. 1945. An act for the relief of Josef Jan Loukotka; and

S. Con. Res. 33. Concurrent resolution favoring suspension of deportation in the cases of certain aliens.

The message also announced that the Senate agrees to the House amendments to the amendments of the Senate to the joint resolution (H.J. Res. 354) entitled "Joint resolution for the relief of certain aliens."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1436) entitled "An act to amend section 1 of the Act of June 14, 1926, as amended by the Act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869)," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MOSS, Mr. ALLOTT, and Mr. GRUENING to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2906) entitled "An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR,

Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

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. 6596) entitled "An act to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, 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 U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 60-4.

MILITARY CONSTRUCTION, DEPARTMENT OF DEFENSE, 1960

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. SHEPPARD, WHITTEN, CANNON, JONAS, and TABER.

PROHIBIT POLITICAL CONTRIBUTIONS MOVING ACROSS STATE LINES TO INFLUENCE CONGRESSIONAL ELECTIONS

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I am today introducing a bill which would prohibit political contributions moving across State lines to influence congressional elections.

This is a bill to return control of elections to the States and to the people. Representative government is at stake. The freedoms of our people guaranteed in the Constitution are being threatened by men like Jimmy Hoffa who boast of spending $6 million to elect his Congress. A free ballot is being threatened by men like James Carey, who openly and blatantly threaten the Members of the House who voted for the Landrum-Griffin antiracketeering bill.

Our freedom is being threatened by stupendous political slush funds that move in at the whim of some pressure group in another State and often a thousand or more miles away.

It is not in the best interest of clean representative government to have selfish interest groups to pour money across State lines to influence the outcome of congressional elections.

Mr. Speaker, the American people would be shocked and amazed to know of the millions upon millions of dollars pouring across State lines every 2 years in a bold bid to control Congress. In some areas of this country in campaigns for this House and the upper body of this Congress, the expenditures are fantastic and unbelievable. In some elections most of the money comes from out-of-State and even from foreign countries.

My bill, Mr. Speaker, will cover pressure groups of all kinds, organizations of all kinds, big business and little business. This bill, when enacted, will promote freedom at the ballot box. The American people are demanding our urgent attention to this serious threat to free congressional elections.

AMENDING SECTION 1 OF THE ACT OF JUNE 14, 1926, AS AMENDED BY THE ACT OF JUNE 4, 1954

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1436) to amend section 1 of the Act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869), with an amendment of the House thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears none and appoints the following conferees: Mr. ASPINALL, Mrs. PFOST, and Messrs. RUTHERFORD, SAYLOR, and CHENOWETH.

LENDING AND BORROWING LIMITATIONS OF NATIONAL BANKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8160) to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 8, strike out "is" and insert "and subsection 11(m) of the Federal Reserve Act (12 U.S.C. 248(m)) are".

Mr. HALLECK. Mr. Speaker, reserving the right to object, may I inquire of the chairman of the committee making this request whether or not the matter has been cleared with the minority members?

Mr. SPENCE. It has been cleared with the minority members and I thought it had also been cleared at the leadership level.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, reserving the right to object, what is this bill we have before us? What does it do?

Mr. SPENCE. Mr. Speaker, H.R. 8160 would amend an existing provision which makes the limit on loans to one borrower 25 percent of capital and surplus instead of 10 percent, if the loan is in the form of notes secured by U.S. obligations.

There is a comparable restriction on State member banks in section 11(m) of the Federal Reserve Act. In order to keep from creating an unnecessary and undesirable discrimination between national banks and State member banks, the Senate Banking and Currency Committee amended the bill so as to remove the same phrase "in the form of notes" from the Federal Reserve Act.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE MEETINGS DURING GENERAL DEBATE IN THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration and the Science and Astronautics Committee may be permitted to sit today during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO RAISE INTEREST RATE ON LONG-TERM GOVERNMENT OBLIGATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 217)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

On June 8, I transmitted to Congress a message requesting legislation that would (1) remove the artificial limitation which the law now imposes on the interest rate at which the Treasury is allowed to borrow money for more than 5 years, and (2) remove a similar limitation on the rate the Government can pay on savings bonds.

Last week, the Committee on Ways and Means of the House of Representatives voted to suspend consideration of these proposals for the remainder of this session. This action was a grave disappointment to me.

The American people have a tremendous stake in this proposed legislation. Failure to enact it means that millions

of thrifty Americans cannot be fairly treated, since the Treasury will be unable to pay a fair rate of interest on savings bonds; the cost of living may rise further, as the Treasury will be forced to manage our $290 billion debt in a way that adds to pressure on prices; responsible people at home and abroad can only conclude that we have not yet determined to manage our financial affairs as soundly as we should.

I would like to make two things absolutely clear:

First. The administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

Second. If the requested legislation is not enacted, those in the Congress who are unwilling to pass it must assume full responsibility for the possibly serious consequences.

This country's outstanding public debt of almost $290 billion is held by our citizens and financial institutions, and by foreign central banks and investors who have accumulated dollars as part of their reserves. Each investor has his own investment requirements. He buys different kinds of securities in order to meet those needs. Common to all investors, however, is the requirement that the rate of interest paid on the securities be fair and equitable in the light of other investment opportunities, and, secondly, that the purchasing power of their invested dollars will not be impaired.

These considerations apply directly to the way in which the Government handles its debt. There can be no question as to the Government's obligation to deal fairly and justly with the millions of its citizens who invest a portion of their savings, sometimes as a patriotic duty, in Government bonds. And there should be no question as to our determination to manage our debt soundly and in the best interests of all of the people.

We have worked tirelessly for a balanced budget. We need this balance so that we can avoid the deficits that lead to higher prices, to a rising cost of living, and to an eating away of the value of the billions of dollars that thrifty and farsighted Americans have saved. But congressional inaction on our debt management proposal could do much to offset the progress we have made toward fiscal responsibility.

To manage the public debt in a sound manner the Treasury must be able to borrow money for long as well as short periods of time. A 1918 statute now prescribes, however, that we cannot pay more than 4¼ percent for long-term money. So long as the present prosperity contributes to a strong demand for credit, and thus keeps the cost of new long-term borrowing higher than 4¼ percent, we will not be able to borrow for periods longer than 5 years.

Let me suggest one simple parallel to show why the Treasury should be able to borrow for longer periods. Suppose that an individual had a mortgage on his home that had to be renewed every few months. He would be exposed to every shift in the economy and to every change in financial conditions. Yet, the Congress in effect is forcing the Treasury into this type of exposed position. It is saying to the Treasury, "When you have any borrowing to do, do it all on a short-term basis."

Within the next 12 months the Government must borrow $85 billion to cover maturing securities, redemptions, and seasonal cash needs. This Government, with its great financial resources, can normally carry a sizable amount of short-term debt. But it cannot afford to rely exclusively on borrowing that must be continually renewed. Yet, if the Congress insists that we continue to finance wholly with short-term securities, the whole $290 billion debt will grow shorter and shorter. This will make it even harder to handle in the future.

The vital interests of all Americans are at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash. Moreover, short-term securities are more likely to become lodged in commercial banks. When a commercial bank acquires a million dollars of Government securities, bank deposits rise by a million dollars. This is the same as a million dollar increase in the money supply. When the money supply builds up too rapidly relative to production, inflation is the result. The piling up of an excessive amount of short-term debt poses a serious threat that may generate both the fear and the fact of future inflation at an unforeseeable time.

Now, while the Nation is enjoying a period of rapid economic advancement, we want to keep the cost of living steady. And, if we act wisely, we should be able to do so. We must live within our means and we must exercise all the necessary precautions in the use of credit. We have made good progress toward preventing excessive Government spending. But we may fail in our efforts to keep prices from rising if we do not handle our debt in the proper way. This is why the Treasury must have the capacity to finance the Government's requirements in free credit markets without artificial restrictions.

The need for sound debt management stems not only from domestic considerations. Foreign investors have substantial holdings of our securities, as well as other claims on this Nation. With so large a financial stake in our economy, these foreign central banks and other foreign investors have a very practical interest in the manner in which we handle our affairs. It is essential that they, too, continue to view the American dollar as a strong and stable currency. In a free market economy, confidence is not the simple result of legislation. It is earned by adherence to sound practices.

Let me state as plainly as I can that this is not legislation to increase interest rates. This administration is not in favor of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices. The Treasury already has the authority to borrow at any rates of interest on obligations up to 5 years. What we are seeking is the authority, already possessed by all other borrowers, to obtain funds for longer periods as well. To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price for a piece of equipment. The result would be the same in either case: the Government could not get what it needs.

The need for congressional action with respect to the existing 3.26 percent interest rate ceiling on savings bonds is equally pressing. The Government occupies a dual trusteeship position with respect to the 40 million Americans who own savings bonds and the 8 million people who purchase them regularly. The average holder looks to the Government for a fair rate of return, reasonably competitive with other savings opportunities. The Treasury has announced that when the ceiling is removed, it will immediately raise the rate from 3.25 percent to 3.75 percent on all newly issued E- and H-bonds, if held to maturity. Whenever legislation is enacted, this rate increase will be made retroactive to June 1, 1959. In addition, the future return to the investor on savings bonds purchased before June 1 and held to maturity would be increased by one-half of 1 percent. These actions would result in fair and equitable rates of return on savings bonds.

The second part of the trusteeship relationship of the Government with respect to holders of savings bonds involves the purchasing power of the dollars invested in the bonds. The savings bondholder expects the Government to try to insure that the future value of his savings will not be eaten away by progressive erosion of the dollar. To help assure that the value of the dollar will be protected, the whole debt management proposal should be enacted.

Each of these trusteeship considerations is vital; the thrifty American is entitled to both.

The issue with respect to our legislative proposals is whether we are going to demonstrate responsibility in the management of our Federal debt. Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently if we remove the artificial obstacles to borrowing competitively in the free market. By adopting the administration's proposals, the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency.

No issue of greater importance has come before this session of Congress. In the best interests of the American people, I urge the Congress to enact the administration's proposals at this session.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

FHA LOAN INSURANCE AUTHORIZATION AND HIGHWAYS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 218)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

On Wednesday of this week I shall leave for Europe on a mission important to the security and welfare of the American people. This mission will require my absence from the country for about 10 days. Unavoidably, it comes while the Congress is in what may be the concluding days of a session, and while important items of legislation are under consideration.

Before I leave I should like to comment on two matters that involve Government programs now in progress which would be seriously hampered in the absence of appropriate action by the Congress.

1. FHA LOAN INSURANCE AUTHORIZATION

The Congress is well aware of the important services performed by the Federal Housing Administration in insuring mortgage loans for Americans who wish to buy homes. Not all homes are purchased under FHA, but a large number are, and it is important that there be no forced reduction in its activities. Yet this is exactly what will happen if additional loan insurance authorization is not available to FHA at an early date.

The administration has repeatedly requested the Congress to grant FHA an increase in its loan insurance authority. I renew this request, and suggest that it be passed in a separate piece of legislation. An increase in FHA's loan insurance authority should not be made contingent upon the possibility of approval by the President, after the Congress has adjourned, of legislation which contains features that the administration finds seriously objectionable and that are entirely unrelated to FHA's home loan insurance program.

2. HIGHWAYS

As I have repeatedly stated, there is an urgent national need for legislation to allow the Interstate Highway program to proceed at a steady rate. Both the Congress and the Executive are justly proud of the vast highway construction program enacted in 1956. A good beginning has been made on this program, and it is inconceivable that it should be allowed now to come to a halt. For traffic safety and convenience, as well as to meet the requirements of a growing economy, it is essential that we continue to build new, modern roads.

Last January I recommended a temporary increase of 1½ cents in the Federal tax on gasoline in order to maintain the planned highway construction schedule on a pay-as-you-go basis. The recent action by the Ways and Means Committee of the House of Representatives in approving an increase of 1 cent for 2 years represents a step in the right direction. Although it would mean some slowing down of present construction rates, a 1 cent tax increase would allow a reasonable rate of progress to be maintained.

A small increase in the tax on gasoline is the best way to put the Interstate Highway program on a self-supporting pay-as-you-go basis. I must express again my objection to proposals that would, in the absence of foreseeable budget surpluses, divert receipts from the General Fund of the Treasury that are collected from various excise taxes on automobiles. The transfer of these receipts to the highway trust fund would only shift the fiscal problem from the highway trust fund to the general fund, which is already in precarious balance. I should also make clear that I do not favor proposals that would finance anticipated deficits in the Highway Trust Fund over the next several years by the issuance of bonds.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 25, 1959.*

QUIETING TITLE TO REAL PROPERTY ADJACENT TO ROCKY MOUNTAIN ARSENAL, DENVER, COLO.

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4714) to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. JOHNSON]?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. JOHNSON of Colorado. Yes. At the time the Government bought some 35 square miles of land it inadvertently described as being in the arsenal area part of one block which lay across a highway and railroad from the arsenal so as to include the whole block, thereby taking title to these properties without paying for the ground. Recently one of the owners tried to sell his property and discovered this cloud over his title. The agreement between the Department of the Army, the owners and all concerned, was that it would now take a special act of Congress to quiet title.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States hereby releases, relinquishes, remises, and quitclaims to the person, persons, or body corporate or politic, who, under the laws of the State of Colorado (including the laws of prescription and adverse possession), are or would be except for any claim of right, title, or interest in and to such lands on the part of the United States, the lawful owners thereof, all right, title, interest, claim, or demand that the United States may have in and to so much of the lands in blocks 80, 81, 82, 83, 93, and 94 of Irondale subdivision in section 28 and in block 5 of South Irondale subdivision in section 33, all in township 2 south, range 67 west of the sixth principal meridian in Adams County, Colorado, lying north of the south right-of-way line of State Highway Numbered 2 (United States Numbered 6) adjacent to the Rocky Mountain Arsenal, Denver, Colorado.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAFETY STANDARDS FOR PASSENGER-CARRYING MOTOR VEHICLES PURCHASED FOR USE BY FEDERAL GOVERNMENT

The SPEAKER. The unfinished business is the vote on the motion offered by the gentleman from Michigan [Mr. BENNETT] to recommit the bill H.R. 1341.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BENNETT of Michigan moves to recommit the bill H.R. 1341 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. BENNETT of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 125, nays 264, not voting 46, as follows:

[Roll No. 144]

YEAS—125

Abbitt	Dooley	Meader
Abernethy	Dorn, S.C.	Merrow
Alford	Dowdy	Michel
Alger	Downing	Milliken
Allen	Everett	Moore
Arends	Frelinghuysen	Morrison
Ashley	Gary	Mumma
Auchincloss	George	Murray
Ayres	Glenn	O'Konski
Baker	Goodell	Osmers
Barden	Gross	Ostertag
Barry	Halleck	Patman
Bass, N.H.	Hardy	Pelly
Bates	Harmon	Pirnie
Becker	Hébert	Poff
Bennett, Mich.	Herlong	Quie
Bentley	Hiestand	Ray
Berry	Hoeven	Rees, Kans.
Bosch	Hoffman, Ill.	Riehlman
Bray	Holt	Robison
Brooks, Tex.	Horan	Rogers, Tex.
Broyhill	Hosmer	Rutherford
Budge	Hull	St. George
Burleson	Jensen	Saylor
Bush	Johansen	Short
Byrnes, Wis.	Jonas	Simpson, Ill.
Cahill	Knox	Simpson, Pa.
Cederberg	Lafore	Smith, Calif.
Chiperfield	Laird	Smith, Kans.
Collier	Landrum	Smith, Va.
Colmer	Langen	Taber
Conte	Lipscomb	Thompson, La.
Curtis, Mass.	McIntire	Thompson, N.J.
Curtis, Mo.	McSween	Thomson, Wyo.
Dague	Mack, Ill.	Tuck
Derounian	Marshall	Utt
Dixon	May	Van Pelt

Wainwright
Wallhauser
Walter
Weaver
Weis
Westland
Wharton
Whitten
Widnall
Wier
Willis
Wilson
Younger
Zablocki

NAYS—264

Addonizio
Albert
Alexander
Anderson, Mont.
Anfuso
Ashmore
Aspinall
Avery
Bailey
Baldwin
Baring
Barr
Barrett
Baumhart
Beckworth
Bennett, Fla.
Betts
Blatnik
Blitch
Boland
Bolling
Bonner
Bow
Bowles
Boykin
Boyle
Brademas
Breeding
Brewster
Brock
Brooks, La.
Broomfield
Brown, Ga.
Brown, Mo.
Brown, Ohio
Buckley
Burdick
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Carnahan
Casey
Celler
Chamberlain
Chelf
Chenoweth
Church
Clark
Coad
Coffin
Cohelan
Cook
Cooley
Corbett
Cunningham
Curtin
Daddario
Daniels
Davis, Ga.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Devine
Diggs
Dingell
Dollinger
Donohue
Dorn, N.Y.
Doyle
Dulski
Durham
Dwyer
Edmondson
Fallon
Farbstein
Fascell
Feighan
Fenton
Fino
Fisher
Flood
Flynn
Flynt
Foley
Forand
Forrester
Fountain
Frazier
Friedel
Fulton
Gallagher
Garmatz
Gathings
Gavin
Giaimo
Granahan
Grant
Gray
Green, Pa.
Griffiths
Gubser
Hagen
Haley
Hall
Halpern
Hargis
Harris
Hays
Healey
Hechler
Hemphill
Henderson
Hess
Hogan
Holifield
Holland
Holtzman
Huddleston
Ikard
Inouye
Irwin
Jarman
Jennings
Johnson, Calif.
Johnson, Colo.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Kowalski
Lane
Lankford
Latta
Lennon
Lesinski
Levering
Libonati
Lindsay
McCormack
McCulloch
McDonough
McDowell
McFall
McGinley
McGovern
McMillan
Macdonald
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Martin
Matthews
Metcalf
Meyer
Miller, Clem
Miller, George P.
Mills
Minshall
Moeller
Monagan
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Moss
Moulder
Multer
Murphy
Natcher
Nelsen
Nix
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Neill
Oliver
Perkins
Pfost
Philbin
Porter
Preston
Price
Prokop
Pucinski
Quigley
Rains
Randall
Reece, Tenn.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Rostenkowski
Roush
Santangelo
Schenck
Scherer
Schwengel
Scott
Selden
Shelley
Sheppard
Shipley
Sisk
Slack
Smith, Iowa
Springer
Staggers
Steed
Stratton
Stubblefield
Sullivan
Teague, Tex.
Teller
Thomas
Thompson, Tex.
Thornberry
Toll
Tollefson
Trimble
Ullman
Vanik
Van Zandt
Vinson
Wampler
Watts
Whitener
Withrow
Wolf
Wright
Yates
Young
Zelenko

NOT VOTING—46

Adair
Andersen, Minn.
Andrews
Bass, Tenn.
Belcher
Boggs
Bolton
Canfield
Cannon
Carter
Cramer
Derwinski
Elliott
Evins
Fogarty
Ford
Green, Oreg.
Griffin
Harrison
Hoffman, Mich.
Jackson
Jones, Mo.
Kilburn
Loser
Machrowicz
Mason
Miller, N.Y.
Mitchell
Montoya
O'Brien, N.Y.
Passman
Pilcher
Pillion
Poage
Powell
Rabaut
Saund
Sikes
Siler
Smith, Miss.
Spence
Taylor
Teague, Calif.
Udall
Williams
Winstead

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs for, with Mr. Fogarty against.
Mr. Cramer for, with Mr. Carter against.
Mr. Taylor for, with Mr. Montoya against.
Mr. Miller of New York for, with Mrs. Bolton against.
Mr. Teague of California for, with Mr. O'Brien of New York against.
Mr. Kilburn for, with Mr. Powell against.
Mr. Jackson for, with Mr. Sikes against.
Mr. Harrison for, with Mr. Andrews against.
Mr. Machrowicz for, with Mr. Spence against.

Until further notice:

Mr. Mitchell with Mr. Mason.
Mr. Pilcher with Mr. Hoffman of Michigan.
Mr. Evins with Mr. Ford.
Mr. Saund with Mr. Adair.
Mr. Loser with Mr. Canfield.
Mr. Passman with Mr. Siler.
Mr. Winstead with Mr. Griffin.
Mr. Elliott with Mr. Belcher.
Mrs. Green of Oregon with Mr. Andersen of Minnesota.
Mr. Bass of Tennessee with Mr. Derwinski.
Mr. Udall with Mr. Pillion.

Messrs. RHODES of Pennsylvania, METCALF, FRIEDEL, CURTIN, and GUBSER changed their vote from "yea" to "nay."

Messrs. MORRISON, AUCHINCLOSS, and WESTLAND changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the Housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. SMITH]?

There was no objection?

Mr. McCORMACK. Mr Speaker I desire to announce at this time that the housing bill will be brought up for consideration on tomorrow.

DEPRESSED DOMESTIC MINING AND MINERAL INDUSTRIES

The SPEAKER. The unfinished business is on agreeing to House Concurrent Resolution 177.

The Clerk read the title of the House concurrent resolution.

The SPEAKER. The question is on the House concurrent resolution.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further proceedings under Calendar Wednesday be dispensed with.

The SPEAKER. It there objection to the request of the gentleman from Massachusetts?

There was no objection.

ASSISTANCE IN THE CONSTRUCTION OF FISHING VESSELS

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 349.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Merchant Marine and Fisheries now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'NEILL. Mr. Speaker, I yield myself 30 minutes, at the conclusion of which I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, House Resolution 349 makes in order the consideration of H.R. 5421, to provide a program of assistance for the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status. The resolution provides for an open rule and 2 hours of general debate.

An example for the need for this legislation, the New England fishing industry is in dire straits by reason of the fact that imports of frozen fish fillets at prices below the cost of production have caused severe losses. The trawlers in use have an average age of over 16 years, and because of the poor prospects of profits there is no capital available for their replacement. The use of the older vessels has resulted in higher maintenance costs, higher insurance premiums by reason of bad experience both with respect to the vessels themselves and injuries to crews, and inadequate catches

because of obsolescent gear and fishing practices.

The new England fishing industry is forced to compete not only with the lower wage costs of its competitors in Canada, Iceland, Britain, and elsewhere, but with the lower cost of vessel construction in those countries. By law, U.S. fishing vessels must be constructed in U.S. yards, and the additional cost, which according to the Department of Commerce runs as much as 42 percent, places a hopeless handicap upon the rehabilitation of the industry.

The Merchant Marine and Fisheries Committee, in reporting out this measure, struck out the provision for loans to fish processors and modified the construction subsidy provisions by reducing the amount payable annually to $1 million with a limit of 3 years on the operation of the bill, and with a ceiling of 33⅓ percent of cost upon the subsidy to be paid. In addition, appropriate provisions were incorporated similar to those in the Merchant Marine Act of 1936 relating to construction under the direction of the Maritime Administrator that in the event of requisition by the United States only book value of the vessels would be paid the owner, and with a provision for recapture of the construction subsidy in the event the vessel is not used in the fishery for which it was designed.

The basis for subsidy assistance is the failure of the President to afford relief to a segment of the industry under the Trade Agreements Assistance Act of 1951, under which the U.S. Tariff Commission, after an investigation and hearing, may report to the President that a particular industry or segment thereof is suffering injury from foreign competition. Thereupon, under section 7(c) of that act, the President may make such adjustments in rates of duty, import quotas, or otherwise to prevent or remedy the injury. This bill becomes operative with respect to the particular segments of the fishing industry only where such adjustments are not made.

This bill makes no changes in existing law.

I urge the adoption of this resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not a fact that this bill would not be necessary had the Simpson amendment to the extension of the Trade Agreements Act been adopted, which would have taken away the President's overriding authority?

Mr. O'NEILL. Well, I cannot agree with you on that statement. It could be, in part, the cause, but actually the fishing industry needs help. Besides the imports, there are many other segments of the industry that are sorely in need of help because of the obsolescent vessels they are fishing with today. I think you have seen recently television broadcasts showing the new equipment that the Russian fleet has. They start out with what they call hunting ships, feeler ships, that go out and find where the catch is, and then the remainder of the trawlers come over to that spot. We do not have anything of that type. We still fish in the same manner that the fishermen used to fish 100 and 200 years ago. Today the fleet is so old and so dangerous to the members of the crew that the insurance is almost prohibitive.

Mr. GROSS. Well, you cannot replace these obsolete vessels because of the imports of foreign fish, which have made it unprofitable for the New England fisheries to operate; is that not correct?

Mr. O'NEILL. In part, I say that is one facet.

Mr. GROSS. And so those who voted for extension of the so-called Reciprocal Trade Agreements Act can take their share of the responsibility for the economic punishment inflicted on this industry; is that not correct?

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I rise to support the rule as presented by my colleague from Massachusetts [Mr. O'NEILL] and also to support the bill from the committee, H.R. 5421, and to say that I am one who did not vote to extend the Reciprocal Trade Agreements Act.

Mr. Speaker, no American enterprise has suffered more from the strange combination of unfair foreign competition, and the indifference of the U.S. Government, than the New England fishing industry. A front-page story in the May 13, 1959, edition of the Wall Street Journal carried the headline: "New Englanders Lose U.S. Fish Markets to Big New Foreign Fleets."

The story follows:

Gloucester, the Nation's second most important fishing port (only the big tuna center at San Pedro, Calif., handles more tonnage), is feeling the brunt of the import problem, but it's shared at Boston and New Bedford, Mass., and Rockland and Portland, Maine (other big fishing centers as well). These Atlantic ports send their fleets into one of the world's most important fishing grounds—a 260,000 square-mile area stretching a thousand miles from Long Island north to Newfoundland. The competition in these waters is awesome; at least 14 other nations, including Russia, have trawlers there.

Every country in the world with a fishing industry has subsidized it, with the exception of the United States. It is ironic that, out of taxes paid by people in the United States—including fishermen—our Government has helped other nations with funds that are then used, in part, to build the newer, bigger fishing trawlers with the latest technological equipment, that are forcing American fishermen out of business.

This is a classic example of a Government policy that defeats itself, and brings ruin to a basic American industry.

Our New England trawlers average 22 years in age. Practically no new trawlers have been built in the United States since 1948. Our fleet has shrunk to less than 800 vessels, 25 percent less than 6 years ago.

Either the Government should give us a ship construction subsidy or repeal the present law which dates back to 1792, preventing us from buying foreign ships for domestic fishing—

Declares Thomas D. Rice, executive secretary of the Massachusetts Fisheries Association.

Our fishing industry must compete not only with the lower wage costs and lower insurance costs, and lower product prices of its foreign competitors, but with the lower cost of vessel construction in those countries. By law, U.S. fishing vessels must be constructed in U.S. yards, at prices up to 42 percent higher than construction costs in other countries. It is utterly impossible for our fishing industry to rehabilitate itself, or, in the long run, to stay in business, burdened as it is with these crushing handicaps. To survive, it must either buy its trawlers abroad, or be provided with an equalizing construction subsidy by the U.S. Government.

The first alternative is rejected immediately because, in helping the fishing industry, it would hurt the shipbuilding industry. We need both industries—and in healthy condition—for the sake of national security and national progress. The only solution to this one of the several problems involving the fishing industry, is to provide for a subsidy to be paid by the United States for the construction of fishing vessels, in American shipyards, and for the use of the American fishing industry. This subsidy would be the difference between foreign and domestic shipbuilding costs. It is economic suicide to subsidize other nations, to the detriment of our own industries. To prevent this self-destruction it becomes mandatory to subsidize our fishing industry, because no other relief is available.

Total landings at Boston's fish pier, last year, were 123.8 million pounds. This was the lowest since 1922. Subsidy becomes necessary, not only for the reasons mentioned above but for the further reason that the President has failed to provide the relief that was sought under the Trade Agreements Assistance Act of 1951. The President did not make the required adjustments in rates of duty, or import quotas, to prevent or remedy the injury from foreign competition.

The present bill goes into action to compensate, in part, for such mistakes in Government policy that imperil our fishing industry. It is a very modest approach to the problem, providing for annual construction subsidies of only $1 million annually. It is limited to 3 years, a reasonable "trial run" to determine its effectiveness. It specifies the competent supervision to maintain standards and prevent abuses.

One thing is certain: the New England fishing fleet, already weakened by the overwhelming help provided for its foreign competitors, will deteriorate and disappear, unless the Government of the United States comes to its rescue via H.R. 5421 reported out by your Committee on Merchant Marine and Fisheries.

So, Mr. Speaker, I hope the rule will be adopted shortly and we will proceed with the debate on this bill, and that it will be passed unanimously.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. O'NEILL. I yield.

HOUR OF MEETING THURSDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a.m.

The SPEAKER pro tempore (Mr. FORAND). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ALLEN. Mr. Speaker, I yield such time as he may require to the gentleman from Massachusetts [Mr. BATES].

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I commend the gentleman for his magnificent fight for the great fishing industry. I want the gentleman to know that I want to do everything I can to help. I have some of these people in my district who make a living from the fishing business, and they have been very badly hurt. The gentleman deserves a great deal of credit.

Mr. BATES. I thank the gentlewoman very much.

Mr. Speaker, I have in my hand a document which describes the various forms of aid rendered to the fishing industry in practically every country of the world. Here is another document which consists of the parliamentary debate in the House of Commons in regard to its aid to the fishing industry in England. The Minister of Agriculture and Fisheries in the course of debate said, "I should like to say at the outset that the fishing industry is one of our great national industries, vital to our national larder, and, in a wider sense still, vital to our national economy and to our national security. The welfare of this industry will always be an object of the most active concern of Her Majesty's Government."

The assistance rendered to the fishing industry of the United States by our Government could easily be covered in a paragraph. However, the damage done to our fishing industry at home by direct and indirect, or lack of action, by our Government could fill volumes. Before I discuss the present bill, which in no sense is a subsidy to the fishing industry, I would like to highlight just a few of the instances in which our governmental action has hurt this industry and hurt it badly. It is an incredible, fantastic and unfair story which has brought this 300 year old industry to its knees.

The Congress in the Tariff Act of 1939 gave some protection to the groundfish industry by fixing a tariff of 2½ cents a pound for imports under 15 million pounds a year. Then the foreigners got smart and decided to cut up the fish into fillets and remove all but the edible parts. In this way, they could bring in about four times as much edible fish for the 2½-cent rate. In addition to this, inflation cut the protection in half again because the rate was per pound and not ad valorem. This then meant that the original protection was cut to one-eighth of its original value.

Now, last month, a court decision cut the 2½-cent rate to 1 cent when the fillets are cut into smaller pieces, a rate which had previously been assigned to scrap bits and pieces. Hence, the protection given to the industry was absolutely meaningless.

Faced with this situation, in 1951, the industry exercised its rights under the escape clause of the Reciprocal Trade Agreement. In its report, the Commission acknowledged the marked effect of the imports but stated it did not believe that the situation for the future was black and that perhaps it would improve. The door was left opened, however, and we were told to come back again if our predictions came true. Well, they came true and, in 1954, another decision reversed the previous decision and relief was urged by the Commission. However, the President, noting that the decision was not unanimous, asked the Commission to study it some more. It did, and in 1956, the Tariff Commission by a unanimous decision again urged the President to take immediate action.

The President, in his report said:

> I am fully aware that the domestic groundfish fishing industry is faced with serious problems. I recognize that beset as it is with problems ranging from the age of its vessels to competition with other food products, the fishing industry of the United States will experience difficulties in the years ahead unless bold and vigorous steps are taken now to provide root solutions for the industry's problems.

Yet, he turned down the request for relief of imports even though the industry had met every economic justification for relief. The reason given in the denial of relief was because "the other nations concerned are not only our close friends but their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism."

So, after 7 years of hard work, our efforts were in vain.

Now, during this same period, other adverse factors were being inflicted upon this industry.

First. The Supreme Court, ruling in the Jones case, held that the fishing industry was placed under the Merchant Marine Act for personnel insurance and denied the cheaper rates of Workmen's Compensation. Now, instead of costing $75 per man per year, it costs 10 times that amount.

Second. During World War II which was the only time when the fishermen could make money, their boats were commandeered by the Navy. Although that hurt them, they did not complain because it was important for our security.

Third. Under the mutual security bill, we have built boats for Iceland, our great competitor, and provided the latest radar and sonar equipment. Last year, a constituent of mine wanted to buy the latest fish-cutting equipment from Germany and asked that terms be arranged so that this equipment could be paid for in installments. The German manufacturer said that the money had to be on the barrelhead. He revealed that at the same time, Iceland was buying a lot of this equipment. How? With U.S. dollars under the foreign aid program.

Fourth. I now come to the essence of the bill before us. Under the Merchant Marine Act, all boats which engage in coastwise trade, must be built in the United States. The only exception is ships in the Great Lakes. Hence, the fishermen of Gloucester and Boston and elsewhere must pay 100 percent more for their boats than if they were built overseas. That is national policy through national law.

Is it fair or just or right that the impoverished fishermen should pick up the check alone for this policy which is merely to support the shipbuilding industry? Should we penalize one industry to support another? Is it any wonder that Gloucester has not built a new fishing vessel in almost 7 years? Of course, the shipbuilding industry is vital to our national defense and we must keep it going. I remember only a few years ago, when only 17 ships were being built in our country and there were no future orders. If the policy to support the shipbuilding industry is vital for our country—and I believe it is—then let the country pay for it; not the little fellows who "go down to the sea in ships."

Mr. Speaker, I trust I have pointed out enough instances whereby our Government has hurt our fishing industry severely. Let this great Nation assume its own responsibility and carry its own load and remove it from the fishermen who have been hurt too often and too hard.

Even with this bill, the load is only partially lifted but it will be most helpful. Let us in this bill follow the advice of the President when he said that—

> The industry will experience difficulties in the years ahead unless bold and vigorous steps are taken now to provide root solutions for the industry's problems.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, I want to congratulate the gentleman from Massachusetts [Mr. BATES], for his fine, able statement. He has always been a great champion of the fishing industry. As one who is not directly affected by the fishing industry—there is not too much of it in my district—I have studied this problem, I know how meritorious the industry is in asking for relief. It has suffered from the efforts of the Government to help others. We help others both at home and abroad, why not do a little bit for a great industry, one of the oldest industries in the country. We all profit in keeping it flourishing.

Mr. BATES. I thank the gentleman for his remarks and for the continued interest he has manifested in the problem for many years.

Mr. DORN of New York. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from New York.

Mr. DORN of New York. I have followed the gentleman's discussion of this subject and I recognize him as an expert. As a member of the Committee on Merchant Marine and Fisheries which wrestled with this subject, I know how the gentleman's efforts resulted in the ultimate climax today of this bill being before us. There is one thing about this

that troubles me, however. I do not represent a fishing industry, I represent a fish-eating industry. How will this affect the price of fish to the consumer?

Mr. BATES. This will not affect the price. If the fisherman can get a boat at less cost, he could perhaps sell the fish cheaper.

Mr. DORN of New York. It is the gentleman's considered opinion that as far as the consumer is concerned he will benefit by this legislation?

Mr. BATES. If the gentleman is talking about the price of fish at the marketplace, of course it has to be the same or lower than it is today. It certainly will not go up as a result of this bill.

Mr. DORN of New York. I thank the gentleman and I join in congratulating him for the work he has done.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for his indictment of the Reciprocal Trade Agreements Act. The gentleman has done an excellent job, one of the best jobs I ever heard on the House floor, of indicting the Reciprocal Trade Agreements Act. I wonder if the gentleman would be opposed to taking this $1 million a year that this bill proposes to use to subsidize the New England fishing industry——

Mr. BATES. The shipbuilding industry; not the fishing industry. At the present time the fishing industry is subsidizing the shipbuilding industry.

Mr. GROSS. All right. The $1 million to be appropriated if the Committee on Appropriations follows out this bill. Would the gentleman be in favor of taking that from the foreign giveaway program?

Mr. BATES. Now, the gentleman knows that $1 million off the mutual security bill would not amount to very much.

Mr. GROSS. And he would be in favor of taking it out of there, would he not?

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. I want to congratulate the gentleman from Massachusetts on the splendid presentation he has made. I concur with the gentleman in the remarks about the Reciprocal Trade Agreements Act and the disastrous results which it has had upon many segments of American industry. The gentleman, I think, has made out a good case for this bill, and I intend to support it.

Mr. BATES. I value the advice of the gentleman and I appreciate his comments.

Mr. ALLEN. Mr. Speaker, I have no further requests for time.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

IF THE DEMOCRATS JOIN IN THE REPUBLICANS HIGH-INTEREST POLICY, THERE WILL BE NO PARTY TO PROTECT THE PEOPLE

Mr. PATMAN. Mr. Speaker, the President has sent a message to the Congress urging us to repeal the 4¼ interest limit on long-term Government bonds. Now, I do not believe that there is a Member of this Congress who wants inflation. I am sure the President does not want inflation. But, with all due respect to the President of the United States, I think his proposal is highly inflationary. Interest rates can be inflationary just the same as wages or profits. In other words, wages and profits and interest enter into cost in a way that either one can be inflationary. In any case, it would operate in the same way as a tax increase on about 98 percent of the people of the country, and a tax reduction for about 2 percent of the families of great wealth. I hope that the Democratic Congress will stand firm in turning down this request.

REPEALING THE LAST SAFEGUARD NOW THE OBJECT OF A CRUSADE

In doing so, Congress will be following a pattern that was set 40 years ago, when near the end of President Woodrow Wilson's second term, the Secretary of the Treasury asked that this identical ceiling be lifted. A Democratic Congress at that time denied the request, and for 40 years we have been living under this 4¼-percent ceiling.

This administration has now raised interest rates as high as it can raise them, unless Congress acts to repeal this 40-year ceiling. If the Democrats buckled under and joined in this Republican policy, there would be no one left to protect the interest of the people. I do not expect that they will.

But the Wall Street money managers are not going to give up easy in this campaign to remove the last remaining safeguard the people have. In fact, all the signs point to an all-out "blitz" campaign in these closing days of Congress, to pressure through the administration's bill before the Congress adjourns. All stops are out, and all of the resources, propaganda, and pressure at the administration's command have now been thrown into this effort for still higher interest, which is, of course, the one thing closest to this administration's heart.

Yesterday the Treasury allowed itself to sell 91-day Treasury bills at the highest interest yield since the bank holiday of 1933.

At the beginning of the week one of the great national magazines, U.S. News & World Report, featured an eight-page interview with Secretary Anderson on the subject. And this so-called interview, I might add, is really a bigger and better appeal brief for the Wall Street bankers and money lenders in arguing their case to the American people.

The campaigners have even recruited Marriner S. Eccles, onetime Chairman of the Federal Reserve Board during President Roosevelt's and President Truman's administrations, to join in the campaign for the administration's high-interest bill.

And, finally, President Eisenhower has now been persuaded to put on his best and brightest suit of armor, even more gleaming than Charlemagne's, to lead the high-interest crusade, in a more determined assault than ever before. Incidentally, President Eisenhower's message to Congress yesterday seems to me to contain some arrogant statements. It says that he wants to make two things absolutely clear, and then it says:

> First, the administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

WILLING OR NOT, THE ADMINISTRATION HAS RESPONSIBILITY FOR MANAGING THE DEBT WITHIN THE LAW

Well, it seems to me that the administration already has full responsibility for managing the Federal debt, whether the Congress agrees to the administrations high interest policy or not. The administration assumed that responsibility when it was elected. And if the administration is not willing to continue its lawful responsibility, then it certainly owes the American people a better explanation than it has given yet as to why it is unable to manage the Federal debt within the interest-rate ceiling that has been the law of the land for 35 years before the administration sought election and took office.

HIGH INTEREST IS NOT CAUSED BY THE DEMAND FOR MONEY

Certainly the recordbreaking rise in interest rates which this administration has achieved cannot be explained by supply and demand factors. The increase in interest rates has no relation whatever to the demand for savings which includes the gross amount of funds invested domestically, the net amount of funds exported for foreign aid and other purposes, and the net deficit of the Federal, State, and local governments combined. In fact, in 1952 the demand for savings was a larger percentage of the national income than it has been in any year since. And again in 1953 the demand for savings was a larger percentage of the national income than it has been in any year since. How then can the almost constant rise in interest rates since 1952 be explained? How can the sponsors of the administration's proposal explain a 30-percent jump in the long-term Government-based rate, and an 88-percent jump in the bill rate between 1952 and 1957? How can the administration's spokesmen explain a further jump of 18 percent in the long-term bond rate and a like jump in the bill rate between 1957 and today?

In 1952, the total demand for savings—to finance all private investment and to finance all public and private debt—amounted to 15.4 percent of the gross national product of the country. In 1957, when interest rates had been raised to what then seemed beyond all conscience, the total demand for savings amounted to only 13.9 percent of the gross national product.

Today, preliminary data for the second quarter of 1959 indicate that the demand for savings will be back up close to the 1952 rate, and this includes, incidentally, a $9 billion increase to finance an extraordinary buildup in business inventories, largely because of the expected steel strike, which will make only a temporary demand on funds.

HIGH INTEREST NOT EXPLAINED BY TAIL-WAGGING-THE-DOG THEORY

A free market in Government securities? Is the Government merely following the market rates up, in competition with private borrowers, as we are being told? Well, the fact is that the Federal Government is issuing 75 percent of all the securities being offered for sale. Are we to believe then this "tail-wagging-the-dog" theory, that private borrowing is running up Government rates? Are we to believe that yesterday the Treasury was helpless, and could do nothing but accept the bid prices it received for its bills? Well, only 17 Government securities dealers buy one-quarter of all these bills and these dealers advise all of the large financial institutions what the bid prices should be and are going to be. Altogether we could say that this market for Treasury bills is made by no more than 100 big financial institutions, all of which are fully aware of one another's expectations as to the prices they should offer the Treasury for its bills.

IF THE PRESIDENT WANTS TO DEAL FAIRLY WITH 98 PERCENT OF AMERICAN PEOPLE, HE MUST ASK FOR LOW INTEREST

No, this high-interest policy is not to help the overwhelming majority of the people though the President seems to have been persuaded to think so. He said in his message yesterday, and I quote:

> There can be no question as to the Government's obligation to deal fairly and justly with the millions of its citizens who invest a portion of their savings, sometimes as a patriotic duty, in Government bonds.

But I suspect the President has not considered that statement very carefully. Let me put it this way. What percentage of the families of this country own as much as $1,000 worth of Government bonds? Well, when we find such a family, one of the fortunate few, what is that family to gain by this bill to raise interest rates? It is to receive one-half of 1 percent more in interest per year. This will be $5 more a year for this fortunate family. But it is pretty obvious that as against this gain of $5 more a year that the family with $1,000 of Government bonds will have, that family is going to pay several hundred dollars more a year in increased interest charges to finance an automobile, to finance all of the household equipment and furnishings it will buy, and to finance the mortgage on the house. No, this high-interest policy is for the benefit of a few wealthy families, plus Wall Street bankers and money lenders. It is nothing more or less than a bold scheme to further redistribute the national income in favor of the wealthy.

Consider this: In 1952 personal income from interest was $12.1 billion, and it has jumped every year since—without any pause for recessions—until such income is now, in July of 1959, at the annual rate of $22.4 billion. And this does not include the billions of dollars of increased interest income which has been stored up in corporations and banks—only the personal income.

In contrast, consider this: In this same period of time farm income has gone down from $15.3 billion to $12.2 billion.

I could add that I personally know farmers who are going out of the farming business right now because, they tell me, the high interest they are already paying no longer permits them to make ends meet trying to farm.

Farm, business, and personal income—Farm interest 1952 to July 1959

SEASONALLY ADJUSTED ANNUAL RATES

[Billions of dollars]

Period	Total personal income	Proprietors' income		Personal interest income
		Farm	Business and professional	
1952	273.1	15.3	26.9	12.1
1953	288.3	13.3	27.4	13.4
1954	289.8	12.7	27.8	14.6
1955	310.2	11.8	30.4	15.8
1956	332.9	11.6	32.1	17.5
1957	350.6	11.8	32.7	19.5
1958	359.0	14.2	32.4	20.4
1959: January	369.0	13.5	33.5	21.1
February	371.0	13.2	33.7	21.3
March	375.4	12.9	34.0	21.6
April	379.0	12.2	34.3	21.8
May	381.3	12.0	34.5	22.0
June	383.8	12.1	34.7	22.2
July	384.1	12.2	34.8	22.4

Source: Department of Commerce.

HIGHER INTEREST RATES WILL CAUSE INCREASES IN UTILITY RATES AND TAXES

An increase in the interest rates on the Government's long-term securities will cause similar increases in the interest rates on all long-term rates, including all utilities and municipals.

Such increases will cause rate increases for consumers of electricity, gas, water, telephone, transportation, and so forth. This will be very inflationary.

Such increases will also cause taxes to be raised by the Federal Government, States, counties, cities and political subdivisions.

Now, in 1953, when this administration first came in, it deliberately set about to raise interest rates.

HIGH INTEREST HAS BEEN THE ADMINISTRATION'S POLICY FROM THE BEGINNING

I can give you the instance when this was first started. In the first part of 1953, within 2 months after it took office, the administration issued a 3¼ percent long-term bond. That rate was ¾ percent higher than any other long-term rate on marketable bonds in existence at that time. It was just an arbitrary increase of ¾ percent on long-term bonds. For what purpose? Did they need the money? No, they were just asking for $1 billion and they had several times that amount in the banks subject to call. They did not need the money. Therefore the bond issue was put out for the purpose of establishing higher interest rates—then 3¼ percent.

Now, today, 4¼ percent is not high enough for this administration to manage the debt the way it wants to. It would not be very pleasant to predict where interest rates would stop if we took the lid off and let this administration have its way.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. BONNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5421, with Mr. CARNAHAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BONNER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I wish to make just a plain explanation of why this bill is before us today and the purposes of the bill.

For many years the New England fisheries have been declining chiefly because of the impact of cheap foreign fish from Canada, Iceland, Great Britain, and other countries. Various suggestions have been made to restore the industry so as to make it competitive, but none of the plans have been successful to date.

The law applying to fisheries requires that only American-built vessels be utilized in this industry. The foreign shipyards patronized by our foreign competitors can build vessels for up to 50 percent less than the cost here in the States. Handicapped as New England is by low cost of fish, the additional burden of paying up to a double price on the vessels themselves is intolerable.

The bill attempts to remedy this situation by providing a construction differential subsidy up to one-third of the cost of new vessels constructed in the United States. This approach represents no great departure from the previous law in that the bill is patterned closely after the Merchant Marine Act of 1936 under which very many of our present merchant ships have been constructed. It limits the application of the law to areas that have been the victims of the Trade Assistance Agreements Act and limits it to a period of 3 years, with a maximum expenditure by the Government of $1 million per year.

I call your attention, Mr. Chairman, to the situation that has arisen in this particular industry and to the report of the Merchant Marine Committee on this bill, dated August 5, 1959.

The report reads as follows with respect to the reciprocal trade matter:

> The basis for subsidy assistance is the failure of the President to afford relief to a segment of the industry under the Trade Agreements Assistance Act of 1951. Under

the provisions of that act, the U.S. Tariff Commission, after an investigation and hearing, may report to the President that a particular industry or segment thereof is suffering injury from foreign competition. Thereupon, under section 7(c) of that act, the President may make such adjustments in rates of duty, import quotas, or otherwise to prevent or remedy the injury.

It is not the Reciprocal Trade Act that has brought this situation on. In fairness and justice to this great segment and this great area of the Nation, it is a fact that the President has not followed the recommendation of the reciprocal trade agreements. In justice and in fairness, I think that should be called to the attention of the House for that is the basis upon which I, as chairman of the Committee on Merchant Marine and Fisheries, speak in behalf of this bill today.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. GROSS. Under the Trade Agreements Act, the President is given overriding authority, authority which some of us sought to take away from him when the act was last extended and so, therefore, it is part and parcel of the act.

Mr. BONNER. Of course, it is, but he pays no attention in this instance to the recommendation of the Tariff Commission.

Mr. GROSS. I quite agree with that, and the reason for this bill is part and parcel of the Trade Agreements Extension Act.

Mr. BONNER. You are correct.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to a distinguished member of the committee.

Mr. PELLY. In fairness to the President and his failure to act, will not the gentleman agree with me, he is doing what he is doing and following a policy that he is following because of our national security and, therefore, basically this is a matter of our national security?

Mr. BONNER. The gentleman from Massachusetts [Mr. BATES], a disguished Member of the House, went into detail with respect to that, and that is the reason I am for this bill. We certainly have to help our home folks if we expect to keep industry alive in this country.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. JENNINGS. Do I understand then, if we vote for this bill, we are voting against the security of America?

Mr. BONNER. No, sir, you are not voting against the security of America. You are voting for the security of America, and you are voting for the working people who follow the sea to make their livelihood.

Mr. JENNINGS. Mr. Chairman, if the gentleman will yield further, did I understand the gentleman from Washington to say the reason the President was not acting on the advice of the Tariff Commission and following their advice was because of the security of the country?

Mr. BONNER. The gentleman from Massachusetts [Mr. BATES] went into detail on this very subject here, and I cannot add to the statement he made in explaining this situation. I think after I have finished my statement, if you will wait until after I finish my statement, I will yield.

Mr. PELLY. Mr. Chairman, will the gentleman yield just to clarify that one point?

Mr. BONNER. Certainly, I yield to a member of the committee.

Mr. PELLY. I would like to explain to the gentleman that my reference to the national security was the fact that I felt the President could not afford relief because he felt it might affect the bases we have in these countries, and the attitude of their people toward us. I would agree 100 percent with the chairman of the Committee on Merchant Marine and Fisheries that the real justification for this bill is national security.

Mr. BONNER. That is the issue here today. There is no doubt about that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I must yield to a member of my own committee, of course, and a very fine member and a working Member of this House, a man I am very happy to be associated with.

Mr. GROSS. I thank the gentleman. But, is there any question of security as between Canada and the United States?

Mr. BONNER. I happened to be in Maine recently. Practically all the trucks I saw, the fishing trucks coming down through Maine were from Canada and Nova Scotia, carrying fish into Boston, which makes it very competitive and impossible for these ships to compete with that type of competition which they have.

Mr. GROSS. We have fallen on a sad and sorry day, if there is any question of our security that depends upon Canada to the extent that we must permit their fish to come in here and undersell the U.S. market. I just do not understand why it is argued that where Canada is involved there is any danger to the United States from the standpoint of security.

Mr. BONNER. Not only is Canada involved, but other countries who are operators in ocean fishing.

Mr. PELLY. Is it not true that Canada subsidizes her fishing industry?

Mr. BONNER. That is true, as do all the great fishing nations of the world.

The bill contains many safeguards to assure that its purpose is carried out, among them being provision that any removal from a particular fishery requires payment to the Government of the construction subsidies; in other words, if these ships that are subsidized in a particular distressed area were moved to another area the ships would be liable for repayment of the subsidy. In the event that the vessel is taken by the Government for emergency use the price paid by the Government will be the depreciated value of the vessel without inclusion of the subsidy payments.

Mr. Chairman, it must be remembered that during World War I and World War II this type of vessel that is spoken of in this bill played an important part in the national defense of this Nation. Small boats are used for inshore work and minesweeping, and they were actually used in some instances in the submarine warfare. So I think and I believe that this approach will be successful in materially aiding not only the New England fisheries, but also any other fisheries of the Nation that might be caught in this situation. They will be enabled to make a start toward competing effectively with foreign competition.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. JENNINGS. Is this setting a precedent that we are going to operate in this fashion when the President overrules the Tariff Commision? Are we going to be confronted with this type of legislation in other fields? Will this not lead to a subsidy of the textile industry, the steel industry, and others?

Mr. BONNER. I anticipated that question, and I will answer it in this way: These ships are competitive world wide. We cannot control their competition. Our domestic situation is entirely another matter. These ships operate out where we cannot control who competes with them. As I have said here, the competition of these ships is built and operated 50 percent less than the ships that operate from our shores.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. MACDONALD. Is it not also true that this is different than any other domestic industry?

Mr. BONNER. Is it a peculiar situation.

Mr. MACDONALD. It is different inasmuch as by law no ship which is built in a foreign yard can be used in the domestic industry.

Mr. BONNER. In any of the ports of this country. Therefore, Mr. Chairman, I urge the passage of this bill. I think the bill is fair; I think it is the proper thing to do under the conditions.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. DENT. Did I understand the gentleman to say that the crux of the matter is because of the fact that the President had failed to give consideration to the recommendations of the Tariff Commission?

Mr. BONNER. The gentleman from Massachusetts [Mr. BATES] went into detail on that matter, and he read the statement of the President. The President elected not to increase the tariff in this particular instance although the Commission, as I understand it, had recommended it twice.

Mr. DENT. Is it not also true that although the President by law has the full authority to accept or reject the recommendation of the Tariff Commission, that there is an overriding consideration in every one of the tariff settlements because of the fact that this Nation belongs to GATT and that GATT is made up of some 47 nations, in which group this United States has the same

single vote as Liberia and 45 other countries, and that we cannot establish, even if we want to establish, beyond certain recommendations made by the GATT organization, and, therefore, the Reciprocal Trade Act not being at fault as such, but the overriding influence of GATT which was created. After this Congress turned down the organization for tariff regulations another organization was born and has been instituted into our internal affairs. The President could not have established tariffs on this particular subject without permission from GATT. I believe that is true.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield, but I am taking a great deal more time than I contemplated.

Mr. BATES. I think it should be made clear that the reason this bill is before the House today is not because of the import question per se, but that is merely a corollary argument which I used in my presentation. The important thing, I think, is this: We are forced to build our boats here in the United States. If that is the national policy, then the Nation as a whole, not the fishermen alone, should bear the cost of the policy.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Pennsylvania.

Mr. DENT. In the gentleman's preliminary statement in discussing this bill he said that the reason we have to do this is because of the importation of fish and fish products, making it necessary for us to subsidize the shipbuilding in this country.

Mr. BONNER. We do not permit foreign-built vessels to operate in this trade.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Michigan.

Mr. DINGELL. Without going into the question of whether or not this affects rates and tariffs, or whether or not our tariff policy is involved, I think we can say to our colleagues who perhaps might feel very strongly on that, that this bill cannot affect whether or not we have more or less tariff on these things. It merely points out—the distinguished chairman of the committee pointed out that this condition exists—there is a need for assistance to a segment of the industry which happened to be affected by this adverse ruling of the President after proper action by the Tariff Commission.

I think what the chairman of the Committee on Merchant Marine and Fisheries has been trying to point out to the House is that this situation exists. To go into the subject of tariffs and whether the action of the President was proper or improper is really begging the question and to engage in a series of peripheral issues has no place in the discussion before us today.

Mr. BONNER. I might reply to the gentleman by saying that the committee considered permitting this type of vessel being built outside the United States.

Mr. DINGELL. That is correct.

Mr. BONNER. Our shipyards are an essential part of the national defense, our American labor is something that we are all interested in, therefore the committee would not give any consideration to permitting vessels in this trade being built outside the United States, nor did we give great consideration to registering vessels in any commerce that are built outside the United States.

Mr. TOLLEFSON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, about everything that could be said about this bill has been said and very ably so by the chairman of the committee, the gentleman from North Carolina [Mr. BONNER], and the gentleman from Massachusetts [Mr. BATES]. Both have explained the background and the basis and the reason for this bill.

As a member of the Committee on Merchant Marine and Fisheries, the problem and plight of the New England fisheries has been before us for at least 12 years. It was particularly acute 10 years ago in 1949 when this House adopted a resolution asking the State Department to investigate the reason for the decline in the fishing industry activities in New England and to report back to the Congress with recommendations as to what might be done.

The State Department did make an investigation and did find that the New England industry had been injured by the imports of cheaply produced foreign products, but made no recommendations whatsoever. That was in line with the State Department's thinking and policy as of that time and I think that philosophy and policy still exist.

What happened in the New England fishing industry is now happening to other segments of our fishing industry. Our tuna fishing industry has been hurt very seriously. The number of boats employed in tuna fishing has been cut in half. The Northwest fishing industry has been injured badly and will continue to be hurt by the importation of cheaply produced foreign products, and so will the remaining deep sea fisheries of our Nation, including the shrimp fisheries. The basis for the injury, of course, has been the increasing amount of cheaply produced foreign imports with which we cannot compete because our labor costs and other costs are higher. I think it has been made clear to the House, but I want to repeat again, that while it is the imports that have caused the damage, we would not be here with this bill at all except for the fact that the New England fisheries people, as well as the other fisheries people, must build their boats in the United States. They cannot employ foreign-built boats. They must be built in the United States. These boats, as has been stated by the chairman, cost about twice as much to build as do foreign-built vessels. This one fact take the fisheries industry out of the same category with other industries which are injured by cheaply produced foreign imports.

A number of Members of the House have asked me about other industries and have mentioned them by name, and I have tried to point out that the fishing industry is in a special category, for one reason alone, and that is that they must buy their boats in the United States. This puts them at an economic disadvantage.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Iowa.

Mr. GROSS. There would be nothing to prevent the House from passing a simple bill to provide that they can build these fishing boats in foreign yards, would there?

Mr. TOLLEFSON. That is true. The House could do so if it wants to. However, may I say in that connection that the Department of the Interior suggested this course to our committee. They recommended that Congress repeal the law presently on the books which requires that those vessels be built in the United States. However, then we are confronted with the very serious national defense problem. In the event of an emergency, we would not then have a shipbuilding industry and the shipbuilding skills which would be so essential in the event of an emergency, and I doubt very much that this Congress would consent to repealing that law.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from North Carolina.

Mr. JONAS. The subsidy provided in this bill applies only to the construction cost of the vessel?

Mr. TOLLEFSON. That is correct.

Mr. JONAS. What part of the cost of operation of the fishing fleet is involved, in capital investment in the vessel; and, what part applies to other costs of operating the fleet? I mean, are we reaching the real problem? We do not reach the differential in labor cost, insurance cost, and all of the other costs.

Mr. TOLLEFSON. No, we do not.

Mr. JONAS. In this bill we only undertake to touch one small phase of this differential.

Mr. TOLLEFSON. That is correct.

Mr. JONAS. Now, what percentage of the total cost do you think this would touch?

Mr. TOLLEFSON. I have never heard any figures. I am sorry I could not give any accurate estimate.

Mr. JONAS. Is it the opinion of the subcommittee that if this subsidy applies only to the construction cost of a vessel, that would make the domestic fleet competitive with foreign fishing fleets?

Mr. TOLLEFSON. No, it would not completely; but it would improve the situation, we think, sufficiently to enable the New England fishing fleet to stay in business and not be run out of business.

Mr. JONAS. It would not completely cure the problem?

Mr. TOLLEFSON. No.

Mr. JONAS. It would still have the competition with foreign fleets?

Mr. TOLLEFSON. That is correct.

What this bill, in effect does, is to put the fishing industry in the same category with all the other industries in the United States that are hurt by foreign imports.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. MAILLIARD. I would like to ask the distinguished gentleman from Washington if he shares my concern about section 4 of the committee substitute in that it is a restriction, as I read this section, to an instance where application has been made for relief under the Trade Agreements Assistance Act, and has been certified by the Tariff Commission as being meritorious but denied by the President as a matter of overriding national policy. I am concerned about that for this reason: This is a rather artificial restriction. I agree that this bill should be restricted in its application to those industries where help is definitely needed, but I am thinking in terms of the tuna fishing industry on the Pacific coast, where they are in exactly the same situation as the New England fishing industry but where they could not get relief under this bill because there is no trade agreement with regard to tuna; therefore they could not go to the Tariff Commission, and yet their circumstances are exactly the same.

Mr. TOLLEFSON. Mr. Chairman, may I say to the gentleman from California that this particular matter of which he speaks has been discussed by various members of the committee. We felt in bringing this bill to the House we should bring it in in as limited a form as we can. What the gentleman says is absolutely true. The tuna fishing industry, as I indicated earlier, has been terrifically hurt by imports. The tuna boats have been cut in half in recent years, and though they are hurt just as much by the imports of products as is the New England fishing industry, they cannot get relief under this bill simply because they are not entitled because of technicalities to go to the Tariff Commission and ask for relief. They cannot even get before the Tariff Commission. Of course, I must say very frankly to the gentleman that I would have preferred personally a differently worded bill which would have enabled the tuna fishing industry to obtain this same relief. I think the gentleman has taken a sound stand in indicating, perhaps, that other language might have been better than that presently contained in the bill.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield further?

Mr. TOLLEFSON. I yield.

Mr. MAILLIARD. I was unable to come up with language that satisfied myself, so I did not offer an amendment in committee, and I do not intend to offer an amendment today because I do not want to confuse this issue. I know how desperately the New England fisheries need this assistance. I should hope that perhaps when this bill reaches the other body section 4 might be worded in such a way that it would provide that where no trade agreement exists, the Tariff Commission could, upon application, make a determination as to whether the injury was sufficient to be given this consideration. I am thinking of the tuna industry but, who knows, one day it may be the shrimp fisheries in the gulf, or some other fishery. There is no limit to the possibilities here. Yet the production of food resources from the fisheries is a very vital part of our whole economy and one that perhaps is not quite as well understood as it should be. At the same time I think we do not want to go to the expedient of permitting ships to be built abroad because the shipbuilding industry, which produces ships for fishing purposes is the same industry upon which we depend tremendously for the construction of small auxiliary craft like minesweepers, and so forth, in time of war.

Mr. TOLLEFSON. I am glad the gentleman is giving thought to some language which would make the bill more in line with my own ideas of what was needed. But, as I have indicated, it would require some carefully drafted wording and, perhaps by the time it gets over to the other body, somebody will have thought of it.

Mr. Chairman, I trust that while the word subsidy is obnoxious to many Members of the House, they will nonetheless realize that this is a much needed measure. I speak as one whose industries are not going to be helped one whit by this bill. None of the industries in my area that are being hurt by imports, and we have a great many of them, are going to be helped by this bill. But I do know the situation in New England. I have lived with it for 13 years on our committee and I realize we have got to do something. Otherwise, we are not going to have any New England fishing industry; it is that serious. I hope the House will approve our bill.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman.

Mr. PELLY. Will the gentleman agree with me that the basic issue in this legislation is not in any way setting a precedent. Basically it is simply one of following the same policy we have had with regard to our merchant ships.

Mr. TOLLEFSON. That is correct.

Mr. PELLY. Whenever an industry is damaged because it is not allowed to build its ships in foreign yards, it must build its ships in local yards and therefore at a higher cost, the Federal Government in order to sustain the skills and facilities for shipbuilding, compensates the shipbuilder for that loss.

Mr. TOLLEFSON. May I say to the gentleman that actually this House approved construction subsidies for fishing vessels away back, I believe, in 1936. But unfortunately the wording of that act is such that we found that in fact the fishing vessels could not come under it. But Congress already has spoken on this subject once. All we are asking you to do now is to speak again in language which is understandable and under which the New England fisheries can come in for some assistance.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman.

Mr. BAILEY. Will the gentleman explain to the Members of the Committee why it would be helpful to the east coast fisheries and not to the west coast fisheries?

Mr. TOLLEFSON. Yes; because the bill provides that the subsidy shall only go to that fishery which has appealed to the Tariff Commission for relief, where the Tariff Commission has recommended relief, but where that recommendation has gone to the President and the President for some reason of his own has said "No."

Mr. BAILEY. The west coast fisheries have not processed a case under the escape clause?

Mr. TOLLEFSON. We have not. But the day is coming, I would guess, when we will be hurt as badly as have been the New England fisheries. I am sure the day is coming because the number of imports of fish products has been increasing year by year until now they are so tremendous that it is difficult for me to understand why more of our fishermen are not out of business altogether. Many of them are, but I am speaking of the whole industry. I am surprised that some segments of our fishing industry have not closed altogether.

Mr. BAILEY. Will this legislation be broad enough so that when an industry that has not already applied to the Tariff Commission, if it does apply to the Tariff Commission and gets a favorable ruling, will benefit under it?

Mr. TOLLEFSON. The bill applies only to the fishing industry. As of the moment this is limited to those cases, as I have said, where the Tariff Commission has recommended relief but the President has denied it, and to similar cases in the future.

Mr. BAILEY. In view of the fact that I am interested in a number of them, I think perhaps the legislation might be all right in that respect, where you can convince the Tariff Commission. It is more in line with what I have been trying to do, to take away from the President the right to overrule the Tariff Commission.

Mr. TOLLEFSON. I know the gentleman's position and I subscribe to it and have supported it. I think he has done a tremendous job.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. WILSON. I have listened to the arguments in favor of this bill, and I am very sympathetic to the problems facing the New England fishermen. Our problems are almost identical, the problems faced by the tuna industry in California. Unfortunately, the tuna industry does not qualify under this bill because of the escape-clause provision. But the tuna industry does support this legislation, and we in California are supporting it because it shows that the Government is and can be interested in preventing the tuna fishing fleet and other fishing fleets from disappearing from the seas.

I hope the legislation is successful and we support it fully.

Mr. TOLLEFSON. I thank the gentleman from California.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. OLIVER. I take this opportunity to commend the gentleman for the conscientious work of the committee in the consideration and in the writing of this bill, and for the splendid way in which the gentleman has discussed the basic issues involved in the bill. I would like to ask the gentleman this question. Are there any national defense considerations in the passage of this bill, in your opinion?

Mr. TOLLEFSON. Oh, yes, indeed. I think the experience of World War II where the Navy, shall I say, confiscated or took over a great number of fishing vessels and utilized the vessels in the defense effort shows how important this is to our national defense. In addition, inasmuch as the fishing vessels have to be built in the United States, this assures the existence and the continuation of shipbuilding skills and facilities. The Navy not only utilizes fishing vessels, but they, themselves, have built in our shipyards, as the gentleman knows, a large number of small boats like minesweepers which are badly needed in time of war. Those vessels could not have been built in the United States had we not had the skills and the facilities to do so. Therein enters the national defense aspect.

Mr. OLIVER. I thank the gentleman very much for that observation. It appeared to me one of the basic and important factors in the passage of this legislation might be that we would thereby get a fleet of vessels which could be used, perhaps, in an emergency to do the many jobs that the Navy has to do and which it has been found necessary to do in past conflicts.

Mr. TOLLEFSON. As a matter of fact, the Navy today relies on information it obtains from fishing vessel operators. They are sort of outposts, you might say, with respect to seeing what other nations might be doing with ship operations or submarine operations in waters off our shores.

Mr. OLIVER. I thank the gentleman very much.

Mr. BONNER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MACDONALD. I am happy to yield to my distinguished leader.

Mr. McCORMACK. I congratulate the gentleman from Massachusetts [Mr. MACDONALD] who introduced the bill, and the gentleman from Massachusetts [Mr. BATES] for the very fine statement he made as well as the other gentlemen who have spoken in favor of this bill on both sides of the aisle. I think this is very fair legislation. I am glad to join with my dear friend, former Speaker of the House, Mr. MARTIN, for urging the passage of the bill. As we all know, all of the fishing industry in all parts of the United States favor this bill. It is the result of months and months of negotiation before this present session of the Congress met. The entire fishing industry—north, south, east, and west and in the Great Lakes area agree. This bill comes before the House representing the united views of all of the fishing industry of our country. I strongly urge the passage of the bill because the fishing industry certainly is entitled to this compensatory consideration. Naturally, as to the suggestion made, or the recommendation that the law be waived about building fishing vessels outside the United States—no Congress would pass that, and properly so. This is one bill which will be most helpful to the fishing industry. It is the result of many years of effort as was so ably expressed by the gentleman from Massachusetts [Mr. BATES] and other Members who have spoken on this bill. I strongly urge that the Committee of the Whole adopt the bill.

Mr. MACDONALD. I thank the gentleman.

Actually, while I have been allotted 10 minutes, I do not intend to take 10 minutes because I think the waterfront has been pretty well covered. I would like to review, very briefly, exactly what this bill does. It is a very simple bill. It is a very small bill moneywise. I point out to the House that the entire amount involved in this bill is but $3 million—$1 million a year for 3 years to cover up to 33⅓ percent of the differential between domestic and foreign ship construction.

Secondly, these payments can be made only to those fisheries which have been injured and for whom the escape clause relief has been recommended by the Federal Tariff Commission, and that recommendation has been rejected by the administration. To show its need, the industry has appeared before the Federal Tariff Commission four times in 11 years and the Federal Tariff Commission on two occasions, once unanimously, set forth decisions that this industry should be relieved by having increased import duties up to 50 percent or to establish a quota formula to control the flow of imports. Neither of those recommendations were followed.

I say to the gentlemen who have made inquiry, why should not other industries in the United States be similarly treated.

I say that because the fact is that in 1729 this Congress saw fit to pass a law which in effect said that no fishing vessel constructed in a foreign shipyard may be used in the domestic fishing industry of the United States. Perhaps at one time this had some point because the effort was to protect and encourage the shipbuilding activities of a young America and the development of her trade and commerce. That time has passed, but still we do not want to injure the shipbuilding industry of this Nation which was certainly needed in World War II and would be again in case of national emergency. To those people who think of the word "subsidy" as a dirty word, I would remind them that the cost of this program, per year does not reach the cost of the storage program for surplus crops under the Benson agricultural program for a single day. So I recommend to the House that we unite and right an injustice that was done in the name of national security. It is not fair that one small segment of an important industry should have to bear the brunt of an act committed in the name of national security. If it was done in the name of national security, the result should be shared by all the taxpayers of the country.

Mr. Chairman, those of us who are vitally interested in the fishing industry in the United States have become very alarmed at the recent decline and the difficulties experienced by our domestic fishing industry. The industry as a whole is declining fast. It is losing economic stature, witn some segments already facing ruin because of the importation of foreign-caught fish. Likewise, our fishing fleets are being forced out of business by this kind of competition. Everyone knows that for some time this most important industry has been fighting a losing battle against the present policy which makes concessions to foreign competition and which simultaneously refuses to provide relief to our domestic fishing industry.

Failure to provide tariff relief and its failure to provide construction-differential payments for the fishing vessels that by law must be built at much higher costs in this country have exposed our fishing industry to the unfair competition from abroad that is driving us out of business.

I want to point out that while our U.S. fishing fleet is gradually deteriorating Russian fishing vessels have been moving into water a mere 250 miles off New England's coast with a modern oceangoing fleet. The Russians are penetrating our fishing waters in their overall efforts to defeat us through economic competition. They also use their fishing vessels for military purposes in connection with their large submarine fleet. The Russians have large, modern fishing vessels whose activity is not restricted by governmental action. We must not allow the Soviet Union to outdistance us in this field as they have in others.

I am sure the Members of the House agree with me when I say that some assistance is needed both in and out of Congress to prevent the collapse of this most essential industry. I, therefore, want to commend Chairman BONNER of the House Merchant Marine and Fisheries Committee and Chairman BOYKIN of the Subcommittee on Fisheries, as well as all the members of the parent committee for the excellent work they did in connection with this much needed proposal.

Mr. Chairman, we are considering today a bill that is designed to promote the welfare of our fishing industry.

I urge your strong support of bill H.R. 5421 which would help distressed fisheries in the United States compete with foreign fisheries which employ lower-paid labor and use ships costing 36 to 50 percent less than similar type ships built in the United States. Low-priced foreign fish imports have caused severe financial losses to large segments of our domestic fishing industry, particularly in New England. Financial losses have been so high that much of our fishing equipment is aged and inefficient, with high insurance, maintenance, and operating costs, a high injury

rate for fishermen, and inadequate fish catches because of obsolescent gear and outmoded fishing practices.

My bill would also help our domestic shipbuilding industry. American fishery vessel operators are not allowed to use low-priced, foreign-built ships. They can use only those ships constructed in the United States—United States Code, title 46, paragraph 11, and Revised Statutes 4132, as amended, passed by Congress in 1792—because we wish to maintain a healthy domestic shipbuilding industry. This is an objective worthy of your support and that is part of the reason that this bill authorizes the payment to a domestic shipbuilder of a fishing vessel 33⅓ percent of the differential between the cost of constructing a fishing vessel in the United States and such a cost in a foreign country. This 33⅓ percent differential is really lower than the average differential, because foreign shipbuilders can construct and deliver large ships to the United States for an estimated average cost of 42 percent below our costs. In Japan the differential is 50 percent; in northern Europe the differential would be about 45 percent, and in the United Kingdom and France the differential would be less.

You will note that the committee report on bill H.R. 5421 stresses the importance of a strong domestic shipbuilding industry. It states that—

> The necessity of maintaining shipyards in operating condition and good financial health in the United States has been amply demonstrated in both World War I and World War II. In both of these, the small boat yards capable of constructing fishing vessels did yeoman service in the construction of minesweepers and other auxiliary vessels for defense, and it is inconceivable that they be condemned to extinction.

The committee report stressed also the importance of providing to domestic fishery shipbuilders the differential of 33⅓ percent as a method of helping our distressed fishing industry gain a more favorable position for competing with cheap foreign imports. My bill provides that this differential is to apply only to those segments of the fishing industry which are in distress.

Our financially embarrassed fishing vessel operators would like to purchase new, American-built ships, but they are unable, or understandably reluctant, to buy any new ships, because of the higher costs. Their impoverished financial condition, poor equipment collateral, and dim future prospects are so bad, generally, that they have great difficulty, or have not been able to obtain loans from banks or from the Small Business Administration.

Fewer and fewer fishing vessels are being constructed in recent years in the United States. In 1947–49 more than 1,000 vessels were documented, but in 1957 only 601 vessels, or 40 percent less, were documented. Of these 601 vessels nearly half, or 296, were added to the fishing fleet in the South Atlantic and gulf areas mainly for shrimp fishing. In the other very important fishing areas of New England and the Pacific Coast States there were fewer fishing vessels in 1957 than in 1955. Of the 12,000 vessels of 5 net tons or over engaged in fishing activities in 1957 a considerable number were old and obsolete.

This bill asks for only $1 million per year for just 3 years, which is a short time and a small sum compared to its valuable benefits to be derived for fisheries, shipbuilders, and to the security of the United States.

The general objectives of my bill have been approved by the several Federal departments. Numerous individuals and organizations have stressed that it should be approved. The bill contains safeguards so that differentials will be safely and wisely provided only to responsible, but distressed fisheries.

Before concluding I would like to point out that under section 4 of the bill a construction subsidy shall be granted only to assist in a fishery suffering injury from which escape clause relief has been recommended by the Tariff Commission.

As you probably know twice in recent years President Eisenhower has rejected two recommendations by the Tariff Commission for the relief of the New England ground fish industry. This has been done on the grounds of national security. The fishing industry has established economic justification before the Tariff Commission and demonstrated that it cannot maintain competion against foreign imports without tariff relief or some other measure of assistance. But friendly relations consideration between Iceland, other countries and our State Department have precluded relief and the fishing industry's condition continues to worsen.

I, therefore, ask: Is it equitable to assume that one industry should bear the entire brunt of our national security policies with respect to friendly nations engaged in fisheries commerce? Should this industry be forced to suffer economically for national security considerations which affect us as a Nation as a whole?

Some measure of assistance is clearly in order. I want to repeat that my bill is designed to revive an industry that is rapidly deteriorating because it is plagued by high costs and low prices. It is an industry that is struggling to maintain its equilibrium in an economic storm that threatens to throw it off course. My bill is an effort to place the fishing industry in an equitable position as compared with other economic segments in our society. If enacted into law it will save and revive the important fishing industry of the United States. I, therefore, commend this bill and strongly urge its approval.

Mr. BURKE of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Chairman, I wish to go on record in favor of H.R. 5421. While this measure will not correct all the inequities in the fishing industry as it affects New England it is a step in the right direction.

The fishing industry in New England has been in dire straits by reason of the fact that imports of frozen fish fillets at prices below the cost of production have caused severe losses.

Many of the fishing trawlers are now over age and because of the poor profits there is little or no capital available for their replacement.

This is a moderate bill and should have the support of all those interested in keeping fishing industry alive in our Nation.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Chairman, I rise in support of this legislation which is designed, primarily, to recreate a modern fishing fleet in the New England area that can compete with the subsidized fisheries of foreign nations.

Those who have spoken on this bill during this debate have covered the several phases of the need for action in this field, caused both by the critical competition from imports of fish and fish products, which is forcing the New England fishing industry to its knees, and the refusal of this administration to give us relief through the provisions of the escape clause authority of the Trade Agreements Act.

Attention has been called to the existing law which prohibits the use in our coastwise commerce of boats built in foreign yards. So, if we are to be encouraged and helped to revive our industry, make jobs, and utilize the rich resources of the sea, with which we are so abundantly blessed in the North Atlantic, then, it must be through this legislation which is not a new principle for our Government. The same procedure of construction differential subsidies is applied to keep our merchant marine fleet in a healthy, modern status. Of course, this has been our practice for years, since the 1936 act to be exact, The approach of subsidies for construction of merchant ships has proved itself, not only in peacetime but has helped to save this Nation in times of war.

This bill, authorizing a modest approach of $3 million over a 3-year period for the rejuvenation of this fishing fleet, may also prove to be a national defense factor of great value if we are unfortunate enough to become embroiled in another armed conflict. During World War II, the Navy acquired and converted for defense purposes many of these very same vessels, which we now seek to replace, through this legislation, with modern, effective craft. These vessels will be used for the peaceful pursuit of harvesting the sea in competition with our neighbors who are constantly improving their fleets through governmental subsidies, just as we seek to accomplish, here, today. Also, Mr. Chairman, we must fulfill our legislative responsibility to act in the national defense. This bill, which deserves your

wholehearted and complete support, will do both of these jobs.

Today, it is the New England interests which must be protected. Tomorrow, it could be the tuna fisheries of the Pacific or the shrimp fisheries of the gulf and the South Atlantic.

This legislation is constructive. It is in the national interest. It calls for your unselfish support. I urge the passage of this bill.

Mr. TOLLEFSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, I shall support H.R. 5421, to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status.

There is no question but that the New England fishery is in dire straits and our west coast fisheries are not in good shape. Because of poor prospects, there is no capital assistance for the replacement of obsolescent vessels. Use of the older vessels has caused higher maintenance costs, higher insurance premiums, injuries to crews and inadequate catches because of old gear and obsolescent fishing vessels.

By law, U.S. fishing vessels must be constructed in U.S. yards and the additional costs, which according to the Department of Commerce run as much as 42 percent, places a hopeless handicap upon the fishing industry.

As much as I dislike the thought of Federal subsidies, I realize full well there are instances where the Federal Government must step in and provide assistance if an industry, such as fishing, which is of great importance to the entire Nation, is to be preserved and the jobs of those employed therein are to be saved.

Although H.R. 5421 applies solely to the New England fishery, I hope it can be amended to include our west coast fisheries, as they too are in a depressed condition and certainly need assistance to enable them to replace outworn, obsolescent vessels.

I believe that H.R. 5421 is a fair and equitable proposal which would do much toward rehabilitating our fishing industry in the United States, which has suffered continued hardship by reason of certain trade policies of the United States.

Mr. TOLLEFSON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, there have been a lot of extraneous issues thrown into this discussion today. I think we need to get right down to the crux of this bill, which is to be found in section 4 on page 2, which reads as follows:

SEC. 4. A construction subsidy shall be granted under this Act only to assist in the construction of a fishing vessel to be operated in a fishery suffering injury from which escape clause relief has been recommended by the Tariff Commission under the Trade Agreements Assistance Act of 1951, as amended (65 Stat. 74), but where such relief has been or is hereafter denied under section 7(c) of such Act.

Then we go to the report, and the first sentence of the report on page 3 under the heading "Summary of the Need for the Legislation" reads as follows:

At the present time, the New England fishery is in dire straits by reason of the fact that imports of frozen fish fillets at prices below the cost of production have caused severe losses.

There is one issue and only one issue, and that is whether on that basis you are going to vote for a bill that provides a subsidy for the New England fishing fleet, for that is the only segment of the fishing industry that can qualify under this bill. That is the real issue. It is the issue of the New England fishing industry having gone to the Tariff Commission, having twice been upheld by the Tariff Commission, President Eisenhower twice having overturned the decisions of the Tariff Commission, and now this bill seeks to overrule the President by indirection and reliance on the Federal Treasury.

What is going to happen if this bill is adopted?

What kind of precedent will be set? The pottery industry may go before the Tariff Commission, obtain a favorable decision under the escape clause and be overruled by the President. The glass industry, the knitting industry, the auto industry and many others may do likewise. Are you going to pass a series of bills to compensate, as the gentleman, my friend from Massachusetts, the distinguished majority leader advocates, for the damage caused by the so-called reciprocal—the misnamed reciprocal trade agreements for there is little or no reciprocity.

My friend from Massachusetts who supports that program and who is at heart, I am sure, a freetrader, advocates resort to the U.S. Treasury to provide compensatory payments. That is his answer to the damage that is being done by our foreign trade agreements.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Certainly I yield.

Mr. McCORMACK. Does the gentleman undertake to penetrate my heart?

Mr. GROSS. Just your mind, not your heart.

Mr. McCORMACK. Does the gentleman think he is qualified to penetrate my mind?

Mr. GROSS. On this subject—perhaps not completely but certainly to a limited extent, and I will not go beyond that.

Mr. McCORMACK. I admire the gentleman very much because I am unable to penetrate his mind.

Mr. GROSS. The gentleman is heading as fast as he can to free trade when he supports the so-called Reciprocal Trade Agreements Act with a 20-percent reduction in tariffs over a 4-year period.

Mr. McCORMACK. I am not attacking or criticizing the gentleman for his views.

Mr. GROSS. I am not criticizing the gentleman either.

Mr. McCORMACK. I am not characterizing my friend as a high protectionist. He would not want me to and I would not do it. Yet when he starts talking about free trade he is just as far wrong as anybody can be. I try to rationalize, I am sure my friend does, too, from his own angle. I would no more accuse my friend of being a high protectionist than I would accuse him of favoring Khrushchev's visit and to address a joint meeting of Congress.

Mr. GROSS. Let me tell the gentleman how I feel about this tariff situation. We are in trouble and we are getting deeper into trouble all the time over this flood of imports. The answer to it is a tariff based upon the differential in costs of production as between this country and any foreign country, and I do not care what foreign country it is.

Mr. McCORMACK. I am not arguing that.

Mr. GROSS. The gentleman can call that a high tariff or low tariff.

Mr. McCORMACK. The gentleman simply referred to me as a freetrader. I say the gentleman is just as far wrong in that statement as if I referred to him as a high protectionist. We are having a little pleasant colloquy, are we not?

Mr. GROSS. Yes, very friendly.

Mr. McCORMACK. One reading the RECORD may get a different impression than we intend to convey to one another. The gentleman knows that the Reciprocal Trade Agreements Act was to meet the Smith-Hawley Act and the high tariff provisions and the results that flowed from that act. I will agree—and I have never taken any other position—that under the Reciprocal Trade Agreements Act and its administration certain other conditions have arisen. It was in the Democratic platform, and I was chairman of the platform committee when we talked about the administration of the act. I will agree that when an American industry is adversely affected, sharply affected, and they make out a case for what I call compensatory consideration, the gentleman knows my phrase and the gentleman knows it is very logical and sound although my friend disagrees with me.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TOLLEFSON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GROSS. No, I cannot agree with the gentleman that the answer to this or any other damage by virtue of imports is compensatory payments out of the U.S. Treasury.

Mr. McCORMACK. I said "compensatory consideration."

Mr. GROSS. What is the difference between them? Your compensatory consideration in this bill amounts to a million dollars a year ad infinitum.

Mr. McCORMACK. This bill is along the lines of what one of my friends on the Republican side said, it follows subsidies for the building of ocean-going passenger ships and our Merchant Marine. This is more consistent with that than the illustration my friend gave.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. I think the gentleman will want to correct the RECORD.

This bill lasts only 3 years. It expires at the end of 3 years. The total cost is $3 million.

Mr. GROSS. Yes; I misspoke myself when I said "ad infinitum." I will strike that. It goes for 3 years, but I will be amazed if you would not be here asking for more appropriations at the end of 3 years.

Let me say to the gentlemen from Massachusetts, this bill is not going to cure anything. I have every sympathy for the industry. The industry is hurt, it has been damaged, and I have every sympathy for those injured. But I would much prefer to vote for an outright subsidy for the building of the New England fishing fleet than to approve this proposition of in fact amending the Trade Agreements Act in this fashion to the exclusion of all others who are being damaged. As I said, this bill is not going to cure anything. You can build these fishing boats, but if you cannot compete with low-cost foreign imports, it is not going to solve your problem at all and the gentleman knows that very well.

Mr. MACDONALD. Does not the gentleman agree there is a difference in the illustration he gave? There are people who manufacture glass in Toledo, for instance, and they import the machines with which they manufacture this glass.

Mr. GROSS. No, not necessarily.

Mr. MACDONALD. That happens to be the fact. Would he follow the law in the same way and have these people pay 50 percent more because by law they cannot purchase trawlers outside the United States? Does the gentleman want the law changed in that way?

Mr. GROSS. I have never voted for such a bill in the Committee on Merchant Marine and Fisheries. I simply raised the question. I have never voted for a bill to provide for the construction of ships in foreign yards, and the gentleman well knows that. I do not believe in it. I believe in paying American workmen for their labor and American industry the cost of producing their products. The best market for the products of our farms is the American market and the best consumers are those gainfully employed in American industries, including shipyards. I say you you are not going to solve the real problem with this bill.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I am happy to yield to my friend from the State of Washington.

Mr. PELLY. The distinguished majority leader referred to the Democratic platform, and I would like to refer to the statement of policy of the Republican Party, which is to protect labor standards. This bill is right in line with that.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield, when I referred to the Democratic platform, I did not mean to exclude or make any partisan reference.

Mr. PELLY. I just wanted to remind the gentleman that both parties are in support of the principles which are in line with this particular legislation.

Mr. GROSS. Both parties are what?

Mr. PELLY. In support of protecting the high standards of American labor as against foreign labor.

Mr. GROSS. Well, it is going to be pretty hard for me to believe that President Eisenhower, the titular head of the Republican Party, is going to be very favorably disposed toward this bill which, in fact, sets aside his decisions and provides a backdoor approach to the United States Treasury to get money because he has overruled decisions of the Tariff Commission. It is hard for me to believe that he wants that kind of a precedent established all over the country, because of the many other industries adversely affected by reason of foreign imports. I warned when the extension of the Trade Agreements Act, the so-called reciprocal trade agreements, last came before the House that the fact of the extension, with its 5 percent reduction in tariffs over a 4-year period, or a total of 20 percent, would live to haunt the Members of this House, and here it is today to haunt them. I just do not believe that President Eisenhower, if he has seen this bill or gets a good look at it, is going to be very favorably disposed toward it.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. JONAS. I was interested in the comment the gentleman made that this bill will not solve the problem it seeks to solve. Did the gentleman hear the colloquy I had with the gentleman from Washington?

Mr. GROSS. Yes.

Mr. JONAS. Being a member of the committee and having studied this subject carefully, I wonder if the gentleman from Iowa could enlighten the House as to the proportion of the cost of operating a fishing vessel is attributable to the purchase price of the vessel. Is not that a small part of the total cost?

Mr. GROSS. I would have to go back to the hearings to find an answer for the gentleman. Perhaps the chairman of the committee could enlighten the gentleman as to his question. I am happy to yield for that purpose if he cares to answer.

Mr. BONNER. What is the question?

Mr. JONAS. I asked the gentleman from Iowa if there was any information before the committee which would disclose the percentage or proportion of the cost of operating a fishing vessel that is attributable to the cost of the vessel.

Mr. BONNER. In the regular subsidy with our merchant marine we grant approximately 50 percent. In this bill we limit it to one-third the cost of the vessel.

Mr. JONAS. Assuming that a fishing trawler would cost $300,000, the subsidy would be $100,000?

Mr. BONNER. That is correct.

Mr. JONAS. Would that take care of the cost differential? Would that make the domestic fleet competitive with foreign fleets? That is the problem we are trying to solve.

Mr. BONNER. Yes. With the proper type of trawlers the industry can compete.

Mr. JONAS. But you have recurring costs, such as labor, insurance, upkeep, and maintenance.

Mr. BONNER. That is shore cost. There is no shore cost included in this bill.

Mr. JONAS. I would like to vote for the bill if it would correct the problem, and I am interested in the problem. But the gentleman from Iowa has about convinced me that this bill will not solve the problem we seek to solve, and that if we adopt this approach we will be establishing a precedent which will have to be followed in every case where a domestic industry is damaged by imports.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I would like to explain to the gentleman from North Carolina that my district and the city of Boston is where the most part of the fishing fleet is located. And, we are concerned about it, naturally, and I know quite a bit about it. In this day and age while our New England fleet is obsolete and while we still fish, as I stated before, in the same manner and follow the same customs as we did in the last 100 or 150 years, what we need today is a more modern trawler. The $1 million a year will only build probably 3 or 4 trawlers. In the overall fleet, what do 3 or 4 trawlers mean? It will mean that they will have new, modern equipment, with electronic devices, with sounding systems, things of that kind, so that they can go up to the Grand Banks or the Georgian Banks, or off the various places where they go to fish, and use this sounding equipment, this electronic equipment, to locate the fish. They will relay this information to the rest of the fleet and then the fleet will go up there.

In other words, at the present time, we do not have what they call finders. That is what they have in the Russian fleet today. That is what they have in the Iceland fleet today. That is why we need at least this limited number at the present time so that they can be sent out as scouts to locate the fish, so that the men will not spend days at sea, and many useless hours, not knowing where the fish are located but so that they will have the information and will be able to come back with the fish.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. OLIVER. Perhaps this is not pertinent to what the gentleman has been saying, but with regard to the inquiry made by the gentleman from North Carolina [Mr. JONAS] to which my friend from Massachusetts [Mr. O'NEILL] has been addressing his remarks, here is a sentence taken from a telegram received today from the representative of the National Fisheries Institute, which says:

> Adoption of this legislation provides the only hope for American industry to compete with foreign fishing vessels.

I offer that contribution because while this bill is probably not a solution of the problem, it offers the only hope toward a solution. I wanted to make that point.

Mr. GROSS. Mr. Chairman, again we have a bill before the House which seeks to solve a problem by dealing with effect and not the cause. This is again the easy way out—the accepted practice of rushing to the Federal Treasury to solve all problems, no matter how large or how small. That is the prime reason why this Government has accumulated a debt of $290 billion—an impossible mortgage that has been yoked around the necks of future generations.

The trouble in this instance, I repeat, is directly attributable to the alleged reciprocal trade program, and these troubles are multiplying every day. To put American labor and industry on a world price level can only mean a lower standard of living in this country. To raid the U.S. Treasury to provide compensatory payments for all damage inflicted by foreign imports is unthinkable for the Treasury is worse than "busted" for it went $13 billion in the hole in the last fiscal year alone.

Congress must face up to the fact that the foreign trade policy of this country has failed; that our industry and labor cannot possibly meet the competition with which it is faced.

It will be interesting to compare the votes for this bill with the votes that were cast for the last extension of the so-called reciprocal trade act. Those who voted for that extension, and the terms and conditions contained therein, cannot consistently vote for this bill.

Mr. BONNER. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS of Oklahoma. Mr. Chairman, it seems to me that this great committee and those who have spoken on this bill have made a fine case, an excellent case for this bill. I am certainly strongly in favor of it after having read the bill and heard the debate.

I should like to make just a few observations in the short time allotted me. This bill could not possibly affect directly the district that I have the honor to represent nor the State of Oklahoma; nor could it directly help or affect anything in the Midwest that I know of. But I do hope that all of us in regard to this subject matter will do our very best not to be local in our views but that we will think in terms of our whole country. I am trying to do that on this occasion because, as I say, this cannot directly help us at all out our way, but it will help an important segment of our whole society. It will help the fishing industry, and they are entitled to that help.

I am glad that they have very frankly and very pungently used the word "subsidy." Some people have been afraid of that word. But I call your attention to the fact that we have had subsidies in the United States ever since George Washington's time. Many, many segments of our society have been subsidized. The only question we should ask, it seems to me, if we are called upon to subsidize some group in our country is whether or not it is justified and we can afford it. Were it not for the subsidies that we have granted through the years to certain of our segments and groups we would not be the strong Nation we are today.

The tariff has been mentioned. The tariff is probably the biggest subsidy in America. I have used these figures before, but I repeat, from 1932 to 1952 the tariff, which I do not oppose as long as it is reasonable, in this country cost us, the taxpayers and consuming public, $10.8 billion. The subsidy for farm support prices during that same period cost us $1.2 billion.

I have always gone along with you ladies and gentlemen in regard to your justified subsidies. You have made in my judgment an excellent case here. I would hope and, yes, I pray that when we come along with the farm program, if we make a good, reasonable case and show that farmers are entitled to it, help us out. We need it, just as the fishing industry needs it. Yes, you made an excellent case. You do need it, and we need it. So help us out, too. I will stay with you; you stay with us as long as we are both right.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield to the gentleman.

Mr. BAILEY. I should like to say to the distinguished gentleman from Oklahoma that I feel somewhat as he does. I think they have a problem in New England and from my leadership in the effort to do something about our reciprocal trade policies I know all about the fisheries situation, not only on the east coast, but on the west coast. I am in sympathy with what you are trying to do, but there is one weakness in your proposition, gentleman, and I feel I would be remiss in my duty if I failed to point it out to you. The President has the authority to appoint the members of the Tariff Commission. His last two appointments have been men who have in recent decisions of the Tariff Commission quit finding unanimous decisions in favor of any industry. The President has it in his authority to take control over that because he can name the members of the Tariff Commisison, and I would say by the end of 1 or possibly 2 years, you will not get a favorable ruling out of the Tariff Commission for any industry because it will be handmade by the President, and he is opposed to being overridden on these matters. So your bill, of course, only applies to cases where the Tariff Commission has given a favorable ruling under the application of the escape clause.

Mr. MORRIS of Oklahoma. I thank the gentleman for his contribution. I hope there will be very little or no opposition to this bill. This is a good bill.

Mr. BONNER. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BOLAND. Mr. Chairman, I rise in support of this legislation sponsored by my distinguished colleagues from Massachusetts, Congressmen MACDONALD, O'NEILL, BATES, and LANE, to provide a program of assistance to correct inequities in fishing vessels construction and to help the fishing industry to regain a favorable economic status.

The New England fishing industry in particular has been a very "sick" industry for many years, not because New England fishermen lack ingenuity, initiative or the will to do hard work, but because of foreign competition. Under existing law, these fishermen must contract to buy new fishing vessels in the United States at costs ranging up to 50 percent higher than fishing vessels constructed in foreign countries. Construction of the foreign fishing vessels is subsidized by the respective foreign governments. They are very modern. I recently saw a television program showing how these vessels not only catch fish, but they have facilities to clean, pack, and store them.

Mr. Chairman, New England has had a great fishing industry ever since the first English settlers landed at Plymouth, Mass. The Pilgrims and early colonists depended upon the sea for much of their food. Shipyards sprung up in every New England port, and hundreds of these small vessel shipyards still exist. These shipyards have also been plagued by the problems of the fishing industry because fishermen have not been able to bear the heavy costs of renovation and new construction of fishing vessels. This legislation will offer a subsidy of up to 33 percent for construction of these vessels. The bill will not only revitalize the fishing industry but it will help the small-boat yards that normally engage in this type of construction.

Mr. BOYKIN. Mr. Chairman, our fisheries are in very poor condition because of low-cost foreign competition. Not only are labor costs abroad less than ours but the cost of construction of fishing vessels and equipment is substantially less. The Japanese, Canadians, Icelanders, and Britons are able to lay down fish on our shores at prices less than our own fishermen can deliver. The tariff on fish is ridiculously low, and although proceedings have been taken under the Trade Assistance Agreements Act for relief against foreign competition, the administration has refused to consider the plight of our industry. New England in particular has been hard hit. Its fleet is growing older, its costs are rising, and its markets are fading in the face of cheap foreign fish.

Various suggestions have been made to assist this essential industry, and the one with the greatest merit is embodied in this bill. It is designed to modernize the fleets with the effect of reducing production costs so as to enable the New England industry to compete on more favorable terms. The necessity for new fishing vessels has been recognized by the administration, but it proposed that the fishermen be permitted to obtain vessels from lower cost foreign yards. Under the present law only American-built fishing vessels are permitted in the American fishery, and the effect of the administration proposal would be to ruin our domestic small boat building industry.

For this reason I, and the other members of the Merchant Marine Committee, substituted the present bill which authorizes the payment of a construction differential subsidy up to one-third of the cost of the vessel which will be constructed in an American yard. The bill presents no departure from existing practice, in that it is patterned after the Merchant Marine Act of 1936, which has resulted in the construction of our present merchant fleet. It requires that vessels built under its terms be used in the fishery for which the subsidy is paid, and that in the event that the Government acquires the vessel in time of emergency that only the depreciated book value be paid. It is limited by its terms to a period of 3 years, and calls for the expenditure of not over $1 million per year.

I believe that the bill will be successful in building up this essential industry at the least cost to the Government.

Mr. DONOHUE. Mr. Chairman, this legislation before us, H.R. 5421, to provide assistance to segments of the fishing industry that have suffered undue hardship because of the operation of our reciprocal trade policy is of vital importance to a large, but long neglected, part of our citizenry.

It has particular significance to the members of the New England fishing industry, who have a long and illustrious record, through many generations, of patriotic service and sacrifice in defense and preservation of their country's freedoms.

The evidence that has been presented to this House in proof of the extreme hardships imposed upon these patriotic people and in demonstration of their vital need of Federal assistance for competitive survival is overwhelming. There can exist no doubt of their long sufferings and economic deprivations due entirely to the adverse operation of our reciprocal trade program. The President himself has repeatedly expressed his conviction that appropriate remedies should be applied whenever any large portion of our economic society is beset by financial difficulties, through no fault of their own, by reason of competitive strangulation brought about by foreign importations.

That is exactly the unhappy and unjust situation facing the New England fishing industry today. The assistance provided for in this bill is moderate; the time during which it will apply is limited; the program is safeguarded against all possible abuses and will be strictly supervised by the Secretary of the Interior, as well as the Maritime Administrator.

The need of the fishing industry is urgent and the measure of aid proposed is reasonable, in the national interest. I earnestly hope that my colleagues here will unanimously approve this bill without delay.

Mr. BERRY. Mr. Chairman, during the past week we have witnessed in this body the growing decline of the free enterprise system in America.

When we consider that the economy of the Nation consists solely of the production and removal, the processing, transportation, reprocessing and disposal of the basic raw materials which come from the fields, the mines, or the sea, we understand how important these basic raw materials are.

Within the past week the House has acted upon three bills, either enacting, extending, or anticipating a subsidy program to prevent domestic production of the three basic raw materials from being completely destroyed by cheap foreign imports:

First. Thursday of last week we extended Public Law 480 by which the U.S. Treasury, through gift, barter, or exchange for foreign currencies which are then spent in that country, disposes of domestic farm production acquired under the so-called agricultural subsidy program. This is a program carried on to purchase domestic agricultural products displaced by cheap foreign imports.

Second. Monday we had on the floor a resolution in which Congress asked the executive branch to submit a program for the solution of the domestic mining industry, which industry has been displaced through cheap foreign imports.

Third. Today we are considering a subsidy for the fishing industry, which is the first step in an overall subsidy program to save the fishing industry from being completely displaced through cheap foreign imports.

THE PATTERN

In order that we may have a clearer picture of what is shortly in store for the mining and fishing industries, let us look at the purpose and operation of the agricultural program. Last year we imported $3.9 billion worth of agricultural commodities. These commodities were placed on the domestic market and went directly to the dinner tables of the homes across the Nation.

Those basic raw materials coming from the fields of the Nation were made surplus by the displacement of millions of acres of domestic production through these foreign imports. The Nation was faced with two alternatives, either to stop imports or to buy up the displaced domestic production. The Federal Treasury purchased this displaced farm production, which we term surplus. It is surplus only because it has been supplanted by imports.

In order to dispose of this mounting surplus, the taxpayers through Public Law 480 gave away last year, either directly or indirectly, $1.5 billion worth. Through the International Wheat Agreement and other such programs, the taxpayers subsidized the sale on the world market of another $1.2 billion. This was subsidized at the rate of about 50 cents per bushel on wheat and a related figure on other grains. The rate has been 6 cents per pound on cotton; it has now gone to 8 cents per pound.

In other words, $2.7 billion of the $4 billion agricultural exports from the United States last year were either given away or the sale was very highly subsidized in order to make room for the $3.9 billion of agricultural imports.

OTHER BASIC MATERIALS

The domestic mining industry is in much worse shape than the domestic agricultural industry because foreign mineral imports can be indefinitely stockpiled. If, however, the domestic industry is to be preserved, even on a standby basis, the taxpayers must buy the domestic production at a cost of production subsidized price and then arrange some program similar to Public Law 480 to give away that which is produced in this country.

The fishing industry faces the same fate. Cheap foreign imports have supplanted the best efforts of the domestic industry on both coasts. Either the taxpayers step in or the fisheries step out.

THE PROBLEM

You ask why a great industrial country like America, with the best means of production that modern science can produce and with a class of labor that is the most efficient in the world, cannot meet competition from abroad.

The first answer is that the American farmer, the American miner, and the American fisheries are given a serious handicap before they can even enter the race of free world competition.

The American taxpayer, which includes every farmer, every miner, everyone engaged in the fisheries, every processing industry and every laborer, must first pay his pro rata share of defense, not just the defense of America, but the defense of the entire free world. This defense is the first handicap placed upon domestic industry and labor.

The bill for the defense of the free world is approximately $40 billion annually. Broken down on a per capita basis, this annual expense amounts to $800 for every family in America. This $800 must be added to the production cost of every pound of food, every ton of mineral, and every item of clothing or product of industry which is produced domestically.

The foreign producer and foreign laborer has no defense item to add to his product—we defend them.

The domestic producer must raise another $3 to $3.5 billion annually for foreign aid. This amounts to from $70 to $75 annually for every family in the Nation. This amount is not only given to our agricultural and industrial competitors to maintain their defense, but to their governments as well to help keep them solvent, to help run their schools, to build roads, powerplants, irrigation projects and every other item of their national expense.

Certainly these people can work for lower wages when the American taxpayer not only foots the bill for their defense but contributes toward the operation of their governmental functions and then puts $1.5 billion worth of food on their tables free of cost.

Can any degree of efficiency, can any technical development meet this kind of competition?

THE SOLUTION

In 1936 the Congress of the United States passed a minimum wage and maximum hour law so that one section of the Nation would not have an unfair advantage over the other in trade moving in interstate commerce.

The countries of the world are closer today than were the States in 1936. If wage-and-hour legislation was necessary

then for fair interstate trade, worldwide wage and hour standards are just as important today in international trade.

This, you say, is not possible. You likewise contend it is not possible to require the other nations of the free world to contribute their proportionate share of the cost of free world defense. But, Mr. Chairman, it is possible to require them to make their proportionate contribution at least on the products they export into the United States.

Call this an equalization tax or a defense tax, or call it what you please; if they expect the American taxpayer to be their consumer, then they must contribute toward the terrific burden being carried by that consumer as a free world taxpayer.

I do not advocate a punitive tariff; I do not advocate a destructive tariff; I do not advocate a tariff which would place an import wall around the Nation, but I do contend that the Treasury of this Nation cannot long continue to defend the free world, raise their standard of living by subsidizing their governments, financing agricultural, mining, and industrial development in competition to ours, place free food upon their tables, and then subsidize American agriculture, American mining, American labor, and American industry when these foreign products, produced through these unfair competitive means, idle the domestic producers.

The defense of their countries is as important to them as it is to us. Trade with us is vital to them. I see no other means of requiring them to carry even a portion of their share, except to place an import tax upon food, goods, and products imported in competition with domestic production.

The patient is dying with a malignant import cancer. Congress continues to treat the patient by placing bandages over the open sores, but does nothing about the malignancy. It is Congress and Congress alone that is to blame for this condition. When will it face up to the facts and assume the responsibility required of it by the Constitution?

Mr. BONNER. Mr. Chairman, I have no further requests for time.

Mr. TOLLEFSON. Mr. Chairman, I have no further requests for time.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. PHILBIN. Mr. Chairman, I strongly support this bill and urge the House to enact it without further delay. I thank and compliment the very able chairman and the members of the committee for bringing the bill to the floor.

I was especially touched and impressed by the brilliant, logical, persuasive speech of my dear and distinguished friend the very able and amiable gentleman from Massachusetts [Mr. BATES] whose persistent, long-continued work has contributed so materially to securing urgently needed relief for the harrassed and afflicted American fishing industry.

I am pleased to commend particularly my dear friend and very able colleage, the distinguished gentleman from Massachusetts [Mr. MACDONALD], a stanch, effective advocate and promoter of this meritorious bill. His speech and valuable work have been most praiseworthy.

The case for the bill is overwhelming. It will have strong general support in the House as it deserves to have.

Underlying the drastic need for the bill is the reciprocal trade treaty law which has by its operation created cutthroat foreign competition in this great, vital industry just as it has in other major American industries. Congress must now provide relief from this most unsound and harmful law.

This bill is designed to help an industry in this country and workers in this country beset by oppressive, destructive, foreign competition which absolutely prohibits the procurement of adequate modern vessels and equipment.

There are many precedents for this type of assistance in the present mutual aid program, except that under that law the benefits and assistance go to foreign industries and foreign workers. In all fairness and justice our domestic industries and workers are entitled to consideration and help when they need it so urgently as in this instance of the fishing industry.

This bill is not an open panacea to correct all the ills and problems of the industry. But it will do much to promote economical operation and modernization, and make the industry better fitted to combat the vicious undercutting and cutthroat competition now prevailing.

The fact of the matter is that this legislation is imperative if the fishing industry is to remain in substantial existence. Unless this aid is forthcoming it is only a question of time when the American fishing industry will be faced with a truly grave prospect—further liquidation, and in the end ultimate ruin—another victim of reciprocal trade laws.

I appeal fervently with the House to pass this bill and thus preserve the great American fishing industry and its many faithful workers and their families who look to the Congress so hopefully and pleadingly for speedy relief from the intolerable conditions which now confront them.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to assist certain depressed segments of the fishing industry the Secretary of the Interior is hereby authorized to pay in accordance with this Act a subsidy for the construction of fishing vessels in the shipyards of the United States.

SEC. 2. Any citizen of the United States may apply to the Secretary for a construction subsidy to aid in construction of a new fishing vessel in accordance with this Act. No such application shall be approved by the Secretary unless he determines that (1) the plans and specifications for the fishing vessel are suitable for use in the fishery in which that vessel will operate, (2) that the applicant possesses the ability, experience, resources, and other qualifications necessary to enable him to operate and maintain the proposed new fishing vessel, and (3) the granting of the subsidy is reasonably calculated to replace lost, damaged, worn out, or obsolete fishing vessels by the owners thereof, and such other conditions as the Secretary may consider to be in the public interest.

SEC. 3. If the Secretary, in the exercise of his discretion, determines that the granting of the subsidy applied for is reasonably calculated to carry out the purposes of this Act, he may approve such application and enter into a contract or contracts with the applicant which will provide for payment by the United States of a construction subsidy in accordance with the purposes and provisions of this Act and in accordance with any other conditions or limitations which may be prescribed by the Secretary.

SEC. 4. A construction subsidy shall be granted under this Act only to assist in the construction of a fishing vessel to be operated in a fishery suffering injury from which escape clause relief has been recommended by the Tariff Commission under the Trade Agreements Assistance Act of 1951, as amended (65 Stat. 74), but where such relief has been or is hereafter denied under section 7(c) of such Act.

SEC. 5. The construction subsidy which the Secretary may pay with respect to any fishing vessel under this Act shall be an amount equal to the difference, as determined by the Maritime Administrator, between the cost of constructing such vessel in a shipyard in the United States based upon the lowest responsible domestic bid for the construction of such vessel and the estimated cost, as determined by the Maritime Administrator, of constructing such vessel under similar plans and specifications in a foreign shipbuilding center which is determined by the Maritime Administrator to furnish a fair and representative example for the determination of the estimated total cost of constructing a vessel of the type proposed to be constructed, but in no event shall the subsidy exceed 33⅓ per centum of the cost of constructing such vessel in a shipyard in the United States based upon the lowest responsible dometic bid. For the purposes of this section, the Maritime Administrator shall determine, and certify to the Secretary, the lowest responsible domestic bid.

SEC. 6. Any fishing vessel for which a construction subsidy is paid under this Act shall be constructed under the supervision of the Maritime Administrator. No construction subsidy shall be paid by the Secretary under this Act unless all contracts between the applicant for such subsidy and the shipbuilder who is to construct such vessel contain such provisions with respect to the construction of the vessel as the Maritime Administrator determines necessary to protect the interests of the United States.

SEC. 7. All construction with respect to which a construction subsidy is granted under this Act shall be performed in a shipyard in the United States as a result of competitive bidding, after due advertising, with the rights reserved in the applicant, and in the Maritime Administrator, to disapprove any or all bids. In all such construction the shipbuilder, subcontractor, material men, and suppliers shall use, so far as practicable, only articles, materials, and supplies of the growth, production, and manufacture of the United States as defined in paragraph K of section 401 of the Tariff Act of 1930. No shipbuilder shall be deemed a responsible builder unless he possesses the experience, ability, financial resources, equipment, and other qualifications necessary properly to perform the proposed contract. The submitted bid shall be accompanied by all detailed estimates on which it is based, and the Maritime Administrator may require that the builder or any subcontractor submit any other pertinent data relating to such bids.

SEC. 8. (a) Every contract executed by the Secretary pursuant to section 3 of this Act shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of any fishing vessel on which a construction subsidy was paid, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated construction cost thereof (together with the actual depreciated cost of capital improvements thereon) less the depreciated amount of construction subsidy therefore paid incident to the construction of such vessel, or the fair and reasonable scrap value of such vessel as determined by the Maritime Administrator, whichever is the greater. Such determination shall be final. In computing the depreciated value of such vessel, depreciation shall be computed on each vessel on the schedule accepted or adopted by the Internal Revenue Service for income tax purposes.

(a) The provisions of subsection (a) of this section relating to the requisition or the acquisition of ownership by the United States shall run with the title of each fishing vessel and be binding on all owners thereof.

SEC. 9. If any fishing vessel is operated during its useful life, as determined by the Secretary, in any fishery other than the particular fishery for which it was designed the owner of such vessel shall repay to the Secretary, in accordance with such terms and conditions as the Secretary shall prescribe, an amount which bears the same proportion to the total construction subsidy paid under this Act with respect to such vessel as the proportion that the number of years during which such vessel was not operated in the fishery for which it was designed bears to the total useful life of such vessel as determined by the Secretary for the purposes of this section. Obligations under this provision shall run with the title to the vessel.

SEC. 10. The Secretary shall make such rules and regulations as may be necessary to carry out the purposes of this Act.

SEC. 11. As used in this Act the terms—

(1) "Secretary" means the Secretary of the Interior,

(2) "fishing vessel" means any vessel designed to be used in catching fish, processing or transporting fish loaded on the high seas, or any vessel outfitted for such activity,

(3) "citizen of the United States" includes a corporation, partnership, or association if it is a citizen of the United States within the meaning of section 2 of the Shipping Act, 1916, as amended,

(4) "construction" includes designing, inspecting, outfitting, and equipping, and

(5) "Maritime Administrator" means the Maritime Administrator in the Department of Commerce.

SEC. 12. There is authorized to be appropriated annually the sum of $1,000,000 to carry out the purposes of this Act.

SEC. 13. The authority to grant subsidies hereunder shall expire three years from the effective date of this Act.

Mr. TOLLEFSON (during the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the further reading of the committee amendment be dispensed with, and that it be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Are there any amendments to the committee amendment?

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CARNAHAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5421) to provide a program of assistance to correct inequities in the construction of fishing vessels and to enable the fishing industry of the United States to regain a favorable economic status, and for other purposes, pursuant to House Resolution 349, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the role.

The question was taken; and there were—yeas 272, nays 108, not voting 55, as follows:

[Roll No. 145]

YEAS—272

Abernethy
Addonizio
Albert
Alexander
Alford
Anfuso
Ashley
Aspinall
Auchincloss
Ayres
Bailey
Baker
Baldwin
Barrett
Barry
Bates
Baumhart
Beckworth
Bennett, Fla.
Bennett, Mich.
Blatnik
Blitch
Boland
Bolling
Bonner
Bowles
Boykin
Boyle
Brademas
Breeding
Brewster
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Broyhill
Burdick
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Cahill
Carnahan
Casey
Celler
Chelf
Chenoweth
Clark
Coad
Coffin
Cohelan
Colmer
Conte
Cook
Cooley
Corbett
Curtin
Curtis, Mass.
Daddario
Daniels
Davis, Ga.
Davis, Tenn.
Dawson
Delaney
Dent
Diggs
Dingell
Dollinger
Donohue
Dooley
Dorn, N.Y.
Dorn, S.C.
Downing
Doyle
Dulski
Durham
Everett
Evins
Fallon
Farbstein
Fascell
Fenton
Fisher
Flood
Flynn
Flynt
Foley
Forand
Forrester
Fountain
Frazier
Friedel
Gallagher
Garmatz
Gathings
Gavin
George
Giaimo
Glenn
Granahan
Grant
Gray
Green, Pa.
Griffiths
Gubser
Hagen
Hall
Halleck
Hardy
Hargis
Harmon
Harris
Hays
Healey
Hébert
Hemphill
Herlong
Holifield
Holland
Holtzman
Horan
Hosmer
Huddleston
Hull
Ikard
Inouye
Irwin
Jarman
Jennings
Jensen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Karth
Kasem
Kastenmeier
Kee
Keith
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Kowalski
Landrum
Lane
Lankford
Latta
Lennon
Lesinski
Levering
Libonati
McCormack
McDowell
McFall
McGinley
McGovern
McIntire
McMillan
McSween
Macdonald
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Martin
Matthews
May
Merrow
Metcalf
Meyer
Miller, Clem
Miller, George P.
Milliken
Mills
Mitchell
Moeller
Monagan
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Morrison
Multer
Murphy
Murray
Natcher
Nix
Norblad
Norrell
O'Hara, Ill.
O'Neill
Oliver
Patman
Pelly
Perkins
Pfost
Philbin
Porter
Preston
Price
Prokop
Pucinski
Quigley
Rains
Randall
Reuss
Rhodes, Ariz.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Rutherford
Santangelo
Scott
Selden
Shelley
Sheppard
Shipley
Sisk
Slack
Smith, Iowa
Staggers
Steed
Stratton
Stubblefield
Sullivan
Taber
Teller
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Tollefson
Trimble
Udall
Ullman
Utt
Vinson
Wallhauser
Walter
Watts
Weis
Whitener
Whitten
Willis
Wilson
Withrow
Wolf
Wright
Young
Younger
Zablocki
Zelenko

NAYS—108

Abbitt
Alger
Allen
Anderson, Mont.
Ashmore
Avery
Baring
Barr
Bass, N.H.
Becker
Bentley
Berry
Betts
Bosch
Bow
Bray
Brock
Broomfield
Brown, Ohio
Budge
Burleson
Bush
Byrnes, Wis.
Cederberg
Chamberlain
Chiperfield
Church
Collier
Cunningham
Curtis, Mo.
Dague
Derounian
Devine
Dixon
Dowdy
Dwyer
Feighan
Fino
Frelinghuysen
Fulton
Gary
Goodell
Griffin
Gross
Haley
Halpern
Hechler
Henderson
Hess
Hiestand
Hoeven
Hoffman, Ill.
Johansen
Johnson, Colo.
Jonas
Kearns
Knox
Lafore
Laird
Langen
Lindsay
Lipscomb
McCulloch
McDonough
Marshall
Meader
Michel
Minshall
Moore
Moss
Mumma
Nelsen
O'Hara, Mich.
O'Konski
Osmers
Ostertag
Pirnie
Poff
Quie
Ray
Rees, Kans.
Rhodes, Pa.
Riehlman
Robison
Roush
St. George
Saylor
Schenck
Scherer
Schwengel
Short
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Smith, Va.
Springer
Teague, Tex.
Thomson, Wyo.
Tuck
Vanik
Van Pelt
Van Zandt
Wainwright
Weaver
Wharton
Widnall
Wier

NOT VOTING—55

Adair
Andersen, Minn.
Andrews
Arends
Barden
Bass, Tenn.
Belcher
Boggs
Bolton
Buckley
Canfield
Cannon
Carter
Cramer
Denton
Derwinski
Edmondson
Elliott
Fogarty
Ford
Green, Oreg.
Harrison
Hoffman, Mich.
Hogan
Holt
Jackson
Jones, Mo.
Kilburn
Loser
Machrowicz
Mason
Miller, N.Y.
Montoya
Moulder
O'Brien, Ill.
O'Brien, N. Y.
Passman
Pilcher
Pillion
Poage
Powell
Rabaut
Reece, Tenn.
Saund
Sikes
Siler
Smith, Miss.

Spence	Wampler	Winstead
Taylor	Westland	Yates
Teague, Calif.	Williams	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Boggs with Mr. Arends.
Mr. Carter with Mr. Mason.
Mr. Machrowicz with Mr. Kilburn.
Mr. Fogarty with Mr. Taylor.
Mr. Montoya with Mr. Siler.
Mr. Pilcher with Mrs. Bolton.
Mr. Elliott with Mr. Belcher.
Mrs. Green or Oregon with Mr. Ford.
Mr. O'Brien of New York with Mr. Cramer.
Mr. Powell with Mr. Reece of Tennessee.
Mr. Sikes with Mr. Miller of New York.
Mr. Harrison with Mr. Jackson.
Mr. Hogan with Mr. Hoffman of Michigan.
Mr. Buckley with Mr. Pillion.
Mr. Loser with Mr. Westland.
Mr. Moulder with Mr. Teague of California.
Mr. Williams with Mr. Derwinski.
Mr. Winstead with Mr. Andersen of Minnesota.
Mr. Rabaut with Mr. Canfield.
Mr. Denton with Mr. Adair.

Mr. FEIGHAN and Mrs. DWYER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SPOKANE VALLEY PROJECT

Mr. ASPINALL submitted a conference report and statement on the bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws.

COAL RESEARCH AND DEVELOPMENT

Mr. ASPINALL submitted a conference report and statement on the bill (H.R. 6596) which would encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

PROVIDING FOR CONSTRUCTION, ALTERATION, AND ACQUISITION OF PUBLIC BUILDINGS OF THE FEDERAL GOVERNMENT

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That this Act may be cited as the 'Public Buildings Act of 1959'.

"SEC. 2. No public building shall be constructed except by the Administrator, who shall construct such public building in accordance with this Act.

"SEC. 3. The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, any building and its site which he determines to be necessary to carry out his duties under this Act.

"SEC. 4. (a) The Administrator is authorized to alter any public building, and to acquire in accordance with section 5 of this Act such land as may be necessary to carry out such alteration.

"(b) No approval under section 7 shall be required for any alteration and acquisition authorized by this section the estimated maximum cost of which does not exceed $200,000.

"SEC. 5. (a) The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, such lands or interests in lands as he deems necessary for use as sites, or additions to sites, for public buildings authorized to be constructed or altered under this Act.

"(b) Whenever a public building is to be used in whole or in part for post office purposes the Administrator shall act jointly with the Postmaster General in selecting the town or city wherein such building is to be constructed, and in selecting the site in such town or city for such building.

"(c) Whenever the Administrator is to acquire a site under this section, he may, if he deems it necessary, solicit by public advertisement, proposals for the sale, donation, or exchange of real property to the United States to be used as such site. In selecting a site under this section the Administrator (with the concurrence of the Postmaster General if the public building to be constructed thereon is to be used in whole or in part for post office purposes) is authorized to select such site as in his estimation is the most advantageous to the United States, all factors considered, and to acquire such site without regard to title III of the Federal Property and Administrative Services Act of 1949, as amended.

"SEC. 6. (a) Whenever the Administrator deems it to be in the best interest of the United States to construct a new public building to take the place of an existing public building, he is authorized to demolish the existing building and to use the site on which it is located for the site of the proposed public building, or, if in his judgment it is more advantageous to construct such public building on a different site in the same city, he is authorized to exchange such building and site, or such site, for another site, or to sell such building and site in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

"(b) Whenever the Administrator determines that a site acquired for the construction of a public building is not suitable for that purpose, he is authorized to exchange such site for another, or to sell it in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

"(c) Nothing in this section shall be deemed to permit the Administrator to use any land as a site for a public building if such project has not been approved in accordance with section 7.

"SEC. 7. (a) In order to insure the equitable distribution of public buildings throughout the United States with due regard for the comparative urgency of need for such buildings, except as provided in section 4, no appropriation shall be made to construct any public building or to acquire any building to be used as a public building involving an expenditure in excess of $100,000, and no appropriation shall be made to alter any public building involving an expenditure in excess of $200,000, if such construction, alteration, or acquisition has not been approved by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively, and such approval has not been rescinded as provided in subsection (c) of this section. For the purpose of securing consideration of such approval the Administrator shall transmit to Congress a prospectus of the proposed project including (but not limited to)—

"(1) a brief description of the building to be constructed, altered, or acquired under this Act;

"(2) the location of the project, and an estimate of the maximum cost of the project;

"(3) a comprehensive plan for providing space for all Government officers and employees in the locality of the proposed project, having due regard for suitable space which may continue to be available in existing Government-owned buildings and in rented buildings;

"(4) a statement by the Administrator that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action; and

"(5) a statement of rents and other housing costs currently being paid by the Government for Federal agencies to be housed in the building to be constructed, altered, or acquired.

"(b) The estimated maximum cost of any project approved under this section as set forth in any prospectus may be increased by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction or alteration costs, as the case may be, from the date of transmittal of such prospectus to Congress, but in no event shall the increase authorized by this subsection exceed 10 per centum of such estimated maximum cost.

"(c) In the case of any project approved for construction, alteration, or acquisition by the Committees on Public Works of the Senate and of the House of Representatives, respectively, in accordance with subsection (a) of this section, for which an appropriation has not been made within one year after the date of such approval, either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, may rescind, by resolution, its approval of such project at any time thereafter before such an appropriation has been made.

"(d) The Committees on Public Works of the Senate and of the House of Representatives, respectively, shall not approve any project for construction, alteration, or acquisition under subsection (a) of this section whenever there are thirty or more projects the estimated maximum cost of each of which is in excess of $100,000 which have been approved for more than one year under subsection (a) but for which appropriations have not been made, until there has been a rescission of approval under subsection (c) or appropriations are made which result in there being less than thirty such projects.

"SEC. 8. (a) In carrying out his duties under this Act, the Administrator shall acquire real property within the District of Columbia exclusively within (1) the area bounded by E Street, New York Avenue, and Pennsylvania Avenue Northwest, on the north; Delaware Avenue Southwest, on the east; Virginia Avenue and Maryland Avenue projected in a straight line to the Tidal Basin, Southwest, on the south; and the Potomac River on the west (including properties within said area belonging to the District of Columbia; but excluding those portions of squares 267, 268, and 298 not belonging to the District of Columbia, the square known as south of 463, all of square 493, lots 16, 17, 20, and 21 and 808 in square 536, and lots 16 and 45 in square 635); and (2) the areas designated as squares 11, 19,

20, 32, 33, 44, 59, and 167, all of said areas being within the District of Columbia.

"(b) The purposes of this Act shall be carried out in the District of Columbia as nearly as may be practicable in harmony with the plan of Peter Charles L'Enfant and such public buildings shall be so constructed or altered as to combine architectural beauty with practical utility.

"(c) Whenever in constructing or altering a public building under this Act in the District of Columbia the Administrator determines that such construction or alteration requires the utilization of contiguous squares as a site for such building, such portions of streets as lie between such squares and such alleys as intersect such squares are authorized to be closed and vacated if such closing and vacating is mutually agreed to by the Administrator, the Board of Commissioners of the District of Columbia, and the National Capital Planning Commission. The portions of such streets and alleys so closed and vacated shall thereupon become part of such site.

"SEC. 9. The Administrator is authorized to carry out any construction or alteration authorized by this Act by contract, if he deems it to be most advantageous to the United States.

"SEC. 10. (a) The Administrator, whenever he determines it to be necessary, is authorized to employ, by contract or otherwise, and without regard to the Classification Act of 1949, as amended, or to the civil service laws, rules, and regulations, or to section 3709 of the Revised Statutes, the services of established architectural or engineering corporations, firms, or individuals, to the extent he may require such services for any public building authorized to be constructed or altered under this Act.

"(b) No corporation, firm, or individual shall be employed under authority of subsection (a) on a permanent basis.

"(c) Notwithstanding any other provision of this section the Administrator shall be responsible for all construction authorized by this Act, including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

"SEC. 11. (a) The Administrator shall submit to Congress each January, promptly after the convening of Congress, a report showing the location, space, cost, and status, of each public building the construction, alteration, or acquisition of which is to be under authority of this Act and which was uncompleted as of the date of the last preceding report made under this Act.

"(b) The Administrator and the Postmaster General are hereby authorized and directed to make such building project surveys as may be requested by resolution by either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, and within a reasonable time shall make a report thereon to the Congress. Such report shall contain all other information required to be included in a prospectus of the proposed public building project under section 7(a) of this Act.

"SEC. 12. (a) The Administrator is authorized and directed to make a continuing investigation and survey of the public buildings needs of the Federal Government in order that he may carry out his duties under this Act, and, as he determines necessary, to submit to Congress prospectuses of proposed projects in accordance with section 7(a) of this Act.

"(b) In carrying out his duties under this Act the Administrator shall cooperate with all Federal agencies in order to keep informed of their needs, shall advise each such agency of his program with respect to such agency, and may request the cooperation and assistance of each Federal agency in carrying out his duties under this Act. Each Federal agency shall cooperate with, advise, and assist the Administrator in carrying out his duties under this Act as determined necessary by the Administrator to carry out the purposes of this Act.

"(c) The Administrator in carrying out his duties under this Act shall provide for the construction and acquisition of public buildings equitably throughout the United States with due regard to the comparative urgency of the need for each particular building.

"(d) Clause (1) of section 210(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)) is amended by striking out the words "ten years", and inserting in lieu thereof the words "twenty years".

"SEC. 13. As used in this Act—

"(1) The term 'public building' means any building, whether for single or multitenant occupancy, its grounds, approaches, and appurtenances, which is generally suitable for office or storage space or both for the use of one or more Federal agencies or mixed ownership corporations, and shall include: (i) Federal office buildings, (ii) post office, (iii) customhouses, (iv) courthouses, (v) appraisers stores, (vi) border inspection facilities, (vii) warehouses, (viii) record centers, (ix) relocation facilities, and (x) similar Federal facilities, and (xi) any other buildings or construction projects the inclusion of which the President may deem, from time to time hereafter, to be justified in the public interest; but shall not include any such buildings and construction projects: (A) on the public domain (including that reserved for national forests and other purposes), (B) on properties of the United States in foreign countries, (C) on Indian and native Eskimo properties held in trust by the United States, (D) on lands used in connection with Federal programs for agricultural, recreational, and conservation purposes, including research in connection therewith, (E) on or used in connection with river, harbor, flood control, reclamation or power projects, or for chemical manufacturing or development projects, or for nuclear production, research, or development projects, (F) on or used in connection with housing and residential projects, (G) on military installations (including any fort, camp, post, naval training station, airfield, proving ground, military supply depot, military school, or any similar facility of the Department of Defense), (H) on Veterans' Administration installations used for hospital or domiciliary purposes, and (I) the exclusion of which the President may deem, from time to time hereafter, to be justified in the public interest.

"(2) The term 'Administrator' means the Administrator of General Services.

"(3) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

"(4) The term 'executive agency' means any executive department or independent establishment in the executive branch of the Government including any wholly owned Government corporation and including (A) the Central Bank for Cooperatives and the regional banks for cooperatives, (B) Federal land banks, (C) Federal intermediate credit banks, (D) Federal home loan banks, (E) Federal Deposit Insurance Corporations, and (F) the Federal National Mortgage Association.

"(5) The term 'alter' includes repairing, remodeling, improving, or extending or other changes in a public building.

"(6) The terms 'construct' and 'alter' include preliminary planning, engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar actions necessary for the construction or alteration, as the case may be, of a public building.

"(7) The term 'United States' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

"SEC. 14. This Act shall not apply to the construction of any public building—

"(1) for which an appropriation for construction is made out of the $500,000 made available for construction of small public building projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended, in the third paragraph, or for which an appropriation is made in the fourth, sixth, seventh, and eighth paragraphs, under the heading 'GENERAL SERVICES ADMINISTRATION' in title I of the Independent Offices Appropriation Act, 1959,

"(2) which is a project referred to in the first proviso of the fifth paragraph under the heading 'GENERAL SERVICES ADMINISTRATION' in title I of the Independent Offices Appropriation Act, 1959,

"(3) for which an appropriation for direct construction by an executive agency other than the General Services Administration of a specified public building has been made before the date of enactment of this Act,

"(4) within the purview of title 8, United States Code, section 1252(c) or title 19, United States Code, section 68, as amended.

"SEC. 15. The performance, in accordance with standards established by the Administrator of General Services, of the responsibilities and authorities vested in him under this Act shall, except for the authority contained in section 4, upon request, be delegated to the appropriate executive agency where the estimated cost of the project does not exceed $100,000, and may be delegated to the appropriate executive agency where the Administrator determines that such delegation will promote efficiency and economy. No delegation of responsibility or authority made under this section shall exempt the person to whom such delegation is made, or the exercise of such responsibility or authority, from any other provision of this Act.

"SEC. 16. Nothing contained in this Act shall be construed to limit or repeal—

"(1) existing authorizations for the leasing of buildings by and for the use of the General Services Administration or the Post Office Department, or

"(2) the authorization for the improvement of public buildings contained in title III of the Act entitled "An Act to establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes", approved May 27, 1958 (72 Stat. 134; 39 U.S.C., secs. 1071, 1075).

"SEC. 17. The following provisions of law are repealed except as to the application to any project referred to in section 14:

"(1) The first sentence of section 6 of the Act entitled 'An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes', approved September 1, 1916 (40 U.S.C. 23).

"(2) The first sentence of the last paragraph under the side heading 'LIGHTING AND HEATING FOR THE PUBLIC GROUNDS' under the subheading 'UNDER ENGINEER DEPARTMENT' under the heading 'UNDER THE WAR DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and twelve, and for other purposes', approved March 4, 1911 (40 U.S.C. 24).

"(3) The proviso in the sixth paragraph under the side heading 'In the Office of the Comptroller of the Currency' under the heading 'TREASURY DEPARTMENT' in the Act entitled 'An Act making additional Appropriations and to supply the Deficiencies in the Appropriations for the Service of the Government for the fiscal Years ending June thirty, eighteen hundred and seventy, and June thirty, eighteen hundred and seventy-one, and for other Purposes', approved July 15, 1870 (40 U.S.C. 32).

"(4) Section 9 of the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and eight, and for other purposes', approved March 4, 1907, as amended (40 U.S.C. 33).

"(5) That part of the fourth from last paragraph under the subheading 'BUILDINGS AND GROUNDS IN AND AROUND WASHINGTON' under the heading 'UNDER THE WAR DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and eighty-four, and for other purposes', approved March 3, 1883 (40 U.S.C. 59), as reads '; and all officers in charge of public buildings in the District of Columbia shall cause the flow of water in the buildings under their charge to be shut off from five o'clock postmeridian to eight o'clock antemeridian: *Provided,* That the water in said public buildings is not necessarily in use for public business'.

"(6) Section 2 of the Act entitled 'An Act to authorize the Secretary of the Treasury to suspend work upon the public buildings', approved June 23, 1874, as amended (40 U.S.C. 254).

"(7) The thirty-first and thirty-second paragraphs under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety, and for other purposes", approved March 2, 1889, as amended (40 U.S.C. 260 and 268).

"(8) The fifth from the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and ten, and for other purposes', approved March 4, 1909, as amended (40 U.S.C. 262).

"(9) The proviso in the fortieth paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-three, and for other purposes' approved August 7, 1882, as amended (40 U.S.C. 263).

"(10) The proviso in the last paragraph of section 5 of the Act entitled 'An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes', approved March 4, 1913 (40 U.S.C. 264).

"(11) Section 35 of the Act entitled 'An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes', approved June 25, 1910, as amended (40 U.S.C. 265).

"(12) Section 3734 of the Revised Statutes of the United States, as amended (40 U.S.C. 267).

"(13) The last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-six, and for other purposes,' approved March 2, 1895, as amended (40 U.S.C. 274).

"(14) The second and fourth provisos in the paragraph with the side heading 'Furniture and repairs of furniture' under the subheading 'PUBLIC BUILDINGS, OPERATING EXPENSES' under the heading 'TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes', approved July 1, 1916, as amended (40 U.S.C. 275 and 282).

"(15) The fourth from the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and one, and for other purposes', approved June 6, 1900, as amended (40 U.S.C. 276).

"(16) That part of the proviso in the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-three, and for other purposes', approved August 5, 1892, as amended (40 U.S.C. 277), which reads ': nor shall thereafter be paid more than six dollars per day to any person employed outside of the District of Columbia, in any capacity whatever, whose compensation is paid from appropriations for public buildings in course of construction, but the Secretary of the Treasury may, in his discretion, authorize payment in cities of eighty thousand or more inhabitants of a sum not exceeding eight dollars per day for such purposes'.

"(17) So much of the eighth from the last paragraph under the subheading 'PUBLIC BUILDINGS' under the heading 'UNDER THE TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-eight, and for other purposes', approved March 3, 1887, as amended (40 U.S.C. 278) as reads ', and hereafter where public buildings shall be completed with the exception of heating apparatus and approaches but one person shall be employed by the Government for the supervision and care of such building'.

"(18) Titles I and III and sections 401 and 406 of the Public Buildings Act of 1949 (40 U.S.C. 352, 353, 354, 297, 297a, 298, and 298c).

"(19) Except for sections 3 and 8, all of the Act entitled 'An Act to provide for the construction of certain public buildings, and for other purposes', approved May 25, 1926, as amended (40 U.S.C. 341 and the following).

"(20) The proviso in the next to last paragraph under the subheading 'MISCELLANEOUS PUBLIC BUILDINGS PROJECTS' under the heading 'TREASURY DEPARTMENT' in the Act entitled 'An Act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1928, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1928, and for other purposes', approved December 22, 1927 (40 U.S.C. 342a).

"(21) Section 3 of the Act entitled 'An Act authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings', approved January 13, 1928, as amended (40 U.S.C. 348).

"(22) Subsections (c) and (e) of the Act entitled 'An Act to amend the Act entitled "An Act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926 (Forty-fourth Statutes, page 630); the Act entitled "An Act to amend section 5 of the Act entitled 'An Act to provide for the construction of certain public buildings, and for other purposes,' approved May 25, 1926," dated February 24, 1928 (Forty-fifth Statutes, page 137); and the Act entitled "An Act authorizing the Secretary of the Treasury to acquire certain land within the District of Columbia to be used as space for public buildings," approved January 13, 1928 (Forty-fifth Statutes, page 51), approved March 31, 1930, as amended (40 U.S.C. 349 and 350a).

"(23) The Act entitled 'An Act to authorize the Secretary of the Treasury to accept donations of sites for public buildings', approved June 27, 1930, as amended (40 U.S.C. 350)."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INDEPENDENT OFFICES, MILITARY CONSTRUCTION, AND MUTUAL SECURITY APPROPRIATIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on Monday, August 31, for the Speaker to recognize a member of the Committee on Appropriations to move to suspend the rules and pass a continuing resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, a continuing resolution for what?

Mr. McCORMACK. On the independent offices, military construction, and mutual security appropriation bills, which must be acted on by August 31 to take effect on September 1. We have had one continuing resolution, but it is necessary to have another continuing resolution.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Consent Calendar to be called on Monday next prior to the suspensions, and for the Private Calendar to be called on Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLIFIELD. Mr. Speaker, I have a special order for today. I ask unanimous consent that I may revise and extend my remarks at that point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATION TO CONTROL OR PROHIBIT THE SALE OR SERVING OF ALCOHOLIC BEVERAGES ON COMMERCIAL AIRLINES

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusett?

There was no objection.

Mr. LANE. Mr. Speaker, in New England, last week, there was another incident that emphasized the need for preventing people who are under the influence of liquor from boarding planes. Furthermore, we must have legislation to control or prohibit the sale or serving of alcoholic beverages on commercial airliners. This person, by her wild charges, put all the passengers in fear of the safety of the plane, and in fear of their lives. The plane had to make an unscheduled stop in order to get rid of this passenger who evidently was under the influence of intoxicating liquors.

Our Nation has been altogether too careless concerning the serving of liquor aboard planes in flight. In fact, the various State governments have been lax about this matter.

It occurred to me to look into this, insofar as my home State of Massachusetts was concerned. "* * * the situation in Massachusetts is that railroads, steamship companies, and airlines may be authorized by permits to transport alcoholic beverages, but only railroads and steamship companies may be licensed to sell such beverages."

But what is to stop airlines from serving courtesy drinks? At this point I would like to quote from a letter I received from M. O. Pearce, field representative, Airline Stewards and Stewardesses Association, southern region, Miami Springs, Fla. "I respectfully submit, in short, that even though I am a firm believer in a sociable drink, liquor has no place on an airplane. The cabin of an airplane should have a wholesome family atmosphere for the many women and children who should have it but can't, because of the low-class barroom antics displayed by a few, motivated by the availability of liquor served aloft."

The situation in Massachusetts, and perhaps in other States as well, is that liquor may be transported aboard a commercial airliner, but may not be sold. What is to prevent a passenger from drinking what he transports or the airline from serving drinks from its own supply without benefit of sale? Should the airlines be required to have a State license if they are to sell alcoholic beverages on planes flying over Massachusetts?

In order to bring this question of State responsibility and State practice governing the serving of liquor aboard airliners to the fore, and to illustrate the need for uniform Federal legislation to eliminate the danger of such practices, I bring to your attention the following letter from Mr. William H. Hearn, secretary, the Alcoholic Beverages Control Commission of the Commonwealth of Massachusetts:

THE COMMONWEALTH OF MASSACHUSETTS,
Boston, August 14, 1959.

Hon. THOMAS J. LANE,
Seventh District, Massachusetts, Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN LANE: Your letter of August 7 has been received.

Under the provisions of chapter 138 of the general laws, as amended, the Liquor Control Act (copy of which is being sent you under separate cover), this commission is authorized to issue licenses for the sale of alcoholic beverages to railroads and to steamship companies. To date our legislature has not seen fit to authorize this commission to issue similar licenses to airlines. In the absence of specific legislative enactment authorizing such issuance none will issue.

The original provisions of our Liquor Control Act provided for issuance by the commission to railroads and to steamship companies of permits authorizing the transportation of alcoholic beverages. No such provision was made as regards airlines and we would not therefore issue such permits. However, a few years back the legislature enacted legislation authorizing us to issue permits for such transportation to airlines and since that time we have issued such permits upon application therefor.

Briefly, therefore, the situation in Massachusetts is that railroads, steamship companies, and airlines may be authorized by permits to transport alcoholic beverages but only railroads and steamship companies may be licensed to sell such beverages.

Trusting this is the information desired, we are,

Very truly yours,
WILLIAM H. HEARN,
Secretary, Alcoholic Beverages Control Commission.

THE INVITATION TO KHRUSHCHEV AND HOW IT HELPED COMMUNISM

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusett?

There was no objection.

Mr. LANE. Mr. Speaker, there is a strange Australian weapon called the boomerang.

When you hurl it against an animal watch out.

If it misses the target it will circle back to strike you.

The invitation to Khrushchev is the personal, diplomatic boomerang of the century.

Intended to tame and domesticate Khrushchev, it had just the opposite effect that was not foreseen by the wishful thinkers before and for some time after "Desecration Day," September 15, 1959.

Khrushchev was delighted to visit the United States and scatter sweet promises of peace at strategic moments during his tour. In this he was unwittingly assisted by those who would shake hands with a grizzly bear if it would get their pictures into the papers.

Radiant good will was the window dressing presented to the people of the United States and the world, along the heavily guarded route of his triumphant tour.

Behind the scenes, however, and in secret conferences, host and guest both pounded the table, glared at each other as each tried to win the battle of words.

At intervals, well-screened and harmonizing announcements were made to raise false hopes. The American people settled back to enjoy a winter of complacency. The administration gained a time reprieve, although it was not clear that this respite would solve anything.

Meanwhile, the Soviet Union gained almost everything else.

Allied unity was weakened as Britain, France, and West Germany were reduced to junior partner status, and suspicions of a two-power deal between the United States and Soviet Russia persisted, in spite of solemn protestations that this was not so.

The Communist propaganda machine hailed the truce of coexistence won by the missionary efforts of Comrade Khrushchev, the apostle of peace. Officials in Washington were beginning to have vague doubts as to the sincerity of permanence of this political good will.

The captive peoples bowed their heads and resigned themselves to the peace of slavery. The words that came from Washington had lost all meaning when compared with the pictures posted on walls and kiosks everywhere that one turned, in Europe, Asia, Africa, and South America, showing free men and tyrants arm in arm.

In the new era of mutual trust that was being promoted by tranquilizers, certain people in the United States exerted pressure on our Government to abandon its overseas military bases to insure a tax cut. "Look what the money saved could do for business at home" they urged, looking shrewdly as far as the end of their respective noses.

Manufacturers were enthusiastic about a Government loan to Soviet Russia, for the purpose of buying whole plants and industrial processes from private enterprise in the United States: "Look at the profits we will make." They dismissed as visionary the warning that this might assist the power center of world communism to catch up with and surpass us in military strength and in economic competition.

The scales were tipped.

The neutral nations, and the backward nations, impressed by the world prestige won by Khrushchev, looked to him for leadership.

Communism had won a smashing propaganda victory.

That was only the beginning.

It is now 1960.

By confusing threats with innocent-appearing concessions, Khrushchev has finally prevailed upon the United States to become flexible and to make adjustments in its foreign policy. By withdrawing the Soviet garrison from East Berlin, and by transferring the capital

of East Germany from East Berlin to some other city, he has made it appear reasonable for the Western Allies to withdraw their troops from West Berlin. Thereby isolating the showcase of democracy—West Berlin—and cutting it off from West Germany, over 100 miles away.

The noose tightens.

This is not 1984.

It is only the spring of 1960.

But a presidential election is approaching in the United States; and, well, the main thing is to be victorious in November. Striving for the superficial and disarming appearance of peace is mistakenly calculated to win friends and influence people at the polls in 1960.

Let us return to the present.

"Desecration Day,"—September 15, 1959—is nearer than we realize.

It will postpone the firm decisions that should be made now.

This evasion of responsibilities today will confront us with far more difficult problems in 1960 or 1961.

For the invitation to Khrushchev, unknown to those who advocate it, is an invitation to communism.

PADRE JUNIPERO SERRA

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, in the annals of the history of the United States, California is listed as the 31st State to be admitted into the Union in 1850. Even a hasty glimpse at the map reveals the tremendous territorial limits of the Golden State, which today is the second most populous of 50. Not a few of her problems and most of her achievements have been brought to the attention of the Congress of the United States.

What may be forgotten all too easily is that the area of the present State of California possesses a lengthy history, reaching as far back as 1542. The colorful portion of her Spanish tradition began 190 years ago. The saga of that glorious era is due radically to one holy man, a humble Franciscan priest, Padre Junipero Serra, who arrived in California on July 1, 1769.

In order to appreciate what the friar accomplished during his 15 years as a missionary in California, it must be remembered that he was in his 56th year when he founded Mission San Diego de Alcalá, a time of life when some contemplate retirement and all endeavor to slacken their pace. For Junipero, however, the 56th year of his life marked the realization of his most cherished dream: namely, to blaze a new trail for Christ, to pioneer infant missionary territory. Despite the weight of years and the burden of an ulcerated leg, he helped trace El Camino Real from San Diego in the south to San Francisco in the north. That entire distance he traversed on land five times in its entirety, traveling more than 5,000 miles. He is commonly acclaimed the founder of the first 9 missions; but when the full history of his association with Santa Barbara is studied carefully, he must be credited with 10 missions.

There in the Golden State he labored tirelessly, erecting the establishments, which still testify to his amazing skill and wholehearted zeal. Aborigines, unacquainted with the refinements of culture and uninterested in the amenities of civilization, he won to Christ and attached to Spain. With the assistance of artisans from Mexico he taught those simple creatures 51 trades. During his decade and a half in California almost 6,000 Indians were baptized and his priestly hands brought 5,307 of them to supernatural maturity in the sacrament of confirmation. Unselfish pastor of his flock, he shrank not from any challenge when the rights of the church and the welfare of his beloved neophytes were at stake. Patient in work, restless in zeal, he consented to relax only when the angel of death hovered over his simple pallet at his beloved Mission San Carlos Borromeo de Carmelo, August 28, 1784.

Next Friday accordingly, will mark the 175th anniversary of the saintly padre's death. In order to commemorate this memorable anniversary special ceremonies will be held in Statuary Hall here in the Nation's Capitol. The program will commence at 10 a.m. and will be held in front of the statue of California's apostle. I would take this occasion cordially to invite the entire membership of the House of Representatives to attend this memorable event, honoring California's first citizen and greatest pioneer, Padre Junipero Serra, O.F.M.

WELCOME TO AN OUTSTANDING NEW MEMBER

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, I want to join other Members of this House in extending a warm and heartfelt welcome to one of the most distinguished Members to enter this body, our new colleague from the new State of Hawaii, DANIEL K. INOUYE.

In DAN's 34 years, he has established himself as a truly outstanding American, and his successes in every field he has undertaken offer visible proof of his courage, perseverance, integrity, and character.

DAN's rise to State and National prominence is a case history in the fulfillment of the American dream which denies no freedom or opportunity to any citizen.

A volunteer in the much-honored 442d Regimental Combat Team, DAN INOUYE distinguished himself in the field of battle as he fought the forces of racial hatred and genocide in World War II. In the course of this war, he lost his right arm during action against the enemy.

It often is the severest test of a man to observe his reaction to great suffering or hardship. I think it is characteristic of DAN INOUYE that even as he lay in a hospital, recovering from this grievous wound that left him handicapped for life, he already had begun to plan for the future—a future that he was determined would not be denied him by any disability.

DAN went on to obtain a good education, and thus armed, became one of the most popular and effective members of Hawaii's Territorial Legislature and a fervent advocate of statehood.

When this long hard battle for statehood was won, DAN INOUYE appeared from the very start to be a "natural" candidate for one of the first elective offices with which our new State could honor its leaders.

It was not at all surprising, and a fitting tribute, that DAN INOUYE's name led all the rest after the voting for the first new State offices. His overwhelming victory bears out the respect, trust, and affection which the people of Hawaii hold for this inspiring young man.

As Hawaii's first Member of the House, I am sure that DAN will work hard, serve well, and give his constituents a record of which both they and he can be proud.

In fact, it is possible that DAN established another "first" in his very first day here. It is unlikely that any other Member of this body has ever been singled out for attack by our Capital's leading newspaper after only 1 day on the job. However, while both the Washington Post and Times Herald and I may disagree with DAN's position on home rule for the voteless citizens of the District of Columbia, I am sure that no one questions that DAN reached his conclusions and took his position thoughtfully, sincerely, and courageously.

The other day Representative INOUYE paid a visit to my office and joined with my office staff in a spirited discussion which demonstrated his grasp of the crucial problems which face the Nation.

In conclusion, I want to extend the warmest of welcomes to DAN INOUYE, and to say that I am firmly convinced that we are witnessing the beginning of the Federal career of an outstanding and promising legislator.

EXTENSION OF REMARKS

Mr. BROYHILL. Mr. Speaker, I have a special order for today. I ask unanimous consent to extend my remarks in the RECORD at that point and yield back the time.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE REQUIREMENTS OF UNITED STATES POLICY FOR ECONOMIC PROGRESS IN LATIN AMERICA

Mr. TELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. TELLER. Mr. Speaker, recent events have indicated that the United States has arrived at a critical juncture in its relations with Latin America. The southern part of our hemisphere is now in the process of an economic, political, and social revolution. The old order is melting under the heat being generated by the forces of an emergent modern society. In the next decades, Latin America will experience economic changes and political struggles which will go a very long way toward establishing its future political order and the attitude of its governments and peoples toward the United States and the rest of the free world.

The United States cannot afford to remain indifferent to this critical state of affairs. The price of inaction today is likely to be disaster tomorrow. If further deterioration in the Latin American situation is to be prevented, the United States must join with our southern neighbors in formulating and carrying out a dynamic program to promote their development as modern and free societies.

Until World War II, the United States considered Latin America as the most important area to our national interest. During World War II and the cold war, however, as the United States abandoned isolationism and assumed global responsibilities, our preoccupation with events in Europe, Asia, and the Middle East relegated Latin America to a secondary concern of United States foreign policy.

During the 1930's and World War II, our relations with Latin America were probably better than at any one other time. But when the war ended, the Latin Americans suddenly found themselves in the background. Prices for their raw material exports declined, while the products they bought from the United States skyrocketed in price. The Marshall plan was devoted exclusively to Europe. Throughout Latin America resentment mounted against the United States, as the accusation was bitterly and persistently propagated that this country was content to neglect the interests of its neighbors to the south.

These indignant feelings exploded with a tremendous shock when Vice President NIXON made his now famous trip to South America in April and May of last year. The hostile reception which our Vice President encountered was not directed against him personally, but against the Latin American policies of the United States—especially economic policies and what was considered the favoritism often shown toward dictators.

Despite the grave responsibilities of the United States in Europe, Asia, the Middle East, and Africa, Latin America is still extremely important to us. The worldwide cold war cannot be won in Latin America, but it is an area where important battles in the cold war can be lost.

The cold war is a struggle for preserving the independence of free and uncommitted countries and for strengthening the institutions that make life worth living for free men. These principles must be defended on our doorstep as well as in faraway places like West Berlin, Turkey, and Laos.

Without a spirit of cooperation between Latin America and the United States, without mutual respect and friendship, Latin America—or some countries in the area—may gravitate toward communism, neutralism, or an aggravated Yankeephobia. Anti-Americanism south of the border is as much to be feared as a favorable attitude toward the United States is to be desired. Until U.S. foreign policy takes into account the fact that Latin America is of enormous importance in the cold war and moves decisively in the direction of a dynamic program for helping the Latin American countries to solve some of their most urgent problems, Latin America is likely to become more and more of a weak link in the free world's chain of defenses.

The political, strategic, and economic importance of Latin America to the United States is apparent. The Panama Canal must be kept open in order that the United States can shift its forces from one theater to another in case of critical developments affecting our global commitments. The presence of hostile or anti-American governments in the Caribbean area would jeopardize this vital artery of the free world's defenses.

The products and markets of Latin America are important to both our military security and economic prosperity. Of the 77 articles listed as strategic materials for stockpiling in World War II, 30 are produced in Latin America. We get more than 90 percent of our quartz crystals, two-thirds of our antimony, more than half of our bauxite, half of our beryl, a third of our lead, and a quarter of our copper from Latin America. Zinc, tin, tungsten, manganese, petroleum, and iron ore are other raw materials which Latin America provides to the United States. Some of these minerals—like bauxite, iron ore, petroleum, and manganese—are becoming increasingly more important.

About one-third of all exports from the United States go to Latin America, and one-third of our imports come from this area. The trade between this country and Latin America now amounts to over $8 billion per year. U.S. receipts for exports of goods and services and net long-term investments were more than $6.8 billion in 1958. The United States paid about the same amount to Latin America for imports, net donations, and investments during last year.

U.S. private investments in Latin America now amount to $9½ billion. Since World War II, the Export-Import Bank has authorized about $3½ billion in loans to Latin America, almost half of its total world loans.

What these facts add up to is that Latin America is of vital interest to the United States. It is one of the principal markets for our manufactured goods and a source of raw materials which are necessary for our economic prosperity and national defense. A friendly and non-Communist Latin America is extremely important to the military security of the United States and the free world.

Latin America is now moving from an underdeveloped agrarian and mineral economy toward an industrial revolution. This economic change is accompanied by a state of political flux and instability. In other words, Latin America is a potential area for Communist expansion, somewhat similar to the other underdeveloped parts of the world where communism has realized its most important revolutionary gains.

The United States can ignore the potential threat from communism in Latin America only at its peril. Already the Soviet Union has begun to show an interest in the trade and politics of the area. A severe economic crisis in Latin America could result in political chaos from which only the Communists would benefit.

Communism breeds on discontent, and discontent has been the breeding ground for communism in Latin America. Conditions of life in most Latin American countries are backward, destitute, often oppressive. Wages are low, chances for advancement are limited, and ugly class and racial barriers abound.

Latin America is still primarily an agricultural region. In many parts, agriculture is still feudal in its landholding patterns, and class differences are intensified between landowners and tenants by racial distinctions. In the Indian countries—Peru, Ecuador, Bolivia, Guatemala, and Mexico—this medieval system of agriculture is particularly prevalent. Personal relations between landlord and tenant are still those of master and servant in many places. The incomes of most agricultural workers provide only a subsistence standard of living. Most of the peasant or peon population receives little, if any, income with which to purchase manufactured goods. They live in self-sufficient communities where they grow most of their own food, often suffering from malnutrition and disease.

It is apparent, therefore, why the drive for economic development is one of the most dynamic forces in Latin American politics. Since the early 1930's, it has become an article of faith. An overwhelming number of political leaders proclaim their devotion to industrialization and economic diversification. The political future of Latin America is likely to be profoundly influenced by those groups which succeed in establishing themselves as the vanguard of the movement for economic expansion and reform.

The Communists are attempting to capitalize on the strong drive for economic development in Latin American countries. Unfortunately for this country, they have often succeeded in directing this desire for economic growth toward hostility to the United States. The Communists cultivate the belief that the United States is determined to retard or obstruct the development of Latin America so that it will remain a backward area for capitalist exploitation. They attempt to exploit the resentment that many Latin Americans hold toward the United States because their economies

are greatly dependent on ours. One of their principal arguments is the claim, as false as it is tragic, that trade with the Soviet bloc offers an attractive escape from economic dependence on the United States.

As Latin America moves forward toward industrialization, the political and economic power of labor will undoubtedly increase. This has been a recurring factor in other industrial societies as they have progressed toward higher stages of economic development, and Latin America can be expected to follow this pattern. For this reason, the ideological orientation of the labor movement will exert an important influence on the political future of Latin America. With the beginnings of industrialization already under way in Latin America, it is vital that the labor movement not become the captive tool of international communism.

If the aspirations of the working class are severely frustrated by a backward economic system which seems unable to expand and to adapt to the needs and values of a modern industrial society, then a grave menace will result. The trade union movement will be in danger of being captured by the Communists, who will seek to use it in an attempt to overthrow the existing order and establish Soviet-type dictatorships in the Western Hemisphere. This would be a very serious situation for the United States and its free world allies.

Thus far the Latin American Communists have been able to gain considerable political influence at times and places where they have either controlled important labor movements or have been influential in non-Communist trade unions. In Guatemala, the Communists' rise to power and influence came through control of the trade union organizations. With the labor movement firmly under its domination, the Communist Party exerted a strong influence on the Guatemalan Government by threats and promises. In this way the Guatemalan Communists were able to infiltrate important posts in the Government and win considerable influence over the general public.

The United States must be aware of the potential danger from communism in Latin America as well as in other parts of the world. The activities of the Communist Parties in Latin America are designed to advance the objectives of the international Communist movement and the aims of Soviet foreign policy. The Latin American Communists have always recognized that key positions in the labor movement can be used to further the purposes of international communism. Before the Soviet Union became involved in World War II, the Latin American Communists took advantage of their influence in the trade unions to sabotage the delivery of goods to Great Britain and France. In case of war between the Communist and non-Communist worlds, the Latin American Communists might be in a position to use the trade unions to prevent the delivery of needed supplies to the United States and its allies.

Their relations with the trade unions have been of fundamental importance for the Communist Parties in Latin America. The strength of the national Communist Parties has depended primarily on their influence within the labor movement. This is likely to remain true for a long time to come. The trade unions are among the most powerful mass organizations in Latin America today. They will become an increasingly influential political force and are perhaps the only group capable of challenging the political pre-eminence of the military.

Since the late 1940's, virtually all of the organizable workers in Latin America have belonged to trade unions. Their power to bring economic activities to a halt has made it possible in some instances to protect a government against an attempted coup by the armed forces or to bring down a government by a concerted general strike. In two government crisis since World War II—Argentina in 1945 and Bolivia in 1952—organized workers have defeated the military in contests for political supremacy.

The Communists do not underrate the vital role which labor will play in Latin American politics. If the United States is to understand the potentially dangerous character of the international Communist movement in Latin America, it must be equally aware of the political importance of labor.

The extent to which a democratically oriented labor movement can be assured will depend to an important extent on how much U.S. assistance the Latin American countries receive for economic development. If industrialization proceeds at a slow rate or is paid for almost completely out of domestic resources, the demand for capital accumulation will not permit a rising standard of income for the workers. In this event, the free labor movement may be unable to resist the Communist program which calls for rapid industrialization in a manner similar to the experience of the Soviet Union. It is imperative that the United States and other non-Communist countries demonstrate to the Latin American people that they can offer more effective aid than the Communists in achieving higher living standards and a more equitable social system and that these necessary goals can be accomplished without the awful sacrifice in freedom and other human values which communism demands.

Economic growth is vital to the future welfare of Latin America. Its population has doubled in the past 25 years. According to present predictions, it will double again during the next quarter of a century. If Latin America is to provide for this increased populace and, at the same time, make substantial improvements in the standard of living, it will be necessary to increase the gross national product of the area by more than three times its present level by about 1980 or 1985. Even a threefold increase in the gross product would mean only a per capita income of $600—twice as large as it is today, if we assume that the population will double during the next 25 years. An increase of 100 percent in the Latin American gross product per capita by 1980 does not seem like a very high standard of living if we bear in mind that it would amount to only one-fourth of the gross per capita product of the United States today. In other words, I am suggesting that the bare minimum need for Latin America by 1985 will be a standard of living which is one-fourth as high as the United States enjoys at present.

Will Latin America be able to attain a rate of economic growth which will permit it to feed, clothe, and house its expanding population without a continuation of existing poverty or a decline in the already low standard of living? Will the difficulties in providing the sustenance of a decent life generate conditions which will make it likely that the South American people will turn more and more toward totalitarian political systems as a solution to the grave problems of poverty, illiteracy, economic stagnation, social discrimination, and lack of opportunity?

Whether Latin America develops to the extent necessary for significant economic and social improvement will depend on a favorable combination of a number of factors. Among these are the existence of political, economic, and social institutions capable of fostering economic growth, improvements in the technical and managerial capabilities of the population, strengthening of the spirit of initiative, willingness to work hard and to save in order that part of current income can be channeled into capital investment, and the degree to which the Latin American states forbear narrow national policies and succeed in solving or alleviating common problems by regional cooperation.

It is difficult to determine the relative importance of each of these factors. They are closely interrelated and simultaneous progress in all of them is needed. It is clear, however, that Latin America can achieve the rate of economic growth necessary to provide for the welfare of its expanding population only through large-scale efforts directed at increasing agricultural and industrial production, stabilizing the prices of and the demand for its export commodities, and overcoming some of the obstacles to a more liberal system of international trade within the Western Hemisphere.

From 1949 to 1956, the experience of Latin America with respect to economic growth was encouraging. The brief economic expansion that occurred during these 7 years indicates what could be accomplished if favorable conditions are created and sustained over a long period of time.

From 1949 to 1956, the total gross product of the area increased at an annual average rate of approximately 4½ percent. This increase was made possible in part by an improvement in the region's terms of trade and by an increase in the flow of foreign capital to the area, both for investment and in the form of loans. Latin America's terms of trade have tended, however, to deteriorate since 1954. The recession in world markets seriously affected the prices and the demand for the primary products that Latin America exports. During 1957 and the early part of 1958, there was a significant decrease in the

foreign exchange income which Latin America derives from exports. In recent years, the export value of coffee, cotton, lead, zinc, copper, wool, and wheat has greatly declined.

The weakening of Latin America's foreign markets has had grave consequences. Many Latin American countries are confronted with serious foreign exchange difficulties. Many of them have considerably increased their short-term foreign debt and have adopted import restrictions. In addition, the unfavorable trend in Latin America's terms of trade and the weakening of its export markets have made it virtually impossible for the region to continue to maintain a rate of growth roughly on a par with that of the 1949–56 period.

The primary factor that helped to bring about the economic growth rate of 4½ percent for the years 1950 to 1956, however, was not the improvement in the terms of trade for the Latin American area or the influx of foreign capital. The principal reason for this rate of economic expansion was the increase in domestic investment. During the period from 1950 to 1957, foreign capital in the form of loans and investments accounted for only about 8 percent of the gross investments made in Latin America, while in recent years, the South American countries have invested between 15 and 20 percent of their gross national product.

But domestic capital in Latin America, which has recently contributed 92 percent of the area's investment capital, is no longer available in amounts large enough for the investments needed to promote a healthy rate of economic growth. This shortage has been made more acute because of a reduction in the price of and demand for the export products of Latin America and the increasingly high interest rates on foreign debts. These two factors have made it necessary for the South American countries to limit imports of capital goods and raw materials.

It is important to consider that two-thirds of Latin America's imports consist of capital goods, raw materials, and fuels. Since these commodities are required for maintaining the necessary rate of economic expansion. limitations on their import poses a particularly serious problem. Without an increase in their import capacities, the economic growth of the Latin American countries will be either severely handicapped or brought to a standstill.

Today there is a critical shortage of capital available for investment in Latin America. Domestic savings are low and the possibility of their expansion in the near future is limited. The supply of investment capital is inadequate to meet the needs for developing power installations, transportation facilities, irrigation systems, and capital goods in general—without which there can be no continuous growth in national income. These enterprises generally do not attract private capital and at present must be financed primarily by official international lending agencies when domestic capital is not available.

But the capital provided by official lending agencies has not filled the gap in the investment needs of Latin America. Moreover, its availability has varied erratically from year to year in each country. In the 1950–57 period, the International Bank for Reconstruction and Development disbursed an average of about $70 million annually in loans to Latin America. During the same period, the Export-Import Bank made available an annual average of $80 million in loans. The foreign loan capital received from these two sources from 1950 to 1958 amounted to less than 2 percent of the gross capital formation in Latin America.

Latin America must export in order to import the capital goods essential to economic growth. However, the maintenance of the rate of economic development achieved by Latin America since 1950 is now severely threatened by the unfavorable terms of trade between this area and the outside world and by the decline in the price of and the demand for the commodities which Latin America sells to other countries. On the basis of present trends, any future increase in Latin American exports is unlikely to be great enough to meet the requirements of sustaining a reasonable rate of economic expansion.

Because of the shortage of domestic capital and the decline in revenue from exports as a source of purchasing power for capital goods, Latin America needs an appreciable increase in foreign capital investments. Private foreign investors may be able to make an important contribution to capital formation in some profit-making industries and to the growth of Latin America's capacity to import producers goods. But a greater inflow of loan capital will be essential to develop power installations, transportation facilities, and irrigation systems and to raise agricultural production.

To be sure, the economic problems of Latin America could be alleviated to a limited extent by merely increasing the efficiency of agricultural production. But, as Dr. Milton Eisenhower pointed out in his report to the President on United States-Latin American relations, "a substantial increase in the levels of living requires industrialization." It is apparent to Dr. Eisenhower that the industrialization of Latin America will require a steady flow of public and private investment. As you know, the United States drew vast quantities of investment capital from Europe during the early phases of its industrial revolution. Today the countries of Latin America look to the United States and perhaps to certain European countries for development capital.

Over a period of years sound loans have been made to Latin America by the Export-Import Bank and the International Bank of Reconstruction and Development. Private U.S. credit and investment have also been helpful. Currently about 20 percent of the outstanding U.S. investment in Latin America is private.

The granting of both public and private investment to finance Latin American development projects needs to be greatly accelerated. This session of Congress has already taken an important step in this direction by authorizing the President to accept membership on behalf of the United States in an Inter-American Development Bank.

The Inter-American Development Bank is designed to promote the economic growth of Latin America. It will supplement other sources of credit by making loans for development projects. In its ordinary operations, the Bank will make normal bank loans repayable in the currency borrowed and at interest rates similar to those charged by other lending institutions.

The Inter-American Development Bank will also assist the Latin American States in formulating development programs and in engineering and organizing projects. This technical assistance should help these countries obtain capital from other sources, as well as from the Inter-American Bank.

The Inter-American Development Bank will be an international organization whose members will be the 21 American States. Its total resources will amount to $1 billion; $850 million of this sum will be the ordinary capital of the Bank and $150 million will be earmarked in a Fund for Special Operations; $450 million of the Bank's capital will be in the form of uncalled subscriptions which will constitute a guarantee fund for the securities which the Bank plans to sell in the financial markets of member countries.

Congress has authorized the U.S. Government to subscribe a total of $450 million for the Bank's operations, $350 in ordinary paid-in and callable capital and $100 million for the Fund for Special Operations. The balance of the subscriptions of ordinary capital—$500 million—will be apportioned among the Latin American Republics, who will also subscribe $50 million to the Fund for Special Operations.

The Fund for Special Operations will make loans on terms which assume that at times some countries may need financial assistance for meritorious development projects but may not be in a position to service additional debts repayable in hard currency. Moreover, the Fund's capital will also be available to finance projects which are not directly productive but are, nevertheless, important to the basic economic development of a country.

The Inter-American Development Bank should have the effect of promoting financial cooperation between the United States and Latin America. All of the American Republics will share the responsibilities for providing the Bank's capital and managing its affairs. The Bank can assist the Latin American countries in organizing their economic resources and in planning for their development. By encouraging the adoption of more rational economic specialization at both the national and regional levels, the Bank can help its members to attract both foreign and domestic capital for development projects.

The establishment of the Inter-American Development Bank and U.S. participation in it is certainly a step in

the right direction. However, considering the tremendous magnitude of the problem of promoting the economic growth of Latin America, it is just a beginning. The Bank's capital resources amount to less than one-tenth of the annual investment for all of Latin America.

An expanded long-term program of U.S. participation in the economic development of Latin America can and should be one of the most important means of furthering the purposes of our foreign policy. The United States has a large stake in the development of viable, energetic, and confident democratic societies in Latin America as well as in other parts of the free world. But thus far we have not organized and directed the resources of our country in the best way for helping our friends and allies in Latin America to build the foundations of peace, democracy, and economic improvement. A broader joint United States-Latin American program for working toward these vital objectives could be a very effective means for achieving political conditions in our national interest and humanitarian results which would uphold the moral conscience of our Nation.

An expanded program to promote economic development would cost more than the United States is currently spending on aid to Latin America. But the additional money needed would be small in comparison to what might be required for coping with the desperate emergency situations that may arise if the already dangerous state of affairs in Latin America is permitted to degenerate further.

Since the outbreak of the cold war, the U.S. foreign aid program in Latin America has given primary emphasis to military assistance. But the basic problems of Latin America are not military, but economic and social. Latin America is trying to put its human and physical resources to work in order to achieve a better way of life, to reconstruct the feudal patterns of society which have endured since the European conquest, to build a modern industrial civilization, to raise living standards, and to increase the opportunities for its long underprivileged masses.

These are the problems with which the U.S. Government and people should be primarily concerned. The United States can greatly assist this process of economic development and thereby help to improve not only the welfare of the Latin American people but also the chances for the evolution of stable and democratic governments in the area. The role which the United States plays in this process of economic and political development will go far toward determining whether the Communists will be the ultimate beneficiaries of the changes now underway in Latin America.

To be sure, the United States has given some aid to industrial development in Latin America. Private investors in this country helped to develop mining, railroads, powerplants, agriculture, and constructed many factories. U.S. public investment through the Export-Import Bank and the International Bank for Reconstruction and Development has in recent years made a limited contribution to economic growth in the area.

However, the total amount of our aid to Latin America has been very meager, at least when compared with the grants, loans, and investments which we have provided to Europe and even Asia since World War II. The aid which has been furnished to Latin America has been doled out in driblets without any central development plan to coordinate the efforts of the United States and the recipient Latin American countries.

Something far more extensive is needed if the battle against communism is to be won in Latin America. What is required is a long-range program for pooling Latin America's resources for economic development. Moreover, the United States should seriously consider making the same kind of proposal to the Latin American countries which it made to Western Europe in 1947.

As a result of such a proposal the United States and the Latin American Governments might formulate a 5- to 10-year plan for economic development which takes into account the capital that could be raised in Latin America. Then the United States would join Latin America in preparing a program for attracting capital loans from the United States, and perhaps from some European countries, to undertake that part of the development plan which could not be financed by domestic Latin American capital.

A Marshall plan for Latin America might necessitate a considerable amount of public investment by the United States. It should be recognized that private investments from this country might be inadequate to meet the needs of a forward-looking economic development program for Latin America. There is a vast field of enterprise—such things as roads, technical training, health services, and educational facilities—which would not be profitable to private investors. Intergovernmental loans, and perhaps grants, will probably be necessary to finance some of these essential projects.

There would be ample opportunity for private foreign investment, especially in manufacturing, commerce, and other service industries. In order to attract more private capital from the United States, this Government might insure our investors against possible losses in South America. This system was used to some extent in Europe during the Marshall plan. Moreover, the Latin American governments which have excluded such important enterprises as public utilities, transportation, heavy industry, mining, and petroleum from foreign investment might be wise to reconsider these policies in the light of long-range needs and plans for economic growth.

A Marshall plan for Latin America could provide a concrete alternative to the alluring promises of the Communists. No longer could the Communists convincingly claim to some people that the United States only concern with Latin America is economic exploitation. The Latin Americans would have tangible evidence that the United States is determined to help them modernize and increase their standards of living.

One great asset of the Communists in Latin America is the rapid pace with which Soviet Russia, and now Communist China, have been able to develop economically. A Marshall plan for Latin America could demonstrate that the free world is capable of assisting underdeveloped areas to raise economic productivity—and to provide this aid without the terrible cost in human lives and misery which Communist methods exact.

The economic development of Latin America will require technical assistance as well as investment capital. But technical assistance is no substitute for investment capital. To a considerable extent, shortages of capital for economic development would make it futile to share only knowledge and skills unless the elemental requirements for capital are also met. In many cases, however, there will be an inescapable need for technical assistance so that investment funds can be used effectively.

Technical assistance is important as a means of providing the technical know-how necessary for developing a modern industrial society. Technical assistance is also essential for realizing the social and cultural benefits that are among the richest fruits of an increase in economic productivity.

The promotion of hospitals, health education, and training centers can help the peoples of Latin America themselves to improve their own production. Cooperative research in agriculture and demonstration and extension work can make it possible for them to improve their own production. Cooperation between universities in the United States and those in Latin America can stimulate the development of university faculties in scientific and technological fields and help them meet the demands of today without impairing their strong tradition of emphasis on the humanities. Cooperative teacher training institutions can help the Latin Americans to meet their own needs for increasing literacy. Programs in family welfare and home economics for farm women can contribute to higher levels of living. Projects in public administration and aids to industrialization can help to realize the same purpose—that of helping the people of Latin America to advance their own cultural and economic development. In brief, if the maximum benefits are to be derived from increased investments, it will be necessary for the United States to increase its programs of technical assistance and cooperation with Latin America.

The countries of Latin America also need to expand their trade with the more industrialized areas of the world. Latin America is basically an exporter of food products and raw materials. An increase in trade between Latin America and the areas which are more advanced economically would promote both the economic growth of Latin America and the development of food and raw material resources on the international level.

Latin America's limited capacity to import is at present a serious obstacle to its economic growth. Therefore, it is particularly important that conditions conducive to a prosperous and growing trade be established. The possibility of Latin America's attaining a rate of growth that will meet the needs of an expanding population and raise the standard of living will depend in great measure on the degree to which it can expand its export base.

As you know, foreign trade is an important factor in the economic development of almost all countries. But it is of paramount importance to the countries of Latin America. Experience has shown that only large countries with a diversified base of natural resources—like the United States and the Soviet Union—can develop their economies without having to depend to any great extent on foreign trade. When the natural resource base is limited—as is generally the case with Latin American countries—a growth in foreign trade is an indispensable condition of economic expansion.

A few facts serve to illustrate this point. In 1958, Latin America's annual imports amounted to about $9 billion. About 40 percent of this amount consists of purchases of machinery and other capital goods. The gross annual investment in all of Latin America is about $10 billion, more than one-third of which represents machinery and other imported capital goods. Therefore, between 30 and 40 cents out of every dollar invested in Latin America is spent on imported capital goods.

An expansion of exports is thus essential to the economic growth of Latin America. During the postwar period, Latin American exports have grown at a lower rate than in any other nonindustrialized area. The foreign exchange shortage resulting from this decline in exports now threatens to seriously reduce the area's import capacity in years to come. It is apparent that without an increase in its exports, Latin America will not be able to import the producers' goods and raw materials necessary for industrial growth.

An important contributing factor to the decline in Latin American exports is the restrictions which industrialized countries have placed on trade in primary products. Naturally the interests of domestic producers cannot be ignored when they are affected by competition from foreign products. However, the adoption by industrialized nations of policies that would enable the Latin American countries to improve their position as suppliers of foodstuffs and raw materials would be an important factor in advancing the economic development of our neighbors to the south, as well as a significant contribution to a more stable world economy.

Another foreign trade problem of Latin America is the instability of prices for the food and raw materials which the nations of the area must sell on the world market in order to grow and prosper. Fluctuations in the price of primary-product exports from Latin America have become more extreme, and there are few products or countries that have not been affected. Recently, the price of copper, lead, zinc, tin, coffee, cotton, sugar, wool, and wheat have declined greatly. As a result of the short-term fluctuations of the postwar period, nearly all the Latin American countries have at one time or another suffered reductions of from 10 to 40 percent in their income from foreign trade.

An important lesson of the postwar experience is that the absence of major depressions in the industrialized countries has not solved the problem of price instability in the raw materials markets. Even minor or local recessions in an important sector of the economy of certain industrialized nations is reflected in unfavorable markets for primary products.

Sudden changes in foreign exchange income disrupt the continuity that is required for the successful progress of economic development programs in Latin America. Price fluctuations in the primary commodities market also increase the short-term debts of the Latin American countries and thus make it difficult for them to obtain long-term financing. These fluctuations also contribute to the financial instability of various countries.

There are several possible approaches to international cooperation designed to alleviate fluctuations in the commodities market. For example, the establishment of an international system of compensatory loans linked to fluctuations in the primary products market has been advocated. Another suggestion is that the International Monetary Fund be increased as one way of making greater financial aid immediately available to meet short-term needs. In particular situations, cooperative measures could be considered in relation to the markets for specific products. Both producers and consumers could benefit from measures that would decrease short-term price fluctuations. In other cases, international cooperative agreements might help to overcome serious imbalances in the markets for some products.

Moreover, the markets for raw materials are often affected by such measures as tariffs, quotas, and the disposal of surpluses. Of course, these policies are often important to a nation's economic policy. Nevertheless, it would be helpful if there were more consultation on these problems by the United States and the countries of Latin America. By working to alleviate this problem through consultation, it might become possible to achieve a better coordination of national policies based upon more consideration for the common interests of the countries involved. In any case, progress in solving the problem of unstable prices for Latin American exports is closely related to the prospects for successful economic development.

It is also very desirable for the future development of Latin America that courageous and far-reaching programs be developed for the economic integration of the area on a regional basis and and increase in trade among the Latin American countries. The long-term economic growth of Latin America is related to the development of new production methods and to the attainment of a rising level of industrialization. Because of the limited size of the domestic markets and resource bases of almost all of the Latin American nations, it is extremely difficult or impossible for individual countries by their independent efforts to increase production in the various fields which require future development.

Latin America should begin to plan for regionwide economic arrangements that will permit a freer movement of capital, labor, and products. If national economic policies could be more closely coordinated and if different areas could be given a strong incentive to specialize in producing for a larger market, the framework could be created for stimulating economic growth as a result of increasing production on a regional scale in accordance with the natural advantages of individual countries. And a large-scale inter-American program for promoting the economic development of Latin America could be an important force in encouraging investment projects of a regional nature that will promote the economic integration of the area.

Mr. Speaker, the time has come for the United States to associate its purposes and efforts with the aspirations of the Latin American people for a better way of life. Our national interest requires that the United States allocate increased resources for loans, technical assistance, and possibly some grants to promote the economic development of the area. There is no question of sacrificing our standard of living or of disrupting our economic system. We can obviously afford to do the job. We cannot afford to neglect to do what is required. I earnestly hope that both Congress and the Executive will take much greater heed of the requirements for a dynamic policy in Latin America. The stakes are large, much larger than the sacrifices which we in this great and prosperous country would have to make for effectuating a sound Latin American policy. And think of the results which could be achieved. Combined with our Latin American neighbors, this country could lay the foundation for an invincible free world community.

HON. DANIEL J. FLOOD AWARDED THE CERTIFICATE OF MERIT OF THE PATRIOTIC ORDER SONS OF AMERICA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I would like to take this opportunity to warmly congratulate our distinguished colleague from Pennsylvania, the Honorable DANIEL J. FLOOD, who, on Monday of this week, was awarded the certificate of merit of the Patriotic Order Sons of America in recognition of his great and inspiring public service.

As a member of this oldest patriotic organization in the United States, I am

indeed proud to announce this latest honor to be bestowed upon my long time colleague and fellow Pennsylvanian.

Further, as chairman of the Un-American Activities Committee I also am pleased to associate myself with DAN FLOOD in the fight against communism in Central and South America because, as you know, he has carried on for a number of years a relentless battle against the inroads of communism in that part of the world which particularly endanger our sovereign rights in the Panama Canal Zone.

Under leave to extend my remarks, I include the following stirring address delivered by Congressman FLOOD on Monday of this week in Reading, Pa., before the convention of the Patriotic Order Sons of America of Pennsylvania, at which time Mr. FLOOD spoke on the subject, "Storm Clouds Over the Caribbean":

STORM CLOUDS OVER THE CARIBBEAN

(Address by the Honorable DANIEL J. FLOOD, Member of Congress, 11th District of Pennsylvania, before the Patriotic Order of Sons of America of Pennsylvania, Reading, Aug. 24, 1959)

Mr. President, fellow Sons of America, ladies and gentlemen, for many months sensational headlines and alarming news from areas to the south of us have attracted national attention to the rising Red tide in the strategically significant Caribbean Basin. What is the nature of this area and why is it so important to all nations of this hemisphere?

GEOGRAPHICAL

A vast sea, 400 to 700 miles wide and 1,500 miles long with an area of 750,000 square miles, and located between the American continents, the Caribbean has an advantageous geographical location recognized since the Age of Discovery.

Bordered on the north by the Greater Antilles, of which Cuba is the largest island; on the south by lands that now form Venezuela, Colombia, and Panama; on the east by a long string of islands known as the Lesser Antilles; and on the west by the strategic American Isthmus, forming part of the Spanish Main and today consisting of Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, British Honduras, and southern Mexico: these vast regions, because of their natural sea passages and routes across land inevitably became the center of power for Spain in the Americas, also of transport to and from its extensive colonial empire.

HISTORICAL

As early as 1530, the Isthmus of Panama had become the most important of the Isthmian transit routes. Its traffic even included that from Buenos Aires, carried over the Andes to Peru, and thence by ship to Panama for transshipment to Spain.

Though the great rival of the Panama route was that by Lake Nicaragua, others were in Mexico where for 250 years the Manila Galleon ended its voyages from the Philippines at Acapulco. In this connection, it should be noted that for many years the unit of value in those islands was the Mexican dollar, known as the dollar mex. Today, few visable evidences of the once great Spanish Empire in the Americas remain except old fortifications, of which the finest examples are perhaps those at Cartagena in Colombia. These monuments surpass in grandeur any contemporary similar structures of the English colonies.

The history of the Caribbean during the 17th, 18th, 19th, and 20th centuries is indeed stirring, covering many volumes. One of its most moving chapters is that which culminated in 1914 with the opening of the Panama Canal by the United States. Because it shortened the distances of the world, this opening made the Caribbean one of the greatest maritime highways and, in a real sense, the Mediterranean of the Americas, with the United States as the nation of paramount interest.

ECONOMIC

Since 1914 the Caribbean regions have been the scenes of tremendous economic developments. Venezuela has become one of the greatest oil producing countries and stands high in asphalt, copper, sulfur, and iron. Colombia is the second largest exporter of coffee and rich in minerals, including precious stones. Panama ranks near the top in the size of its registered merchant marine tonnage.

Among the Greater Antilles, Cuba is the largest cane producer in the world; Haiti and the Dominican Republic are largely agricultural; Puerto Rico produces sugar, citrus, and other tropical products, also manufactured goods, including textiles. Of the Lesser Antilles, Trinidad is the third largest producer of oil in the British Commonwealth and an important source of asphalt.

In Central America, the countries there are noteworthy for agricultural and forest products, also mineral deposits yet largely undeveloped.

Many of these regions, because of their favorable topography for the creation of elevated artificial lakes and heavy tropical rain, have tremendous potentials for waterpower.

Much of the economic development in Caribbean countries was accomplished, on strong and urgent invitations by these countries, through North American investments in huge enterprises—agricultural, mineral, power, and manufacturing. The results have been to increase employment and to raise local living standards, with the United States as the largest single customer for the more strategic materials. It is no wonder that these vast expanses of land and ocean long prior to World War II had become vital to the security of the New World, particularly its greatest bastion of defense, the continental United States.

SUEZ CANAL SEIZURE EVOKES REACTION

Since World War II Caribbean history has been featured by a series of crises in various countries. Long evident to keen observers there has been a close relation between events on the Mediterranean and those on the Caribbean, with common roots and motives of Communist origins.

The nationalization in 1956 by Egypt of the Suez Canal immediately attracted world attention to the other great interoceanic waterway, the Panama Canal, and the strategic Caribbean area. Agitations, largely Communist in origin and direction, focused on these regions. The prime objectives were wresting control of the Panama Canal from the United States through the process of nationalization by Panama or its internationalization.

Despite the unrealistic nature of these ideas, persons in high position in the United States joined in this clamor of ignorance for internationalization of the Panama Canal—a Communist aim since 1917.

Panama was not the sole country affected, for the plans for subversion included not only the countries on the Isthmus itself, but also those on both flanks of the Atlantic approaches of the Panama Canal—Cuba and Venezuela. In these, revolutionary activities accelerated, even with bold kidnapings of North Americans. Culminating in the violent overthrow of established governments in these two nations and their replacement by pro-Communist dictatorships, the Caribbean turmoil, featured by mass liquidations of political opponents and expropriation of vast North American property holdings in Cuba, has become a matter of the gravest concern for the peoples of all the American states. Many in Latin America as well as in the United States wish to know what our policies are.

UNITED STATES LATIN-AMERICAN POLICIES

The Latin-American policies of the United States are deeply rooted in history. Though included today in what is know as the good neighbor policy, the essential features of this policy are the doctrine of nonintervention in the affairs of other nations of the hemisphere, the no-transfer principle to guard against shift of ownership of remaining American colonies in event of occupation of European nations, and the historic and fundamental Monroe Doctrine.

The key elements of these policies are predicated on the defense of the Western Hemisphere. Basic to all of these are our Caribbean and Isthmian Canal policies.

None of these policies, however, are as well known or understood as they should be. But they are there, grounded in solemn treaty bases and resulting applications.

Because of the focal importance of the Panama Canal in any realistic appraisal of the Caribbean situation, a review of recent Isthmian history is imperative.

PANAMANIAN INVASION OF CANAL ZONE

In a secretly planned and carefully organized raid into the Canal Zone on May 2, 1958, called "Operation Sovereignty," Panama University students planted 72 Panamanian flags at prominent locations, including one flag in front of the Panama Canal Administration Building in Balboa Heights, the capital of the Canal Zone. Accompanied by Panamanian newspaper reporters and photographers, and unopposed by U.S. authorities, the indignity received worldwide press coverage, placing the United States in a most ridiculous light.

The possibility of such an attempt had been clearly foreseen by myself and other informed citizens of the United States, as a consequence of which appropriate warning had been given. Notwithstanding, when this highly provocative incident occurred, no arrests or detentions were made, despite the fact that they were witnessed by Canal Zone police. The flag planters were allowed to leave the Canal Zone without interference, and thereupon became "heroes" to radical elements in Panama and elsewhere. I have never received or heard of an explanation for such failure on the part of those responsible for the protection of the rights, authority, and obligations of the United States.

What can explain such apparent indifference? Was it because of timidity on the part of local U.S. officials or were those officials conforming to superior orders or counsel, induced by a failure to comprehend what was actually involved? I do not know. Certainly, such a gross trespass, which was part of an overall purpose to drive the United States from the Canal Zone, was not a mere student prank but a calculated risk on the part of elements fiercely antagonistic to the United States and, indeed, hostile to the Constitutional Government of Panama.

In the light of the perspective that is now possible, it served as a probing of the capacity of our Government and the psychological strength of its policymakers. Not only that, it set a dangerous precedent for allowing a foreign country to use territory under control of the United States as a stage for overt hostile propaganda demonstrations. Moreover, our failure to act with forthrightness and firmness on this occasion has constituted an open invitation for future graver trespasses.

ATTEMPTED PANAMA CANAL ENCIRCLEMENT

The clamor about Operation Sovereignty had hardly died when the Republic of Pan-

ama, by an enactment of its National Assembly, approved by President Ernesto de la Guardia, Jr., on December 18, 1958, unilaterally declared the extension of Panamanian territorial waters from the long-established 3-mile limit to a 12-mile limit. This attempted extension included a 9-mile width of water at each end of the existing sea boundaries of the Canal Zone, completely encircling the zone. This, in effect, would make it another Berlin.

The United States was the first nation to protest. In a note delivered to the Panama Government on January 9, 1959, the United States refused to recognize the Panamanian claims and requested a reconsideration of the action. Instead of complying, the Panama National Assembly unanimously rejected the request, and called upon all friendly nations to support the attempted Panamanian marginal sea extension.

Meanwhile, the Government of the United States reserved all of its rights in the affected areas, pending recommendations of a 1960 international conference that will consider the important question of the breadth of territorial seas.

CUBAN INVASION OF PANAMA

The situation at Panama did not remain quiet for long. Victorious revolutionists in Cuba, trained in revolutionary jungle warfare in Oriente Province of that important island country and seeking new worlds to conquer, focused on the isthmus.

In collaboration with radical elements of Panama, a few of them exiled in Cuba, some 89 Cuban mercenaries, on April 26, 1959, landed at historic Nombre de Dios on the Caribbean coast of Panama, a short distance east of the Atlantic entrance of the Panama Canal. One of the objectives of this armed invasion of Panama was a token occupation of the Canal Zone. Its main objective was to bring about the overthrow of the duly elected and constitutional Government of Panama. What a crisis might thus have been created.

Despite the strength of the 3,000-man National Guard of Panama, the people there became gravely excited by the invasion, with evident hysteria among certain political leaders. Had Panamanians known that some of their high officials had sent their families into the Canal Zone as a haven for refuge, the people of that country would have been far more apprehensive.

Fortunately, for all, the invasion collapsed, with the Cubans surrendering to the Panamanian forces. After brief detention and virtually no punishment, the invaders were shipped home where they were disavowed by those who sent them, thus closing the immediate crisis. But the end is not yet.

Who was responsible for that assault? The best answer to that question is by President de la Guardia, who stated: "This was not a group of adventurers from our own country, or even from Cuba. These people were mostly Cubans, but directed and led by militant Communists. Their ambition is the long stated one of taking over the Panama Canal."

This description by President de la Guardia is conservatively expressed and conforms generally to the pattern of current Caribbean turmoil. In addition, as already stated, there was also involved the purpose of overthrowing the De la Guardia government. Similarly motivated by communistic influence, this turmoil has included invasions of two other countries, Nicaragua and the Dominican Republic, which repelled them.

Notwithstanding these outcomes, radical Panamanian politicians, fully conscious of their own demagogic capacities and in bold disregard of the best interests of their own country, keep reviving the corpse of the old dream of recovering Panamania sovereignty over the Canal Zone and the Panama Canal.

PANAMA CANAL ZONE: CONSTITUTIONAL DOMAIN OF THE UNITED STATES

What are the facts about Canal Zone sovereignty? They are brief and simple. The Canal Zone is a U.S. Government reservation embracing a 10-mile strip across the Isthmus of Panama and certain auxiliary areas. Its use, occupation, and control were granted, in perpetuity, to the United States in 1903 by treaty with Panama. Most significantly, this treaty vested exclusive sovereign rights, power and authority in the United States for the construction of the Panama Canal and its perpetual maintenance, operation, sanitation, protection, and government, and, as emphasized in the treaty, to the "entire clusion" of the exercise by Panama of "any such sovereign rights, power, or authority."

Long recognized as part of the coastline of the United States, the Canal Zone is not an occupied area that can be recovered. Instead, it is part of the constitutionally secured territory of the United States, the acquisition of which President Theodore Roosevelt always compared in importance with the Louisiana Purchase, a century earlier, in 1803.

PANAMANIAN PROJECTED "OPERATION OCCUPATION"

November 3, 1959, will be the 56th anniversary of the birth of the Republic of Panama. Aquilino Boyd, a former minister of foreign affairs of Panama and now a candidate for the Presidency of that country, and other radical politicians, have chosen this day for a peaceful occupation of the Canal Zone.

Plans for these activities include a mass invasion of the Canal Zone by Panamanian demonstrators, who are to take seats on the doorsteps of the Panama Canal Administration Building in Balboa Heights, at the portals of police stations, at the churches, in the clubhouses, and other places of prominence. Moreover, world publicity is to be built up in advance as part of the preparations, with agitations in Panama aimed at forcing the Canal Zone sovereignty question into an international court for arbitration, or to the United Nations.

This threat from Panamanian territory to the Panama Canal, conforming to the long range Communist program of indirect warfare, cannot be safely ignored. Such "invasion," if permitted to occur, would be as gross an indignity to our Government and flag as if made against the continental United States; and should be so regarded and treated, for it would greatly impair U.S. prestige throughout the world.

PROGRAM FOR CARIBBEAN SECURITY

As previously indicated, the communistic agitation and subversions in the Caribbean are not accidental. They are part of the overall Soviet purpose to overturn all non-Communist governments with substitution of Communist totalitarian regimes. As such, they are parts of the cold war and a direct challenge to the Monroe Doctrine. Moreover, the threatened Panamanian invasion of the Canal Zone is a challenge to the United States in its highest sovereign capacity.

These bold and dangerous activities, motivated and kept alive by communistic influences, present a strange paradox. If agents of free world nations should attempt, on the soil or maritime approaches of any Communist nations, to interfere or overthrow the policies or governments of such nations, they would be immediately exterminated. Yet the free countries, under an inane and unrealistic misinterpretation of liberty, permit the Communist peril and its paralyzing methods to threaten, invade, and impair the most basic rights of the free nations, almost without let or hindrance.

Thus, the free nations have been, and are still being, stripped of their rights, authority, and possessions, while the Communist powers march on and on, increasing their influence and prestige, and bringing into their orbit vast domains of the free nations liquidated by these processes.

What should be the policies of the United States in protecting its interests in the Caribbean? There are a number of measures that it can adopt; firmly, justly, and legally. The program, which I would suggest, should include five main points:

First, announcement that the Monroe Doctrine applies to communistic subversion through penetration and infiltration and veiled motivation, as well as by open and direct effort.

Second, proclamation by our Government that the Canal Zone is constitutionally acquired territory of the United States and that its continued control by this Nation pursuant to treaty and the obligations thus imposed, is best for all the Americas, best for the world, and best for interoceanic commerce.

Third, reactivation by the United States of its historic Special Service Squadron based in the Canal Zone, independent of combat forces, under the direct control of the Chief of Naval Operations for continuous display of the flag and other diplomatic missions.

Fourth, announcement that no hostile or other provocative demonstrations of any character will be tolerated in the Canal Zone, from whatsoever source.

Fifth, clearcut, non equivocal reaffirmation of our historic and treaty supported rights and obligations with respect to the Panama Canal and Canal Zone.

In connection with the fourth, I venture to suggest to the Panamanian Government that it take and enforce necessary measures to prevent any further revolutionary forays into the Canal Zone, which, if permitted to occur, may well end in grim tragedy, with grave impairment of relations between the two governments.

This program should have a marked deterrent effect on the rising Red tide, not only in Panama, but also throughout the mainlands and islands of the Caribbean Sea, which is well on its way toward becoming a Red lake. These steps, which are within the bounds of international law and solemn treaty provisions, have but one aim—making all the Americas safe for all Americans, and serving the best interests of the entire world.

CAPITAL GAINS ON STOCK OPTIONS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, I have today introduced a bill to provide that capital gains on stock options received, owned, and exercised by corporate officers, directors, or employees as a consideration for employment or services rendered to a corporation as an officer, director, or employee shall be taxable as ordinary income.

During recent years more and more corporate executives are taking their income in the form of stock options—paying their income taxes on only 50 percent of their income instead of the 100 percent basis applied to all other corporation employees.

A very specific case in point recently occurred in the exercise of a stock option

by John L. Burns, president of the Radio Corp. of America. He originally had 411 shares of his company's stock. In consideration of his services as president of the corporation, on March 1, 1957 he was granted an option to purchase 50,000 shares at the price of $33.75 per share. On July 24 of this year he exercised his option to purchase 20,000 shares at $33.75 per share when the market price of the stock had risen to $67.87½.

In this manner Mr. Burns can enjoy a capital gain of $620,000. Under present internal revenue laws $310,000, or 50 percent of this income, escapes Federal taxation as a long-term capital gain. It would take a salary of over $3 million to produce the same income after taxes.

This gain to Mr. Burns as to all other corporate officials receiving stock options is solely the result of executive relationship to the corporation as its employee. It is income for services. It should be taxed in the same manner as wages paid to any other person. Is there any justification for a dual standard of income tax computations—one for the regular employee and one for the corporate official who can profitably exercise a stock option and escape his proper income tax obligation? The stock option device is not a tax loophole—it is a devastating and wrecking breakdown of our tax structure.

The Goodyear Rubber Co. pioneered in providing stock option plans for 79,000 shares to key officers under which some officers can buy shares selling for $140 per share for $50.88. Mr. E. J. Thomas, president of Goodyear, exercised an option which could net him a profit in excess of $5 million.

Similar stock options have netted fabulous low-tax profits for officers of Alcoa, Ford, General Electric, and General Foods.

Over a quarter billion dollars each year is dodging the Federal Treasury because of the special tax gimmick which permits certain select corporate officials to enjoy fabulous low-tax income at the expense of everyone else. Certainly any income received or granted in whole or part for services rendered should be treated as ordinary income and be made fully taxable.

The injustice of the "beat the tax" stock option tax-free salary is utterly and completely indefensible. I hope the Ways and Means Committee will consider my bill in connection with the tax reviews scheduled for this autumn.

WABASH RIVER, IND., ORDNANCE WORKS

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WAMPLER. Mr. Speaker, the Department of the Army recently has awarded to the Holston, Tenn., Ordnance Works a contract approximating a half-million dollars for the production of 185,264 M5A1 demolition blocks. In making the award, the Army chose to bypass the Wabash River, Ind., Ordnance Works, now in standby status. Although the Wabash River Ordnance Works currently is inactive, Mr. Speaker, I should like to point out the plastic explosive item in question formerly was produced at the Wabash River Ordnance Works without any intervening production elsewhere.

Despite my persistent efforts to convince the Army to the contrary, the $500,000 explosives production contract was let to the Eastman Co. at the Holston, Tenn., works. Repeatedly, Mr. Speaker, I set out, in detail, for review by the Army Department, what I considered to be compelling reasons for assigning the Chemical Corps order to the Wabash plant.

I cited the historic item production record of the Wabash works, the higher level of labor surplus and consequent economic distress in the Wabash River Ordnance Works, Indiana, are as opposed to the Holston, Tenn., region; and I questioned, at some length, the comparative cost-of-production figures submitted by the Army.

I might emphasize, at this point, Mr. Speaker, that during the course of my negotiations with the Department of the Army, before the contract was awarded, I was presented with comparative cost-of-production estimates that were in direct conflict not once, but on five separate occasions.

Being a member of the House Committee on Armed Services, I must say that item cost-of-production estimates that vary so widely and so consistently create a great deal of skepticism about the soundness of the Army's cost-of-production evaluation procedures.

I would like to make it quite plain, Mr. Speaker, that next year after the completion of the demolition block order at the Holston, Tenn., plant, I intend to demand, for comparative purposes, the final, authenticated order cost details and totals.

For the record, I am setting forth the following correspondence exchange between my office, the Department of the Army, and the distinguished chairman of the House Armed Services Committee, Mr. VINSON:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., June 12, 1959.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: This is in reference to the recent telephone inquiry from a member of your staff concerning production of a plastic explosive item at the Wabash River Ordnance Works.

The Department of the Army has a requirement to produce 185,264 each demolition blocks M5A1 in 1959. This is 5 or 6 months' production for a plant in operation. Because of the limited quantity required, it has been determined that the item will be produced at the Holston Ordnance Works, an active installation. Since this item was formerly produced at the Wabash River Ordnance Works several years ago, with no intervening production anywhere else, it will be necessary to transfer some of the production equipment to Holston at an estimated cost of $160,000. This cost is balanced by the reduced cost of production at Holston Ordnance Works of $2.70 per block as compared with an estimated cost of production at Wabash of $3.06 per block, and the estimated reactivation cost at Wabash of $100,000. This plan of production at Holston is considered by the Department of the Army as the most feasible, particularly since production is for only a limited quantity, and there is no requirement for production of this item in fiscal year 1960.

In addition to the reactivation cost of approximately $100,000 at the Wabash River Ordnance Works, it would be necessary to employ there about 120 people for only a limited period. We consider that activation of this plant for such a limited period would entail higher overhead costs and substantial layaway costs when the plant would necessarily revert to inactive status after this limited production. No additional people will be required at the Holston Ordnance Works for the production of the demolition block as it will be used to balance out existing production at that plant. Further, since this plant is active, the overhead cost is less, resulting in the lesser cost for production of the item.

I trust that this information will be of assistance to you.

Sincerely yours,

P. E. FEUCHT,
Deputy Assistant Secretary of the Army (Logistics).

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 16, 1959.

Hon. NEIL H. MCELROY,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I have received a copy of a letter addressed to you from the Honorable FRED WAMPLER, a member of this committee, in connection with the determination made by the Department of the Army to have produced at the Holston, Tenn., Ordnance Works, as opposed to the Wabash River, Ind., Ordnance Works, 185,264 demolition blocks M5A1.

I am impressed with Mr. WAMPLER's letter and I hope that this matter will receive your careful consideration before a final decision is reached.

Sincerely,

CARL VINSON,
Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 16, 1959.

The Honorable NEIL H. MCELROY,
Secretary of Defense,
Washington, D.C.

DEAR MR. MCELROY: As a member of the House Committee on Armed Services and as the elected Representative of the Sixth Congressional District of Indiana, I feel compelled to protest in the strongest terms a determination by the Department of the Army to have produced at the Holston, Tenn., Ordnance Works, as opposed to the Wabash River, Ind., Ordnance Works, 185,264 demolition blocks M5A1.

I am in possession of a letter, dated June 12, 1959, from Mr. P. E. Feucht, Deputy Assistant Secretary of the Army, Logistics, setting forth comparative cost estimates and other criteria upon which the Department of the Army determination was based. As it is based on the criteria spelled out in the above-mentioned correspondence, I must say that I find the Department of the Army's requirement-award determination considerably less than justified.

Using Mr. Feucht's cost estimates as a basis, I arithmetically conclude that as between the Wabash River Ordnance Works and the Holston Ordnance Works there is a unit cost-of-production differential of $0.36,

amounting to an overall order differential of $66,695.04, representing the additional cost should the explosives be produced at the Wabash River works. Adding the estimated cost of reactivating the Wabash plant, $100,000, it appears safe to conclude that, exclusive of the cost of employing the approximately 120 people necessary to produce the explosives, the total anticipated cost of production at the WROW is $166,695.04.

Mr. Feucht states that the cost of transferring some of the WROW production equipment to the Holston plant is estimated at $160,000. Actually then the total WROW cost differential is reduced to $6,695.04; which, exclusive of labor procurement, is in my opinion an absolutely negligible quantity.

Particularly is that true when comparative labor distress levels are taken into consideration. I want to emphasize, most graphically, that the Bristol, Johnson City, and Kingsport area, in which the Holston, Tenn., installation is located, was placed on the labor surplus area list as of April 1958. The March 1959, labor surplus figures indicate that this area had 6.3 percent of its labor force unemployed, and is classed in what is known as a "smaller labor surplus area."

On the other hand, the city of Terre Haute, Ind., the major labor supply drawing area for the Wabash River Ordnance Works, as of March, 1959, had 9.3 percent of its labor force unemployed. Terre Haute and the surrounding area has been classified continuously as a labor surplus area since the inception of the present economically depressed-area classification program.

Additionally, I would like to point out that Mr. Feucht makes no mention in his cost figures of the amount of money which would be required to construct adequate housing for the WROW equipment should it be moved to Holston. Also, I have been reliably informed that WROW can begin production within 60 days of a start order, which I highly doubt would be the case at the Holston plant.

Surely, if for no other reason than to make the maximum contribution to the faithful execution of President Eisenhower's Executive Order 10480, which I have been assured by the Office of Civil and Defense Mobilization is still very much in full force and effect, it would be patently more reasonable to assign this Army Department order to the critically labor depressed area which includes the Wabash River Ordnance plant and which as Mr. Feucht states formerly produced the item, "with no intervening production elsewhere," than to transfer to an area of considerably lesser economic distress at a cost of $160,000 essential production machinery currently installed at the WROW and ready for immediate operation.

The most immediately practicable reply would be greatly appreciated.

Sincerely,

FRED WAMPLER,
Member of Congress.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 23, 1959.

Hon. FRED WAMPLER,
House of Representatives,
Washington, D.C.

DEAR MR. WAMPLER: Reference is made to my letter dated June 10, 1959, to which was attached a copy of a communication which I had that day sent to the Secretary of the Army in connection with the Wabash River Ordnance Works.

I am now in receipt of a letter dated June 19, 1959, from the Department of the Army which appears responsive to your inquiry and contains what the Army considers as appropriate justification for the use of the Holston Ordnance Works rather than the Wabash River Ordnance Works for the planned production of plastic explosive.

Sincerely yours,

CARL VINSON,
Chairman.

HEADQUARTERS, DEPARTMENT
OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., June 19, 1959.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: The Secretary of the Army has asked me to reply to your inquiry concerning the production of a plastic explosive item. The Wabash River Ordnance Works and the Holston Ordnance Works were considered for this production.

The Department of the Army has a requirement to produce 185,264 each demolition blocks M5A1 in 1959. This is 5 or 6 months' production for a plant in operation. Because of the limited quantity required, it has been determined that the item will be produced at the Holston Ordnance Works, an active installation. Since this item was formerly produced at the Wabash River Ordnance Works several years ago, with no intervening production anywhere else, it will be necessary to transfer some of the production equipment to Holston at an estimated cost of $160,000. This cost is balanced by the reduced cost of production at Holston Ordnance Works of $2.70 per block as compared with an estimated cost of production at Wabash of $3.06 per block, and the estimated reactivation cost at Wabash of $100,000. This plan of production at Holston is considered by the Department of the Army as the most feasible, particularly since production is for only a limited quantity, and there is no requirement for production of this item in fiscal year 1960.

In addition to the reactivation cost of approximately $100,000 at the Wabash River Ordnance Works, it would be necessary to employ there about 120 people for only a limited period. We consider that activation of this plant for such a limited period would entail higher overhead costs and substantial layaway costs when the plant would necessarily revert to inactive status after this limited production. No additional people will be required at the Holston Ordnance Works for the production of the demolition block as it will be used to balance out existing production at that plant. Further, since this plant is active, the overhead cost is less, resulting in the lesser cost for production of the item.

I trust that this information will be of assistance to you.

Sincerely,

J. H. MICHAELIS,
Major General, GS,
Chief of Legislative Liaison.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., June 23, 1959.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: This is to acknowledge your correspondence of June 16 to the Secretary of Defense, in which you protest the determination by the Department of the Army to have 185,264 demolition blocks M5A1 produced at the Holston, Tenn., Ordnance Works, as opposed to the Wabash River, Ind., Ordnance Works.

Since this is a matter under the cognizance of the Department of the Army, Mr. McElroy has asked that I refer your correspondence to that Department for direct reply to you.

Please be assured that this matter will be accorded every consideration.

Sincerely,

GEORGE W. VAUGHAN,
Assistant to the Secretary
for Legislative Affairs.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 30, 1959.

Hon. FRED WAMPLER,
House of Representatives,
Washington, D.C.

DEAR MR. WAMPLER: Attached is a copy of a letter which I have today sent to the Secretary of the Army in connection with the possible utilization of the Wabash River Ordnance Plant in connection with production of explosives.

Sincerely,

CARL VINSON,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 30, 1959.

Hon. WILBER M. BRUCKER,
Secretary of the Army,
Washington, D.C.

DEAR MR. SECRETARY: Under date of June 16, 1959, I wrote to the Secretary of Defense in connection with a determination made by your Department to have produced at the Holston Ordnance Works 185,264 blocks of explosive. On June 23, 1959, Mr. George W. Vaughan, assistant to the secretary for Legislative Affairs, wrote to me indicating that this matter was under the cognizance of your Department and that my letter had been referred to you.

I have again reviewed the letter which Congressman FRED WAMPLER sent to the Secretary of Defense urging that the Wabash River, Ind., Ordnance Works rather than the Holston, Tenn., Ordnance Works be used for this production. I must say that Mr. WAMPLER makes a very strong argument.

The cost factor differential information developed in Mr. WAMPLER's letter to Secretary McElroy of June 16, 1959, suggests that the Army's justification for its determination to transfer from the Wabash River, Ind., Ordnance Works to the Holston, Tenn., Ordnance Works a quantity of M5A1 demolition block production equipment should be subject to a reevaluation. I find myself in agreement with this position.

The estimated cost variation of some $7,000 might well be considered to be of minimal importance when weighed against the possibility of utilizing a single power source for both the WROW and the Dana plant, now that the Dana activity is to be reactivated. In addition, there is a trained labor pool readily available in the Dana area where the explosive has always been produced. Also, there is the ever-present possibility of costly equipment breakage in the process of transfer.

As I have indicated previously, Congressman WAMPLER's reasons for desiring to retain the equipment and the M5A1 demolition block order are impressive. I feel that a personal review of the statistical justification for utilizing one of the two plants will raise considerable doubt in your mind as to whether the Holston Ordnance Works represents the right choice.

I trust that you will give this matter the same careful consideration as is your consistent custom in order that the Army's interests as well as the interests of the Government will be best served.

Sincerely,

CARL VINSON,
Chairman.

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ORDNANCE,
Washington, D.C., July 10, 1959.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: As requested, I am writing to confirm the verbal information given to you during our meeting in your office on July 9, 1959, at 1130 hours that all

further shipments of equipment from the Wabash River to the Holston Ordnance Works were temporarily suspended at about 1030 hours on July 9.

For the Chief of Ordnance.

Sincerely yours,

T. W. McGRATH,
Colonel, Ordnance Corps, Assistant.

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: This is in reply to your June 16 letter to the Secretary of Defense, and our telephone discussion of July 8, regarding an Army plan to produce demolition blocks at Holston Ordnance Works instead of the Wabash River Ordnance Works. You questioned this plan on the basis that the resultant savings of only $7,000 which was indicated by information available to you would not justify moving equipment from Wabash to Holston.

I understand that, unfortunately, some of the data received by you was incomplete and inaccurate. According to cost estimates developed by the Army in coordination with the contractor-operators of the two plants, production at Holston Ordnance Works will provide savings many times greater than the $7,000 shown by your calculations.

A primary element of the difference in production costs is that RDX, the major component of the demolition blocks, must of necessity be manufactured at Holston Ordnance Works regardless of whether used at that facility or at Wabash River Ordnance Works.

Inasmuch as the Army Ordnance Corps has furnished you with a copy of the latest and firmest possible estimates of production costs at the two installations, and has explained to you the basis on which they were computed, I will not forward any details with this letter.

Upon receipt of your inquiry I directed that further transfer of equipment from Wabash River Ordnance Works be held in abeyance pending resolution of the questions which you raised. Having assured myself that production at Holston Ordnance Works will result in a substantial savings of Government funds, I have authorized completion of the transfer.

I appreciate your concern over loss of the employment, even though of limited duration, which production at Wabash River Ordnance Works would have provided. I trust, however, you will understand that in making decisions of this kind I must give primary consideration to their effect on the national defense and economy rather than to the benefits which would accrue to local communities.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ORDNANCE,
Washington, D.C.

(Delivered Aug. 25, 1959, by Col. William F. Bobzien, Jr., Chemical Corps.)

Hon. FRED WAMPLER,
House of Representatives.

DEAR MR. WAMPLER: In accordance with your request during our meeting in your office on July 31, 1959, the following information is transmitted showing the superiority of the Holston operations over those at Wabash River Ordnance Works in the production of RDX.

The Wabash Works uses the so-called nitration process while the Holston Works uses the Bachman anhydride process which is much more efficient. Both Works utilize hexamine as a raw material.

The following comparable data will serve to indicate the superiority of the Holston operation. Cost figures are given for fiscal year 1945 since both Works were in full operation during this period:

	Wabash	Holston
RDX yield from 1 pound hexamine	[illegible]	[illegible]
Hexamine consumption per pound RDX	.860	.372
Spent acid which must be recovered, pound per pound RDX	8	3
Fiscal year 1945 average total cost per pound RDX	$0.1273	$0.1025
Fiscal year 1945 average direct manufacturing cost	.0227	.0177
Fiscal year 1945 average indirect manufacturing cost	.0122	.0070

There are other factors of technical nature which further substantiate the advantages of the Holston operation, but it is believed that the above figures on costs and yield efficiency should serve to meet your request.

Also enclosed per your request are copies of statements signed by Mr. Palikucha[1] concurring with determination that it would not be feasible to produce RDX at Wabash for current requirement of demolition blocks and the revised cost analysis for production of blocks at Wabash as presented to you.

For the Chief of Ordnance:

Sincerely yours,

T. W. McGRATH,
Colonel, Ordnance Corps, Assistant.

AN IMPROVED MISSOURI RIVER WATER USE PROGRAM THROUGH SLACK WATER NAVIGATION

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, as a Representative of the State of South Dakota, I am keenly aware of the important role which proper use of the great Missouri River can play in the life of our people. I take the floor of the House today in support of a proposal which I believe will result in a more profitable use of Missouri River water for South Dakota and the other Missouri Basin States.

In a letter to the distinguished chairman of the House Committee on Public Works, the gentleman from New York [Mr. BUCKLEY] dated July 17, I urged the committee to authorize the Corps of Engineers to study the feasibility of slack water navigation of the Missouri River from Yankton, S. Dak., to the mouth. I am deeply grateful that the committee graciously granted me a hearing today before the Subcommittee on Rivers and Harbors, chaired by our esteemed colleague, the gentleman from Minnesota [Mr. BLATNIK].

The availability of a sufficient supply of water is the single most serious problem facing my State at this time. This year has been one of the driest in the history of the State. This unfortunate situation highlights our concern over the fact that the water which would be available to us from the Missouri River is being wasted by being released 8 months of the year to permit free flowing navigation downstream. This water will be sorely needed for domestic and irrigation purposes and for the generation of electric power in South Dakota and the other upper basin States. While irrigation has not been developed to a large extent as yet, the experience of our farmers in this year of drought indicates how badly it is needed. Before too long the requirements in the upper basin States for irrigation alone will make it impossible to release the water necessary to provide for free flowing navigation below. There is bound to be a sharp conflict between the upper and lower States.

At the present time the REA cooperatives and the municipalities are being deprived of hundreds of thousands of kilowatts of electric power from the hydro plants already installed on the Missouri because the water is not permitted to flow through the generators in the wintertime when the power is needed, but is stored to be released during the navigation months. The installed capacity at the existing dams, excluding Big Bend, will be roughly 1,600,000 kilowatts by 1963. Due to the wasteful use of the water, only approximately 1 million kilowatts of this capacity is being contracted to be sold as firm power by the Bureau of Reclamation. This means that a considerable portion of the requirements of the preference customers will have to be obtained from other sources at a cost more than double the Bureau rate. Most of the cooperatives in South Dakota were unable to obtain loans from the REA prior to Bureau power becoming available. Due to the low population density of their consumers, many serving not more than one farm or ranch per mile, it was impossible for those cooperatives to develop projects which could repay the REA loan until the low-cost hydro power became available.

If that low-cost power is now denied them because of the improvident management of the waters of the Missouri, the repayment of their loans to the Government will be placed in jeopardy. The same is true in the other upper basin States. I am informed that if a system of slack water navigation were provided, almost the entire 1,600,000 kilowatts of capacity could be sold as firm power and navigation could still be carried on downstream in even more favorable circumstances than now. In addition, a vast additional generation capacity would be made available downstream in connection with slack water development.

At my request, Mr. Leland Olds, director, Energy Research Associates, has prepared a memorandum outlining the background of a slack water navigation program for the Missouri River below Yankton. Mr. Olds, who is a former Chairman of the Federal Power Commission, indicates that such a program offers these advantages:

(1) Better navigation, because the barge traffic will not be affected by the current

[1] Mr. Palikucha is the plant manager, Liberty Powder Defense Corp., Wabash River Ordnance Works, Newport, Ind.

which results from the fact that the river falls a total of 770 feet from the tailwater of the Gavins Point project to its confluence with the Mississippi River.

(2) Assurance that the right of the upper States to use Missouri waters for irrigation and other consumptive purposes will not ultimately curtail downstream navigation of the desired depth.

(3) Better use of the available flows for power purposes at the presently constructed and authorized main-stem projects from Gavins Point upstream to Fort Peck through eliminating the need for large releases of water during the navigation months and providing greater assurances of maintaining reservoir levels.

(4) Development of 2,200,000 kilowatts of very good hydroelectric power from the 770-foot head between Gavins Point and the mouth, using the flows to produce some 12 billion kilowatt-hours of electricity.

(5) Improved management of the sediment which is one of the major problems of the basin, with possibilities that sound sediment engineering can transform it from a liability into an asset.

Under unanimous consent I include Mr. Olds' memorandum in the RECORD following my own remarks.

I should like to point out that we are only asking that the Missouri River be developed along the identical lines as has the Tennessee River and the Ohio River and virtually all of the other rivers of the country where navigation is carried on to any considerable extent. I am pleased to report that the Inter-Agency Basin Committee has approved the study I am requesting. Many of the Governors of the Basin States, including my own Governor, Ralph Herseth, have individually urged that the study be made by the Corps of Engineers. Mr. Kenneth Holum, executive director of the Mid-West Electric Consumers Association, of Aberdeen, S. Dak., has strongly endorsed the idea as have numerous other groups and individuals who are vitally interested in the fullest possible benefits from the Missouri River.

In closing, I want to say that we are extremely anxious not to become involved in conflict with our good friends in the States below us. However, we cannot sit idly by and watch our economy deteriorate because water which is made available by dams built in our State, and which dams resulted in thousands of acres of our good farmland being taken out of production, is being denied to us and given to others. We believe that we can have the use of the water which is vital to our welfare, and at the same time our friends downstream can have their wants taken care of if the river is properly developed.

I am appreciative of the fact that the Corps of Engineers has given my request thoughtful consideration and has indicated an interest in the study. The Bureau of Reclamation, in reply to my request for an opinion, has indicated its keen interest and general approval of the survey.

I include at this point in the RECORD the statement of August 25, 1959, submitted at my request by the Bureau of Reclamation, followed by the excellent memorandum prepared by Mr. Leland Olds:

STATEMENT OF BUREAU OF RECLAMATION, AUGUST 25, 1959

The introduction of slack-water navigation in lieu of open-water navigation on the main stem of the Missouri River from Yankton, S. Dak., to the mouth of the river would provide greater flexibility in the operation of the main-stem reservoirs of Fort Peck, Garrison, Oahe, Fort Randall, and Gavins Point, and should result in a greater production and delivery of firm power to the transmission system of the Missouri River Basin project for marketing in the area. For this reason consideration should be given to a study of the possibility of slack-water navigation by the Corps of Engineers. Since present navigation releases do not coincide with the winter maximum firm power requirements of customers, a large portion of summer generation will be sold as nonfirm power since it fails to meet the basic needs of firm power customers in the basin. In addition the monetary return on the sale of nonfirm power is less than for firm power which could be realized if the reservoirs could be operated under a less strict requirement for navigational releases. With slack-water navigation, reservoir releases could be controlled more nearly to meet the needs of customers on a firm power basis. In addition slack-water navigation might provide a means of utilizing the potential head for power production between Yankton and the mouth by utilizing sites chosen for the installation of locks to install power equipment for the development of additional power resources not possible under the present plan. The method of navigation proposed for the river below Yankton would not interfere with the development of irrigation.

SLACK-WATER NAVIGATION PROGRAM FOR THE MISSOURI RIVER BELOW YANKTON—MEMORANDUM BY MR. LELAND OLDS

A comprehensive program for multipurpose development of the Missouri River Basin requires improvement of the main stem below Yankton for slack-water navigation and hydroelectric power as a complement to the presently authorized programs of the Corps of Engineers and Bureau of Reclamation. In terms of the great values which such an addition to the program offers, the undertaking of the necessary studies by the Corps of Engineers is urgent.

The slack-water navigation program for the lower river has been considered as a solution to these problems: (a) How to assure, particularly during long dry cycles, ample water for irrigation and other consumptive purposes while maintaining 9-foot navigation below Yankton; (b) how to assure optimum use of power installations to meet demands for electricity without sacrificing navigable depth in the lower river; and (c) how to conserve the full hydroelectric potential of the river system.

BENEFITS OFFERED

Slack-water navigation in the Missouri River between Yankton and its mouth offers the following advantages:

(1) Better navigation, because the barge traffic will not be affected by the current which results from the fact that the river falls a total of 770 feet from the tailwater of the Gavins Point project to its confluence with the Mississippi River.

(2) Assurance that the right of the upper States to use Missouri River waters for irrigation and other consumptive purposes will not ultimately curtail downstream navigation of the desired depth.

(3) Better use of the available flows for power purposes as the presently constructed and authorized main-stem projects from Gavins Point upstream to Fort Peck through eliminating the need for large releases of water during the navigation months and providing greater assurance of maintaining reservoir levels.

(4) Development of 2,200,000 kilowatts of very good hydroelectric power from the 770 foot head between Gavins Point and the mouth, using the flows to produce some 12 billion kilowatt-hours of electricity.

(5) Improved management of the sediment which is one of the major problems of the basin, with possibilities that sound sediment engineering can transform it from a liability into an asset.

GOVERNORS SUGGEST SLACK WATER IN 1944

At the February 18 and 22, 1944, hearings, before the Committee on Rivers and Harbors of the House of Representatives, considering the river and harbor bill, Governors and other representatives of upper Missouri Basin States suggested slack-water navigation on the lower river as a means of protecting full use of water for irrigation.

Thus Gov. John Moses, of North Dakota, presenting a joint statement with Gov. Sam C. Ford, of Montana, and Gov. Lester C. Hunt, of Wyoming, said:

"We are not opposing the use of a reasonable amount of water for navigation below Sioux City but we are emphatic that the use in perpetuity of 32,000 or 35,000 cubic feet per second out of an average annual flow of 37,600 does not constitute either the most economic or the most beneficial use of such a valuable natural resource. If there could be inserted in the river and harbor bill or this committee should insert in your flood control bill language which guarantees a certain fair and equitable portion of Missouri River water for upstream consumptive use, an amount which might be agreed upon, and provide further a program for ultimately installing locks and dams so that as upstream demands increased the lock and dam installation program could provide the same or better water navigation with less and less water, thus releasing more and more water for upstream use, we believe that you would be pointing in the direction of a fair and equitable solution to the problem, and greatly aid in a constructive economic development of the entire Missouri River Basin" (p. 4).

In this hearing Representative Frank A. Barrett, of Wyoming, said:

"We have not the slightest conflict with flood control on the Missouri. We want it. We really have not any conflict with navigation. If they would install locks and dams below Sioux City they can have navigation; but if there is a conflict, then I would say by all manner or means the people living in the upper States of the Missouri River Basin are entitled to first use of the water" (p. 38).

In the same hearing Commissioner of Reclamation Harry W. Bashore pointed out that "the future development of such States as Montana, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, and Colorado will require additional irrigation." He said:

"It seems to me that the Congress should consider the effect the proposed navigation project and the closely coordinated flood-control projects presently before this committee may have on upstream irrigation developments. Perhaps only still-water navigation effected through the installation of a system of locks would permit the proposed 9-foot channel consistently with the increased consumptive use upstream for irrigation that is essential in the interest of the upper basin States" (p. 33).

To meet the questions raised as to possible conflict in use of waters between future irrigation and the proposed 9-foot waterway in the lower river, the O'Mahoney amendment was added to the bill, which provided:

"SECTION 1. (b) The use of navigation, in connection with the operation and maintenance of such works herein authorized for

construction, of waters arising in States lying wholly or partly west of the 98th meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the 98th meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes."

POWER POTENTIAL IN CONNECTION WITH SLACK-WATER NAVIGATION

During the later 1940's Federal Power Commission engineers, speaking at meetings of the Midwest Power Conference and the Missouri Inter-Agency River Basin Committee, called attention to the power potential available in connection with slack-water navigation program for the lower river. Speaking before the Midwest Power Conference in Chicago, April 4, 1946, B. H. Green, Federal Power Commission regional engineer, placed the total potential power in the Missouri Basin at about 5 million kilowatts, with an average annual generation of 25 billion kilowatt-hours. He said:

"As an instance of potential power may be mentioned the main stem of the Missouri River from Gavins Point on down to its mouth. In this reach there is a fall of about 700 feet and a potential possibility of from 10 billion to 15 billion kilowatt-hours per year. The eventual development of all or part of this is, of course, problematical; but it is important that the possibility of its realization be kept in mind, especially in the Commission's recurrent appraisals of power possibilities and probabilities" (p. 2).

This was in general reiterated in 1947 at a Cheyenne, Wyo., meeting of the Missouri Basin Interagency Committee, by Lester C. Walker, engineer, of the Federal Power Commission Chicago regional office.

FEDERAL POWER COMMISSION MEMORANDUM EMPHASIZES NEED FOR REEXAMINATION OF MISSOURI RIVER BELOW GAVINS POINT

In its memorandum of May 1950 on the Missouri River Basin, prepared in response to a request from the President's Water Resources Policy Commission, the Federal Power Commission referred to 119 projects in the category of undeveloped power in the basin which "would provide an estimated aggregate installed capacity of 6,195,000 kilowatts with an average annual generation of 30,987,700 kilowatt-hours." This is additional to the 8 projects then under construction and the 19 authorized, with combined capacity of about 2,400,000 kilowatts and combined energy of about 10 billion kilowatt-hours.

Concerning the potential in the lower river the Commission memorandum says:

"That portion of the Missouri River main stem from the Gavins Point damsite to the mouth has been surveyed and studied for navigation and flood control, and construction work to provide open river navigation and flood protection by levees is in progress. Extensive surveys and studies to determine the feasibility of developing the power potentialities of this stretch have not been made. However, this section should be thoroughly reexamined in the light of the reduced silt load anticipated and in view of the changed regimen of the river that will obtain following the completion of the presently authorized storage reservoirs above Sioux City for the purpose of determining the feasibility and practicability of developing the potential of 2,200,000 kilowatts of hydroelectric power capacity in the stream, possibily in connection with the development of slack-water navigation" (pt. I-3).

After some discussion of the Commission principles of project formulation, the Commission memorandum proceeds:

"Considerable in the way of additional investigations are necessary in the Missouri Basin before it can be felt that the Commission's principles of river basin development have received full application to further possibilities for the development of power. An important case at point are the possibilities for slack-water navigation below Yankton, S. Dak., with attendant large blocks of power, improvement of power output at the main-stem dams at Gavins Point and above, and a very beneficial easing of conflicts in water use between upper and lower basin States" (pt. II-11).

Then in discussing specific policy problems as they have developed in the Missouri Basin, the memorandum has the following to say about conflicts between upstream and downstream interests in the use of the water resources of the basin:

"The use of water for irrigation purposes in the upstream areas of the Missouri River Basin conflicts with its use for navigation and other purposes in downstream reaches of the river by reducing the available flow at downstream points. However, existing legislation subordinates the use of water for navigation in the basin to its use for irrigation. There is the possibility, therefore, that future irrigation development may so reduce the flows as to jeopardize the planned open river navigation on the lower Missouri River. In this event, maintenance of navigability of the river would require the provision of slack-water navigation, which would permit the fullest development of irrigation upstream and also make possible the production of large amounts of hydroelectric power" (pt. III—1-2).

After recognizing the sediment problems in connection with any plan of development in this river basin, the Commission memorandum then turns to a specific discussion of the advantages of a power and slack-water navigation program below Yankton, S. Dak. It says in part:

"Large reservoirs on the upper river are being built to impound surplus waters of the upper basin to create a dependable source of water for irrigation, navigation, power, and domestic and industrial water supplies. Under present plans there will be conflicts and limitation in the use of water because of a disproportionate storage development which provides adequate control in the upper basin above Yankton and very little control in the lower basin. The lower river must rely in major part on storage reservoirs in the upper basin for flow regulation for navigation and other purposes. The Pick-Sloan plan has partially resolved the conflict between upstream use of water for irrigation and downstream use for navigation by provision of large holdover storage reservoirs designed to operate for both purposes.

"It is possible that there may not be sufficient water in the upper basin for the long-range development of both upstream irrigation and downstream navigation of the desired depth unless the lower river is canalized for power and slack water navigation, accompanied by greater regulation of water and silt originating from tributaries of the lower basin. A plan for slack-water navigation would make possible the development of hydroelectric power of a better character than is now possible at upper main stem projects, and more efficient navigation, and would resolve, in large part, conflicts and limitations in the use of water. Under such a plan, the water available for irrigation would be less restricted, reservoir operation would provide for augmentation of low flow and power when most needed in fall and winter and at a time when Mississippi River navigation needs additional flow, floodflows would be reduced by additional reservoirs and retarding basins, and navigation would be improved by a waterway with more depth and less velocity.

"Although sufficient studies have not been made to determine exact methods of developing slack-water navigation, if the silt and river stabilization problems can be resolved, and if slack-water navigation and power can be developed feasibly, an aggregate power installation at lower main-stem dams of about 2,200,000 kilowatts could be made, capable of generating, in the average year, about 12 billion kilowatt-hours after allowance for irrigation depletion" (pt. III-5).

CORPS OF ENGINEERS PREPARED TO DEAL WITH SEDIMENT PROBLEM

In a corresponding report to the President's Water Resources Policy Commission, dealing with the Missouri River Basin, the Corps of Engineers discusses at some length its preparedness for dealing with the sediment problems of this basin. In this report the corps says:

"Because of the importance of the sediment problem to many projects under the jurisdiction of the Corps of Engineers, the Missouri River division of the corps has well under way an unprecedented and comprehensive sediment study program which is aimed at protection against possible sediment hazards and at taking advantage of certain sediment phenomena to induce more prompt and complete control of the Missouri River. In the conduct of this program, the advice and assistance of most of the recognized authorities in this field are being utilized" (pt. III-11).

The Corps of Engineers report summarizes its work on the sediment problem as follows:

"In summary, Corps of Engineers procedure in regard to the sediment problem involved in the development of water projects in the Missouri Basin is guided by a policy of (1) searching out and evaluating in advance all types of potential sediment hazards and opportunities, (2) making adequate provisions for handling potential sediment hazards associated with corps projects, and (3) deliberately planning to take full advantage of new valuable opportunities which may be afforded by sediment phenomena" (pt. III-12).

PRESIDENT'S WATER RESOURCES POLICY COMMISSION CONSIDERS SLACK-WATER POSSIBILITY

In its report to the President, volume II, entitled "Ten Rivers in America's Future" (1950) the President's Water Resources Policy Commission included an analysis of the potentialities and problems of the Missouri River Basin. In its tentative list of hydroelectric power possibilities other than projects under construction, authorized, and recommended or contemplated, it includes the following between Yankton and the mouth of the river: [1]

	Ultimate capacity (kilowatt-hours)	Average annual energy (kilowatt-hours)
Yankton to Sioux City	160,000	700,000,000
Sioux City to Nebraska City	400,000	2,200,000,000
Nebraska City to Rulo	100,000	600,000,000
Rulo to Kansas City	340,000	2,000,000,000
Kansas City to mouth	1,200,000	6,500,000,000
Total	2,200,000	12,000,000,000

Pointing out that "further study is required to determine more definitely the details and desirability of such projects" it says: "For example, the totals include some 2.2 million kilowatts of capacity that might be developed in connection with slack-water navigation on the Missouri River below Yankton. Such possibilities are contingent on solving such difficult problems as sedimentation, obtaining adequate foundations for project structures, pollution, valley land

[1] These are not specific projects but potentialities in connection with slack-water navigation development of specified reaches of the river.

inundation, seepage of valley lands, and relocation of existing facilities" (pp. 178–179).

Referring to the fact that the 15 million acre-feet of water required during the navigation season "cannot yet be accepted as a certainty during an extended dry period" the report continues, "The compatibility of navigation therefore must be examined in the light of possible adjustments in the navigation plan to reduce its flow requirements." It lists such possible adjustments as "increased channel maintenance; shortened navigation seasons; refinement of bank stabilization control works; and slack-water navigation" (vol. II, p. 200).

Later, in discussing the rate of power development and integration with navigation and other purposes, the President's Water Resources Policy Commission report on the Missouri Basin says in part:

"The possible future provision of slack-water navigation on the Missouri River between Yankton and the mouth would make possible the development of some 2.2 million kilowatts of generating capacity in the area of greatest need. Such development would improve navigation conditions by reducing velocities, and help resolve possible conflicts between consumptive use of water upstream and navigation requirements downstream.[2] It would also improve the character and value of power produced at main stem reservoirs by eliminating the need to conserve water for navigation months, a procedure which results in reduced flow during winter months, and smaller power output.

"Power possibilities at reservoirs on lower basin tributaries would also be improved by slack-water navigation on the Missouri River. The large planned water releases from these tributary reservoirs in the interest of navigation on the Mississippi River could be reduced if larger winter releases were permitted from main stem Missouri reservoirs" (vol. II, p. 256).

The report refers to the future needs for power in the lower Missouri River Basin and notes that some of it may be supplied from the 2.2 million kilowatts developed as part of the slack-water navigation plan. It adds: "The possibility of this needed power gives added justification for slack-water navigation works. However, development of this power, like navigation, can proceed only after sediment control and channel stabilization are well along" (vol. II, p. 256).

SENATE INTERIOR COMMITTEE HEARINGS ON FEDERAL POWER MARKETING PROBLEMS SUPPORT URGENCY OF SLACK-WATER NAVIGATION SURVEY

Important testimony before the Senate Committee on Interior and Insular Affairs, in its hearings in February 1959 on Federal power marketing problems, supports the conclusions that full use of Missouri waters for all purposes will be incomplete without provision for slack-water navigation in the lower river below Yankton, S. Dak. Among other things, the evidence is clear that the large releases of water, required to maintain 9-foot depth navigation during the 8-month navigation season, result in the production of a surplus of energy at the mainstem powerplants during the summer, balanced by corresponding deficit of energy to support the capacity available in winter months.

Early in the hearings a witness placed in the record a joint memorial of the Montana Legislature urging Congress to investigate the supply, control, allocation, and use of Missouri Basin waters and power (p. 12). And J. W. Grimes, chief engineer and executive officer, South Dakota Water Resources Commission, presented a statement of Gov. Ralph Herseth of South Dakota, whose first recommendation reads as follows:

"As Governor of the State of South Dakota, in the best interests of the people of the State, and so that South Dakota may make its proper contribution to the national economy:

"1. I urge then, that the Congress initiate an investigation of slack-water navigation on the lower Missouri River as a sound technique for water conservation" (p. 24).

Similarly A. S. Wendel, vice president of the Northwest Iowa Power Cooperative, and the Woodbury County Rural Electric Cooperative of Iowa, speaking also as vice president of the Midwest Electric Consumers Association, said:

"Finally, it must be admitted that there are many divergent views about the use and management of the Missouri River. These ideas involve navigation, flood control, recreation, irrigation, power generation, etc. It is only too obvious that the maximum of all these recognized benefits can only be obtained through the proper management of that precious resource—water. There is one method used on practically every other river in the country and has been the means by which the maximum of all benefits has been obtained. I refer to slack-water navigation. We urge that authorization be granted for an immediate engineering study of slack-water navigation on the Missouri River" (p. 29).

Virgil T. Hanlon, manager of East River Power Cooperative of South Dakota, member of the Governor's Power Supply Committee, testified that 600,000 kilowatts of the Bureau of Reclamation generating capacity in the river was being left unfirmed and that, when firmed up, it would give preference customers more than 100 percent of their 1965 needs. The second of his seven recommendations, "2. Initiate a study of the feasibility of slack-water navigation."

The hearing record contains the "Summary Report on Operation of Missouri River Main Stem Reservoirs, 1958–59," by R. J. Pafford, Jr., Chief, Reservoir Control Center, U.S. Army Engineer Division, Missouri River, and a "Review by the Coordinating Committee on Missouri Main Stem Reservoir Operations" of testimony on this report at a public hearing. Both reveal the extent to which wasteful use of water to maintain open river navigation during 8 months of the year is creating problems in terms of other uses of the river, particularly power. The committee held that the suggestion that a solution could be found in slack-water navigation was beyond its responsibility (pp. 51–52).

The coordinating committee expresses its view "that both navigation and power are important primary functions of the main stem reservoirs, and that both functions, along with the others, are to be served equitably." It refers to the report of a special subcommittee of the Missouri River Interagency Committee indicating that, when the main stem reservoir system is completed, "operations completely ignoring navigation would produce power benefits only 2 to 10 percent greater than with multiple-purpose operations serving both functions." On this basis, it found "no economic justification for eliminating navigation service in the interest of power production" (p. 63).

The alternative is, of course, slack-water navigation which would both improve navigation and secure up to 10 percent greater power benefits from the presently authorized power projects, as well as the large block of additional power associated with a slack-water program for the lower river.

In the hearings, William E. Trommershausen, engineer of R. W. Beck Associates, employed by the Midwest Electric Consumers Association, testified:

"In our 1957 report to this committee, we pointed out that the firming up of Federal hydro power by thermal power in the Missouri Basin required a comprehensive study, and that such a study should be the responsibility of the Federal Government, with cooperation from preference customers and others as required" (p. 94).

Reference to the Senate Interior Committee's 1957 hearings on "Missouri Basin Water Problems," finds this witness stating:

"It is my conviction that power marketing studies may show that the ultimate capacity of the Federal hydro system in the Missouri Basin will eventually find its greatest use and value when used as peaking capacity for an integrated regional power network owned and operated by the Federal Government, cooperatives, municipalities, power districts, and the private utilities" (pp. 200–201).

Full use of these Missouri River projects for peakload, in conjunction with large modern steam generating stations carrying baseloads, could be greatly facilitated if operation of valuable reservoir space was not largely determined by the requirements of heavy summer releases of water for open-flow navigation below Yankton, S. Dak. This emphasizes the extent to which provision for slack-water navigation in this lower river may be found to support great gains for the people of the basin.

A comprehensive survey of the feasibility of a slack-water navigation program for the lower Missouri River will take such possibilities into account. It may provide the basis for multiplying several times over the hydroelectric capacity which the region can ultimately obtain from this river.

In this connection, it should be noted that the great progress in large-scale fuel plant technology is not rendering hydroelectric development out of date, nor will its importance be undermined by the early achievement of competitive atomic power. Quite the contrary, great thermal stations will operate most economically on the base or intermediate portions of the load, with hydroelectric plants, including pumped storage projects, assigned to serving peakloads and portions of the base.

The importance of such use of the hydroelectric power available from the Missouri Basin program was emphasized in a paper delivered by E. Robert de Luccia, then Chief of the Federal Power Commission Bureau of Power, before the Midwest Power Conference in 1947 at Chicago. His subject was "Coordination of Hydroelectric and Steam Electric Power in the Missouri River Basin." After discussing the possibilities of the present Missouri Basin program, and presenting charts to illustrate the use of hydro in conjunction with steam-generated power, he emphasized the special value of hydro as follows:

"Hydroelectric units are well adapted to supply the varying load demands because they have the ability to start from standstill and synchronize with the load in a small fraction of the time required for steam units. Capacity in addition to that represented on these curves must be kept in readiness to provide against emergency outages of equipment. The hydroelectric units with their quick-starting characteristics will provide a high degree of standby readiness for such emergencies.

"With hydroelectric units carrying the peak portion of the load, the fuel-electric plants can be scheduled to operate at best efficiency to carry block loads for several hours each day or to supply base loads. Such operation would save the banking of extra boilers which is required if steam-electric units are kept in readiness to operate on short notice for supplying unexpected load increases or to carry load during emergency outages of equipment" (p. 15).

CHIEF OF ARMY ENGINEERS SUPPLEMENTARY MEMO TO SENATE INTERIOR COMMITTEE SUGGESTS FURTHER SLACK-WATER STUDY

At the request of Chairman MURRAY of the Senate Committee on Interior and Insular

[2] There are other problems requiring solution before slack-water navigation may be considered feasible. Among them are sediment control, pollution abatement, seepage into valley land, and land inundation.

Affairs, the Chief of Army Engineers submitted further comments on previous testimony at joint hearings of the Interior and Public Works Committees held in May 1957 on Missouri Basin water problems. Enclosure No. 5, contained Corps of Engineers comments on "Slack-Water Navigation, Missouri River, Sioux City, Iowa, to the Mouth" (hearings p. 439–442).

The Corps of Engineers memorandum makes it clear that previous studies of slack-water navigation in this reach of the river were undertaken during the preparation of the 308 report on the Missouri River (published as H. Doc. No. 238, 73d Cong. 2d sess. in 1934) and are now out of date. It concludes with the suggestion that "in view of major physical and economic changes in the Missouri River Basin since prior studies of this type of improvement, it might be desirable to undertake an investigation of preliminary examination scope so that authoritative and up to date data on costs and benefits will be available." It estimated the cost of such an investigation at between $100,000 and $200,000, with between 2 and 3 years required for its completion.

Dealing with physical and economic changes since completion of prior studies, the memorandum states that the Missouri Basin program as it has developed since the 1932 report is steadily reducing the problems of floods, sediment, and bank stabilization which were previously obstacles to a slack-water program. Offsetting these gains, it sees resulting improvement of flood-plain properties as increasing the cost of acquiring lands which would be inundated. But the memorandum stresses particularly the fact that "estimated future power demands are of a magnitude totally unforeseen at the time of earlier studies, with the result that the possibility of incorporation of power production into a slack-water navigation project should not be neglected in future studies."

The memorandum recognizes that construction costs have increased greatly since prior studies but adds, "there have been major advancements in construction methods, tools, and materials which should make possible certain economies in spite of the general price rise." This, and other parts of the memorandum indicate that, while approaching the possibilities of slack-water navigation with a caution which tends to emphasize the obstacles, the Corps of Engineers feels that a new study should be undertaken.

RECENT STATEMENT OF DIVISION ENGINEER CONFIRMS DESIRABILITY OF STUDY

On April 14, 1959, the Missouri Basin Interagency Committee, meeting at Council Bluffs, Iowa, adopted a resolution requesting the Corps of Engineers to undertake such a study. The committee includes representatives of the Federal departments and agencies concerned with river basin problems as well as of the Governors of the States which share the basin. At the committee's June 10, 1959, meeting in Douglas, Wyo., Maj. Gen. Keith R. Barney, U.S. Army division engineer for the Missouri River, responded in a paper which confirms the conclusion that a restudy of the possibilities of a slack-water navigation would be constructive.

He said that any future studies should be initially of preliminary examination scope. But he added that "they should be in sufficient detail to provide reasonably firm answers concerning practicability, cost, and economic justification." He suggested the possibility of a program combining high dams and low dams, depending on cost of flowage damages, as a possible answer. He said:

"Layout and design of structures would be of major importance. Since economical power installations would require dams of substantial head and since such dams would cause inundation of large areas of fertile bottomland, comparative studies should be made of higher dams capable of power development but causing more land inundation and lower dams not permitting power development but holding land inundation to a minimum. Possibly, a combination of the two types might prove practicable, the lower dams to be used where flowage damages would be particularly high and the higher dams to be used where returns from power production would warrant the increased flowage damages."

General Barney then outlines the nature of the study required and estimates that such an investigation would cost $200,000 to $300,000 and require 3 to 4 years for completion. He points out that the Corps of Engineers will need authorization and appropriation by Congress to undertake the study and concludes:

"If the necessary authority and funds are provided, the Corps of Engineers will undertake the investigation. There can be no assurance now that the results of the investigation would be favorable to undertaking a project for slack-water navigation. The study, however, would make it possible to obtain authoritative information concerning the cost and economic justification of such a project. Accordingly, the investigation would be of value even if the results should turn out to be unfavorable."

GENERAL CONCLUSIONS

Clearly, in the light of the facts set forth above, a survey of the possibilities of adding slack-water navigation and power development in the lower river to the comprehensive Missouri Basin program should be promptly undertaken. It offers both upper and lower basin States the opportunity to eliminate conflicts over use of water by assuring the fullest multiple-purpose use of all parts of the river and its tributaries.

Water is a priceless asset to any civilization. The importance of conservation and use of this asset will rapidly increase as the country's population pushes toward projected 200 million and 300 million levels. To fully serve our needs, a program for development of this or any other river must meet the challenge to make the greatest possible use of the basin runoff for all purposes before it flows to the sea.

WASTE IN DEFENSE CONTRACTS

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, our Nation has been deeply aroused by the tremendous Federal expenditures, and especially the waste in defense contracts. Many legislators have received messages from their constituents urging Congress to economize. I would like to bring to the attention of the House the selfish, mercenary, and irresponsible conduct of airframe defense contractors. Specifically, I refer to the resistance of certain aircraft companies to refund to our Government the amount of excessive profits from payments made by the Federal Government. The law requires that these excessive profits be returned to the United States after the Federal Renegotiation Board has determined that the companies have overcharged the Federal Government.

Seven major aircraft companies have made over $105 million of excess profits from 1953 through 1955 and refuse to refund these sums to the United States. This $105 million and hundreds of millions more are moneys which belong to the people of the United States. They are due the Federal Government. The amount of excess profits from 1956 through 1958 have not been determined as yet. Most likely, they will run into the hundreds of millions.

Perhaps some of the retired military, who are directors of these defense contractors, could use their influence to convince their business colleagues who made millions of dollars in excess profits to repay the U.S. Government and thereby relieve to a certain extent the U.S. Government from the obligations to borrow money to pay these defense contractors on current contracts.

These recalcitrant companies are led by North American Aviation, Inc., which made $29 million of excess profits from 1953 through 1955 and refuse to pay. In 1957 the Defense Department gave to North American Aviation Co. $647.7 million of defense contracts, and for the first half of 1958, the Defense Department gave North American Aviation, Inc. $570 million of defense contracts. While we must borrow money to pay these companies for defense contracts, these same companies, which are by statute required to refund their excess profits, refuse to do so. I list the companies which owe refunds and refuse to pay while receiving millions of dollars of new defense contracts.

[In millions of dollars]

	Amount of excess profits which company resists payment	Amount of business company received fiscal 1958	Amount of business company received 1st half fiscal 1959
North American Aviation	29	647.7	570.0
Boeing	27.5	2,131.0	392.3
Fairchild Engine & Airplane Co	2	103.2	32.0
Lockheed Aircraft Co	12	755.1	442.0
The Martin Co	9.75	400.2	232.2
The Temco Aircraft Co	4.25	46.5	16.4
Douglas Aircraft Co	12	513.4	379.9
Grumman Aircraft	8.5	245.2	16.2

Douglas Aircraft and Grumman Aircraft have made refunds, but are contesting the amount of excess profits, which they have a right to do. The Martin Co. and Boeing Airplane have refunded part of the excess profits and are contesting the amounts refunded and not refunded.

Certain airframe manufacturers have demonstrated their patriotism and unselfish attitude by refunding excess profits when the Renegotiation Board made a determination of excess profits. They have made refunds without contesting the amount or litigating the determination. I commend them and am glad to list their names: Bell Aircraft Corp., McDonnell Aircraft Corp., Northrop Aircraft, Inc., Chance Vought Aircraft, Inc., Consolidated Vultee Aircraft Corp., Republic Aviation Corp.

I urge the Congress to demand that the Attorney General prosecute these claims for refunds which have been pending too long and I urge the Defense

Department not to favor those defense contractors who refuse to refund their excess profits and cause this Government to borrow more money than necessary.

TWENTY-SEVEN AND ONE-HALF PERCENT DEPLETION RATE FOR OIL AND GAS

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. JARMAN] is recognized for 60 minutes.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter and a table.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JARMAN. Mr. Speaker, in this special order I will not cover all of the detailed information I have prepared, so at the inception of my remarks let me say to the membership of the House that I would like to speak on some aspects of the present 27½ percent depletion rate for oil and gas. Let me summarize four of the principal points I would like to make in this statement on this important subject:

First. I take the position that it has accomplished the job laid down 33 years ago by the Congress in that it has served to make available to the American public adequate supplies of petroleum both in peace and at war, at reasonable prices.

Second. This percentage of depletion allowance has become an integral part of the economic fabric of the entire petroleum producing industry.

Third. It does no more today than to recognize the discovery value of oil, as originally intended by the Congress. In fact, the evidence is persuasive to me, Mr. Speaker, that the 27½ percent of the present price of crude oil is actually inadequate to cover the average cost of discovering new oil reserves.

Fourth. Mr. Speaker, statistics on earnings based on stockholders' equity show that even with percentage depletion, the rate of return for the domestic petroleum industry during the years 1956, 1957, and 1958 amounted to an average rate of 9.97 percent in comparison with an average of all manufacturing companies of 11.92 percent during the same period.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I desire to compliment my colleague upon his presentation and to associate myself with the remarks he is making. The gentleman's address illustrates the kind of careful thought and attention which he characteristically gives to every subject of great importance to our State and to our country.

It is a truism to state that the future strength, security, and standard of living of our people are no greater than our petroleum and gas reserves. There is no industry more important to our country than the oil and gas industry. The future strength of the industry is tied indispensably to the 27½-percent depletion allowance which has been a part of the law of the land for about 33 years. Any reduction in this historic depletion allowance would literally shake this industry to its foundation. In the first place, such a reduction would cripple the search for new oil and gas fields and therefore would result in the long run in less revenue for the Federal Government. The oil and gas industry is a big taxpayer. While more revenue might result temporarily from reducing the historic depletion allowance, in my judgment, the impact would be so great that it would only be a matter of months before revenue from this industry would begin to decline and to decline sharply. In the second place, by curtailing exploration to a damaging degree, lowering the depletion allowance would jeopardize the tax structures of all of the oil producing States of the country. Most of these States depend heavily upon the development of new oilfields and production therefrom for a large portion of State revenues. Third, it would not only retard explorations but would result in premature abandonment of stripper fields which cannot operate without this allowance. Fourth, it would greatly diminish, if not wreck, values to farmers, royalty owners, small operators, and others who have hundreds of millions of dollars of property in unproduced reserves. It would wipe out hundreds of millions of dollars of assets because of its depressing effect throughout the entire oil industry. The cost of exploration being what it is, the reduction of the 27½ percent depletion allowance would bring exploratory operations in this country to a standstill. It would make financing of oil operations impossible and would jeopardize the structure of every financial institution now serving the oil industry. It would wreck the financial structure of every important oil producing State and would take from these States one of the few sources of revenue left to them.

Again I want to compliment my colleague, the gentleman from Oklahoma [Mr. JARMAN], upon his statement and to thank him for bringing this timely matter to the attention of the House. I also want to thank the gentleman for yielding to me.

Mr. JARMAN. I thank my colleague for his fine contribution.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oregon.

Mr. PORTER. As it happens, tomorrow I have a special order following the legislative business of the day. I am taking the other side of the argument. While I do not engage in controversy for controversy's sake, yet I always feel that controversy is good in the search for truth.

Mr. JARMAN. I will be interested in hearing the gentleman's remarks.

Mr. PORTER. I will look forward to seeing the gentleman there. My notion is somewhat different from the gentleman's, as the gentleman may well contemplate. For example, I would like to have the gentleman's comment on the case I will cite in a moment as an example of how this oil depletion allowance works. This information was given me by the Bureau of Internal Revenue.

A few years ago, in 1951, an oil man whom we will call taxpayer A received a total income of $14.3 million. The tax he paid was $80,000, or 0.6 percent. Then taxpayer B, likewise an oil man, made an income of something like $4.4 million. The tax he paid was $150,000, or 3.4 percent. In contrast we have a man in another line of business whose income was $400,000. He paid a tax of $338,750, or almost 85 percent of the total. To me that does not seem equitable. I wonder what the gentleman thinks?

Mr. JARMAN. I wonder if the gentleman would bear with me while I develop the subject for I believe during the course of my remarks I will cover the general field in which the gentleman is interested.

Mr. Speaker, for the past year we have seen spread on the CONGRESSIONAL RECORD numerous and somewhat one-sided discussions of an important congressional tax policy—one sided at least in the sense of the number of words used. This congressional policy to which I refer is that of the differential tax treatment authorized the minerals industry—a part of which is the 27½ percent depletion rate for oil and gas production.

Mr. Speaker, I do not hold myself out to be an expert on taxation or economics. Studies and recommendations involving these two very important subjects are, as they should be, in the hands of our duly constituted committees—the Committee on Ways and Means and the Joint Economic Committee.

Mr. Speaker, I understand the Ways and Means Committee as a part of its overall study of the entire tax code this fall will go into the matter of percentage depletion for the minerals industry.

I believe this to be a constructive step, particularly in light of many things that have been said in the Halls of Congress over the past year about percentage depletion. I am hopeful this committee will furnish this body with some enlightenment on the many factors that have gone into the development of our tax policies affecting the minerals extractive industries.

In making its studies and in the development of its recommendations in this area I am confident that this outstanding committee of Congress will keep in mind a recent statement placed before this committee by the Treasury Department regarding percentage depletion. I quote it in part:

> A sound national policy must, of necessity, provide for the development and replenishment of all our vital mineral resources as a part of our economic arsenal to insure our security and to provide for growth and expansion. Only in this manner can we provide the goods and services in peacetime requisite to our national development and to provide work opportunities for an expanding labor force and for the best use of technological developments. Such a policy requires that we develop such resources at a rate that will, on the average, exceed the rate of domestic demand. Only then will we have a margin which can be used should we be confronted with emergency demands

either for our own use or for that of our allies.

The philosophy of percentage depletion must, therefore, be properly examined not only in the context of our overall tax structure but in the light of such national considerations as those suggested.

Now, Mr. Speaker, as I stated in the beginning I do not hold myself out as an expert, but I have acquainted myself quite thoroughly with just why Congress more than 46 years ago authorized a differential tax treatment for the minerals industry, and just why it is in the best interest of our Nation and its citizens to continue the present tax laws affecting oil and gas production.

With your permission I would like to lay on the record the results of my study and consideration of this vital tax provision—the 27½ percent depletion rate petroleum production.

First, I would like to clarify one important misconception so often heard regarding percentage depletion.

It is not preferential treatment. It simply recognizes the peculiar nature and characteristics of the petroleum industry and provides a means of equalizing its tax treatment with that of other industries which do not constantly use up their capital with each sale of their product as do oil producers each time a barrel of oil is extracted from the ground.

You may ask them this question. How else does petroleum production differ from manufacturing and other industries?

Last year, as has been the case every year over a long period of years, eight out of every nine exploratory wells were dry. That is, not 1 penny in return to show for the money spent in drilling these wells. To be exact, in 1958, 9,588 exploratory wells were drilled and 8,237 found no oil. Many, many of those classed as successful wells later prove to be unable to produce sufficient oil to pay for their cost.

Costs of drilling a single oil well today in many cases exceed $1 million, and even in proven territory one out of four wells are dry.

Mr. Speaker, Members of this body should now be pretty well acquainted with Government statistics for the latest year available—1955, which show that the petroleum industry spent $5.1 billion in the search for and development of new petroleum reserves. This large sum was equivalent to $2.40 per barrel of net crude oil production for that year—1955.

Based on the U.S. Bureau of Mines average wellhead price of crude oil for the year 1955 of $2.77 per barrel, the theoretical maximum percentage could not have exceeded 76 cents per barrel. This depletion figure, however, for petroleum producers is a theoretical maximum, based on the 27½ percent rate, rather than the actual amount of depletion since the 50 percent of net income limitation reduces the average effective depletion rate for the petroleum industry to no more than 23 percent.

Thus, the domestic petroleum industry's exploration and development expenditures alone in 1955—not including lifting costs, taxes, and so forth—totaled $2.40 per barrel or more than 3 times the maximum percentage depletion of 76 cents. That is, for every dollar from percentage depletion plowed back in the search for new oil reserves, the producing industry put up and spent $2 from other sources.

This information, detailed in the attached table, clearly demonstrates that the petroleum producing industry requires new capital far in excess of the depletion deduction to carry on the constant search for new oil and gas reserves.

Add to this, Mr. Speaker, the fact that over 70 percent of the gross income of the domestic oil producing industry is plowed back each year to carry on the job of looking for oil. These large expenditures of course are necessary because finding oil is a costly operation.

I cite these statistics to show to my colleagues that what we find when we analyze the petroleum industry is an industry that cannot be compared to any other industry. The risky nature of the petroleum industry must be taken into consideration in framing our tax laws. Finding oil is most uncertain, and there is only one way that this business can be carried on, and that is by wildcatters, explorers getting out in advance, exploring new territory, taking chances, running risks in the hope of sooner or later bringing in a new well and new oilfields. Unlike the manufacturer who knows that when he appropriates $100,000 for a factory he will be sure of getting his factory, the oilman is fighting 8 to 1 odds that he will not get oil production with the expenditures appropriated for use in searching for his capital asset—the oil in the ground.

In view of these facts, it is not hard to see that the search for and development of oil reserves must have differential tax treatment just to be put on a par with other industry. Petroleum production does indeed differ greatly from other industries.

Mr. Speaker, another question that is often heard goes something like this: Why should oil production have a 27½-percent depletion while other minerals have less? Without passing judgment on other rates I simply would like to quote again from the recent Treasury statement that I alluded to earlier:

In a report to the President entitled "Resources for Freedom" by the President's Materials Policy Commission in 1952, minerals tax policy was discussed. According to this report, percentage depletion performs two principal functions. These functions are (1) the stimulation of discovery and development of additional reserves of scarce, critical minerals for which exploration entails considerable uncertainty and capital risk, and (2) the recovery of investment in a wasting asset. The report concludes that where the mineral is scarce or the national need is great, there is justification in permitting a higher percentage depletion rate than would be necessary if recovery of capital were the sole objective.

From the foregoing discussion, it is apparent that the percentage depletion allowance was provided by Congress not only to permit recovery of the investment in the wasting asset but also to provide incentives for exploration necessary for replenishment of the wasting asset by the discovery and development of additional deposits.

The oil industry has a higher rate because of the greater risk involved in the oil search and because no other resource is so hard and costly to find and produce.

Mr. Speaker, I found after studying this subject a question repeatedly came into my mind. Why did Congress, back in 1926, enact into law the present rate of 27½ percent for oil and gas? To properly answer this question we must look at the legislative history surrounding the adoption of this method for computing depletion.

A depletion deduction in one form or another has been authorized mineral producers every year since 1913, the birth of the income tax law—some 46 years.

Earlier methods proved difficult and expensive to administer and often were discriminatory as between taxpayers in the petroleum industry.

To meet this, a select Senate committee studied the problem and found that experience showed that the discovery value per barrel of oil as established by appraisal of individual properties bore a reasonably consistent relationship to the price of oil as produced at the wellhead. Early in 1926, the committee reported its findings and concluded that the whole procedure could be simplified by establishing a percentage method for computing depletion for oil and gas wells. Under this method a fixed percentage of the gross income obtained from each barrel of oil as it came from the well would be the "used up" capital not to be taxed as income.

The tax-writing Senate Finance Committee then made its own study and also concluded that "in the interest of simplicity and certainty of administration your committee recommends that in the case of oil and gas wells the allowance for depletion shall be 25 percent of the gross income from the property during the taxable year" not to exceed 50 percent of the net income of the taxpayer from each property. Following further study and debate, the Senate approved a 30-percent depletion rate. Congress then agreed on a 27½-percent rate—for oil and gas wells—limited to 50 percent of the net income from the mineral property.

Prior to taking action the Senate had before it this statement regarding rates by Senator Reed, of Pennsylvania:

The Treasury Department selected at random 50 taxpayers engaged in the production of petroleum for the 3-year period 1918, 1919, and 1920, and again for the 3-year period 1921, 1922, and 1923. The result shows the percentage of depletion to gross income for 3 years, and I ask Senators to follow the figures carefully because some of them are pretty startling.

In 1918 the gross income was $15,900,000. I will omit the odd figures. The depletion allowed for net income was $5,195,000. In other words, 32 percent of the gross income of those taxpayers was excluded from the payment of income tax that year. In 1919 the gross income of the 50 taxpayers was $26,748,000, while the depletion allowances were $11,169,000, or 41.76 percent of their income. In 1920 their gross income was $57,984,000 and the depletion allowances $21,640,000, or 37 percent of the income. The average amount of the reduction from their gross income in that 3-year period was 37.75 percent.

Also, I am sure it would be of interest to Members of the House to note the conclusions of the Joint Congressional

Committee on Internal Revenue Taxation made in 1926 regarding depletion on oil and gas properties. The staff of this committee reviewed the income tax returns of oil and gas producing firms as well as integrated companies—those having production, refining, and marketing facilities. This study showed that discovery value depletion, as authorized prior to the Revenue Act of 1926, had represented a slightly higher percentage of gross income than 27½ percent. In its studies the committee found that analyses of the tax returns of 117 oil producing companies show "the percentage of depletion to gross income in 1924 was 28.4 percent." Further the joint committee concluded that percentage depletion:

1. Reduces valuation work in the Bureau (of Internal Revenue).
2. Distributes the depletion more uniformly among the industry without regard to price of oil on discovery.
3. Gives operators in low-priced fields a fair depletion.
4. Gives operators in the old fields a fair depletion.

You will note from the foregoing that initially the 27½-percent rate for oil and gas was, in general, established as a result of congressional studies which concluded that this rate would approximate on an experimental basis, the depletion deduction necessary to recognize the capital being depleted or used up each time a barrel of oil is extracted from the ground. Since adoption adequate experience has shown the wisdom in setting the rate at 27½ percent.

Mr. Speaker, as I read the record made by some of the opponents of the percentage depletion principle and rate, I find many other statements which need further discussion and clarification, which I will try to do today during my remarks.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield.

Mr. HIESTAND. Mr. Speaker, I rise to compliment the gentleman from Oklahoma on a very careful and effective study that he has made, and on the way he is presenting it. This year is the 100th anniversary of the oil industry. There are some very interesting things that could be said in a very few words.

I am tremendously impressed with the fact, and I think it should be reiterated, that 8,000 out of very 9,000 wells drilled are dry holes; that is, they are total losses. These costs have to be paid by the few producers; that is, the 1 producer out of 10; likewise, even in proven territory 3 out of 4 are dry holes. That means that in the fields where it is practically a guaranteed sure shot, one might say, 75 percent of them are not.

Mr. Speaker, this exploration is a vital defense industry. It is vital to the safety and security of this Nation. This exploration industry has been badly hurt by imports of oil without restraint. It has been very badly hurt, and it must not be killed. We should bear in mind that the tax paid by the oil industry, or rather allowed by this depletion is not lost. It is fully paid. It is simply deferred taxes.

I would like to ask the gentleman if he has any figures on the amount of taxes paid by this industry as compared to other industries.

Mr. JARMAN. I would say to the gentleman that a little later in my statement I refer to taxes paid by the petroleum industry and I point out that the income tax paid by companies classified as petroleum producers on their operation both here and abroad represent about 7.2 percent of their gross revenue, compared with about 5 percent for manufacturing corporations and 3.9 percent for all industries.

Mr. HIESTAND. I thank the gentleman. It is obvious that the oil industry is being tremendously taxed, is a heavy contributor to the tax revenue of the country. It is a vital industry and it must not be allowed to be killed as it would be if this depletion allowance were either cut or eliminated.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. Mr. Speaker, knowing that the gentleman is in opposition to this part of my statement, I should prefer, if the gentleman would wait, to cover this tax question a little more fully.

Mr. PORTER. I wanted to cover a particular point.

Mr. JARMAN. In that case, I should be happy to yield.

Mr. PORTER. The statement the gentleman made in his remarks which was repeated, that eight out of nine of the holes drilled were dry is, of course, correct. But those were the exploratory wells and in that same year you had to take into account the development wells, if you want a full picture. Of course, wildcatters are a prime factor in the discovery of new wells, but the development wells now play a major role in adding to our oil supply so I think to have a clear picture, you cannot say eight out of nine wells are dry. My figures differ somewhat from the figures just given by the gentleman. The figures for the year 1957, the same year that you just mentioned and which you used for your 8 out of 9 figure, there were 41,038 development wells and 30,500 producers. In other words a total of 52,777 wells drilled in 1957, 32,076 or 3 out of 5 were successful wells or 1½ producers to each dry hole. I think those figures give a little different picture than has been presented here.

Mr. JARMAN. In that connection, may I say to the gentleman that the year to which I referred at the beginning of my statement was 1958. Let me clarify two things. The gentleman will find in my statement that eight out of every nine exploratory wells were dry. In making that statement, I had in mind last year, 1958. I gave the figure of 9,588 exploratory wells drilled and 8,237 found no oil.

I distinguished between exploratory wells and wells drilled in proven territory, and I gave the figures that even in proven territory one out of four wells is dry. I will not contest the figures that the gentleman has given for 1957, but I will stand by the figures that I gave for 1958 and I will be interested, as I say, in hearing the gentleman's statement tomorrow and the documentary proof that he presents.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. VANIK. With respect to the colloquy that took place a moment ago, with the gentleman from California on the matter of the tax contribution of the oil industry, I would like to point out that earlier this year I commenced a study of my own on the income tax payments by the oil industry compared with all of the other large industries of the country. I hope I can assemble these so I can submit them during the course of the special order which my colleague from Oregon has tomorrow afternoon. I have some of these figures right here. Substantially, they indicate that as compared with all other corporations, which pay 52 percent of their net earnings or income as taxes, the oil industry by and large pays about 10 percent. I have excerpts of the financial reports that were made of the 6 months for the year ending during the last fiscal year. For example, I have the Texas Co. which shows a total income of $2,475 million paying income tax of $41,300,000. Richfield Oil with an income tax of $4,100,000 after a net income of $20 million. Argo Oil—and I have just taken a number of oil companies as they come to my attention—had a net income before taxes of $5,402,000, income tax $481,000. Atlantic Refining with a net income of $11,902,000 paid a Federal income tax of $167,000. It is awfully difficult for me to reconcile these large profits that escape taxation with all of the discussions that have been made today about the tremendous contribution of the oil industry to the tax burdens of this country.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield to my colleague.

Mr. HIESTAND. I appreciate the figures given by the gentleman from Ohio.

Mr. VANIK. They come from the Wall Street Journal which I am holding in my hand.

Mr. HIESTAND. Yes, and I am quite sure he has misquoted some of them, unintentionally. Here is the point. He quoted the Texas Co. income at $1 billion. The Texas Co. did not make profits of $1 billion, certainly not. That would be sales not profits.

Mr. VANIK. I am reading here from the Wall Street Journal of March 18, 1952.

Mr. HIESTAND. Those are sales rather than profits.

Mr. VANIK. That is the total income.

Mr. HIESTAND. That is the sales. No company in the United States made a billion dollars profit.

Mr. VANIK. That is right. It is the total income. I will read the net income figure. The net income figure quoted in this publication is $310 million. I am sorry, I stand corrected. It was $310 million on which they paid an income tax totaling $41,300,000.

Mr. HIESTAND. I know the gentleman from Oklahoma appreciates this

contribution, but it must be borne in mind that all corporations of the United States do not pay 52 percent. It may be 52 percent of their net earnings for all corporations, but that is the maximum figure, of course.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. VANIK. In my contribution, if I am allowed to participate tomorrow during the time of my colleague from Oregon, I have tried, for example, to collect all the corporate reports I have been able to get my eyes on taken from annual reports; and, by and large, they indicate that corporations throughout the country are probably paying 52 percent, but the oil industry as a special class is paying 10 percent more or less, mostly less, by way of its contribution to the tax burden of the country.

Mr. HIESTAND. I would certainly challenge that.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. BAILEY. I am very much interested in this discussion in that the depreciation tax allowance was sponsored by our late Senators Mansfield and Neely in 1927, West Virginia having been the eastern stronghold of the oil and gas industry before they moved to Oklahoma and Texas, and still is interested in the oil and gas business.

I would just like to supplement what the gentleman from Oklahoma has said by telling you that a number of years ago several West Virginia concerns interested went together and drilled a well, which is in my district, fourteen thousand seven hundred-and-some feet, supposed to be the deepest well in the world. They found some indications of gas at several levels along the line but it was finally sealed off. I do not know what action will be taken by them; but that is one illustration of the kind of money that is used in exploratory work and the kind of work the depreciation allowance makes possible.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. VANIK. I want to say I have studied a good part of the gentleman's statement with profound concern. I want to commend the gentleman notwithstanding my divergence with his basic concept in this issue, I want to commend the gentleman for having prepared what I think is one of the most scholarly presentations of a case on the other side, and I certainly hope that between now and tomorrow I can join with my colleague in reviewing this very, very well-prepared statement to see if our contentions are correct. I do not think he is going to change my own personal mind on this because I have studied this industry intently, but I still think he has presented the most orderly, the most precise, the most thorough exposition of the problem I have yet heard.

Mr. JARMAN. I thank the gentleman, whom I recognize as a very worthy opponent on this issue. Also I recognize the great amount of work the gentleman from Ohio has done on this tremendously important subject. I have done my best in this presentation today, with a certain amount of documentation, to present the arguments as I analyze them to be. I recognize that there are arguments on the other side and I will listen tomorrow with interest to my colleagues in a further discussion of this subject.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. ROOSEVELT. Would the gentleman be willing to tell me what he thinks about the proposition that there exist in the United States today shale oil deposits which are not in dispute as to their value or their quality, or the amounts of money which have been put into research both from public resources as well as private. The situation is such today that these shale oil deposits can be worked on a commercial basis and produce a product which would be equal in quality and equal in price to the present oil which is being produced by this rather expensive method, as I think the gentleman's figures disclose.

Would it not be healthier for the economy to turn to that kind of production rather than the wasteful one which is now going on everywhere and thus eliminate the necessity of the amount of indirect subsidy represented by this 27½ percent depletion allowance?

Mr. JARMAN. I would say to my colleague that certainly the need for oil is such that every possible avenue should be explored to insure our country the supply that is needed in peacetime and that certainly would be needed in wartime. Certainly I feel that the potentialities inherent in oil shale deposits should receive every development opportunity, exploring its commercial possibilities for the needs of a growing economy.

Mr. ROOSEVELT. But has it not already been so well developed, and is it not also so well established that we should not have any further development of the underground oil supply until such time as we may in the future exhaust the shale oil deposits?

Mr. JARMAN. I can only say to my colleague that in this highly competitive economy, if development has reached a stage where the end result can be put on a more favorable economic basis than our present method of extracting oil, I have no doubt that it would come to the forefront in the American economy.

Mr. ROOSEVELT. If at the same time it could be shown that the shale oil deposits were controlled by the same people who had control of the underground deposits, then obviously it becomes more to their benefit to exercise a 27½-percent depletion allowance and that these deposits are perhaps being withheld from public use when they should be forced to be made available for public use.

Mr. JARMAN. I have no personal knowledge that substantiates the statement the gentleman from California has just made.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from California.

Mr. HIESTAND. I appreciate the gentleman's yielding again at this point. I am sure the gentleman from California would like to correct one word he used. He referred to the 27½-percent depletion as a subsidy. May I suggest to him it is simply deferment. It is not a subsidy. The tax has to be paid. It is a question of how rapidly you are going to deplete your tax allowance and, therefore, defer the payment. But it will be made.

Mr. RIVERS of Alaska. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Alaska.

Mr. RIVERS of Alaska. At this point I wish to associate myself with the remarks of the gentleman from Oklahoma. Regarding the cost of search for new oil reserves, I point to the widespread exploration by the major oil companies and many independent operators in Alaska. Alaska promises to be the next great oil reserve needed by our Nation because of the unstinting expenditure by the oil people in all phases of exploration, including drilling. Because of the great distances, the rugged terrain, and cold winters, it costs from three to ten times as much to drill a well in Alaska as in the other Western States. As far as my State is concerned, it is absolutely necessary that the 27½-percent depletion allowance be retained.

Mr. JARMAN. I thank the gentleman.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Iowa.

Mr. JENSEN. I have listened to the gentleman with great interest. I might say to the gentleman there is one way in which our oil supply could be conserved, at least to some degree. Possibly the gentleman knows that I have in the past three sessions of Congress introduced a bill which would provide that all motor fuels shall contain 5-percent alcohol made from our surplus grain. There is a good reason for that. It would not only conserve our oil supply but it would take the production of over 43 million acres of our land. Since the advent of the iron horse, the iron horse has not eaten grain. But we could very well process these surplus grains that are having such an effect on the price of farm products and cost so much to store, to the end that our surpluses in farm products could be greatly reduced by this 5-percent mix of alcohol. A 5-percent mix of alcohol made from surplus grain in our motor fuels would consume over 700 million bushels of grain each year. It would be a great saving to the people of America and would finally stabilize farm prices on a fair level. The gentleman talks about this 27½ percent depletion allowance. I think many times, along with a lot of people, that maybe that depletion allowance should be decreased maybe to 15 percent. I would not want to stop wildcatting, but, certainly, I think it is a big bonus to give to the oil producers.

I might say that it is the big oil producers who fight my bill the hardest.

They bury their heads in the sand to their own disadvantage, because in bad times and in good times the oil producer is in the same economic boat with the farmers of America, because they are really the big buyers of petroleum products. So, I could not help but compliment the gentleman on his remarks and say that I think they are well taken.

Mr. JARMAN. I thank the gentleman for his contribution to this discussion.

Mr. MORRIS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oklahoma.

Mr. MORRIS of Oklahoma. Mr. Speaker, I first wish to compliment my distinguished colleague, the gentleman from Oklahoma [Mr. JARMAN], who is now addressing the House, on the splendid statement he is making. I want to say this, that to my way of thinking even if you should call this 27½-percent depletion allowance a subsidy—and frankly, I think that it may be called that without missing the mark too much—even if you do call it that, it is my considered opinion—and I have thought about this subject matter for many years—that subsidies are not inherently evil. Subsidies have helped to strengthen this great Nation of ours like almost nothing else has.

I call your attention to the fact that just a few moments ago we passed H.R. 5421. That was a subsidy to the fishing industry, especially as it affects New England. And, they used the word "subsidy" in that bill. I voted "yes" on that. That will not directly help Oklahoma nor any of the Midwest, as far as I know, but it will help a fine segment of our society. I voted for it, not reluctantly, but I voted for it rather enthusiastically, because they made a good case there, I thought.

Now, I do not want to spend too much of the gentleman's time, but just a few moments. As I suggested, it is not a question of a subsidy being inherently evil, but it can be abused; there is no question about that. So, it seems to me that we should study each of these matters as they come along and determine whether or not the subsidy is a reasonable one.

I called the attention of the House just a few moments ago, in the few remarks I made on H.R. 5421, that we have had subsidies in this country since George Washington's time. The tariff is the biggest subsidy that I know of that we have ever had. And, I do not want to keep repeating, but I would like to use these figures again. From 1932 to 1952 the tariff in this country cost us, the taxpayers, the consuming public, $40.8 billion. The subsidy to support farm prices cost us $1.2 billion. Now, these are figures that I sincerely believe to be reliable. I have checked them and rechecked them, and I certainly feel they are reliable figures.

Mr. Speaker, the tariff has been with us since George Washington's time. And, I am not against it; I am for it; I am strongly in favor of it. I am not an expert, and I do not know whether we pay too much by reason of tariffs or not—I am not arguing that point—but as long as it is reasonable, I am certainly for a tariff to protect our manufacturing industry in this country. Now, then, why should we not protect the oil industry? Why should we not? It is true, my good friends, that fortunes are made in oil, but I call your attention to the very salient fact that many, many fortunes are lost in oil, and many people going out and trying to discover new fields lose their shirts, to use a common expression; lose every dime that they have. So, it is not all gravy, and it is not all fortune. Some of it very, I am sorry to say, much misfortune, by reason of the ventures that are made in oil.

With this I conclude, because I do not want to use any more of the gentleman's time, this 27½-percent depletion allowance does not go just to the big oil companies. It is true that they get some of it. But, you know, I have never been against anyone just because he was big. I do want to see justice and equity to all of our people, and I am sure that all the Members of Congress want to see that. I am not against a person or a firm or anybody else just because he or it is big. It is true that some of the benefit, or a great deal of the benefit, goes to the big, major oil companies. There is no question about that. But also the benefit goes to the small independent producers and either directly or indirectly goes to the farmer, the one who holds the mineral rights. Many a farmer has kept the wolf away from his door by reason of the 27½ percent depletion allowance. It helps the roughnecks, it helps the drillers, it helps the tool pushers, it helps all of the oil industry. I do believe that it is fair, just and reasonable and that it should be continued.

And in final conclusion I want to say that I think my distinguished colleague is making a splendid contribution at this time, and I appreciate very much the fact that he has yielded to me.

Mr. JARMAN. I thank my distinguished colleague for his contribution. I think the only thing I would say at this time, Mr. Speaker, with reference to his earlier statement as to the possibility of this being classified as a subsidy is that my understanding of a subsidy is a foregiveness of taxes, whereas actually under the operation of this depletion allowance it is simply a deferment of taxes that certainly will come in the future when the product comes out of the ground.

Mr. MORRIS of Oklahoma. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. MORRIS of Oklahoma. The gentleman will recall that I did not admit that it was a subsidy; I did not say it was.

Mr. JARMAN. I understand.

Mr. MORRIS of Oklahoma. I merely said that some people call it a subsidy and that there might be some justification for calling it that. Even a deferment could be classified by some people and maybe honestly so as a subsidy, but I did not make any admission that it was an out-and-out subsidy.

Mr. JARMAN. I am clear as to the gentleman's statement and I appreciate it.

Mr. Speaker, I would like to discuss an aspect of this important tax provision which its opponents have studiously avoided. This, of course, being the important role percentage depletion has played in helping to find the oil this Nation needs to meet its defense needs both in peace and war. I need not recount here today the numerous occasions that the petroleum industry has furnished the vital fuels that are absolutely essential to successfully prosecute wars and standoff and deter war threats, nor how this country has been able to divert its petroleum into the hands of friendly nations in times of crisis, such as the Suez situation in 1956 and 1957. That oil is one of the most important munitions of war cannot be denied. No less an authority than President Eisenhower stated in April 1954:

> The Russians produced last year something less, probably, than half a billion barrels of oil. We produced 2¼ by ourselves. Now * * * these things are deterrants upon the men in the Kremlin. They are factors that make war, let us say, less likely.

In December of that same year, the famed Admiral Chester W. Nimitz, declared:

> Oil is the "life's blood" of our Navy, Air Force, and mechanized Army. Without it we are sitting ducks for aggression.

In July 1957, in a report to the President, the Special Cabinet Committee stated:

> Oil and gas account for two-thirds of the energy consumed in this country * * * there is no adequate substitute in sight for the foreseeable future. Therefore, we must have available adequate supplies of oil.

These are but a few of the many declarations by the highest civilian authorities in the Nation as to the absolute essentiality of petroleum to our national security.

Yet we are asked to vote a change in a tax provision which has proven its ability to help in this enormous task in finding and developing plentiful supplies of petroleum within our industry. We are asked to junk a tax structure that has performed so well that its critics declare it is bad because it has attracted too much capital into this essential industry.

Mr. Speaker, if we are to have any industry overcapitalized, I certainly prefer it to be an industry that is without parallel in its contribution to our modern day society both in peace and war. There are only two major nations in the entire world that have available, within their own borders, adequate petroleum supplies—Russia and the United States. I am unable to say how Russia has accomplished this feat, but I can say without fear of contradiction, that the United States is today "oil wise" strong, due in large measure to the wise congressional policy laid down some 32 years ago in the form of percentage depletion.

Mr. Speaker, each of us recall the apprehension and fear which spread like wildfire over the entire free world during the Suez crisis, because our European neighbors had been cut off from Middle East oil. We well remember that this life blood of an industrial economy

was so important to them that England and France risked a major war by landing troops in the Middle East in their attempt to keep the Suez Canal open. In appraising any policy adopted by Congress, it is well to see how it stood up in such emergencies. In this regard I think an editorial which appeared in the Washington Daily News, on December 1, 1956, during the heat of the Suez crisis, clearly points out the importance of this wise congressional policy and states the case for percentage depletion in very few words. With your permission I would like to quote in part from this very fine editorial:

The Government has put into motion long-considered plans to ship more oil to Europe to help make up the deficit caused by the closing of the Suez Canal.

U.S. production of crude, now about 7,100,000 barrels a day, may be upped by 800,000 to 850,000 barrels a day to meet the new Western European needs.

This will be possible because of the enlightened self-interest of the oil producing States and the oil industry.

* * * * *

Over the years, Federal tax laws have contributed to the present-day abundance of American oil. The percentage depletion allowance given the oil industry has been condemned by the unknowing as a dangerous and unfair loophole. But the fact is that without some tax advantage allowance, the industry would not have been able to carry on the wildcatting that provided us with the crude oil reserves from which we are about to draw 800,000 more barrels of oil each day.

The combination of a free oil industry, working with skill and imagination, of good conservation laws and farseeing tax statutes, has paid off for America.

Now it's paying off for our Western European friends, as well.

I do not for one moment wish to leave the impression that the only reason for percentage depletion is that based on national security. However, in these days of cold and lukewarm wars and war threats, no one must take actions which would even remotely harm our national security.

Mr. Speaker, another charge which is made today against the 27½-percent rate is that since the corporate income tax rate is today four times what it was in 1926; when percentage was first adopted, the value of percentage depletion is four times greater today than in 1926. Of course, Mr. Speaker, the mathematics just do not work out that way. To illustrate my point, let us assume that in 1926 an oil company had profits before percentage depletion, of $100 and the tax rate was 13 percent at that time as compared with 52 percent at present, computations for the 2 years might then run as follows:

	1926	1959
Tax base before depletion allowance	$100.00	$100.00
Depletion allowance	27.50	27.50
Taxable income	72.50	72.50
Tax rate (percent)	13	52
Tax	$9.40	$37.70
Profits after tax	90.60	62.30

Thus, the oil producer in 1926 would have a profit incentive after tax equal to $90.60 but his profit after tax in 1959 on the same amount of earnings, would only be $62.30. Then, of course, we must consider a dollar in 1926 would buy considerably more than a dollar does today.

Now, Mr. Speaker, I would like to turn to another charge that is often made against the oil industry—that it does not pay its fair share of taxes.

First, let me say that petroleum companies pay on their taxable income the same 52 percent tax rate as do all corporations. Under the law percentage depletion deductions cannot exceed 50 percent of the net taxable income of the corporation. But unless it does eliminate 27½ percent of the gross income of an oil producer it is not doing the full job expected of it by Congress.

Now as to the taxes paid by the petroleum industry, we can clear this up by referring to the statistics of income published by the Treasury Department which show the income tax paid by companies classified as petroleum producers on their operations both here and abroad represent about 7.2 percent of their gross revenue compared with about 5 percent for manufacturing corporations, and 3.9 percent for all industries.

Mr. Speaker, one of the most outstanding authorities on petroleum economics and related matters, Dr. Richard Gonzalez recently delivered an address in which he referred to the matter of taxes paid by the petroleum industry and the tax consequences flowing from each barrel of oil produced. With your permission I would like to quote from Dr. Gonzalez's address:

There are other answers to this charge concerning taxes paid by the oil industry. Another one is that it is incorrect to look simply at Federal income taxes without taking into account the total tax burden. It is the total amount of taxes paid, not income taxes alone, that affects the consumers of the products of any given industry. * * * Total taxes take 65 percent of the income and taxes in manufacturing and take a surprisingly similar figure of 67 percent in petroleum. By this standard, the oil industry already pays its fair share of taxes.

There is one other facet to the charge that the industry doesn't pay its fair share of taxes. The critics often refer to a few individuals, anonymously labeled, who are said to have large net income, but who pay little or no income taxes. The trick here is that the figures are carefully selected and taken for a short period of time. The real tax consequences of an investment must be measured over its life rather than for a short period of time. If it is true that a particular operator does not pay much income taxes in a selected period of time, even though he may be a wealthy man, there must be factors other than percentage depletion responsible for the result.

After all, percentage depletion cannot exceed 50 percent of net income on producing properties. The cases cited no doubt result from an active drilling program by the individual and the fact that Congress has provided that intangible drilling costs on new wells may be deducted as a current business expense. If an individual does a great deal of drilling relative to his other current income, he may end up with little taxable income in that year. That does not tell the full story, however, of the ultimate tax consequences. The drilling of new producing wells sets in motion a flow of tax revenues in future years. This is inevitable. It is either going to be in the form of income taxes or capital gains taxes or estate taxes, in addition to ad valorem and severance taxes. Not only that, but there will be a large flow of revenue from other excise taxes.

* * * A fairly representative well, according to our studies of the industry, would be one that develops 125,000 barrels of crude oil at a cost of about $110,000 for exploration and drilling. Such a typical well will generate a gross income of $395,000 from crude oil, natural gas, and natural gas liquids. Of this amount, $110,000 serves to pay off the initial investment. Operating expenses and royalty payments absorb another substantial slice of the gross revenue. The operator's profit, realized over a long period of years after the initial outlay for exploration and development, depends on what is left after all these expenses and after taxes. Direct taxes amount to $79,000 or 63 cents per barrel of production. This consists of 21 cents to the State and local governments for ad valorem and severance taxes and 42 cents to the Federal Government for income taxes. This is a fairly substantial generation of tax revenue in itself.

In addition, the excise taxes from the products that are made from this barrel of crude oil will be at least $180,000, or $1.44 per barrel of crude oil produced. This revenue results from the fact that the average tax on gasoline is about 9 cents a gallon and that the amount of gasoline taxed out of a barrel of crude oil is roughly 16 gallons. That is not all of the gasoline made from a barrel, but some of the gasoline bought by Government or by farmers is not subject to the tax. The final result is a generation of tax revenue of $2.07 per barrel of crude oil production. This is an extremely significant figure that should be used constantly to point out the fact that petroleum production does generate a large flow of tax revenue and does pay its fair share of taxes.

In conclusion, Mr. Speaker, there is a very important factor so often overlooked in any consideration of this problem. This of course is the effect a cut in depletion would have on the consumer. I am sure you all are generally acquainted with recent studies that conclude that elimination of oil and gas depletion would, due to the lack of available funds for necessary exploration and development work, cause an increase in the price of gasoline of around 5 cents per gallon. In other words, any "tax increase" on the industry must of necessity be passed along to the person who in reality pays all taxes, the consumer.

Levels of energy consumption directly affects the level of income and living standards in the United States and throughout the world. Oil and gas supply more than two-thirds of America's total energy needs at reasonable prices. For example, the service station price of regular grade gasoline, excluding taxes, was only 2 percent higher in 1958 than in 1926—the year percentage depletion was first adopted—gasoline taxes up 270 percent—in contrast to an increase of 63 percent in the Consumer Price Index for all commodities.

The availability of large volumes of low priced energy supplies in America has helped immeasurably in furthering our economic progress and in maintaining our standard of living as the highest in the world.

Any benefits of the differential tax treatment for the oil and gas industry

have indeed been passed along to the American citizen.

Mr. Speaker, winding up briefly, I would like to state that the present 27½-percent depletion rate for oil and gas should be retained in the law because:

First. It has accomplished the job laid down 33 years ago by Congress in that it has served to make available to the American public adequate supplies of petroleum both in peace and war, at reasonable prices;

Second. It has become an integral part of the economic fabric of the entire petroleum-producing industry;

Third. It does no more today than recognize the "discovery value" of oil, as originally intended by the Congress. In fact, the evidence is persuasive that 27½ percent of the present price of crude oil is inadequate to cover the average cost of discovering new oil reserves;

Fourth. Statistics on earnings based on stockholders' equity show that even with percentage depletion the rate of return for the domestic petroleum industry for the years 1956, 1957, and 1958, amounted to an average rate of 9.97 percent in comparison with an average of all manufacturing companies of 11.92 percent during the same period.

Net value of production versus expenditures for finding, developing, and producing oil and gas

[In thousands of dollars]

	1951	1953	1955
Industry income:			
Net value oil produced	4,862,136	5,401,018	5,884,215
Net value gas produced	465,451	660,501	836,324
Total net value production	5,327,587	6,061,519	6,720,539
Industry expenditures—Exploration costs:			
Geological, geophysical, and related professional services	186,000	243,590	245,440
Lease purchases and rentals	637,910	744,630	876,520
Dry holes	650,290	795,890	940,210
Overhead	126,780	171,270	206,220
Total exploration costs	1,600,980	1,955,380	2,268,390
Development costs:			
Drilling and completion of producing wells	1,390,050	1,689,507	2,097,225
Equipment (tubing, tanks, flow value, etc.)	420,360	483,000	556,210
Overhead	135,780	168,378	205,640
Total development costs	1,946,190	2,340,985	2,859,075
Subtotal, exploration and development costs	3,547,170	4,296,365	5,127,465
Operating costs:			
Oil:			
Direct costs	1,274,149	1,392,576	1,540,092
Overhead	242,146	306,326	337,758
Total oil operating costs	1,516,295	1,698,902	1,877,850
Gas:			
Direct costs	89,220	134,675	134,097
Overhead	7,758	10,920	9,387
Total gas operating costs	96,978	145,595	143,484
Total operating costs	1,613,273	1,844,497	2,021,334
Total expenditures for finding, developing, and producing [1]	5,160,443	6,140,862	7,148,799
Net annual balance	+167,144	−79,343	−428,260

[1] Includes maintenance, supervision, and general overhead but excludes charges for research. The costs do not include income taxes, payment on interest and principal or return to investors.

Source: "Petroleum and Natural Gas in the United States—Relation of Economics and Technologic Trends," by C. C. Anderson, Chief Petroleum Engineer, U.S. Bureau of Mines, Washington, D.C.

GENERAL LEAVE TO EXTEND

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that other Members who desire to do so may also extend their remarks on this subject.

The SPEAKER pro tempore (Mr. IKARD). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE DIXON-YATES DECISION SHOULD BE APPEALED

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 45 minutes.

Mr. HOLIFIELD. Mr. Speaker, the recent decision by the Court of Claims on the so-called Dixon-Yates case should be appealed to the Supreme Court of the United States. The Comptroller General has so advised the Attorney General, and I hope this advice is taken.

The Dixon-Yates case is not a dead horse, as some editorial writers and others would have us believe. The Dixon-Yates affair will live in the annals of Government so long as freemen are concerned about integrity in public office.

This historic blunder of a blundering new administration which conceived the Dixon-Yates plan in secret, which withheld important facts when details of the plan were forced into the open, and which then had to renege on its own business and utility friends when they tried to retrieve costs for going ahead with the mutually agreed-upon plan. This blunder is one that will not be quickly forgotten in the 20th century. But I am less concerned with the Dixon-Yates chronicle, which our children will read about in their civic books, than with the significance of the Court of Claims decision.

I am no lawyer, and it is not my purpose to go over the whole ground of the lengthy and tortuous court recital in the case of Mississippi Valley Generating Co., on its own behalf and to the use of others against the United States—which we call the Dixon-Yates case—decided in the U.S. Court of Claims—No. 479-55—on July 15, 1959. My concern is as a layman and a legislator with the bearing of this decision on the public interest and the environment in which the business of the public is conducted.

The Court of Claims decided that Dixon-Yates was entitled to collect $1,867,545.56—by all means let us not forget the 56 cents—from the U.S. Government for digging dirt and ordering materials in performance of a power contract with the Atomic Energy Commission. I can sympathize with Messrs. Dixon and Yates' side of the case even if I do not agree with the court majority. After all, they spent money as businessmen performing on a contract which they signed with the Government, a contract which had been ordered by the President, drafted by the Atomic Energy Commission, blessed by the Attorney General, supported by the Republican majority in the Congress, and widely acclaimed by the utility magnates as the dawn of a new era in Government power policy.

The fly in the ointment was a gentleman by the name of Adolph Wenzell. He did not mean to cause any trouble; he just wanted to be helpful to the new administration which had "electrified" the utility industry—if you will pardon the phrase—by announcing, via the President's very first budget message, that private enterprise or local communities rather than the Federal Government must be depended on to provide new power-generating facilities. To show it meant business the new administration ordered funds for the Fulton steamplant of the Tennessee Valley Authority struck from the budget which President Truman had prepared.

Here is how—in the court's own words—Mr. Wenzell first came into the picture:

> The administration's policy with regard to public power was observed with approval by Mr. George D. Woods, chairman of the board of directors of First Boston Corp., one of the leading investment banking concerns in the United States. First Boston had its offices in New York. Mr. Woods wanted to help to make the policy succeed. He obtained an appointment with Mr. Dodge, the Director of the Budget, and offered the services of First Boston. Mr. Dodge, a Detroit banker, new in the Government, wanted to have a study made to determine the controverted question of the extent to which the Government was really subsidizing the TVA. He needed a man experienced in public utility financing and expert in accounting and problems of the cost of money, and had not found such a man. Mr. Woods said that First Boston had such a man, Mr. Adolphe Wenzell, and he would see if Wenzell would undertake the work.

Now we are not surprised to learn, as the court went on to say, "Wenzell was willing and, with the approval of his

other superiors, he did accept the assignment." Mr. Wenzell became a part-time consultant to the Budget Bureau, spent the equivalent of a month there during 1953, became well acquainted with the budget staff, and presented, as the result of his labors, a paper criticizing the Tennessee Valley Authority.

One of Mr. Wenzell's new-found friends in the Budget Bureau was Rowland R. Hughes, who came from the Nation City Bank to serve as Assistant Director of the Budget. Later he succeeded Mr. Dodge as Director. Mr. Hughes brought Mr. Wenzell back into the picture in January 1954 when Mr. Dodge conceived the ingenious scheme that budget outlays for the Fulton steam plant could be avoided if the Atomic Energy Commission would contract with private utilities for the construction of a 450,000-kilowatt generating plant to serve its power needs at Puducah, Ky., thereby releasing the equivalent amount of Tennessee Valley Authority power for other uses in lieu of building a new Fulton, Tenn., plant. This was the scheme which culminated in the Dixon-Yates contract.

The court said Mr. Wenzell was wanted by Mr. Hughes because he had already studied the Tennessee Valley Authority and was an expert on bond financing as vice president of the First Boston Corp. So back came Mr. Wenzell to Washington, to act again as a consultant to the Budget Bureau, acting officially in its name, participating in numerous meetings, conferring privately or in groups with sponsors of the Dixon-Yates project, analyzing costs and financing proposals, traveling to and from Washington and New York, and drawing his expenses sometimes from the Budget Bureau and sometimes from his company; while all the time he retained his corporate position and salary and bonus privileges based upon the amount of business he would bring to the firm.

Of course, the possibility that Mr. Wenzell's company, as one of the largest and most experienced concerns in utility finance, would be retained by Dixon-Yates to arrange for the bond financing of the power project, did not escape anyone, least of all Dixon-Yates. Almost a year before the Dixon-Yates contract finally was signed, counsel for the utility syndicate called attention to the possibility that Mr. Wenzell's role would be criticized. Mr. Dixon took this matter up with Mr. Wenzell, who spoke to Mr. Hughes. According to the court "Hughes said that Wenzell was exaggerating the importance of the matter, but advised him to discuss it with his principals in First Boston and with First Boston's lawyers, and then talk to Dodge about it." Wenzell conferred with his principals, as instructed, and received advice from one of the company's attorneys, in the firm of Sullivan and Cromwell, to resign his Bureau job forthwith and in writing; also to advise his principals that if the power contract should be made and they were asked to handle the financing, that they consider refusing the offer, or at least refuse to accept a fee. Mr. Wenzell was also advised to keep Messrs. Dodge and Hughes of the Budget Bureau informed of any developments. This advice was confirmed by Mr. Arthur Dean, a senior attorney of Sullivan and Cromwell, who viewed the matter as a problem of policy for the company rather than as a conflict of interest.

Mr. Wenzell did not exactly follow his attorney's advice, since he continued in his Budget Bureau job for a short while—the termination date is uncertain—and never submitted any written resignation.

As it turned out, Dixon-Yates placed 40 percent of the financing with First Boston and 40 percent with Lehman Bros., which surprised Mr. Wenzell, who had confidently expected his company to get the whole package. Both investment houses decided not to accept fees.

All these interested developments were unknown to the public at the time. The first congressional investigation into the Dixon-Yates deal was undertaken by the Joint Committee on Atomic Energy upon a specific request I made to then Chairman Cole on June 4, 1954. Many facets of this deal were brought to light, but dark corners remained. We were not told about Mr. Wenzell's activities. When President Eisenhower, in response to mounting criticism of the secrecy in the Dixon-Yates deal, ordered the Budget Bureau and the Atomic Energy Commission to make public a chronology of the negotiations and the participants, which was done in late August 1954, the name of Adolph Wenzell was conveniently omitted.

One of the strange facets of this affair was Mr. Lewis Strauss' consistent and repeated disclaimer that he knew of Mr. Wenzell's connection with the Budget Bureau. As Chairman of the Atomic Energy Commission, which made the contract with Dixon-Yates, Mr. Strauss was responsible for directing the contract negotiations. He met Mr. Wenzell for the first time on January 18, 1954, at the instigation of Mr. Hughes, to discuss the details of a forthcoming meeting at the Atomic Energy Commission with Dixon and another utility executive. It so happened that every time Mr. Wenzell signed the visitor's book at the Atomic Energy Commission he listed his First Boston address. None of these visits was recorded in the chronology of the Dixon-Yates deal I mentioned a moment ago. Findings of fact made by the court described the first Strauss-Wenzell meeting in part as follows:

> Wenzell told Strauss that he was there at the request of Hughes and was trying to get some background of the program and plan. Strauss had never met Wenzell before, and there is a conflict in the testimony of Wenzell and Strauss as to whether Wenzell stated he was connected with the Bureau of the Budget. The greater weight of the evidence shows that Hughes told Strauss that Wenzell was a banker connected with the First Boston Corporation as an officer or a partner, and that Strauss was to acquaint Wenzell with the background and purpose of the meeting to be held on January 20, 1954.

At a public hearing of the Atomic Energy Committee in November 1954, I asked Mr. Strauss whether he knew "if Mr. Dodge was advised by a consultant who is now employed by any of the Dixon-Yates utility companies." His answer was: "I have no knowledge of any consultants that Mr. Dodge may have had, or whether he had any." That is Mr. Strauss' story to this day, even though Mr. Wenzell testified under oath that he told Mr. Strauss otherwise. It will always remain a mystery why Mr. Strauss, of all the persons who participated in the Dixon-Yates negotiations, was the only one who remained ignorant of Mr. Wenzell's Budget Bureau connections when apparently it was common knowledge among the rest. As the court said in representing that Mr. Wenzell had nothing to hide:

> Wenzell discussed the subject freely with the representatives of the private sponsors. At the stage of proceedings during which he was employed by the Bureau of the Budget, there were no secrets. Every intelligent person knew that the administration wanted to make a contract, and was anxious that private enterprise come forward with a proposal that would be acceptable. Hughes directed Wenzell to sit in the meetings of the sponsors and report to Hughes what he heard. He participated in the conferences of the agency staffs. He, no doubt, was able to give to Hughes a better overall view of events than any other person, and did, we should suppose, expedite the formulation of the proposal which formed the basis for the later negotiation of details and exact figures.

Shortly after this testimony from Mr. Strauss, the Atomic Energy Commission signed the Dixon-Yates contract. The utility combine went to work on its powerplant. The city of Memphis, Tenn., refusing to have any power dealings with Dixon-Yates, announced it would construct its own generating plant. This meant that neither the Tennessee Valley Authority nor Dixon-Yates would have an immediate market for power from a new plant. Thus by a long and winding road, the administration arrived at one of its alternate objectives: If private industry were not to build a plant, the local community would have to do it, and in any case the Federal budget would not have to meet the bill.

By this time, Mr. Wenzell's role had become known to the public. Senator HILL, in a speech delivered to the Senate on February 18, 1955, mentioned some of Mr. Wenzell's activities, and Senate investigations under the direction of Senator KEFAUVER laid bare the whole story, or as much of it as could be obtained from reluctant witnesses in the executive branch.

The Atomic Energy Commission then did an about-face and advised Dixon-Yates in August 1955 that the Government was terminating the contract. In November of the same year, the Atomic Energy Commission notified Dixon-Yates that there never had been a valid contract and that the Government was not liable for any costs incurred or damages caused by the termination. Dixon-Yates sued in the Court of Claims for recovery.

The court majority saw something essentially cynical in the Government's defense. Here was Mr. Wenzell, an ardent advocate of the Eisenhower administration's power policy, a faithful servant of the Budget Bureau, the best adviser in utility bond financing the

Government could find, who had left the Bureau months before the Dixon-Yates contract was signed; and now the Government put up as a defense to the suit that Mr. Wenzell had acted in a criminal way, and consequently that the contract, being contrary to public policy, was never really a contract.

As one who has studied and investigated the Dixon-Yates affair from its birth in 1953 or early 1954, I can agree with the court's observation. There was something cynical about a Government action which first blessed and then cursed the Dixon-Yates contract, branding Wenzell as a criminal, not when the Government first knew about his role, but after the public learned about it, and after the Government no longer wanted the Dixon-Yates electricity.

Yes, there was something cynical about it, but cynicism does not dispose of the legal issues. The criminal statute on which the Government tried to hang its case—and hang Mr. Wenzell—is section 434 of title 18 of the United States Code. It provides, in essence, criminal penalties for anyone who represents the Government in transactions with any business entity in which he has a pecuniary interest.

The court majority—this was a 3-to-2 decision—took a narrow view of the law and left Mr. Wenzell an escape hatch. After all, said the majority, Mr. Wenzell did not take part in negotiating the power contract; he acted more in the role of "expediter" and advised the Government on financing, which bore upon the contract only in the sense that the cost of construction money to the utility syndicate would affect the price they charged the Government for kilowatts. How could there be a conflict of interest, the court asked, when Mr. Wenzell helped the Government to drive a better bargain with Dixon-Yates?

True, Mr. Wenzell's company might get to handle the Dixon-Yates financing—and Mr. Wenzell himself might get a bonus for the new business—but these matters were not decided at the time of Mr. Wenzell's Government work and, in any event, why should Dixon-Yates be penalized for a situation not of their own making and choice? Had not they, in fact, tried to persuade Mr. Wenzell to get out of the thing, to avoid embarrassing questions or criticism?

The court minority—in separate dissenting opinions of Justices Jones and Reed, the latter a retired distinguished member of the Supreme Court—held a different view. The criminal statute was broad enough on its face, they said, to cover Mr. Wenzell's activities. He acted for the Government in dealing directly with a "business entity"—the Dixon-Yates group. At the same time, he and his company were interested in the outcome of the negotiations in which he had an active hand. The fact that he left the Bureau before the final terms were arranged did not affect the argument. He served in both a public and private capacity. The majority was off the beam in arguing that First Boston's interest came into play after Mr. Wenzell quit his employment, because it was Mr. Wenzell and not his company that the Government held to be in violation of the law.

To invalidate the contract now, said the dissenting judges, may seem harsh, considering that there was no evidence that Mr. Wenzell or his company ever received any compensation or express promise of financial benefit. The purpose of the statute, however, went beyond motive and good faith of the parties involved. It sought to protect the Government even from allowing the conflict-of-interest possibilities to arise. Preventing abuses and promoting confidence in the integrity of public servants were the paramount objectives.

Underscoring the point that the application of the statute did not depend upon a showing of fraud or bad faith or criminal intent, Justice Jones added to the dissent:

> Rather, the issue is based on a principle older than this country itself, that no man who works for the Government may at the same time transact business with an entity in which, directly or indirectly, he has a pecuniary interest. The maxim that a servant cannot faithfully serve two masters is an ancient one and is grounded on the frailties of human nature. The warning it carries is proven each day by experience. Where loyalty is divided, the devotion and singleness of purpose demanded of its fulfillment is missing. The maxim has special significance for the Government because of the high standards of ethical conduct which it exacts from its employees.

What of the majority argument that Mr. Wenzell's interest in the Dixon-Yates power contract was too remote to justify invalidating the contract? The facts of business life, Justice Jones suggested, do not warrant so naive a notion:

> When large projects are involved there is always a tremendous drive for the privilege of handling and financing. It is highly competitive as it should be in a free economy. But this very fact makes it all the more important that the Government permit no unfair advantage as between competitors. They should all be on the same level of equality. This is an added reason for not permitting any interested party's serving in a dual capacity.
>
> It is argued that Wenzell had no connection with the performance contract, but only with the financing. But they are as closely linked as the law of supply and demand. Very few $100 million contracts can be performed without financing, and the financing of a large contract is an immensely profitable undertaking. Does anyone doubt that First Boston and Wenzell expected to finance the contract, and that Dixon-Yates expected them to do so?

Since the Dixon-Yates decision dealt with issues in the expenditure of Government funds and the conduct of Government employees, I asked the Comptroller General whether he believed the matter should be appealed to the Supreme Court. Under the signature of Mr. Frank H. Weitzel, Assistant Comptroller General, the reply was affirmative. I believe the members will be interested in the Comptroller General's opinion which is made a part of my remarks at the conclusion.

The fact that the court was closely divided on the basic issue in the case is noted as one reason to appeal. More important is "the probable importance of the decision as precedent in a vital area of public interest." I join with the Comptroller General and the court minority in emphasizing the purpose of the statute to promote public confidence in the conduct of Government officials and to proscribe any action which would impair that confidence. A Supreme Court opinion would serve to clarify a statute that badly needs judicial clarification, and it would help the Congress to determine what kind of remedial legislation, if any, is required in the future.

I will not discuss all the interesting points in the Comptroller General's letter but will mention only two. Noting Dixon-Yates' concern over Mr. Wenzell's role and the decision of the banking houses to forego fees for the bond financing, the Comptroller General suggests "that in this instance the moral and ethical standards of the marketplace are on a higher plane than those which the court considers applicable to the conduct of Government." I may note that Justice Jones in his dissent puts Dixon-Yates' concern about Mr. Wenzell in a little different light when he asked, "Could they have been more interested in avoiding the appearance of evil rather than the evil itself?"

The other point is that while the Budget Bureau knew that Mr. Wenzell, as its consultant, was meeting with, and supplying information to, the Dixon-Yates group, the record does not show that the Atomic Energy Commission, as the Government contracting agency, knew about these meetings until after the contract was signed. Mr. Strauss professed not to know even that Mr. Wenzell was associated with the Budget Bureau. This fact, the Comptroller General suggests, may have some significance in a reconsideration of the Court of Claims decision.

The Comptroller General's letter to me follows:

> AUGUST 3, 1959.
>
> DEAR MR. HOLIFIELD: Reference is made to your letter of July 29, 1959, requesting our opinion as to whether the case of the *Mississippi Valley Generating Corpany* v. *United States* which was decided by the Court of Claims on July 15, 1959, should be appealed to the Supreme Court of the United States.
>
> Not only because of the close division of the court on the primary issue in the case, but also by reason of the probable importance of the decision as precedent in a vital area of public interest, we believe that review by the Supreme Court on certiorari should be applied for.
>
> The essential issue presented, as we see it, is whether the United States must be bound by a contract, the initiation and basic framework of which was contributed to in substantial degree by a representative of the Government who at the same time was an officer and director in a private corporation which could reasonably and logically be expected to become an indirect beneficiary of the contract.
>
> The majority opinion appears to rest upon two basic conclusions: first, that since the representative in question had no interest in the parties contracting directly with the Government, and there was no binding contractual arrangement between those parties and his private employer, he has not even an indirect interest within the intendment of 18 U.S.C. 434, and his activities were not contrary to public policy; and, second, that since the representative's superiors in the Government were aware of his private connections and interests, and the contract as ultimately effected was, in the opinion of

the court, fairly and honestly negotiated and entered into by officers acting in complete fidelity to the interests of the Government, the Government should not be permitted to disavow it to the prejudice of the other contracting parties.

We do not concur in either proposition. As to the first, the opinion seems to imply that unless the acts of Mr. Wenzell were in violation of the criminal statute, the Government's defense must fail. (See the second paragraph beginning on p. 20 of the printed opinion.) We believe, rather, that the proposition argued under topic I.C., of the Government's brief, that the contract was void on principles of public policy, is eminently sound and pertinent, and further believe that the argument in that respect should be amplified and stressed in presentation of the case to the Supreme Court. Far from being a mere "prophylactic generalization," as it is characterized in the opinion, the principle is in our view fundamental to our form of Government. It is essential that there be an abiding public confidence in the undivided faithfulness of public officers to the public interest, and any situation which tends to undermine such confidence by creating doubt or suspicion must, therefore, be regarded as contrary to public policy. We do not believe that in attempting to avoid a contract entered into under such circumstances the Government is invoking the protection of a "broad legal incapacity," "like the infant and the idiot," or is seeking to don "a diaphanous cloak of immunity woven from an asserted vague and undefined public policy." Ultimately, it is not the Government, but the public, which is entitled to protection.

For the same reasons, we do not believe that the case should properly be rested on the court's determination of the fairness and honesty of the contract, or of the honesty and fidelity of the officials who made it. The evil to be avoided is not that the Government may be bound by a fraudulent or questionable contract, but that public confidence in the conduct of Government may be shaken by the appearance of any circumstances which may reasonably give rise to doubt or suspicion.

That the circumstances of this case were of such a nature appears to be abundantly established by the fact that legal counsel both for Mr. Dixon, representative of the party most directly interested in the contract, and for Mr. Wenzell's private employer, as well as associates of Mr. Wenzell in the Bureau of the Budget, recognized clearly the appearance of impropriety inherent in Mr. Wenzell's activities. While the majority of the court saw in this no indication that the counsel "saw in his situation a conflict of interest," but merely a matter of policy, we believe that the counsel, and others who recommended Mr. Wenzell's disassociation from the negotiations, were most keenly aware of the true nature of the policy involved. The deliberate decision of both the First Boston Corp. and of Lehman Bros. to forgo any compensation whatever for handling the financing of the project, solely because of Mr. Wenzell's connection with it, seems to attest that in this instance the moral and ethical standards of the marketplace are on a higher plane than those which the court considers applicable to the conduct of Government.

While it appears to be implied in the opinion that Mr. Wenzell's activities and position were fully known to the responsible Government officials, it is noted that the court specifically found (findings, No. 126) that there is no evidence that any representative of the Atomic Energy Commission had knowledge until December 1954 "that Wenzell, while serving as a consultant to the Budget Bureau, had been meeting with and supplying information to the sponsors regarding the project, nor that any AEC representatives knew the extent to which the sponsors were aware of Wenzell's activities in that regard." Since it was the Atomic Energy Commission, and not the Budget Bureau, that was authorized by Congress to act in the matter and which, in fact, was the contracting agency on the part of the Government, this finding appears to be of some significance.

We have advised the Attorney General of our views in this matter.

Sincerely yours,

FRANK H. WEITZEL,
Assistant Comptroller General of the United States.

RURAL ELECTRIFICATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. NELSEN] is recognized for 60 minutes.

Mr. NELSEN. Mr. Speaker, early this year a great battle raged here in the Congress over the so-called Humphrey-Price REA bill. Many farmers were led to believe that the future of the program was at stake, and that REA would be crippled if the bill failed. The bill did fail, 4 months have gone by, and power still continues to flow to the farms of America.

I hasten to say that I have no criticism of any Member of Congress who may have voted differently than I did on this measure. I realize, after again reading the testimony, that we, too, have been flooded with a barrage of propaganda, as well as pressure. Many of these men have become close personal friends of mine and I value their association; I respect their judgment and integrity.

I am a farmer who has lived and worked closely with REA since the very beginning. The power that serves my farm comes over a system that I helped organize. I was one of its directors and vice president. The tax law under which we operate in my State, I authored in the Minnesota Senate. From 1953 to 1956, I was here in Washington as the Administrator of the REA program.

The smoke has settled a little since the REA reorganization battle this spring, and I believe it is my responsibility now to bring a few things to the attention of all concerned.

I deplore the way our REA program is being battered around in one political controversy after another. I am also disturbed over the highhanded tactics of Mr. Clyde T. Ellis, the general manager of the National Rural Electric Cooperative Association. I believe he brings discredit on NRECA by involving our REA program in issues, controversies, as well as policies, in which a great many NRECA members do not believe.

After Congress voted on the REA bill last April, at least 10,000 newsletters, as well as magazine articles, were circulated nationwide by NRECA. They characterized those of us who disagreed with Clyde Ellis on this issue as anti-REA Members of Congress. I believe such an attack is unfair. We want people to know how we vote on all issues, but we expect both sides of an argument to be told so the reader can make up his own mind.

Moreover, the record of the hearings on the REA bill printed—at Government expense—page after page of slanted views, allegations, and insinuations which give a false picture of the great progress REA is making, and which arouse unjustifiable fears among the folks who depend on this program for power.

Since I am one who has been singled out in the Clyde Ellis attack, I am taking this opportunity to set the record straight for the benefit of all.

THE REA RECORD

It is hard to understand the Humphrey-Price issue without first looking at the overall strategy Mr. Clyde Ellis has followed on REA since the beginning of the Eisenhower administration. All you have to do is leaf through the various NRECA publications for the past 7 years, and you will find a constant prediction of doom and gloom.

The propaganda line has run something like this: "G. & T. program is dead." "Telephone program running like a dry creek." "Jacking up power costs." "REA program being slowed down."

Let us look at the record.

During this administration, 1,116,000 kilowatts of generating capacity have been installed, compared to 1,145,000 kilowatts of capacity during the previous 17½ years. "G. & T. is dead"?

In the telephone program there were 7,500 subscribers before 1953 and 800,000 were added during this administration. "Running like a dry creek"?

Of the $3.8 billion that has been loaned to REA in all of its history, $1.2 billion has been loaned in the past 6 years. "REA program being slowed down"?

Power costs in 1952 averaged 3.35 cents per kilowatt hour. In June 1959 they were 2.65 cents per kilowatt hour. "Power costs going up"?

The record will also show that unadvanced funds are waiting for the asking to the tune of better than a half billion dollars.

It will show further that the delinquency rate among borrowers has been reduced to the lowest in the history of the program, and that advance payments to the Government stand at the highest level.

THE TROJAN HORSE

So while the prophecies of doom and gloom and destruction have echoed through the auditoriums at many REA meetings and here in Congress, the record shows a successful performance, with the cooperation of farmers throughout the country.

But doom and gloom we must have to support the prophecies of the prophet. In this context came the Humphrey-Price issue.

The Secretary of Agriculture had requested that he be advised of some of the major loans in REA—a reasonable request since, under the 1939 as well as the 1953 Reorganization Act, he is responsible for the policy and conduct of this agency.

Mr. Ellis seized upon the 1953 act as his strawman issue for 1959. He termed it the "Trojan horse" that spelled doom for REA. He set out to sell the farmers on the Humphrey-Price bill as a means of restoring to the REA Administrator the powers that had been taken away from him by the Secretary of Agriculture.

It was tough selling, because there was not one witness, including Mr. Ellis, who could point to a single loan application that had been turned down, or even slowed down, by the Secretary.

The hearings can be searched from cover to cover and not one witness had a complaint pointing to the administration of the REA program.

In fact, managers and directors from the rural co-ops who did testify had nothing but praise for the administration of the REA.

THE REORGANIZATION ISSUE

But let us examine Mr. Ellis' Trojan horse more closely. The REA program was established in 1935 by Executive order, and in 1936 an act of Congress set it up as an independent agency.

In 1939 President Roosevelt felt the need for more definite lines of administrative authority and responsibility and presented a reorganization plan which was adopted by Congress. It placed REA in the Department of Agriculture, and in doing so all the functions and services of REA were brought under the Secretary of Agriculture, who in turn was responsible to the President. The 1939 act empowered the Secretary of Agriculture to control policy, assign legal staff, and demand examination of loans if he wished. Mr. Ellis was then a Member of Congress.

In 1953 President Eisenhower presented the second reorganization plan of that year, affecting many agencies in the Department of Agriculture. Its effect on REA is described by Mr. Robert Farrington, the legal counsel of the Department of Agriculture, who stated:

> The legal effect of Reorganization Plan No. 2 of 1953 was merely to confirm rather than to alter the relationship of the REA Administrator to the Secretary as it has existed since the Reorganization Plan No. 2 of 1939.

I can back up that statement, because I served as REA Administrator under the provisions of both the 1939 and 1953 reorganization plans. Frankly, I could not tell the difference after the 1953 act was passed.

But, in the recent battle over the Humphrey-Price bill, Ellis termed the 1953 Reorganization Act part of a master plan to destroy REA.

In his testimony before the committee, Mr. Ellis made two major points. First, he argued that reorganization is bad for REA. Ellis stated:

> Picture in your mind the big wooden horse of ancient mythology. The Trojans to their sorrow found out what it was like to let this innocent-looking thing inside their gates. Reorganization is REA's Trojan horse. And it is inside the city gates now.

Mr. Ellis' second major argument was that Congress, rather than the Executive, should have more power over REA. He contended Congress should keep a sharper control over any attempted changes. He stated:

> Thank God that some of the decisions for REA's future still lie in the hands of Congress which has enabled the program to make such far-reaching social and economic progress during the last 23 years.

On those two arguments, coupled with a nationwide campaign of fear for what might happen to REA in the future, Mr. Ellis came within four votes of making this bill into law.

Now, we farmers do not know much about Trojan horses. We know more about Belgian, Percheron, or even Clydesdale horses. And, most of us now suspect that, after devouring all the political hay that has been manufactured on this issue, the charging Trojan horse of 1953 is turning out in late 1959 to be nothing more than a hay-bellied nag.

THE ELLIS BOX SCORE

To check out this suspicion, let us make use of one of the techniques Mr. Ellis has used very successfully in harassing the Members of Congress—the voting record. Let us look at the rollcall votes Mr. Ellis, as a Member of Congress in 1939, himself cast on the issues of reorganization being bad for REA, and also on Congress needing more power to protect REA.

I do not necessarily endorse this voting record technique, because it does not always explain the Member's own reason for voting the way he did. But, it may be useful for Mr. Ellis to take a close look at his own box score before attacking Members of Congress who may also have a conviction.

In fact, when the 1939 Reorganization Act was being debated on the House floor, Congressman John Rankin, of Mississippi, proposed an amendment to keep REA independent—but there was not a word from Mr. Ellis in support of Mr. Rankin. Ellis gets no box score on this, because the vote on the Rankin amendment was not a rollcall vote. But, the RECORD shows he was present, because he voted just a few minutes later.

The CONGRESSIONAL RECORD of March 8, 1939, shows on page 2504 that Mr. Ellis cast his vote in favor of the 1939 Reorganization Act which took away the independence of REA. Ellis himself voted in favor of the reorganization which he claims is a Trojan horse for REA. That is one negative vote for Mr. Ellis, by his own arbitrary standards.

There are however two other rollcall votes on amendments which deal with Ellis' second major argument in 1959—the need for more congressional control over reorganization.

They are the Sumner amendment and the Taber amendment. After a full debate, in which Ellis took no part whatsoever, his votes are recorded as against both amendments on pages 2502 and 2503, CONGRESSIONAL RECORD, March 8, 1939. Both of these would have strengthened the right of Congress to examine reorganization before it became law. Chalk up two more anti-REA votes for Ellis—using his own arbitrary standards.

So Mr. Ellis' own votes have negated his two major arguments in testimony on the Humphrey-Price bill. What's more, he comes out with a voting record that can be headlined:

ELLIS 0 FOR 3 AGAINST REA

That's similar to the Ancher Nelsen voting record, which in a recent Ellis box score said:

NELSEN 0 FOR 4

Now, Mr. Speaker, it is entirely possible that the Trojan Horse of 1959 was just a fox farm plug in 1939, and I am the last one to say a man cannot change his mind in 20 years. But, I am saying that I have as much, or more, of a case on Ellis as he has on the Members of Congress when he arbitrarily characterizes their votes as "anti-REA." We can therefore ask how Clyde Ellis can justify making an issue in 1959 of a provision which he, in effect, voted to make law in 1939.

THE REASON FOR HUMPHREY-PRICE

I believe everyone should have a right to a difference of opinion. I also believe there comes a time when, if the facts are twisted and unfairly related, any red-blooded American has a right to fight back.

Sooner, or later, Mr. Ellis will have to learn that "fishing for issues" can be a dangerous game. When you throw the line, you sometimes catch a lunker, but sometimes you only catch the seat of your pants. In casting for a 1959 issue the line fouled on Ellis' 1939 votes. It has hooked into the seat of Ellis' pants. The only question left to answer is, "Why did Ellis do it?"

It is apparent that in this session Mr. Ellis needed an issue to make himself appear useful to the farmers of America. While he has predicted gloom and doom since the very beginning of this administration, the REA program has made unprecedented progress and is stronger today than ever in its history. So, Mr. Ellis had to find a strawman issue to maintain his prestige, and justify his salary—which incidentally far exceeds that of a Member of Congress. This bill was that issue.

Ironically, the Curtis amendment, introduced in the Senate this spring got nowhere. It would have given REA the complete independence it had before 1939. Ellis threw his weight behind the Humphrey-Price bill which created an administrative monstrosity by saddling the Secretary with responsibility for REA while limiting his authority over the operation.

The testimony of Mr. Ellis in support of this bill was couched in fear. There were no facts to back up the charge—only slanted, twisted testimony based on fear. That is the worst kind of demagoguery, Mr. Speaker, to arouse fears without giving a valid reason for doing so.

CONCLUSION

Thus, I am here today to do what I can to inform the farmers of this great country of the real facts—not distortions—in this entire matter. I am a farmer, and I know farmers want REA kept out of the political arena. They believe in fairness. It is my intention that they have the full story—in order that they may

determine for themselves who is really hurting this great REA program. I ask all those who are interested in protecting REA to join with me in exposing the sort of duplicity which has been practiced in this entire affair.

I do want to make one point very clear. This material is not in any way an indictment of the National Rural Electric Cooperative Association. I happen to be a farmer who is paying to support it. I think it has done some good work and I believe we will need it in the future. And that is the very reason I raise my voice today.

REA is one of the most successful programs ever undertaken by our Government, and we have a host of friends among the Members of Congress. REA has grown up, and is looking to Congress for sound and progressive legislation in the future. We can do a job for REA only after we have cleared the air of some of the phoney issues and fear-raising statements that have been manufactured in this field.

We need to take a careful inventory of this program. How can the long-range REA interests best be served? Do we forever remain tied to the Government? Are we meeting our responsibilities to our country? Are our demands fair?

We can never answer these questions fairly so long as the air is clouded with misunderstanding. And that is why I felt it was my responsibility to speak today.

It is of course a tragedy that grown men should exhaust themselves trying to prove who is the rascal. I regret that circumstances have forced me to speak at this time.

Four months have gone by since we debated the REA issue and power still continues to flow to 96 percent of the farms of America. There has been no catastrophe. I can only predict that long after Clyde Ellis and ANCHER NELSEN have gone to their reward, the power will still be flowing. The lights will be on in rural America so long as farmers continue to do a good job of running their local REA projects, making their interest and principal payments, and finally owning their own system which need not be mortgaged to either Government or to Wall Street.

It may well be that there is a Trojan horse in REA's camp today. It may be that the ill-advised involvements we have allowed the program to be dragged through will eventually ruin the bipartisan support we have always enjoyed. That will be a real Trojan horse.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. HIESTAND. Mr. Speaker, I should like to congratulate the gentleman for a very effective statement. I should characterize it even more strongly than that; I might call it a devastating statement. I certainly feel he is to be complimented. I should like to ask him if he would not characterize Mr. Ellis as probably one of the most aggressive and powerful lobbyists in Washington.

Mr. NELSEN. I think that is true, that he is a powerful lobbyist. I regret to say that in my own little State of Minnesota, while I have been in a congressional race, and I also ran for Governor, his activities were revealed in that State. I would suggest that no one should be denied the right to have an opinion, but I do not believe it is fair for me to be required to pay membership dues to an organization and then find that my own contribution is used to cut my throat. I think that is going a little far.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. DORN] may extend his remarks at this point in the record.

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

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I wish to commend the distinguished and able gentleman from Minnesota [Mr. NELSEN] on his excellent speech. The gentleman from Minnesota has dealt with this subject here today fairly and honestly. His approach is entirely nonpartisan, as it should be. He is eminently qualified to set the record straight because of his farm background and his experience as REA Administrator.

I particularly commend the gentleman for pointing out to the House Mr. Ellis' record when a Member of this body in 1939. I was greatly interested in Mr. Ellis' voting in favor of the reorganization in 1939, which put the REA under the Secretary of Agriculture. It is interesting to have this information, in view of Mr. Ellis' frantic lobbying for the Humphrey-Price bill, which would take away from the Secretary of Agriculture certain powers. A principle in 1939 is a principle today. Basic fundamental principles never change. However, political expediency shifts with the coming and going of the wind. As a farmer and consumer of REA power and as an American, I have always supported in every single instance legislation that I believed to be in the best interest of REA. When I voted against the so-called Humphrey-Price bill, I know I voted in the best interest of REA.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I am glad to yield to the gentleman.

Mr. MICHEL. Mr. Speaker, I take this opportunity to compliment the gentleman on the picture that he has painted for us here this afternoon. It certainly sets forth the facts in their true perspective.

I might say that during the 85th Congress it was my privilege to serve on the subcommittee which considered the legislation which the gentleman previously talked about. And while we bottled it up during the 85th Congress they were successful in getting it during this Congress. It was subsequently passed and then vetoed by the President and we were fortunate in sustaining that veto here in the House.

Mr. Speaker, I should like to say, as the gentleman from California [Mr. HIESTAND] has pointed out, that here again is another one of those examples where we find too much pressure brought to bear on Members of Congress and so much information offered only for the purpose of justifying the existence of some high-powered, high-salaried individual representing an organization, in this case as Mr. Ellis does, the National Association of REA Co-ops.

I think the gentleman has certainly performed a good service in bringing it to the attention of the American people.

Mr. NELSEN. I thank the gentleman.

Mr. WALLHAUSER. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. WALLHAUSER. Mr. Speaker, I should like to commend my distinguished colleague from Minnesota, because I think he has pointed up the problem very clearly. His vast knowledge and experience have shown us what the real problem has been. I am a member of the committee that heard the legislation that originated this year, and I fully agree with my colleague from Minnesota that it did not have any place in our legislative history.

Mr. Speaker, I congratulate the gentleman on a very clear presentation. I think he has straightened out the record.

Mr. NELSEN. I thank the gentleman.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, I am extremely happy to see our good friend and colleague, ANCHER NELSEN, take the floor today to talk about the problems of the REA and the issues that have unfortunately been raised that tend to incriminate some of the finest and most loyal supporters of the REA in this House. All of us, of course, know what the gentleman from Minnesota has so effectively pointed out. That is, that there is no program that the Government has developed an interest in that is of greater value economically to the whole of the United States and that at the same time seems to lighten the load to make a more efficient program and helps the farmer in so many ways than does the REA. Mr. Speaker, there is no man, who is serving the Congress today nor one that has served this Congress, who is more qualified to speak on the subject of the REA program than is our distinguished friend ANCHER NELSEN, of Minnesota.

Those of us who know this great American know that he has served nobly and well as Chief Administrator for Rural Electrification Administration from May 1953 to June 1956.

A great American of another political party made history during the campaign for President in 1928 by saying: "Let us look at the facts." This is a very appropriate observation in this instance as I seek to try to give this man the credit that he deserves for the tremendous job he has done for his country as Administrator for the REA.

Here are just a few of the facts from the record:

First. During 1952 the total amount of loans provided by the REA program was $165.7 million.

For 1953, $165 million.

For 1954, $167 million.

For 1955, $167.5 million on 349 electrification projects.

Second. The record shows further that between July 1, 1953, and July 1, 1955, borrowers connected an additional 200,000 farms to the REA system. It should be pointed out that these farms with this expansion were getting electricity for the first time in history. The records show clearly that all of the best areas of this Nation's farms received the benefits of the REA program before the period that ANCHER NELSEN became the Administrator and that he did an excellent job of picking up these loose ends of the isolated areas that had been neglected heretofore.

Third. Another record which all of us should be proud of is the help Mr. NELSEN has given to cooperative work with power contracts that have resulted in the cost of wholesale power being reduced from 1 cent in 1941 to 7.4 mills in 1955. It can honestly be said that this has resulted in savings of millions of dollars and demonstrates that the public interest has been well served and that there is no lack of interest on the part of the administration under his excellent leadership.

Fourth. Under his leadership, the REA received a reduction from 3.6 cents a kilowatt-hour for retail of electricity in 1951 to 3 cents per kilowatt-hour in 1955.

Fifth. In 1955 alone the REA made loans for generation plants and transmission systems in the amount of $41 million. This made provisions for 10 new generation units and 1,700 miles of transmission lines.

Sixth. The record shows that on March 5, 1956, the amount of money on loan to REA borrowers was $3.1 billion in grants to 1,026 borrowing units that, at that time, were serving over 4 million customers.

Seventh. Records show that this gentleman has a way of getting things done because he reduced the backlog from $200 million when he took office to $97 million in 1955.

Eighth. Mr. NELSEN felt, when he took office, there was a real need to use the contingency fund which had been used but once prior to his administration. In 1954, for instance, $39 million was used from the fund. In 1955, $35 million was used. This certainly indicates his willingness to use every facility at his command to encourage and promote the rural electrification system.

Mr. Speaker, here is one of the most enviable records of achievements anyone has ever made in Government on the domestic front. The gentleman from Minnesota is to be highly commended and every Member of Congress and REA user owes this man a great deal of gratitude for the effective and efficient job he did while he was Administrator and for his contribution and devotion to this program while a Member of Congress. It is worthy of note also, that he is doing this while at the same time carrying on the vast and varied responsibilities of the office of Congressman. I compliment the people of the Second District in Minnesota for sending a man of this caliber to Congress. I, for one, am deeply grateful to have the opportunity to serve with him in these legislative halls. He has performed an invaluable service in the past, and today is again doing a fine job in stating the problems, answers, issues, and giving us the benefit of his experience and able leadership in this area in which all of us in the farm belt of the United States have such a vital interest.

Mr. NELSEN. Mr. Speaker, I thank the gentleman for his kind remarks.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. HORAN. Mr. Speaker, for over 14 years it has been my privilege to serve on the subcommittee that reviews the work of the REA and its administration and supplies the funds for the succeeding fiscal year based on our appraisal of the record that is spread before us. I do want to say that the present speaker, Mr. NELSEN, showed up very well as Administrator of the REA. The program made great strides and much progress during his administration of those funds. The gentleman's reception before our subcommittee was always congenial and was never fraught with any controversy or conflict. He will, I think, bear me out when I say that he received the funds he asked for, and the funds he asked for were the funds that the REA needed to maintain its services to the rural peoples of America. This is a very popular program. It necessarily should be because it proposed in its inception to move the glories of electrical energy to areas not previously served with electrical energy. It is in this field, of course, that demagoguery finds fertile soil as nowhere else. Of course, you can raise issues anyplace you want to and scare people to death. I am glad the gentleman has brought this subject up and that you are trying to clear the air in this field. This is a strawman, I think—a good deal of it at least. I am reminded of a little couplet that I would like to state now. It has been used in the Halls of Congress before dealing with strawmen.

> Yesterday upon the stair,
> I saw a man who was not there.
> He was not there again today.
> I wish to God he would go away.

Mr. NELSEN. I thank the gentleman.

Mr. Speaker, I would, at this point, like to pay my compliments to the present Administrator, David A. Hamil, from Colorado. He has done a very conscientious job. He has been all over the United States and has made a host of friends. He has continued in this program in a very productive way. I think the record should show that. I also want to add this. During the time I was Administrator, I traveled all over the United States. Now serving in the Congress, as I do, I want to pay my respects and thanks to the gentlemen on the other side of the aisle because this program has been supported by Republicans and Democrats. When you are out on the farm, it does not matter what your politics are—electricity is awful nice to have. I certainly want to thank our friends on the Democratic side and on the Republican side as a farmer for the contribution they have made to the total economy of the country. This program is precious to those of us who live on the farm and we do not like to see it exploited in any way.

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. McINTIRE. I certainly want to join with my colleagues in expressing appreciation to the gentleman from Minnesota for so ably placing before us and in the RECORD a very fair evaluation of the situation with which we dealt some time back. I am very much interested in the REA program. All of the REA cooperatives in my State of Maine are located in the district which I have the privilege of representing. I want to say, too, I think the Congress is fortunate that in its membership there is one who has had the experience not only as a user but as an organizer of cooperatives in the REA, but also on the broad basis of administration of the REA, thereby having the opportunities to gain from the experience and observations of the gentleman from Minnesota. I wish to commend the gentleman for taking this issue and so fairly and objectively analyzing it and placing it before the House of Representatives.

Mr. NELSEN. I thank the gentleman.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. SHORT. I want to join with my colleagues who have expressed their appreciation of my distinguished colleague and my friend for his very realistic and comprehensive analysis of what I would consider to be one of the phony issues which has come before Congress during this session of Congress. Certainly I do not think any man in Congress has any greater appreciation of the REA program than I, for I am a person who probably lives as far from a power line as any Member of Congress; and certainly nobody was any more surprised than I when I finally found that I was going to have power on my ranch 40 miles from town.

Personally, no one could appreciate it more than I as an individual farmer and rancher. I do not think anyone could have any greater appreciation of this program in that it has brought power to the farmers of this entire country. I think it has done more for them than any other single program that has been acted upon in the interest of agriculture.

As I have said many times, I do not think there is a single Member of Congress who would ever vote for any bill that would materially harm the REA program and its basic objective which has done so much for the farms of America. I really believe that is a completely true statement; certainly it is one that I subscribe to very much, and even if I have been described by some

people as one who is opposed to the REA program I think the people who know me and know my objectives certainly must realize that that is not in any sense of the word true.

I thank the gentleman for yielding.

Mr. NELSEN. I thank the gentleman for his contribution.

Mr. McSWEEN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. McSWEEN. Mr. Speaker, first I should like to congratulate the gentleman man for his very excellent statement. I have listened with a great deal of interest also to his colleagues and my colleagues. I should like to say also that I know the gentleman's excellent record during the time he was REA Administrator. I personally know that record because I happened to be concerned from time to time with an application or two before him, and I should certainly like to say that he discharged his duties excellently and with great ability and consideration.

I have been actually surprised to learn some of the facts the gentleman has brought out here today. I have heard occasionally concerning the previous record of Mr. Ellis, who sat here, with regard to REA legislation, but I have never had it brought before me the way the gentleman has today.

You know, the REA program has been held by almost everyone who knows anything about it to be one of the great programs this Nation has had during the entire history of this country. I do not believe a single other program could be cited as doing more for the development of the underdeveloped areas of our country and improving the standard of living of our people than this program.

Everyone knows that it is an old trick to take a popular program and try to do something else with it, go into side issues and use a popular program in order to sell some other ball of wax. I recall efforts made the last time we had the REA program before us to defeat other important legislation.

I am sure Mr. Ellis is a fair gentleman, and I am just wondering if in the light of the gentleman's description of Mr. Ellis' voting record regarding REA, I am just wondering whether Mr. Ellis in his publication will give proper coverage to the gentleman's address today, and whether he will defend his position with regard to the time he was in Congress and his record on REA.

Again I thank the gentleman for his excellent statement.

Mr. NELSEN. I wish to make just a comment about one of the objectives we sought to attain in the program while I was Administrator. It is my feeling that one of the greatest contributions that could be made would be the development of a climate of confidence and cooperation. Out in Minnesota we worked out an arrangement where bureau power goes into our State. We worked out a wheeling contract with existing utilities over their transmission lines. We worked out provisions where they could use their generating plants to firm this power. The result of it is the 19 groups I represented in Washington at the time of these hearings saved well over a million dollars last year. Everybody won in that kind of an arrangement because of the climate of cooperation where we were working together. I know that the gentleman from Washington [Mr. HORAN] remembers the time we appeared here for that bill.

Mr. HORAN. I think one of the outstanding chores the gentleman has achieved was to bring peace to Kentucky and good cooperation and coordination between the existing suppliers of electrical energy in that State.

Mr. NELSEN. We had the east Kentucky contract, which had been held up by injunction for years. We worked out a compromise arrangement that now has made it one of the most effective coops in the country. The same is true of Georgia, the same is true of South Carolina. All of these controversies were worked out because we found when people got together they could work out a problem, but if they were agitated into a climate of mistrust, misunderstanding, and suspicion, you could not settle anything.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from North Dakota.

Mr. BURDICK. I have been advised that the gentleman has referred to Mr. Ellis. I simply want to say that as far as North Dakota is concerned, the association that Mr. Ellis represents, Mr. Ellis and the local cooperatives of North Dakota have had harmony. And, as a result, the program has gone forward, and there are very few farmers in North Dakota who have not been receiving service. This has been due in a large part, to the good work of Mr. Clyde Ellis.

Mr. NELSEN. I regret that the gentleman was not here during all of the discussion because I referred in my speech to Ellis' voting record in 1939 when he voted for reorganization and against congressional controls over reorganization. Since this was the series of votes which took away the independence of REA and placed it under the Secretary of Agriculture, I hold that this Congress should have the right to maintain a similar position today without being characterized by Mr. Ellis as anti-REA. I have no criticism of the organization as the gentleman suggests. There has been no criticism leveled at it. I did level criticism at the executive manager who exploits the program and the organization.

Mr. BURDICK. I am very happy that the gentleman did not refer to the organization. Now, as for Mr. Ellis. His relations in North Dakota have been excellent. He has been a selfless and devoted man to the cause of rural electrification, which has done so much for rural America.

LET'S SEND THE MARINES TO LAOS AS WE DID TO LEBANON TO STOP FURTHER COMMUNIST NIBBLING

The SPEAKER pro tempore (Mr. IKARD). Under previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 20 minutes.

Mr. STRATTON. Mr. Speaker, I rise this afternoon to discuss a matter of great urgency to the defense of this country and the free world, namely, the Communist-inspired and directed invasion of the free nation of Laos in Indochina, one of the critical areas in southeast Asia.

Southeast Asia was the subject of Communist invasion and attack prior to 1954, an attack that led to the subsequent partition of Indochina into North Vietnam held by the Communists and South Vietnam which remained free territory. In addition, the free countries of Laos and Cambodia were also to remain free of Communist penetration. Surprisingly enough, this arrangement has continued with little interruption since 1954, in spite of the fact that Communist forces in northern Vietnam have been built up considerably with assistance coming from Communist China to the north. However, within recent weeks and almost on the heels of President Eisenhower's invitation to visit this country extended to Premier Khrushchev, Communist forces began to move into Laos in strength, and they now threaten seriously the independence of that free country which occupies a most critical strategic position in southeast Asia between Communist Vietnam and free Thailand. Experts on all sides have referred to the present situation as dangerous, critical, and serious; and these statements are no exaggeration. The morning newspaper contains an account that the United States is studying a request from the Government of Laos for assistance in repelling the invasion of these Communist forces and other reports indicate that the United Nations is considering sending an inspection force into Laos.

Mr. Speaker, what is happening in Laos ought to be perfectly clear to anyone familiar with the Communist pattern of aggression, without the need for further study or the dispatch of inspection forces. This is just one more bit of the old nibbling routine that was halted only long enough for the Communists to build up their forces in southeast Asia and to wait for what they considered the most auspicious moment for renewing their devious penetration. Now that the Communists have apparently got what they want for the time being in Berlin they have shifted their heat to another sector of the periphery of the free world. That, as I see it, is the situation, and I do not think it needs any elaborate additional study.

Mr. Speaker, the only way for the United States to deal with this threat to our security in southeast Asia is to act swiftly and firmly. If we wait for further study or for the dispatch and subsequent report of a U.N. inspection force, it is clear that the Communist guerrillas will have already taken over and enslaved another key and critical area of southeast Asia before those reports can be typed up and throughly studied. If our efforts against communism are to be effective, they must be taken decisively and without delay. By their invasion of Laos the Communists have clearly violated the Geneva understanding which has been the basis for the status quo in Indochina

since 1954. For that reason we have every right to send help to Laos to assist the Lao Government in defending their freedom, and we have the right to send them whatever supplies, equipment, yes, and even forces that may be necessary to preserve their freedom.

Mr. Speaker, I am in favor of giving the Lao Government everything that it needs in terms of funds and equipment to meet the Communist threat. But I do not think we ought to stop there. We have been doing a good deal of talking of late, Mr. Speaker, about the need for limited war forces in the arsenal of the United States, and Congress has just appropriated a very substantial sum of money for the purpose of developing and maintaining forces of this kind to meet what we hear referred to as brush-fire situations in other parts of the world. But what good are these forces for which we are spending so much money unless we also have the ability to recognize dangerous situations quickly when they occur and the courage and determination to act promptly to bring these limited military forces to bear upon them? Otherwise all the millions and indeed billions we spend on providing standing troops and naval forces at sea are not going to help us one little bit in keeping the Communist menace from nibbling away further at the portals of the free world.

I think therefore it is clear that in order to guarantee the freedom of Laos we must, with the permission and at the request of the Lao Government, dispatch American forces into Laos immediately. I recommend the dispatch of suitable elements of the U.S. Marine Corps to assist the Lao Army in defending itself against this difficult brand of guerrilla warfare. I also recommend the dispatch of a U.S. Navy carrier, together with supporting aircraft and helicopter forces, to the coastal area off Indochina, not only to back up those marines if the need arises, but to demonstrate to the Communist world that America does not intend to stand idly by while Khrushchev and his Communist military machine try to take over one more piece of the critical southeast Asia area. If we hesitate to act now merely because the President is projecting an exchange of visits with Premier Khrushchev, we may well wake up when it is already too late. Indeed, the dispatch of the forces I have suggested to Laos immediately would be one of the best ways I know to make it clear to Premier Khrushchev that while we intend to receive him properly and courteously in the United States, as President Eisenhower has requested, we are not being fooled into thinking that he has changed his stripes or his methods of action in any way and we do not intend to let down our guard either in West Berlin, in Formosa Straits, in the Middle East, or in southeast Asia.

Mr. Speaker, let me add this one final word. We sent the marines swiftly into Lebanon once that nation asked for our help. Our prompt and forthright action there bolstered the Lebanese Government without a shot ever being fired. Once the Communists knew we meant business, they backed down. I am convinced, Mr. Speaker, that the same prompt and effective result would be achieved if we decide to send the marines into Laos. But we must answer the call of the Lao Government for help quickly to save the day. Only the strong can continue to remain free.

ARMORED CAR SERVICES OF ARLINGTON, VA.

The SPEAKER. Under previous order of the House, the gentleman from Virginia [Mr. BROYHILL] is recognized for 15 minutes.

Mr. BROYHILL. Mr. Speaker, I want to tell the Members of the Congress about a struggle for survival confronting a small, local business in my district—Armored Car Services of Arlington, Va. This local Virginia company was established in 1957 by a group of hard-working men who sincerely believed they could provide a service at a cost considerably lower than that being charged, and yet operate their business on a financially sound basis. They have worked diligently—10 to 12 hours a day—in an industrious effort to achieve their goal of making this business a success. However, they find themselves facing destruction because of the ruthless predatory price-cutting practices of their giant nationwide competitor, Brink's Inc.

Both of these companies are engaged in the business of transporting money by armored car. Both are in competition for the local Virginia, District of Columbia, and Maryland business. However, this is as far as any similar comparison can go. Brink's, Inc., is a huge, national corporation that operates in all the major cities of the United States and Canada. Their 1959 annual report indicates that their farflung operations include over 100 cities in 29 States of this country and six Canadian Provinces. A portion of a letter in this report from Brink's president to their stockholders, referring to their 1958 operating revenues, states, "Operating revenues of $24,744,050 were the highest in the history of the company." Further on in this same letter, Brink's president cites these facts and statistics showing the scope of Brink's operations:

> Over one-half of all the armored cars operating on the streets and highways of the United States carry the Brink's shield and trademark. In six Canadian Provinces, Brink's Express Co. of Canada, Ltd., operates an additional fleet of 100 armored cars that are counterparts of those in the United States * * * as of February 1959, Brink's has 112 branches and 1,026 armored cars handling an average of $1⅓ billion a day. In the course of this operation, Brink's armored cars make over 150,000 commercial stops per week and over 21,000 bank stops. In a year, the armored cars run up a total of about 12,500,000 route miles.

Contrast these gigantic operations and the tremendous economic power of Brink's to the strictly local operations of Armored Car Services, with its total of four armored cars and its relatively small, hard-earned capital. Notwithstanding this great dissimilarity, however, Armored Car Services was able, for a brief period of time, successfully to compete with Brink's, Inc., for the local business.

However, Armored Car Services had just barely gotten its feet on the ground when Brink's began its unscrupulous, below-cost price cutting, which by the reported word of one of Brink's own representatives—who might be more properly described as a Brink's "hatchet man"—informed a prospective customer to whom he was offering a ridiculously low price that their offer was not for the purpose of competing with Armored Car Services but for the express purpose of driving them out of business. Brink's offered to sign a contract with another potential customer under which they would carry the customer's money and securities absolutely free for a 2-year period. The intent behind this particular offer is so obvious that no further comment by me is necessary on it.

I am, however, going to cite a number of specific instances—all of which I believe clearly show that Brink's—in an effort to continue its monopolistic stranglehold on the money and security transportation business in the Washington metropolitan area—is using its great economic power as a bludgeon to smash the life out of this small local competitor—fully realizing that Armored Car Services is virtually powerless to fight back.

The first case involves the Washington, Virginia, and Maryland Coach Co., popularly known as the Arnold Bus Line. This was the very first customer signed up by Armored Car Services, and the contract, which became effective on February 1, 1957, provided for a monthly payment of $63.50 to the Armored Car Services for their services. Prior to this, Brink's had the contract with Arnold Bus Lines, and the price thereunder was $105 per month.

On January 31, 1958, the vice president and sales manager of Armored Car Services both paid a visit to the office of Mr. DeStefano, treasurer and comptroller of the W.V. & M. lines for the purpose of renewing the contract that was expiring the following day. During their meeting, Mr. DeStefano showed them a letter from Brink's offering to perform the same service which they formerly had for the price of $35.50 per month. In other words, Brink's was now willing to drop their price to one-third of their original price of $105. Mr. DeStefano stated that he clearly recognized the intent of Brink's behind such an offer, but that he would be forced to accept their offer in 1959 unless Armored Car Services could meet it.

The second case involves the Citizens Bank of Maryland. Armored Car Services has a contract with them under which the bank pays a monthly rate of $92.50 plus an additional 10 percent per bag charge for handling change. In December 1958, the sales manager of Armored Car made a good-will call on Mr. Hollingsworth, the executive vice president of the Citizens Bank of Maryland. During their conversation Mr. Hollingsworth stated that Brink's had offered to come down to a monthly rate of $50 for the same services which they formerly

rendered at a cost of $140 per month. However, Mr. Hollingsworth, recognizing what Brink's was trying to do, refused their offer.

The third case involves a Virginia bank, the Shirlington Trust Co. Brink's originally serviced this bank charging rates of approximately $120 per month. In 1958 Armored Car Services was successful in negotiating a contract for $85 per month. On March 2, 1959, the president of the Armored Car Services received a telephone call from the executive vice president of the Shirlington Trust Co., informing him that Brink's had made an offer to handle their money and securities for $34 per month.

While I am going to cite the facts of several more cases, I want to comment on these three at this time. I believe that the facts of these cases unquestionably show one of two things—either that Brink's originally was charging these three firms unreasonably high prices, or that they are now offering their services at prices far below those which will allow a reasonable profit.

The facts of these cases have been discussed with a practicing antitrust attorney who is an expert in this field. He concurs wholeheartedly with my belief, and stated that these facts undeniably show Brink's malicious intent to force Armored Car Services out of business through the evil of their great monopoly power.

In another case involving the Raleigh Haberdashery on F Street in downtown Washington, one of the Raleigh's officials asked Brink's representative point blank if Brink's was offering them new low rates for the purpose of eliminating competition, and the Brink's man replied with a definite "Yes."

Armored Car Services offered the Shoreham Hotel a contract containing an $85 per month rate in December 1958, without knowing what Brink's had been charging the Shoreham in the past. When Brink's learned in February 1959 that the Shoreham was about to give Armored Car Services the contract they immediately lowered their rates from $113 per month to $65. The Shoreham hotel official stated that while he fully realized why Brink's was offering this rate, he felt that Shoreham would have to accept in order to get back some of the high amounts they had paid Brink's prior to Armored Car Services' entry into this field.

Still another case involved a chain of grocery supermarkets with which Armored Car Services had successfully negotiated contracts. This chain was immediately threatened by a "secondary boycott" because of signing up with Armored Car Services, a nonunion shop. The reason why Armored Car Services was not a union shop at the time was because of their limited business. Some of their drivers were needed only for half days on certain days. Although Armored Car Services intended to join the union as soon as their business was sufficiently large enough to warrant it, they were forced to join before their business warranted it. The result has been that they have often had to pay wages to their employees who have had no work to do.

The facts of these cases all lead to a single, alarming conclusion—Brink's has used and continues to use every dirty trick in the book to destroy their competitor and regain their former position of absolute monopoly. It is a well-known fact that a number of local bankers were considering establishing an armored car service of their own several years ago because they were highly displeased both with the type of service Brink's was rendering and because of the exorbitantly high prices Brink's was charging them. These same bankers have told Armored Car Services on a number of occasions how pleased they are that Armored Car Services is giving Brink's some competition. Many of these bankers are now Armored Car Services' customers and refuse even to consider Brink's present lower offers because they remember well Brink's past high-handed dealings with them. However, many businesses feel as the Shoreham Hotel does—namely, that they must accept Brink's lower offer for two reasons—one being that their stockholders are entitled to the lowest cost service available in order to show a greater profit, and two, their desire to balance off part of the former high charges levied against them by Brink's in its former role of absolute monopolist—a role which it obviously enjoyed and one which it is seeking to regain by its cutthroat pricing practices and other devious and deceptive means.

And the frightening thought is the realization that Brink's is well on its way to achieving its selfish goal—that of complete destruction of Armored Car Services so that it can regain complete control and again charge whatever prices it may choose. However, I do not intend to stand idly by and see Brink's destroy my constituent—Armored Car Services. I have gone into this matter thoroughly to determine which Federal agency has jurisdiction over antimonopoly matters of this nature. I learned that ordinarily the Interstate Commerce Commission would have jurisdiction because it is the Federal agency charged with the responsibility of regulating common carriers. However, at a conference with an ICC official I was informed that the ICC had exercised the statutory discretion vested in them by Congress and had exempted the Washington metropolitan commercial zone from their control. This commercial zone includes the part of Virginia and Maryland in which Armored Car Services does the bulk of its business.

Following this conference, I checked with an attorney in the Antitrust Division of the Department of Justice to determine if they would have jurisdiction. He replied that they did have jurisdiction, citing a recent Federal case, *U.S.* v. *RCA*, 358 U.S. 334, which held that the Department of Justice had jurisdiction over a corporation whose transmission operations were regulated by another Federal agency—in this instance, the Federal Communications Commission. This same attorney informed me that from these facts which I have just presented it appeared that Brink's was attempting to monopolize, in violation of section 2 of the Sherman Antitrust Act. Accordingly, I have today sent a letter to the Attorney General, requesting that the Antitrust Division of the Department of Justice take immediate action to investigate this situation, and to order Brink's to stop their indiscriminate price-gouging practices.

Furthermore, I have suggested to Armored Car Services that they might want to consider bringing a civil suit for treble damages against Brink's, following the outcome of the Antitrust Division's investigation and findings. Of course, it is a well-known fact that the treble damage suits are long, drawn-out affairs because of the great backlog in the Federal courts, and, also, that they are very costly. It is for this reason that I have requested the Attorney General to take prompt action before Brink's has succeeded in draining the economic lifeblood out of Armored Car Services.

PREVIOUS ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak on two subjects.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

MRS. CATHERINE MAY

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning we had a most wonderful exhibition that Mr. Summerfield, the Postmaster General, asked us to attend, at his office demonstrating the mechanization of the postal service. I saw there our distinguished colleague, the gentlewoman from Washington [Mrs. MAY]. I wish to join my colleagues in commending the gentlewoman from Washington. She was there at the postal exhibition looking after her district's postal matters. Mrs. MAY deserves commendation from all of us for her ability and her courage and her keen grasp of all the matters which have come before her during her freshman term in the Congress. More than that, and I speak from the point of view of one close to her, the gentlewoman from Washington brings to the House honesty, warm feeling, and kindliness which will make for her many friends on both sides of the aisle. We know that the gentlewoman comes from a district with many varied interests which requires keen understanding. We are all aware how hard and unselfishly the gentlewoman from Washington works for her people. Her district is to be congratulated for its good sense in choosing her to represent them in the Congress of the United States.

MECHANIZATION IN THE POSTAL SERVICE

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning it was my privilege, at the invitation of the Postmaster General, to see at his office a most inter-

esting and fascinating exhibit of the new mechanization plans for improving the postal service. Certainly Mr. Summerfield, the Postmaster General, deserves an enormous amount of credit for what he and his staff and the manufacturers who have assisted, are accomplishing for the postal service.

It is almost uncanny what machines can do in the sorting of mail, the picking out of letters that have not been stamped and returning them, and other feats that are done as if the human mind were guiding the work instead of a machine.

I wondered, as I watched these mechanical things, how much work would be lost to our postal employees. That matter has disturbed me very greatly. The answer was always, "We do not intend to drop people, some people may be dropped by attrition when they are up for retirement, but in the main we expect more work for the postal service."

While this has been going on, Mr. Chairman, our mails have been delayed, very badly delayed. From Massachusetts, Mr. George Brown, of the regional office, and Mr. deMotts, the head assistant of that office, were there. I would like to commend Mr. Brown for his great helpfulness to me and the people of all New England in all postal matters. I congratulate the Postmaster General and his thousands of employees—for their unity. I wish for them a happy future and I hope for the users of the mail that their service will be greatly facilitated. We, in the Congress, know too well what prompt delivery of mail means for the people of America.

CURRENT EFFECT OF THE TOMBSTONE LAW

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I just learned from what I regard as a very reliable source that 3 out of 5 lieutenant generals in the U.S. Marine Corps are contemplating asking immediate retirement in order to obtain advancement in rank before the repealer of the tombstone law becomes effective. These are Lt. Gen. Vernon McGee, commander of the Fleet Marines, Atlantic; Lt. Gen. E. A. Pollock, commander of the Fleet Marines, Pacific, and Lt. Gen. Nathan B. Twining, commanding general, Quantico.

These men, if they are retired immediately, will receive the promotion to which they are entitled and which they have earned on the basis of combat citations.

It is also my understanding that between 80 and 85 percent of the officers of the Marine Corps of the rank of colonel are going to ask for immediate retirement. If this is true, in this critical time in the affairs of the world, it is indeed a difficult situation and one which should impel us here in the Congress to rectify that legislation which was hastily passed and which is denying so many fine officers the rewards which are part of the promise that our Nation has made to them for the careers in the service which they have made, for the protection of the United States.

I hope that the Navy Department will make a statement on this forthwith so that we may know exactly what effect this legislation is having. I am certain if it is having such an effect in the Marine Corps it will likewise have such an adverse effect of equal magnitude in the other branches of the service.

HIGHWAY CONSTRUCTION PROGRAM

Mr. McSWEEN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MOELLER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MOELLER. Mr. Speaker, I have asked for this time so that I may bring to the attention of the House the extremely serious situation in which my State of Ohio has been placed by the failure of Congress up to this time to enact legislation providing for the financing of the Federal contributions to our highway construction program in the coming fiscal years. The situation is particularly acute with respect to the fiscal years 1961 and 1962.

At this time, Ohio has been forced to suspend letting of all Federal aid highway contracts, not only for the Interstate Highway construction, but also for the so-called ABC roads, primary, secondary, and urban. Until authorizations for at least fiscal 1961 are approved, this situation will continue. Further, the State has already used its own funds to finance about $40 million of the Federal share of interstate contracts for fiscal 1961, under authorization of the 1956 Federal Aid Highway Act and with the approval of the Bureau of Public Roads. Thus, Ohio's own funds are now mortgaged to this extent until further Federal funds are released to pay us back.

This state of affairs imposes a terrific burden on our State treasury, on our highway department, on the construction industry, allied businesses, the overall State economy, and on motorists. The State has acted in good faith in the spirit of the 1956 act. It has presented and has set into high gear a progressive program to carry out the intent of Congress as expressed in 1956 and as confirmed in 1957–58. We have now been forced to apply the brakes. Unless we can again shift into high gear with an uninterrupted program at or near the levels contemplated in the 1956 act, the penalties we are already suffering will be multiplied. There is absolutely no excuse for causing such a tremendous direct financial loss on contractors who have geared their businesses to handle the anticipated construction, on the communities affected, and on the individual construction employees who will be unemployed if work must stop—10,000 jobs in the construction industry alone are involved.

Aside from these considerations I wish to emphasize the fact that in our State alone we have built or have under construction at this time about $487 million worth of new highways under the Federal programs which will be largely unusable until we have received the $180 million necesary to provide the access roads and other improvements needed to put the new highways into actual operation. Consider what an economic waste is involved here if these new roads are allowed to lie idle why we in Congress dawdle in making up our minds, or if we fail to provide sufficient funds to permit construction of all the improvements necessary to put them into operation. No efficient industry would consider wasting an investment of this size. We talk about inefficiency in Government. This is our chance to do something to prevent an outstanding example of such inefficiency.

Up to this point I have talked only about the economic factors involved in the highway program. However, there is an even more vital consideration. I speak of the saving of human lives and the avoidance of human suffering which will result from the completion of newer and more modern highways. Every day that we delay in the construction of each mile of proposed new highway costs us something which cannot be evaluated in terms of dollars and cents. It is estimated that when the proposed 1,428 miles of interstate highways in Ohio are completed we will reduce our traffic accident deaths by 240 each year. Can we in good conscience let political considerations stand in the way of letting these people live? There is no way of estimating how much pain and misery we may save those who are marked for injury in the years to come, and how much suffering on the part of their families may be avoided if we push the highway construction program through without interruption. But I know that if we do not, each time I read of a death or a maiming on one of our inadequate roads I will ask myself "Could this tragedy have been avoided if Congress had acted in time and to the full extent of its powers?"

I hold no brief for any particular method of financing the future needs for this highway construction. I do not, however, believe that we should bind ourselves to a complete "pay-as-you-go" policy. My fundamental and irrevocable feeling is that we must maintain the program at a level equal or nearly equal to that for which we have planned in Ohio and in nearly every other State. My reasons for this are simple. They are explained eloquently in a résumé of the effect of a cutback on the highway program in Ohio which I would like to read into the RECORD at this point. This statement was prepared by the Director of the Ohio Department of Highways, Mr. E. S. Preston. I am sure that the impact of a curtailment of the Federal aid funds in Ohio which he outlines applies almost equally to most of our sister

States. I sincerely hope that the Committee on Ways and Means and the Committee on Public Works will bring this issue to the floor without further delay. When it does reach the floor, the Congressman from the 10th District of Ohio intends to support vigorously a program for fiscal years 1961 and 1962 which will provide funds at least equal to those proposed in the Fallon bill, H.R. 8678. I trust that my colleagues in the House will be equally vigorous in support of such amendments as may be necessary to reach this goal.

A RÉSUMÉ OF HOW THE FEDERAL HIGHWAY PROGRAM AFFECTS OHIO

(By E. S. Preston, director, Ohio Department of Highways, August 24, 1959)

I. WHAT OHIO HAD PLANNED

A. For the biennium beginning July 1, 1959—$360 million in interstate construction ($324 million in Federal aid allocations plus $36 million of State and local matching money).

B. The State had also planned to indulge in advance planning and advance purchase of rights-of-way on the Interstate System—perhaps to the extent of $40 million.

C. Ohio has its matching money. The State legislature passed a 2 cents per gallon increase in gasoline tax this year so Ohio could hold up its end of the bargain made with the Federal Government in the form of the 1956 Federal Aid Highway Act.

D. In addition, the legislature approved an act which will make available to the highway department from various State trust funds money for advance acquisition of rights-of-way.

II. EFFECTS OF THE CURRENT PROPOSALS FOR FINANCING THE INTERSTATE PROGRAM ON OHIO'S CONSTRUCTION PROGRAM

A. No 1961 interstate and primary, secondary, and urban fund allocations would cause a complete halt on construction of the Federal Aid Highway System in Ohio.

1. Ohio has already financed $40 million in interstate contracts entirely with its own funds in anticipation of the 1961 Federal allocations. The State cannot afford further advance financing before additional Federal apportionments are made and there is assurance of reimbursements when vouchers are presented to the Federal Government.

2. There is no provision for advance financing of the ABC (primary, secondary and urban) Federal aid system and Ohio has used most of such 1960 allocations. There is doubt Ohio would be reimbursed should it let further ABC contracts because of the present shortage in the Federal aid trust fund.

B. A $1.8 billion apportionment such as envisioned in the latest House Ways and Means Committee action—would force a $50 million cut in Ohio's planned interstate construction program the first year because it is $46 million less than the 1960 allocations. Including local and State matching funds, the total reduction in contracts would be $50 million.

C. A $2 billion allocation for 1962—would result in Ohio receiving $130 million—about $33 million less than 1960 and would dictate a $36 million reduction from planned levels of interstate construction.

D. $2.2 billion allocation—$143 million for Ohio.

E. $2.5 billion allocation—$162 million for Ohio which is the amount originally anticipated and the figure upon which the State based its planned program. This level of apportionments would allow Ohio to complete contract awards on the Interstate System before 1975—the year the highways are being designed for.

III. ECONOMIC IMPACT IN OHIO OF STOPPING OR CURTAILING THE PROGRAM

A. To industry: Complete cessation would probably cause the loss of 10,000 jobs in the highway construction industry alone.

B. To allied businesses: Stoppage of contracts would be a severe economic blow to suppliers of materials for road construction and to manufacturers of road building equipment. Ohio is the center of such manufacturing activities.

C. To the overall State economy: Economists say that for every dollar spent on highway construction there results an additional $4 of economic activity. Thus the economic loss to the State can be determined by multiplying the reduction of the interstate program by four.

D. To the motorists: Ohio State highway department planners figure a 2-year delay in completion of the Interstate System would cost the motorists $21,300,000.

E. Additional cost of delaying the program: Any delay which idles contractors is bound to reflect itself in higher bid prices because builders are geared up for a large program. A curtailment will result in red ink which must be covered later in the program.

IV. CONTINUED HIGHWAY CONSTRUCTION IS ESSENTIAL TO TRAFFIC SAFETY

A. Completion of the 1,428-mile network of interstate highways in Ohio will result in 240 fewer traffic deaths each year. For each year completion of the system is delayed, there will be needless traffic deaths.

B. Completion of the system will result in 60,000 less traffic accidents and a reduction of $50,750,000 in accident costs. (Accident costs total 1 cent a mile on normal two-lane highways compared to one-third cent a mile on interstate type highways, according to the U.S. Bureau of Public Roads).

V. OHIO WENT AHEAD BECAUSE OF THE 1956 CONGRESSIONAL PROMISE

A. That promise was contained in the 1956 Federal Aid Highway Act which declared it was the intent of Congress to provide funds at such a level that the Interstate System could be put under contract by 1969 and completed by 1972. Acting on this declaration, the State highway departments and contractors enlarged their output to meet the challenge of the greatest public works program in history. Now the imminence of a delay and stretchout in the program, wholly inconsistent with the promise of 1956, threatens totally needless economic waste.

Congress has a moral responsibility to continue the program at a level consistent with its original declaration.

VI. CONCLUSION

A. H.R. 8678, Mr. FALLON, and/or H.R. 8679, Mr. SCHERER (identical bills), represent the minimum solution in terms of Ohio's economical well-being and to the highway trust fund deadlock.

Jobs and prosperity in the highway construction industry, as well as many other industries, is at stake in the solution of this problem. Perhaps more important from the point of view of the people involved is the contribution to traffic safety which continued highway construction will make. An adequate, safe, smooth and complete highways system for Ohio is long overdue.

The purpose of this analysis is to seek your support and vote for this minimum legislation to continue this needed highway construction program. Ohio's stake is greater than any other State's.

RED CHINA'S ADMISSION TO THE UNITED NATIONS

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HALPERN. Mr. Speaker, the action of the House in voting 368 to 2 in favor of the resolution opposing Red China's admission to the United Nations has won the acclaim of the entire country. This reaffirmation of American sentiment just a short time before the United Nations reassembles will, we hope, give pause to those countries who insist that Red China should participate in the councils of that body. And I trust that the United States delegates will heed this action of the elected Representatives of the American people and use the veto power, if need be, to block Red China's admission.

I was particularly pleased to vote for the resolution because I cannot accept the concept that any nation, great or small, can force its way into the world body of nations through intimidation, aggression, cynical opportunism, and brutality. If these are the credentials for admission we might as well scrap our system of values built up over the course of more than 2,500 years. Tyrannical imperialism cannot in any manner be construed to be in conformity with the principles of justice under law, independence of nations, and self-determination.

China does not qualify for admission under the Charter of the United Nations. Article IV of that charter, which relates to admission of nations other than the original members, reads:

> Membership in the United Nations is open to all other peace-loving nations which accept the obligations contained in the present charter and, in the judgment of the Organization, are able and willing to carry out these obligations.

The "obligations" referred to in the charter consist among others of the principles of settlement of disputes by peaceful means and the refraining by members of the threat of use of force against the territorial integrity or political independence of any state.

As long as Red China adamantly and irrationally insists on violating these obligations, it will by its own actions—not others—keep itself from admission to the United Nations. No reasonable person can argue that its past and present record in any way refutes its consistent violation of these charter provisions.

The record of the Red Chinese Government in the decade since it bludgeoned its way to power in that country hardly lends support to those seeking its current admission to the U.N. Aggression, subversion, coercion, guerrilla raids, suppression of independent governments, the flaunting of international agreements, despotic and brutal disregard of human rights—the hideous roster is there for all to see—Korea, Burma, Indochina, Quemoy, Matsu, Tibet, and Laos. And recent reports from the northern frontier of India indicate mounting Chinese coercion against Bhutan, Nepal, and the other small buffer states in the Himalayas.

Despite years of negotiation at Geneva and Warsaw, Red China is still holding Americans in prison on charges never proved in courts of competent jurisdiction under the protections of due process of law. We cannot forget these Americans for whom the Reds consistently refuse to give an accounting, despite their pledges solemnly made at Panmunjom—another sickening, horrible example of broken promises and commitments.

Admission of Red China to the United Nations would endanger the free world security system which we and our allies have built up in Southeast Asia. It would constitute a devastating blow to our policy of moral and material support of the small nations in that part of the world which are desperately endeavoring to maintain themselves against the massive pressures from Red China.

It would constitute a demoralizing blow to the Government of Nationalist China on Formosa and lead to the recognition of the Red China Government by the other nations of the world, thereby enormously increasing the prestige of that Government and of communism.

It would, in short, give aid and comfort to a nation which is determined to destroy us, which is, in effect, at war with us.

Let us hope that the indication of American determination not to be coerced by force or aggression, so splendidly demonstrated by the adoption of the resolution by the House of Representatives, will reverberate throughout the world until every aggressor realizes that free men will not be dissuaded from their goal of justice for all nations under law.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STRATTON, for 20 minutes, on today.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. BAILEY, for 15 minutes, on Thursday.

Mr. PORTER to extend his special order for tomorrow from 30 minutes to 60 minutes.

Mr. CONTE, for 30 minutes, on tomorrow, Thursday, August 27.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE in three instances and to include extraneous matter.

Mr. MEADER and to include extraneous matter.

Mr. FULTON and to include extraneous matter.

(At the request of Mr. MICHEL, and to include extraneous matter, the following:)

Mr. HESS.

Mr. CURTIS of Missouri.

Mr. JUDD.

(At the request of Mr. MCSWEEN and to include extraneous matter, the following:

Mr. MCDOWELL.

Mr. KARTH.

Mrs. SULLIVAN.

Mr. FRIEDEL.

Mr. TOLL.

Mr. COFFIN.

Mr. ANFUSO in two instances.

Mr MULTER.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAGUE (at the request of Mr. ALLEN), on account of serious illness in family.

Mr. BOGGS (at the request of Mr. ALBERT), for the remainder of the week, on account of official business (attending Interparliamentary Union Conference).

Mr. CRAMER (at the request of Mr. ARENDS), on account of death in family.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2773. An act to amend section 1701 of title 38, United States Code, to provide the same educational benefits for children of Spanish-American veterans who died of a service-connected disability as are provided for children of veterans of World War I, World War II, and the Korean conflict;

H.R. 2725. An act to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes;

H.R. 7373. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing to an additional group of severely disabled veterans;

H.R. 8284. An act to amend the National Science Foundation Act of 1950, as amended, and for other purposes; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 510. An act for the relief of Peter R. Muller;

S. 554. An act for the relief of Argyrios G. Georgandopoulos;

S. 967. An act for the relief of Lea Levi; and

S. 1945. An act for the relief of Josef Jan Loukotka, Mieczyslaw J. Piorkowski, and Jan Frantisek Sevcik.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 25, 1959, present to the President, for his approval, bills of the House of the following titles:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 1579. An act for the relief of Basile Ignatius Mavridis;

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2078. An act for the relief of Gannon Boggs;

H.R. 2296. An act for the relief of the estate of Seth E. Libby, Jr.;

H.R. 2317. An act to amend section 7 of "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes", approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6490. An act for the relief of Colbert Colgate Held and Charles W. Shellhorn;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7106. An act to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration;

H.R. 7638. An act for the relief of the estate of Sakihara Koki; and

H.R. 7948. An act to declare nonnavigable a part of the west arm of the South Fork of the South Branch of the Chicago River situated in the city of Chicago in the State of Illinois as hereinafter described.

ADJOURNMENT

Mr. MCSWEEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, August 27, 1959, at 11 o'clock a.m.

OATH OF OFFICE, MEMBERS

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear truth faith and allegiance to

the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 86th Congress, pursuant to Public Law 412 of the 80th Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U.S.C., title 2, sec. 25), approved February 18, 1948: DANIEL K. INOUYE, Hawaii, at large.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1335. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to include certain officers and employees of the General Services Administration within the provisions of the United States Code relating to assaults upon, and homicides of, certain officers and employees of the United States as constituting a crime"; to the Committee on the Judiciary.

1336. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend section 201 of the Social Security Act to revise certain provisions relating to the management and investment of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Colorado: Committee on the Judiciary. S. 1164. An act to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz.; without amendment (Rept. No. 1044). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 358. Resolution for consideration of S. 2539, an act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; without amendment (Rept. No. 1045). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H.R. 8708. A bill to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding; without amendment (Rept. No. 1046). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 6508. A bill to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; without amendment (Rept. No. 1047). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6067. A bill to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $2,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman; with amendment (Rept. No. 1049). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 8042. A bill to authorize the Secretary of Commerce to resell four C1-SAY-1 type vessels to the Government of the Republic of China for use in Chinese trade in Far East and Near East waters exclusively; with amendment (Rept. No. 1050). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee of conference. S. 994. An act to authorize the Secretary of the Interior to construct, operate and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws (Rept. No. 1051). Ordered to be printed.

Mr. ASPINALL: Committee of conference. H.R. 6596. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes (Rept. No. 1052). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 529. A bill to discharge more effectively obligations of the United States under certain conventions and protocols relating to the institution of controls over the manufacture of narcotic drugs, and for other purposes; with amendment (Rept. No. 1053). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 4251. A bill to amend the Internal Revenue Code of 1954 so as to remove the 4-year limitation on deduction of exploration expenditures; with amendment (Rept. No. 1054). Referred to the Committee of the Whole House on the State of the Union.

Mr. ABERNETHY: Committee on Agriculture. H.R. 8639. A bill to create an Agricultural Research and Development Commission, to provide for more effective research programs designed to expand markets for agricultural and forestry products, to reduce surpluses, to increase farm income, and to benefit consumers, and for other purposes; with amendment (Rept. No. 1055). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 6309. A bill to amend section 46, title 18, United States Code, with respect to transportation of water-hyacinths and seeds; with amendment (Rept. No. 1056). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2027. An act for the relief of William James Harkins and Thomas Lloyd Harkins; without amendment (Rept No. 1041). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2050. An act for the relief of Leokadia Jomboski; without amendment (Rept. No. 1042). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2102. An act for the relief of Irene Wladyslawa Burda; without amendment (Rept. No. 1043). Referred to the Committee of the Whole House.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3792. A bill to admit the vessel *John F. Drews* to American registry and to permit its use in the coastwise trade while it is owned by Merritt-Chapman & Scott Corp. of New York; without amendment (Rept. No. 1048). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON of Texas:

H.R. 8826. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. ALBERT:

H.R. 8827. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL:

H.R. 8828. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H.R. 8829. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. CRAMER:

H.R. 8830. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DAGUE:

H.R. 8831. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 8832. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H.R. 8833. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. HOLLAND:

H.R. 8834. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H.R. 8835. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H.R. 8836. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MAILLIARD:

H.R. 8837. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H.R. 8838. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Colorado:

H.R. 8839. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mrs. WEIS:

H.R. 8840. A bill to provide a health benefits program for certain retired employees of

the Government; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H.R. 8841. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 8842. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Missouri:

H.R. 8843. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 8844. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. BARRY:

H.R. 8845. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. BENTLEY:

H.R. 8846. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. MARTIN:

H.R. 8847. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. OSMERS:

H.R. 8848. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mr. WAINWRIGHT:

H.R. 8849. A bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior; to the Committee on House Administration.

By Mrs. BLITCH:

H.R. 8850. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 8851. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. DORN of South Carolina:

H.R. 8852. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. BARR:

H.R. 8853. A bill to amend title II of the Social Security Act to provide that the widow of an insured individual shall be entitled to benefits thereunder (if otherwise eligible) without regard to the length of time such widow was married to such individual before his death; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 8854. A bill to amend the Internal Revenue Code of 1954 to provide that the proceeds of certain crimes shall be included in gross income; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 8855. A bill to authorize the Secretary of the Interior to make payments to certain Indians for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range; to the Committee on Interior and Insular Affairs.

By Mr. BURKE of Kentucky:

H.R. 8856. A bill to amend section 1613 of title 38, United States Code, to permit veterans to receive education and training after the expiration of 8 years following their discharge where they were prevented from receiving such education and training under administrative regulations which were subsequently reversed or modified; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H.R. 8857. A bill to revise, codify, and enact into law, Part II of the District of Columbia Code, entitled "Judiciary and Judicial Procedure"; to the Committee on the Judiciary.

H.R. 8858. A bill to amend subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) so as to eliminate verification under oath of pleadings, except for petitions in bankruptcy; to the Committee on the Judiciary.

By Mr. COFFIN:

H.R. 8859. A bill to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H.R. 8860. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ELLIOTT:

H.R. 8861. A bill to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLIKEN:

H.R. 8862. A bill to amend title VII of the Federal Property and Administrative Services Act of 1949, to provide for payments in lieu of taxes for certain real property at Folsom, Pa.; to the Committee on Government Operations.

By Mr. MONTOYA:

H.R. 8863. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Ways and Means.

By Mr. MORRIS of New Mexico:

H.R. 8864. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954, relating to election of certain small business corporations as to taxable status; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 8865. A bill to provide for stabilization and orderly marketing in the poultry industry; to the Committee on Agriculture.

By Mr. VANIK:

H.R. 8866. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of stock or stock options issued or granted in whole or in part for services rendered, the gain therefrom shall be treated as ordinary income, and for other purposes; to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 8867. A bill to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H.R. 8868. A bill for the relief of the Albertson Water District, Nassau County, N.Y.; to the Committee on the Judiciary.

By Mr. EVINS:

H.R. 8869. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. LENNON:

H.R. 8870. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 8871. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian and other lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN ZANDT:

H.R. 8872. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. DORN of South Carolina:

H.R. 8873. A bill to prohibit interstate contributions in connection with congressional primaries and elections; to the Committee on House Administration.

By Mr. JOHNSON of Colorado:

H.R. 8874. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H.R. 8875. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE of Texas:

H.R. 8876. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H.J. Res. 508. Joint resolution to help make available to those children in our country who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to help make available to individuals suffering speech and hearing impairments those specially trained speech pathologists and audiologists needed

to help them overcome their handicaps; to the Committee on Education and Labor.

By Mr. BAILEY:

H. Con. Res. 418. Concurrent resolution providing for certain priorities for the temporary employment of civilian personnel to conduct the decennial census; to the Committee on Post Office and Civil Service.

By Mr. CHIPERFIELD:

H. Con. Res. 419. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. MORGAN:

H. Con. Res. 420. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. CORBETT:

H. Con. Res. 421. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. CURTIN:

H. Con. Res. 422. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. MOORHEAD:

H. Con. Res. 423. Concurrent resolution establishing a basic fuels policy for the United States; to the Committee on Rules.

By Mr. CELLER:

H. Res. 359. Resolution providing for the consideration of bill H.R. 8601; to the Committee on Rules.

By Mr. HARRIS:

H. Res. 360. Resolution amending House Resolution 56, 86th Congress; to the Committee on Rules.

By Mr. McDOWELL:

H. Res. 361. Resolution expressing the sense of the House of Representatives with respect to the reduction of Federal expenditures and requesting the President to provide the Congress advice, suggestions, plans, and proposals, including legislative recommendations by January 1960, which are better, sounder, and more specific than heretofore to provide for the reduction of all business and agricultural subsidies and a corresponding reduction of all Federal income taxes; to the Committee on Ways and Means.

By Mr. VANIK:

H. Res. 362. Resolution providing for the consideration of H.R. 8601; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

Mr. GIAIMO presented a memorial of the General Assembly of the State of Connecticut memorializing Congress concerning home rule for the District of Columbia, which was referred to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H.R. 8877. A bill for the relief of Pierangelo Torre; to the Committee on the Judiciary.

By Mr. BALDWIN:

H.R. 8878. A bill for the relief of Manuel Nido; to the Committee on the Judiciary.

By Mr. BENNETT of Florida:

H.R. 8879. A bill for the relief of Elton Alan Charles Peine; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 8880. A bill for the relief of Yue Ah Gee; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 8881. A bill for the relief of Joseph Ferreri; to the Committee on the Judiciary.

By Mr. JOHNSON of Maryland:

H.R. 8882. A bill for the relief of John Calvin Taylor; to the Committee on the Judiciary.

By Mr. LEVERING:

H.R. 8883. A bill for the relief of Mrs. Ekatrini L. Vasilakopoulos; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 8884. A bill for the relief of Hajime Misaka; to the Committee on the Judiciary.

By Mr. OLIVER:

H.R. 8885. A bill for the relief of William L. Berryman; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 8886. A bill for the relief of Michaelangelo Mariano; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 8887. A bill for the relief of Dr. Generoso Bigornia and Mrs. Patricia S. Bigornia; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 8888. A bill for the relief of David John Maria, Angela Maria, and John Elias Maria; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

263. The SPEAKER presented a petition of James F. McManus, Levittown, N.Y., relative to a redress of grievance relating to his engagement in the sale of air transportation, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

The Coming Visit of Premier Khrushchev

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mrs. KEE. Mr. Speaker, there can be little doubt that the world can look forward to a series of sensational developments in the coming months. A few weeks ago who would have thought that Premier Khrushchev of Russia would be invited to visit the United States as an official guest of the President? Or that Mr. Eisenhower would pay a return visit to Russia?

A large number of people in the United States are alarmed over this turn of events. They feel that by inviting Mr. Khrushchev to this country we will greatly dampen the hopes of people behind the Iron Curtain for eventual liberation.

Conduct of foreign policy is in the hands of the President. He made the decision to exchange visits with Mr. Khrushchev. He sincerely believes that by meeting Mr. Khrushchev face to face he can alleviate to some extent the tensions which threaten world peace.

Mr. Eisenhower is undoubtedly the most respected world figure now in public life. He is placing his tremendous prestige on the line in the hopes that he can bring about a settlement of some of the world's more serious problems.

I am sure the President recognizes the risks involved. We could be lulled into a state of false security and let up in our determination to counter the Russian's cold war plans. The visits could bring about a split among the Western allies. Mr. Eisenhower's present visit to Europe is an effort to prevent this from happening.

Now that the decision to launch a determined peace offensive has been made, Congress must support the President wholeheartedly. A division at home at this time could be fatal.

I believe the people also have the responsibility to see that Khrushchev is received politely and correctly. Nothing would be gained by insulting him. All of the things he stands for are abhorrent to the American people but let us remember he is a guest of the President and as such he is entitled to a polite reception.

I have stated that on the whole I believe some good can come out of the exchange of visits. Khrushchev's ignorance about America is appalling. He apparently honestly believes that large corporations in this country want war to increase their profits. He also seems to think that workers in this country are enslaved by the "bosses."

If these and other misconceptions can be erased by the visit, it will be worth whatever risks are involved.

Mr. Eisenhower is no babe in the woods at this sort of international diplomacy. Some people in this country have expressed fear that he will be "taken in" by Khrushchev, but there have been reports out of Communist China that the Chinese are fearful Khrushchev will be "taken in" by the President. So perhaps this could cut both ways.

It is important that the world be reminded of the total dedication of the people of this country to peace. Mr. Eisenhower's present trip to Europe and the exchange of visits later are dramatic proof of our desire to build a world in which people can live at peace.

If Mr. Eisenhower can make a breakthrough on this front, if he can reassure Khrushchev that our foreign policy is based solely on a quest for peace, then perhaps some of the suspicions which cloud international relations can be removed.

Let us not kid ourselves that Khrushchev will leave this country a different person. He will still be the ruthless dictator of an aggressive, powerful nation. But perhaps he will understand a little better our hopes for peace and our determination to secure a just and lasting peace even at the risk of using the tremendous power at our command if necessary.

Perhaps he will be more convinced than ever that he cannot win by bluff and that further aggression will be costly to his country.

As patriotic citizens, all of us, I know, hope that Mr. Eisenhower's venture into personal diplomacy will be a resounding success.

The President Must Submit Better, Sounder, and More Specific Proposals to the Congress Than Heretofore if Federal Debt Is To Be Reduced and Stability Restored to the Dollar

EXTENSION OF REMARKS

OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. McDOWELL. Mr. Speaker, the President must submit better, sounder, and more specific proposals to the Congress than heretofore if the Federal debt is to be reduced and stability restored to the dollar.

In a single day, recently, the President told a political rally in Washington, D.C., that—

> It is the Republican Party that fights for responsible, sensible fiscal policy.

And sent Congress a message asking:

First. A sky-is-the-limit policy on Federal interest rates. This was turned down by the Congress.

Second. Another increase in the limit on the public debt. This was granted by the Congress.

The President has been talking economy, without calling attention to the performance record of his administration. Actually, the Federal debt has increased by $19 billion in the past 6 years, and the cost of interest on this debt has risen from $5.8 billion to $8 billion during the same period.

Obviously, the President must provide better, sounder, and more specific recommendations to the Congress than heretofore, or the Federal debt will continue to rise, and inflation will destroy the earning power of our people.

I have, therefore, prepared a resolution which I am offering today calling upon the President to provide the Congress advice, suggestions, plans, and proposals, including legislative recommendations by January 1960, which are better, sounder, and more specific than heretofore to provide for the reduction of all business and agricultural subsidies and a corresponding reduction of all Federal income taxes.

I include here the text of my resolution, as well as an article from the Democratic Digest, of September 1959, which discusses some aspects of the current economy drive which have been generally overlooked by that part of the press which is oriented toward the Eisenhower administration:

HOUSE RESOLUTION 361

Resolution expressing the sense of the House of Representatives with respect to the reduction of Federal expenditures and requesting the President to provide the Congress advice, suggestions, plans, and proposals, including legislative recommendations, by January 1960, which are better, sounder, and more specific than heretofore to provide for the reduction of all business and agricultural subsidies and a corresponding reduction of all Federal income taxes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the House that in view of the increase in the Federal debt by nineteen billion dollars in the past six years, and the increase in the cost of interest on the Federal debt from five billion eight hundred million dollars to eight billion dollars during the same period there is a pressing need for substantial reductions in Federal expenditures in order to reduce the staggering burden of our ever-increasing Federal debt with its constantly rising interest and refinancing charges and resulting dangerous inflation. The House finds that business and agricultural subsidies to big businessmen and to big farmers, including but not limited to direct grants, disguised grants in the form of nonrepayable loans, postal subsidies, shipping and airline subsidies of various kinds, accelerated tax amortization programs, and indirect grants through long-term, low-interest-rate loans, and other methods and programs, although desirable as a means of assisting these special groups to retain their relative positions in the economy, should be reexamined in the light of the overall need for rigid control and a sizeable reduction of Federal expenditures.

SEC. 2. In view of the foregoing, the President is requested to prepare and transmit to the Congress by January 1960 advice, suggestions, plans, and proposals, including legislative recommendations which are better, sounder, and more specific than heretofore, to provide (1) for the reduction by not less than twenty-five per centum of all business and agricultural subsidies, together with such other specific proposals, including specific legisaltive recommendations, as he may deem advisable in order not only to prevent further increases in Federal expenditures but to actually reduce them, and (2) for the reduction of Federal income taxes in aggregate amounts equal to the total of the reductions in subsidies effected for the taxable years involved pursuant to such legislative recommendations.

[From the Democratic Digest, September 1959]

THE STATUS QUO SEEKERS: THEIR SCAREWORDS, "INFLATION"; THEIR TARGET, "PROGRESS"

Ever since the great crusade (the great crusade, that is, for the bankers and the big industrialists) came sweeping into Washington under the banner emblazoned with that magic word—Eisenhower—the crusaders have been desperately searching for a way to obstruct the program which the Democrats had designed to improve the welfare and security of the people.

Early in the crusade, of course, the crusaders found that they could not fight the program head on; any direct efforts to deny people the much-needed schools, housing, highways, medical programs, etc., were answered by the people at the polls. Any lingering doubts which the Republicans might have had about this were dispelled by the elections of 1958.

However, never ones to be daunted by the expressed wishes of the people, Republican hucksters continued their search for a way to merchandise an obviously unattractive program. And early this year they finally hit on what is certainly the most effective packaging yet for their negative ideas. They decided that one way to fight the people's welfare programs would be to come up with something positive which the people could be for (a balanced budget). But it might be even better, they decided, to come up with something scary which all the people could be against (inflation).

So they did both.

The first faint stirrings of a skillfully promoted and now mushrooming scare over inflation were heard last January and February when the President began holding press conferences at an unprecedented pace. (After his seventh consecutive conference, the Wall Street Journal, trying to contain its enthusiasm, remarked: "Not in nearly 5 years has Mr. Eisenhower held so many successive meetings with reporters.") The reason for Ike's sudden romance with the press soon became clear: He let it be known that despite the missile gap and the Berlin crisis, the one thing he wanted to talk about at his press conferences was inflation. Sooner or later would come one of his little sermons about the dangers of spending.

The next day, most of the Nation's editorial pages (and the following week such publications as Time and U.S. News) would translate his ambiguous sermons into a grammatically (if not economically) sound, continuing campaign against the Nation's newest scareword. As Don Campbell, business columnist for the Indianapolis Star, wrote: "Add to the Red peril and the yellow menace the name of inflation as one of the key bogeymen of the 1950's."

However, the Republican merchandisers were aware that press conference sermons were not enough. The Wall Street Journal and other papers reported that the President had also launched an all-out letterwriting campaign designed to drum up support for the fight-inflation drive. Secretary Seaton joined in (he was reported to have written about 100 letters) as well as Secretary Ezra Benson and Secretary Arthur Flemming.

The general theme of the letters was that everything must be done to support the President's budget because not to support it would lead to inflation. Most of the letters went to publishers asking for editorial support. As Ike put it: "Help in any way you think proper."

NEEDED NO URGING

Not that the publishers of most newspapers needed any urging. They had been printing editorials about economizing for years. But they were, no doubt, gratified at this new idea of fighting the welfare programs with the bogeyman inflation. And, no doubt, they were equally gratified that Eisenhower himself was finally going all out in an effort to block the Democratic programs—what the Republican press had helped put him in the White House to do anyway.

At the same time, the Republican national committee joined in the fight—although, considering the administration's failure to balance the budget or curb inflation, it is not clear just who or what the GOP was fighting. Nevertheless, the national committee, certain it had found an effective way to block Democratic programs, picked up the cry of "inflation" and begin coming out with a few gimmicks of its own. An example: The committee made available to GOP Congressmen tapes for a canned radio interview with Budget Director Maurice Stans. The Congressman contributes his voice to the tape by asking Mr. Stans questions. For instance, the Congressman asks: "One final question, Mr. Stans. What can the average citizen do to help maintain a sound dollar and to fight inflation?"

Mr. Stans, in a reply already taped, says there are many things, such as recognizing "the fact that the more the programs that are urged upon the Congress, the more difficult it is to hold the line, and it is important that people not on the one hand ask for or insist on a balanced budget and on the other hand petition their Congressman

for new programs of spending of one kind and another."

In other words, the Republican Congressman, with Mr. Stans' help, is saying in effect: "Now folks, no matter how much you think we may need those new schools, or new highways, or to keep up with the Russians in guided missiles, remember if we have those things it will cause inflation and we all know how bad that would be—otherwise, why would Mr. Stans, speaking for the President, be so worried?"

When efforts to promote something reach the point where Congressmen are coming out urging the people not to write in requesting much-needed schools, low-cost housing, improved highways, and a crash missile program, it is high time to ask: Who is really behind this campaign? And the answer is not hard to find, as every day a new barrage of full-page, anti-inflation newspaper ads is fired at the American public.

The real hidden persuaders hiding behind Ike and his constant cry of inflation are the big corporations, the big bankers, and the big insurance companies. They have been spending thousands of dollars (which could well be going into taxes to help offset the Eisenhower budget deficit) on an all-out advertising campaign to establish a fear-of-inflation climate. For instance, Republic Steel, the Young & Rubicam Advertising Agency, the Institute of Life Insurance, and the American Iron and Steel Institute have all joined in the effort to wreck the public welfare programs by trying to frighten people to death with the threat of inflation. (For examples of what the status quo seekers have been saying in their ads see above.)

Other groups joined in: A Sound Dollar Committee was formed with headquarters in New York; the Chicago Tribune launched an all-out drive against inflation and asked the 21-State National Industrial Council to urge newspapers in other States to join the drive. (The Tribune also reported that from the golf course in Augusta, the President said he was following the drive with keen interest and congratulated the Tribune on its efforts.) The Advertising Council, public service unit of the advertising industry, was also approached for help. But the council is still undecided about what to do—partly because of the obviously political nature of the anti-inflation drive.

As Congressman CHESTER BOWLES, Democrat, of Connecticut, told a college news conference audience: "This has been an extraordinarily skillful publicity campaign. I have never seen anything to equal it." Although conceding that there are a lot of honest people genuinely concerned about inflation (including the President), BOWLES said: "There are a lot of other people who have been trying to stop public housing, depressed area bills, social security programs, and all the rest." Both these groups, BOWLES explained, "have joined arms in a great alliance and they have learned they can't lick housing and depressed area bills and social security by a frontal attack so they have tried a flanking attack, so they have equated public housing, urban development, social security, with inflation. It has been extremely skillful."

Meanwhile the hidden persuaders, who have been stirring up so much excitement about inflation, have been reaping the gains of higher interest rates and showing no inclination to lower prices, despite the record profits recorded in many industries. Just recently, for instance, United States Steel announced all-time high net profits for the first 6 months of the year: $255 million. The same pattern held true for the other steel companies: Inland Steel reported a net income of $42.1 million for the first 6 months of 1959—more than double the net income for the same period last year. (For record-setting prices see table below.)

But the steel companies continue to cry that they cannot meet labor's demands without further price increases—which would be inflationary. (The steel companies have in the past always raised prices after a wage settlement, usually two or three times more than would be necessary to offset the increased wage costs. For instance, according to a study made by Senator ESTES KEFAUVER'S subcommittee, although the steel companies raised their prices $6 a ton in 1957, "a reasonable guess as to the magnitude of increased labor costs which have arisen from the July 1957 adjustments in wages and other benefits falls somewhere between $2.50 and $3 per ton.")

Behind the inflation hysteria, of course, is hidden one of the most cynical political maneuvers in history: the attempt to discredit all Democratic efforts to initiate the much-needed domestic and military programs by reiterating the emotional, fear-ridden word "inflation." If the President were really scared of inflation he would be willing to listen occasionally to students of our economy other than the representatives of big banking and big business who make up his numerous bridge and golf foursomes. If he did, he might learn a few things about prices which his big banking and big business friends have failed to tell him—such as the fact that one of the greatest causes of inflation today is the increased interest rates which have helped drive prices up on every item which the consumer must purchase on credit; or the fact that many costs have been held up artificially by "administered prices"—a fact given impressive substantiation by industry's unusually high profits.

However, the President continues to listen only to representatives of big business. Consequently his idea of the way to fight inflation is to come out—as he did recently—against raising the minimum wage to $1.25. But Ike never seems to show the same concern about raising the wages earned by bankers—which is what raising the interest rate amounts to. As Senator PAT MCNAMARA, Democrat, of Michigan, said: When Ike took office he must have taken two pledges of allegiance, one of which goes like this:

"I pledge allegiance to the banks,
And to the benefits for which they stand,
High interest, compounded
With tremendous profits for all."

While many are beginning to recognize the great inflation conspiracy as a concerted effort by big business to block the people's welfare programs, Ike persists in seeing a conspiracy working against the people. "I believe the public will soon realize * * *" the President said last February, defending his inadequate budget, "that we are engaged in a contest between the public interest and a wide array of special interests."

IKE'S SPECIAL INTERESTS

Senator JOHN J. SPARKMAN, Democrat, of Alabama, replied: "If President Eisenhower's definition of 'special interest' is old folks who have to live in firetraps instead of safe nursing homes; colleges which have no place to house their students; people of low and middle incomes who need a decent place to live; cities full of slums breeding poverty and crime which want to clean out those slums, and veterans who are in need of homes, * * * then I want to urge the Democrats to continue to help those kinds of special interests."

Despite his campaign promises and despite 6 years in office in which he has done nothing to get at the real causes of inflation, the President continues to say: "By golly, we ought to do something about this inflation." Meanwhile, prices continue their upward creep. Recently the Bureau of Labor Statistics announced that at the end of June the consumer price index had reached an alltime high, 124.5. Everywhere, low- and middle-income families were feeling the pinch. "It is just like being pecked to death by gnats," a Los Angeles homeowner lamented to a Time correspondent.

Ironically, the people are beginning to see the swarm of gnats for what they really are, despite the gigantic campaign to make inflation a scareword to be used every time someone mentions a public need. Recently the Gallup Poll announced that in answer to the question: "Which political party * * * do you think is most interested in keeping prices down?" the majority answered, "the Democratic Party."

It is more than possible that of all the phony slogans which the great crusaders have run up the flagpole, the great "fight inflation" campaign will make the loudest backfire yet.

PROFITS OF 428 COMPANIES GAINED 75.6 PERCENT OVER A YEAR EARLIER IN SECOND QUARTER

The columns below show corporate profits reported for the second quarter of 1959, and those for the like quarter of 1958, with percentage changes, by groups. Where individual company reports cover 3-month periods other than calendar quarters, the nearest comparable periods have been used:

	2d quarter, 1959	2d quarter, 1958	Change from year ago
			Percent
10 Aircraft makers	$7,208,000	$18,892,000	−61.8
4 Airlines	13,786,000	13,156,000	+4.8
19 Autos and equipment	543,706,000	135,828,000	+300.1
21 Building materials	122,196,000	70,450,000	+73.4
14 Chainstores	33,707,000	31,023,000	+8.6
19 Chemicals	152,062,000	87,020,000	+74.7
12 Department stores	44,164,000	32,881,000	+34.3
5 Distillers	19,757,000	13,383,000	+47.6
9 Drug makers	26,891,000	23,649,000	+13.7
14 Electrical equipment	87,191,000	66,393,000	+31.3
7 Farm equipment	85,472,000	47,342,000	+80.5
16 Food products	51,200,000	51,067,000	+.3
9 Mining and metals	52,939,000	23,717,000	+123.2
5 Office equipment	43,463,000	33,416,000	+30.1
15 Petroleum and products	386,482,000	303,823,000	+27.2
15 Pulp and paper	41,547,000	33,088,000	+25.6
9 Railway equipment	23,063,000	11,385,000	+102.6
8 Rubber companies	41,266,000	25,083,000	+64.5
21 Steel manufacturers	321,077,000	121,894,000	+163.4
12 Textiles	12,638,000	2,028,000	+523.2
8 Tobacco companies	57,293,000	50,162,000	+14.2
17 Tools and machinery	30,156,000	15,564,000	+93.7
97 Other companies	189,462,000	130,041,000	+45.7
Total, 366 industrials	2,386,726,000	1,341,285,000	+77.9
35 Railroads	147,583,000	59,286,000	+148.9
27 Utilities	119,554,000	110,622,000	+8.1
Grand total, 428 companies	2,653,863,000	1,511,193,000	+75.6

Ceremony Honoring Speaker Thomas B. Reed

EXTENSION OF REMARKS

OF

HON. FRANK M. COFFIN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. COFFIN. Mr. Speaker, this morning you very kindly participated with the Maine delegation in the House in a ceremony in the rotunda of the Old House Office Building, in which we presented a new stone pedestal to support the Gutzon Borglum bust of Thomas B. Reed, late Speaker of this body. This presentation fulfills a keen desire on the part of some of us who have long been irked by the hollow plywood base, simulated to look like marble, which has hitherto served as the pedestal for a bust of a noted son of Maine, carved by a noted sculptor. What irked us was not any real or fancied slight, but the un-Maine-like idea of applying cosmetic skill to make wood look like something else. We could tolerate solid wood that looked like wood, or solid stone that looked like stone, but not hollow wood with face of stone.

Speaker Reed himself looked like what he was—a large, hearty, vigorous, and courageous man. With the thought that the membership might be interested in some of the contributions of Speaker Reed, I am inserting the remarks I made at our little ceremony this morning:

Mr. Speaker and honored guests, on this occasion it may be appropriate to note that at one time Maine occupied a position in national politics comparable to that occupied by the State of Texas, today. We are here, today, to dedicate a new pedestal for the bust of Thomas Brackett Reed, Speaker of the House of Representatives in the 51st, 54th, and 55th Congresses. In his last two terms the President pro tempore of the Senate was Senator William P. Frye, of Maine, and Asher Hinds, of Maine, author of "Hinds' Precedents," was Parliamentarian in the House. A little earlier, the powerful combine of James G. Blaine, Nelson Dingley, Reed and Frye controlled the political fortunes in Maine and occupied central positions in the Republican Party on the national level. Then, Maine possessed five seats in the House of Representatives.

Today's dedication is a statewide affair. Speaker Reed represented the first district, Congressman OLIVER's constituency. The granite for the pedestal was quarried in Stonington, in Congressman MCINTIRE's district. The cutting and finishing of the pedestal was done in my own district. We are paying tribute to a leader from our State and to the State itself.

Thomas Brackett Reed was born in Portland in 1839. A graduate of Bowdoin, he set out for the West to teach school and practice law in California. Apparently having seen all he wanted of that far land, he returned to his home State to make his career as representative and senator in the Maine State Legislature, attorney general, and finally Congressman from Maine's First District. He was first elected in 1876 and served continuously until 1899, when he resigned.

First nominated for the post of Speaker in 1885, Reed was elected to that post in 1889, when the Republicans controlled the 51st Congress. He was reelected in the 54th and 55th Congresses, resigning in September 1899, in disgust over the Spanish war and the annexation of Hawaii.

Speaker Reed is most noted for his contributions to majority rule in the House. As a member of the Rules Committee he had succeeded in ending filibustering on election cases, and on the tariff bill of 1883. His rules were adopted in the 51st Congress, dropped by the 52d, revived by the 53d, and restored by the 54th. They marked the first in the major steps toward modernization of House procedures and coincided with the compilation of the impressive "Hinds' Precedents."

In dedicating this monument to Thomas Brackett Reed, we are honoring a great line of Speakers who have brought the House to its present stature. Not the least of these greats is our present Speaker, the embodiment of tradition and respect for the need for democratic processes in our deliberations and actions. This pedestal is the product of the Maine coast, a symbol of integrity and an example of the craftsmanship which also marked the career of Thomas Brackett Reed.

I should mention, here, that we are indebted to the Deer Island Granite Co., of Stonington, Maine, and the James P. Murphy Co., of Lewiston, Maine, for the pedestal. They have donated this to the House of Representatives without any cost to the Federal Government.

Mr. Speaker, I wish to present to you, for your library in Bonham, Tex., a simple and homely memento of Thomas Brackett Reed. This is a bootjack, designed for colder climes than yours, but suitable, I am sure, for removing the boots for which your State is famous. This was given by Mrs. Frances W. Spencer, owner of the Thomas B. Reed house in Portland, Maine. The jack belonged to Mr. Reed, and may serve as a reminder to all of us that even the mighty must stoop to jack a boot.

In closing, Mr. Speaker, may I thank you for your cooperation in this, as in so many other matters, and offer to you my own admiration and good wishes for your continued leadership in the House.

The President's Veto of the Public Works Appropriation Bill

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mrs. KEE. Mr. Speaker, I was more than deeply distressed over the action of the President of the United States in vetoing the public works appropriation bill for fiscal 1960. In view of the fact that the House of Representatives and the U.S. Senate appropriated funds for these flood control projects after full and complete study, and the fact that each project was found to be fully and completely justified, it is my earnest hope that the Congress of the United States will override the President's veto. Unless we are successful in our efforts, our American taxpaying citizens residing in these affected areas will continue to suffer unnecessary flood damages. Therefore, Mr. Speaker, I will continue to do all within my power to see that this measure is passed over the President's veto by the necessary two-thirds majority.

Friendship Airport

EXTENSION OF REMARKS

OF

HON. SAMUEL N. FRIEDEL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. FRIEDEL. Mr. Speaker, it is an elementary proposition, universally acknowledged, that "justice delayed is justice denied."

The delays implicit in the judicial process were primarily responsible for the rise of administrative agencies. But today these administrative agencies are guilty of the same offense they were created to alleviate—delay in deciding cases.

As one of the elected Representatives from the great city of Baltimore, I rise to enter a vigorous and official protest concerning the unusual delay respecting the matter of Washington-Baltimore Adequacy of Service Investigation by the Civil Aeronautics Board, Docket No. 8148.

On May 3, 1956, a petition was filed requesting that the Civil Aeronautics Board investigate the inadequacy of service to the Greater Baltimore metropolitan area in accordance with sections 404 (a) and 1002 of the Civil Aeronautics Act of 1938, as amended. The hearings in this matter were concluded on September 18, 1957, and I submit that there can be no justification for the continued delay of the issuance of an order from the Board. It is a well-known fact that in the period of over 3 years since the institution of an investigation for adequacy of service in the Baltimore area, this area has continued to receive far less service than it is legally entitled to. This condition continues in spite of the institution of jetplane service to the west coast by two airlines. By no stretch of the imagination can the institution of this service be construed as providing a pattern of service which is necessary to meet the test of "adequacy."

On July 31 of this year, I wrote to the Civil Aeronautics Board about this matter, so vital to the interests of the large population of Greater Baltimore. In reply the CAB stated:

We agree wholeheartedly with your statement in your letter of July 31 as to the need for a prompt decision in our Baltimore-Washington adequacy-of-service case. Let us assure you that we are striving to make our findings, based on a very ponderous record, as quickly as possible.

As you are aware, and as the record before us makes so clear, the issues in this complex proceeding are of considerable economic consequence to the airlines and to the public. We feel that the fairness and soundness of our decision are equally as important as its promptness.

In addition, scores of matters of many types must be given attention by the Board so that we do not find ourselves able to devote the continuous hours to this case which would be desirable. We have had, for instance, the Northeastern States area investigation before us in which we recently voted tentative approval for service between Washington, Baltimore, and Boston via Allegheny Airlines.

Acknowledging that the record may be ponderous, certainly sufficient time has elapsed since November 7, 1958, when oral arguments were completed, for a decision to have been reached.

As to the "scores of matters of many types [which] must be given attention by the Board so that [they] do not find themselves able to devote the continuous hours to this case which would be desirable," does the Board expect its caseload to lighten? Is it hoping for a slack period in order to devote time to this case? Or is the Board merely offering weak excuses for failure to have performed its function?

Obviously the reasons ascribed do not justify the delay.

The people of Baltimore erected a truly magnificent airport in 1950. The Friendship International Airport was immediately hailed as one of the truly excellent facilities in the world, especially due to the fact that when this airport was planned, the use of fast jet planes was clearly envisioned.

I should like to point out that the CAB's own examiner estimated that well over 75,000 Baltimoreans are obliged to travel to and from Washington's National Airport each year. This proves conclusively that Baltimore does have the present potential of adequate numbers of passengers that desire to travel by air. Also, recent figures of passenger service at Friendship reveal a 36 percent incease over last year—additional and conclusive proof that when the service is here, the passengers are, too.

On August 14, 1959, I again wrote to the Civil Aeronautics Board that I could not understand the reason for the long delay in reaching a decision in this particular case. As a member of the Interstate and Foreign Commerce Committee of the House of Representatives, I feel that if a decision is not reached by the CAB within a reasonable time, an investigation and searching inquiry would be indicated respecting this matter. The urgent needs of almost 2 million of our citizens must be given due and proper recognition.

Maj. Gen. William P. Fisher

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. HESS. Mr. Speaker, under leave to extend my remarks, I wish to call attention to one of the distinguished military officers on the Washington scene who is soon to leave. Maj. Gen. William P. Fisher, the Air Force Director of Legislative Liaison, is to become in a few weeks the Commander, Eastern Transport Air Force, Military Air Transport Service at McGuire Air Force Base, N.J.

Bill Fisher is an airman for whom I have great respect and admiration. He was born the son of a Congregational minister in Atlanta, Ga. He grew up in Southern Pines, N.C. He graduated as an engineer from North Carolina State College in 1934 after a 2-year interruption of his education to work. He then became a flying cadet in the Army Air Corps. After completion of his flying training he competed for a Regular Army commission which he won in October 1936.

On December 7, 1941, Bill Fisher, then a major of 2 days' standing, was wounded in the Japanese attack on Clark Field in the Philippines. His airplane out of action, he led his squadron, the 28th Bombardment Squadron of the famous 19th Bombardment Group, as it fought on the ground as an infantry unit. But he was soon back in the air fighting the Japanese from Java. After a short interval in the States, he returned to the war as a colonel in command of the 308th Bombardment Group under Maj. Gen. Claire Chennault in China.

During the Korean conflict Bill Fisher commanded the Far East Air Forces Bomber Command until assigned as Inspector General of the Strategic Air Command. He came to his Washington assignment in Air Force Legislative Liaison from the post of Deputy Commander, 8th Air Force.

That firm determination and immense ability which made him a great combat air commander has made him unusually effective as the Director of the Air Force's legislative liaison activities. He has represented the Air Force most ably in its relations with the Congress during the past session. I am convinced he will continue to do big things for the Air Force and the Nation in his new post. I am sure that I speak for the Congress when I wish Bill Fisher every good wish for continued success.

Aid for Redevelopment of Depressed Economic Areas

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mrs. KEE. Mr. Speaker, I feel compelled to make one more plea before Congress adjourns for action by the the House on legislation to set up a program of cooperative Federal-State aid for the redevelopment of depressed economic areas.

Many sections of our Nation are suffering from persistent and substantial unemployment. This is a serious problem that time will not solve. Nor will it go away if we simply close our eyes to it.

These depressed areas need help, Mr. Speaker. They must be given assistance in rebuilding their economy and in attracting new industry that will create permanent jobs.

The Senate has passed an area redevelopment bill. The House Banking and Currency Committee approved a bill last May. The bill is still pending in the House Rules Committee.

If Congress adjourns without acting on this legislation, Congress will have to face up to this problem next year. We cannot escape it.

Mr. Speaker, it is unthinkable that in times of unprecedented prosperity for the country as a whole we will permit large pockets of depression to exist.

The people in these areas are suffering. Hundreds of thousands of them depend upon gifts of surplus foods to feed their families. They need help—not handouts to keep their children from starving but jobs which will enable them to support their families and lead useful, fruitful lives.

Newsletter of the Honorable James Roosevelt

EXTENSION OF REMARKS

OF

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. KARTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from my distinguished colleague and friend, Representative JAMES ROOSEVELT, to his constituents. What Representative ROOSEVELT has to say in his letter is most worthwhile, and I commend it to the attention of my fellow Members:

AUGUST 1959.

DEAR FRIENDS AND CONSTITUENTS: Since I last wrote to you, the Landrum-Griffin labor bill has been passed by the House, and, thus, almost 6 months of hard work in the labor-management field has gone right out the window. The Landrum-Griffin bill, apparently originally written by Senator GOLDWATER, of Arizona, is a bad bill, which was put over by the systematic distribution of hokum through virtually all our channels of communication.

For months we have been subjected to a steady drumbeat of propaganda about the need for a "strong" labor bill, which rose to crescendo with Mr. Eisenhower's impassioned radio and TV appeal for the Griffin-Landrum bill. Throughout this long campaign the technique was identical—first a recitation of the evils discovered by the McClellan committee and then the plug for a "strong" bill, thus leading the reader or the viewer to believe that what was meant by a "strong" bill was a bill that would oust the racketeers and thieves and clean out the corruption.

Actually, nothing could have been further from the truth. What the administration and the Republican leadership and some of the southern Democrats and the National Association of Manufacturers and all their assorted payrollers and mouthpieces meant by a "strong labor bill" was a bill that would contain amendments to the Taft-Hartley Act slyly calculated to cripple and penalize perfectly honest, legitimate unions. It was simply a situation in which an old-fashioned, all-out, NAM union-busting drive was being cloaked by a sanctimonious plea for ousting the racketeers.

If you have any doubt about this, just read the three bills that the House fought over: the Landrum-Griffin bill, the Elliott bill, and the Shelley bill, or as it is sometimes called, the Shelley-Roosevelt bill. You will find that in the areas where the McClellan committee recommended that ac-

tion be taken, the three bills are virtually identical, except that the Shelley bill extended its penalties to employers and labor-brokers as well as union officials. In other words, the Shelley bill hit everybody that was in any way concerned in labor racketeering or stealing or illegal profiteering at the expense of the worker.

But, because the Shelley bill was an honest, straightforward attempt to correct the abuses found by the Senate committee, and because it did not attempt to use these abuses as an excuse for undercutting legitimate union activity, and because it contained no sly, antiunion phraseology—it was labeled the "weakest" bill; whereas, the Landrum bill, which did not cover nearly the ground that the Shelley bill did in the area of corruption, but which did contain provisions extremely damaging to honest labor activity, was labeled the "strongest" bill and plugged for by everybody from Mr. Eisenhower to the lowliest NAM lobbyist in an all-out, and apparently successful, drive to convince the country that the "strong" bill was strong in the sense of protecting the worker.

Such are the uses of propaganda, and Lord help us all if we don't learn to distinguish between truth and hokum before Madison Avenue swamps us completely in syndicated piffle.

Exactly the same applies to the anguished caterwauling about inflation that emanates from the White House every time Congress considers any type of bill that might possibly do the general public some good. If you spend a dime for a general improvement, says the administration, you add to the perils of inflation. And if you build a school or aid a housing program or add a couple of dollars to a pension to enable somebody to stay alive, then you have breached the dam irretrievably and allowed the floodwaters of inflation to sweep everything before them.

Probably no sillier thesis was ever maintained by presumably sane men but this administration, aided by its corps of publicity experts, is making a lot of people believe it. Meantime, the same administration, having successfully diverted the public attention by yelling about public extravagance, shovels money to the bankers with both hands by progressively raising Federal Reserve interest rates and fighting to raise interest rates on Government bonds.

This is the basic source of inflation and high prices that are hitting us from all sides. Interest rates are raised to primary borrowers, who, in turn, raise rates to secondary borrowers; eventually, the bank rates become too high and less and less money is borrowed for purposes of plant expansion and new products, with the result that new jobs do not open up, new products are not made, and the gross national product is thus arbitrarily limited to approximately what is being produced at the time. But, since the population continues to grow and the demand is consequently ever greater, the price of existing goods goes up and up while profits rise fantastically, the rich get richer, the poor get poorer, and the pensioner has to sleep under a bridge.

My friends, it's time to wake up. This is a bad administration, the like of which we haven't seen since the twenties and which will inevitably wind up in the same place the Coolidge-Hoover regimes did, because it is traveling the same road. When a government pursues a steady policy of squeezing the small businessman and the worker and beating the unions over the head in order that the banker may sit on bigger and bigger bags of money and charge more and more for the use of some of it, that government is going to wind up in an economic crash, no matter how loudly it meanwhile screams about an inflation that it is itself creating and tries to blame it on unions and spenders. We're heading that way fast.

Fortunately, 1960 isn't far off, but even so, I sometimes wonder if it will get here in time. When it does come, we'd better not fumble it.

Since my last letter, the housing bill has been vetoed, as I said it probably would be. It was perfectly logical that it should be vetoed because it would have helped a considerable number of people and it was not written for the exclusive benefit of the bankers. So it got the ax, with the routine explanation that it was "inflationary." The charge was so preposterous and the veto so indefensible that when Senator SPARKMAN held hearings on it, he couldn't even find a member of the executive staff who would admit having written the veto message. We've gotten pretty well used to government by proxy since 1953, but this was the first time anybody had heard of government by pixie.

I have been appointed by Chairman SHEPPARD of the California congressional delegation, to head a bipartisan delegation committee which will look into the matter of the flood of narcotics which is apparently coming over the Mexican border. Our duties will consist of determining the areas of responsibility so that the proper committees may conduct the necessary investigations and see to it that the necessary liaisons are effected with the proper Mexican officials. We are getting excellent cooperation from both State and Federal officers, all of whom are as anxious as we are to solve the problem speedily. The first hearings will probably be held this month.

Congress is expected to adjourn before too long and it will be good to get home and see you again. Meantime, all best wishes.

Sincerely,

JAMES ROOSEVELT.

Address by Vice President Richard M. Nixon at American Legion Convention

EXTENSION OF REMARKS

OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. FULTON. Mr. Speaker, a current topic of interest, and of great debate throughout our good country, is the approaching visit of Nikita Khrushchev.

Under leave to extend my remarks in the RECORD, I am including an excellent speech by Vice President RICHARD M. NIXON at the convention of the American Legion in Minneapolis, Minn., last week:

EXCERPTS OF REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES AT THE 41ST NATIONAL CONVENTION OF THE AMERICAN LEGION, MINNEAPOLIS, MINN., AUGUST 25, 1959

I recognize that there are a substantial number of Americans in this audience and throughout the Nation who are deeply concerned about the visit of Mr. Khrushchev to the United States. There are many who believe that no good and much harm can come from such a visit.

There is no question but that there are minus as well as plus factors in appraising the possible results of the Eisenhower-Khrushchev exchange of visits. On balance, I believe the decision to invite Mr. Khrushchev to come to the United States was correct.

In indicating my reasons for reaching this conclusion, may I first remind you of the background from which I speak. I have made a comprehensive study of the philosophy, tactics and strategy of communism as set forth by Marx, Lenin, Stalin and other Communist leaders. On the basis of those studies, I know that Communists throughout the world are united in working for one objective—Communist rule over all the people of the world.

I know from experience that the Communist Party in the United States, like all Communist parties throughout the world, is directed and controlled from Moscow and has in the past and will in the future engage in espionage and subversion in order to serve the interests of Communist governments wherever they are opposed to those of the United States or other free nations. And I can vividly recall that it was just a little over a year ago Communist-led mobs made an unsuccessful attempt on my life in Venezuela.

I have just returned from the Soviet Union where I have had the opportunity to speak at length with Mr. Khrushchev and to appraise the present tactics and strategy of the world Communist movement. On the basis of that visit, I can say unequivocally that the only significant change in Communist tactics since the death of Stalin is that Mr. Khrushchev and other Communist leaders now say they will accomplish their objective of world domination without resort to war.

Subversion and espionage in the United States and other non-Communist countries continue to be directed and supported by the Communist Party of the U.S.S.R. The rigid positions of the Soviet Government on such issues as Berlin, disarmament, setting up an inspection system for prevention of surprise attack, and ending atomic tests, are the same now as they were before these visits were announced.

It would be naive and wishful thinking to assume that the visit of Mr. Khrushchev to the United States will result in any basic change in the Communist objective of world domination or their adherence to policies designed to achieve that goal.

We should be under no illusions that Mr. Khrushchev's belief in the superiority of the Communist system will be changed in any significant respect by his seeing the great productivity of the American economy. Everything he sees in the United States will be seen through Communist eyes and the picture will be distorted or magnified so that it fits into the rigid description of free societies which the Communist doctrine has painted for over 100 years.

Nor should we be under any illusions that better understanding between the Soviet leaders and ourselves is all that is needed to resolve our differences and to assure peace. There are some deep and basic conflicts of interest and ideology which all the good will and mutual understanding in the world will not settle. Charm, words of friendship, gracious toasts, are not going to have the slightest effect in deterrring Mr. Khrushchev from his basic objectives.

What useful purpose then will this visit serve? Putting it in its simplest terms, while understanding alone will not bring peace, misunderstanding could provoke war. And it is because his visit can serve to reduce the possibilities of such misunderstanding that it could contribute to the chance that we can settle our differences without war and, therefore, deserves the approval of the American people.

What does Mr. Khrushchev really believe about the United States and the free world?

Based on my conversations with him and my analysis of the statements he has made, publicly and privately, through the years, here is a thumbnail sketch of a man who holds in his hands the greatest power any one man has ever held in the history of

civilization—who by his decision alone could press the button which could start a chain reaction which would destroy civilization as we know it.

First, here are some things he believes which are true. He is aware of the fact that the United States has great military strength. While he constantly boasts of his superiority in the missile field, he has publicly stated in his speech at Dnepropetrovsk on July 28 that no nation today can initiate a war without suffering terrible destruction in return.

He knows the United States is a rich country economically with a high standard of living. He has paid us the compliment of setting as the Soviet goal, catching up with and passing the United States in the production of consumer goods.

I believe he is convinced that President Eisenhower is a man who wants peace and who insists that the United States remain strong only because he believes this is the way to keep peace.

But he also has some dangerous misconceptions about the United States and the free world which, in the mind of a man with such awesome power in his hands, constitute a terrible risk to the peace of the world.

Here are some of the things he presently believes about us and our policies:

"Freedom in the United States exists only for those who have money and power and not for the working people.

"Capitalists in the United States have turned the society in which they rule into a paradise for the rich and a hell for the poor—a kingdom of the dollar, of harsh exploitation of millions of people to enrich a handful of monopolists.

"In the United States and other free countries the working people are given the right to vote for various representatives of the ruling class but have no right to participate in the work of the legislative bodies.

"However, beautifully the ideologists of imperialism may dress up the capitalist system, it still remains a system by which millions of people are enslaved by a comparatively small handful of exploiters, a system in which poverty and mass unemployment reign."

The words I have just quoted are not mine but his, taken directly from his public statements. And these ideas he reiterated to me in my conversations with him. Because he believes these things he has reached other conclusions which he has stated to me and to others who have talked with him; that millions of people in the United States do not support the President in his firm stand against Communist aggression; that both of our major political parties are controlled by a few rich monopolists and are not responsive to the will of the people; that our economy has reached its peak and is on the way down; that the nations of the free world alliance are divided and when the chips are down will not unite in resisting aggression.

Put yourself in his place. If you possessed great military strength with uncontrolled and absolute power to use that strength to accomplish your purposes; if also you were fanatically dedicated to the philosophy that your economic and political system should and would rule the world; and if in addition you believed you were confronted by opponents who were divided and who lacked the will to resist aggression, would you not be tempted to be far more aggressive in your policies than if you had other ideas as to the strength and will to resist of those who might oppose your aims?

Mr. Khrushchev will be here for only a relatively brief time, but, in his conversations with President Eisenhower and in his trip across the country, there is no doubt in my mind but that he will see and hear some things which will change his preconceived notions about the United States and which in turn will give him pause before he embarks on a course of action in the future which might be contrary to our vital interests.

He will find that not only are we strong militarily and economically, but that the American people have the will to use their strength to defend our freedom or the freedom of others any place in the world. He will find that the overwhelming majority of the American people are as dedicated to our system as he is to his. He will find that we will no more tolerate being pushed around than will he.

In a nutshell, if we are to have a Soviet leader with such power in his hands, it is better to have one who knows the world than one who is isolated in the Kremlin.

But what about the dangers of such a visit? There are some who fear that the American people will be lulled into a false sense of security and trust by this exchange. I think that those who believe this to be the case underestimate the intelligence of both our people and our leaders.

It is true that throughout American history we have a record of being a trusting and forgiving people in our relations with other people, but it is also true that we are a people who do not like our trust betrayed and when it is we react accordingly.

When President Eisenhower meets Mr. Khrushchev, you can be sure he will have in mind: The record of major treaties and agreements broken by the Soviet Government—50 out of 52 since 1933; the fact that subversive activities against the United States and the governments of other free nations continue despite Soviet protestations to the contrary. There will be fresh in his memory the fact that Mr. Khrushchev failed to carry out the commitments made at the last Geneva Conference and instead encouraged and stimulated Communist probing actions against the free world in the Middle East and the Far East. And if there was any doubt that we would go into this conference with our eyes open, the Soviet Government's support of the Communist forces in Laos provides a grim and timely warning of what we should expect.

I have had the rare opportunity of seeing both Mr. Khrushchev and President Eisenhower in action both publicly and privately, and I can assure you that the fears of those who believe that President Eisenhower may be taken in or bluffed by Mr. Khrushchev are completely without foundation. There is no doubt whatever but that the interest of the United States and the free world will be vigorously, firmly, and aggressively represented by the President in this meeting.

Another objection to the visit is the possible effect on our allies. The President's trip to Bonn, Paris, and London, provides a complete answer to this objection. As the President has made abundantly clear, it is not the American way to negotiate, in the absence of our allies, problems that vitally concern their future. We reject the concept that two great powers—the United States and the U.S.S.R.—should decide the fate of other peoples without consultation with them.

A major objection to the visit is the effect it may have on the captive peoples of Eastern Europe. You can be sure, however, that under no circumstances will this exchange of visits result in statements or actions on the part of the United States indicating our approval or acquiescence in the status of the peoples of Eastern Europe.

We do not question the right of the people of these countries, or any other for that matter, to have a Socialist or Communist government if they so desire. But we believe that all people should have a right to choose the kind of government they want. The people of the satellite nations of Eastern Europe have never had an opportunity to exercise that right since World War II. We recognize that their right of choice cannot be obtained by armed intervention on our part. A so-called war of liberation would liberate only dead bodies and ruined cities. But we will continue to support through peaceful means realization of the objective that the peoples of these satellite countries be given the opportunity to choose the kind of government they want.

I believe that the American people should give Mr. Khrushchev a courteous reception when he visits the United States. I do not suggest this because I believe a courteous reception is going to affect, one way or the other, his ideas about our system, but because this is the American way of doing things. Visitors in our country, regardless of how much we disagree with them, should not be subjected to the rowdyism and riots for which the Communists were responsible when I was in South America.

The discussions President Eisenhower will have with Mr. Khrushchev, involving as they do such basic differences and conflict of interest, will be difficult at best. In the cause of the peace with justice that we all want, let us by our conduct see that those discussions are conducted in the best possible climate.

The Carey Letter

EXTENSION OF REMARKS

OF

HON. GEORGE MEADER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. MEADER. Mr. Speaker, as did many of my colleagues last week, I received an intemperate, threatening letter from a prominent labor official criticizing my vote on the Landrum-Griffin substitute labor reform bill. I refer to James B. Carey, president of the powerful International Union of Electrical, Radio, and Machine Workers, AFL-CIO. I incorporate his letter in my remarks at this point:

INTERNATIONAL UNION OF ELECTRICAL,
RADIO, AND MACHINE WORKERS,
August 18, 1959.

DEAR CONGRESSMEN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the

working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

Now, generally, I find it hard to simulate much enthusiasm for a mimeographed or multigraphed form letter, but I read Mr. Carey's missive with considerable care and replied to him as follows:

AUGUST 26, 1959.

MR. JAMES B. CAREY,
President, International Union of Electrical, Radio and Machine Workers, Washington, D. C.

DEAR MR. CAREY: I have your form letter of August 18, 1959, a copy of which I understand was sent to all my colleagues who voted for the Landrum-Griffin version of the labor-management reform bill.

Neither your intemperate characterizations, your threat to get me nor your erroneous assumptions concerning my study of the measure impress me as worthy of a high official of a powerful labor organization.

No representative of the National Association of Manufacturers or the chamber of commerce "pressured" me or even contacted me. I believe, however, in the right of petition and would have welcomed their views as I did those of six officials of the Teamsters Union and three officials of building trades unions with whom I discussed at some length the differing provisions of the various proposals.

I heard nothing from you or your union—but would have welcomed any proof you could submit—as I requested of the other union officials—that specific language in any of the various bills would hamper legitimate organizational and collective bargaining activities of unions. My conception of the duty of a legislator requires more than simply voting by labels or adjectives unsupported by fact and logic.

Requiring democratic procedures and honesty in handling funds in labor organizations cannot possibly harm the rank-and-file union member, though it may well curb dictatorial officials insensitive to their position of trust with respect to the rights and the funds of those they represent. Shielding innocent third parties, managers, employees and consumers, from being drawn into someone else's labor dispute and preventing "sweetheart" contracts and representation not actually desired by the free choice of employees are reforms demonstrated by the McClellan committee investigations to be necessary and should not impair legitimate union activities.

Consequently, it is a misrepresentation to describe legislation designed to achieve these goals and no other as "punitive," "repressive" or "killer" legislation.

I believe my colleagues, like myself, are far more likely to be impressed by logic than by threats.

To assist in advising the working men and women of my district on this very important issue, I will be happy to send a copy of your letter and of this reply to anyone living in the Second Congressional District of Michigan whose name and address you furnish me.

Sincerely,

GEORGE MEADER.

Mr. Speaker, as one might expect, Mr. Carey's threats did not go unnoticed by the public. As an example I include at this point an interesting commentary from the August 23, 1959, edition of the Jackson (Mich.) Citizen Patriot:

JAMES CAREY'S MISTAKE

Leaders of organized labor in America apparently have become panicky since their defeat on the Landrum-Griffin bill in the House. And men in that state of mind are likely to make mistakes.

That is probably what James B. Carey, AFL-CIO vice president, did with his "we'll-get-you" letters to Members of the House who voted for the labor bill.

The action is all the more strange because there are precedents which prove that the tactics are wrong.

Labor was unable to defeat the Taft-Hartley bill, even with all the pressure that was applied and with a veto by former President Harry S. Truman.

After the debacle, labor took after the late Senator Robert A. Taft, throwing all of its power into an effort to "get" him.

The result was the greatest political victory in the Ohio Senator's career. The opposition of labor almost made him President.

More recently, the passage of the Landrum-Griffin bill in the House showed the ineffectiveness of the Carey type of politics.

Labor lobbyists swarmed over the Capitol, applying all the pressure they could. They lost because the people rallied behind the controversial measure.

It is likely that many of the Congressmen followed the wishes of their constituents with some misgivings. They know that the voice of the people is loud, when it is heard, but that the public generally will not remain "steamed up" over a given issue for any great length of time; that to the men who work at politics every day in the year can be very effective.

That is why traditional politicians fade out of sight when hit by a successful reform movement. They carefully avoid stirring up any controversy until the reformers lose interest.

Thus Carey's letters handed the Congressmen exactly the ammunition they need to rally support when they come up for reelection. The letters will be carefully preserved to be brought out at campaign time to remind the people that their will prevailed.

And if Carey goes through with his threat to punish "labor's enemies" he will reelect a lot of men who voted for the Landrum-Griffin bill.

Mr. Speaker, Mr. Carey threatens to "do all in our power to prove to the working men and women" in my congressional district, the second of Michigan, that I have cast my "lot against them" and that "they should therefore take appropriate action at the ballot box." That, of course, means he must conduct an educational campaign.

In my letter, I offered to assist him, by sending a copy of his letter and a copy of my reply to any residents of my district for whom he would furnish names and addresses.

Vice President Nixon's Address on Khrushchev Visit, Given at American Legion National Convention in Minneapolis

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from the address given by Vice President RICHARD M. NIXON on August 25, 1959, before the 41st National Convention of the American Legion in Minneapolis, Minn. Mr. NIXON dealt forthrightly with the Khrushchev visits—and how we should conduct ourselves, correctly civil and without demonstrations, in order, if possible, to convince the Communist dictator that the American people and their Government are strong, resolute, and united in opposition to his plans for achieving world domination by force or otherwise:

EXCERPTS OF REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES AT THE 41ST NATIONAL CONVENTION OF THE AMERICAN LEGION, MINNEAPOLIS, MINN., AUGUST 25, 1959

I recognize that there are a substantial number of Americans in this audience and throughout the Nation who are deeply concerned about the visit of Mr. Khrushchev to the United States. There are many who believe that no good and much harm can come from such a visit.

There is no question but that there are minus as well as plus factors in appraising the possible results of the Eisenhower-Khrushchev exchange of visits. On balance, I believe the decision to invite Mr. Khrushchev to come to the United States was correct.

In indicating my reasons for reaching this conclusion, may I first remind you of the background from which I speak. I have made a comprehensive study of the philosophy, tactics, and strategy of communism as set forth by Marx, Lenin, Stalin, and other Communist leaders. On the basis of those studies, I know that Communists throughout the world are united in working for one objective, Communist rule over all the people of the world.

I know from experience that the Communist Party in the United States, like all Communist Parties throughout the world, is directed and controlled from Moscow and has in the past and will in the future engage in espionage and subversion in order to serve the interests of Communist governments wherever they are opposed to those of the United States or other free nations. And I can vividly recall that it was just a little over a year ago Communist-led mobs made an unsuccessful attempt on my life in Venezuela.

I have just returned from the Soviet Union where I have had the opportunity to speak at length with Mr. Khrushchev and to appraise the present tactics and strategy of the world Communist movement. On the basis of that visit, I can say unequivocally that the only significant change in Communist tactics since the death of Stalin is that Mr. Khrushchev and other Communist leaders now say they will accomplish their objective of world domination without resort to war.

Subversion and espionage in the United States and other non-Communist countries continue to be directed and supported by the Communist Party of the U.S.S.R. The rigid positions of the Soviet Government on such issues as Berlin, disarmament, setting up an inspection system for prevention of surprise attack, and ending atomic tests, are the same now as they were before these visits were announced.

It would be naive and wishful thinking to assume that the visit of Mr. Khrushchev to the United States will result in any basic change in the Communist objective of world domination or their adherence to policies designed to achieve that goal.

We should be under no illusions that Mr. Khrushchev's belief in the superiority of the Communist system will be changed in any significant respect by his seeing the great productivity of the American economy. Everything he sees in the United States will be seen through Communist eyes and the picture will be distorted or magnified so that

it fits into the rigid description of free societies which the Communist doctrine has painted for over 100 years.

Nor should we be under any illusions that better understanding between the Soviet leaders and ourselves is all that is needed to resolve our differences and to assure peace. There are some deep and basic conflicts of interest and ideology which all the good will and mutual understanding in the world will not settle. Charm, words of friendship, gracious toasts, are not going to have the slightest effect in deterring Mr. Khrushchev from his basic objectives.

What useful purpose then will this visit serve? Putting it in its simplest terms, while understanding alone will not bring peace, misunderstanding could provoke war. And it is because his visit can serve to reduce the possibilities of such misunderstanding that it could contribute to the chance that we can settle our differences without war and, therefore, deserves the approval of the American people.

What does Mr. Khrushchev really believe about the United States and the free world?

Based on my conversations with him and my analysis of the statements he has made, publicly and privately, through the years, here is a thumbnail sketch of a man who holds in his hands the greatest power any one man has ever held in the history of civilization—who by his decision alone could press the button which could start a chain reaction which would destroy civilization as we know it.

First, here are some things he believes which are true. He is aware of the fact that the United States has great military strength. While he constantly boasts of his superiority in the missile field, he has publicly stated in his speech at Dnepropetrovsk on July 28 that no nation today can initiate a war without suffering terrible destruction in return.

He knows the United States is a rich country economically with a high standard of living. He has paid us the compliment of setting as the Soviet goal catching up with and passing the United States in the production of consumer goods.

I believe he is convinced that President Eisenhower is a man who wants peace and who insists that the United States remain strong only because he believes this is the way to keep peace.

But he also has some dangerous misconceptions about the United States and the free world which, in the mind of a man with such awesome power in his hands, constitute a terrible risk to the peace of the world.

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"Freedom in the United States exists only for those who have money and power and not for the working people."

"Capitalists in the United States have turned the society in which they rule into a paradise for the rich and a hell for the poor—a kingdom of the dollar, of harsh exploitation of millions of people to enrich a handful of monopolists."

"In the United States and other free countries the working people are given the right to vote for various representatives of the ruling class but have no right to participate in the work of the legislative bodies."

"However beautifully the ideologists of imperialism may dress up the capitalist system, it still remains a system by which millions of people are enslaved by a comparatively small handful of exploiters, a system in which poverty and mass unemployment reign."

The words I have just quoted are not mine but his—taken directly from his public statements. And these ideas he reiterated to me in my conversations with him. Because he believes these things he has reached other conclusions which he has stated to me and to others who have talked with him: that millions of people in the United States do not support the President in his firm stand against Communist aggression; that both of our major political parties are controlled by a few rich monopolists and are not responsive to the will of the people; that our economy has reached its peak and is on the way down; that the nations of the free world alliance are divided and when the chips are down will not unite in resisting aggression.

Put yourself in his place. If you possessed great military strength with uncontrolled and absolute power to use that strength to accomplish your purposes; if also you were fanatically dedicated to the philosophy that your economic and political system should and would rule the world; and if in addition you believed you were confronted by opponents who were divided an who lacked the will to resist aggression, would you not be tempted to be far more aggressive in your policies than if you had other ideas as to the strength and will to resist of those who might oppose your aims?

Mr. Khrushchev will be here for only a relatively brief time, but, in his conversations with President Eisenhower and in his trip across the country, there is no doubt in my mind but that he will see and hear some things which will change his preconceived notions about the United States and which in turn will give him pause before he embarks on a course of action in the future which might be contrary to our vital interests.

He will find that not only are we strong militarily and economically, but that the American people have the will to use their strength to defend our freedom or the freedom of others any place in the world. He will find that the overwhelming majority of the American people are as dedicated to our system as he is to his. He will find that we will no more tolerate being pushed around than will he.

In a nutshell, if we are to have a Soviet leader with such power in his hands, it is better to have one who knows the world than one who is isolated in the Kremlin.

But what about the dangers of such a visit? There are some who fear that the American people will be lulled into a false sense of security and trust by this exchange. I think that those who believe this to be the case underestimate the intelligence of both our people and our leaders.

It is true that throughout American history we have a record of being a trusting and forgiving people in our relations with other people, but it is also true that we are a people who do not like our trust betrayed and when it is we react accordingly.

When President Eisenhower meets Mr. Khrushchev, you can be sure he will have in mind: The record of major treaties and agreements broken by the Soviet Government—50 out of 52 since 1933; the fact that subversive activities against the United States and the governments of other free nations continue despite Soviet protestations to the contrary. There will be fresh in his memory the fact that Mr. Khrushchev failed to carry out the commitments made at the last Geneva Conference and instead encouraged and stimulated Communist probing actions against the free world in the Middle East and the Far East. And if there was any doubt that we would go into this conference with our eyes open, the Soviet Government's support of the Communist forces in Laos provides a grim and timely warning of what we should expect.

I have had the rare opportunity of seeing both Mr. Khrushchev and President Eisenhower in action both publicly and privately, and I can assure you that the fears of those who believe that President Eisenhower may be taken in or bluffed by Mr. Khrushchev are completely without foundation. There is no doubt whatever but that the interests of the United States and the free world will be vigorously, firmly and aggressively represented by the President in this meeting.

Another objection to the visit is the possible effect on our allies. The President's trip to Bonn, Paris, and London provides a complete answer to this objection. As the President has made abundantly clear, it is not the American way to negotiate, in the absence of our allies, problems that vitally concern their future. We reject the concept that two great powers—the United States and the U.S.S.R.—should decide the fate of other peoples without consultation with them.

A major objection to the visit is the effect it may have on the captive peoples of Eastern Europe. You can be sure, however, that under no circumstances will this exchange of visits result in statements or actions on the part of the United States indicating our approval or acquiescence in the status of the peoples of Eastern Europe.

We do not question the right of the people of these countries, or any other for that matter, to have a Socialist or Communist government if they so desire. But we believe that all people should have a right to choose the kind of government they want. The people of the satellite nations of Eastern Europe have never had an opportunity to exercise that right since World War II. We recognize that their right of choice cannot be obtained by armed intervention on our part. A so-called war of liberation would liberate only dead bodies and ruined cities. But we will continue to support through peaceful means realization of the objectives that the peoples of these satellite countries be given the opportunity to choose the kind of government they want.

I believe that the American people should give Mr. Khrushchev a courteous reception when he visits the United States. I do not suggest this because I believe a courteous reception is going to affect one way or the other his ideas about our system, but because this is the American way of doing things. Visitors in our country, regardless of how much we disagree with them, should not be subjected to the rowdyism and riots for which the Communists were responsible when I was in South America.

The discussions President Eisenhower will have with Mr. Khrushchev, involving as they do such basic differences and conflict of interest, will be difficult at best. In the cause of the peace with justice that we all want, let us by our conduct see that those discussions are conducted in the best possible climate.

Labor Legislation

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. ANFUSO. Mr. Speaker, before leaving on an official trip to London where I am scheduled to address the Congress of the International Astronautical Federation early in September in my capacity as chairman of the Subcommittee on International Cooperation and Security of the House Committee on Science and Astronautics, I want to reiterate my views on labor legislation as considered by the House.

During the discussions on the floor of the House, I stated that it was most unfair to strike at legitimate unionism and to foreclose the rights of working people

which required many years of hard work and determination to achieve. It was my feeling that enactment of the Landrum-Griffin bill would be a decided step in the direction of outlawing or controlling labor because many of labor's rights are denied in that bill. For that reason I voted against the Landrum-Griffin bill.

It was also my view that political motives were behind the effort to adopt the Landrum-Griffin bill, and I could not see the logic or reasoning in making a political football out of the bread-and-butter problem of millions of Americans.

I also opposed the bill because it was a piece of legislation which struck blindly at labor, the guilty and the innocent alike, the racketeers and those seeking to eliminate racketeering. This is a wrong approach. We must not throw all of labor into the discard or cast shadows of doubt upon all of organized labor. The racketeers are a small percent of organized labor and they must be weeded out.

The Landrum-Griffin bill, for example, outlaws all types of picketing, except where a plant or factory is on strike. Organized picketing has been established and recognized over the years as a peaceful and democratic method. By eliminating or outlawing such picketing we actually empower employers to exploit those working for them, paying them low wages, and forcing them to work longer hours. The only type of picketing I would oppose would be in instances where it is used as blackmail or abused for racketeering purposes.

Thus, the Landrum-Griffin bill affords no protection for the working people, but actually opens up possibilities for their exploitation and the denial of their rights which they have gained over the past half century or more. It will only help to depress the working conditions and the standard of living of the laboring masses of this country. In so doing, we shall not bring about a higher standard of living, but we will lower it for huge segments of our population and this will have a tremendous effect on our whole economy. When labor will not be able to buy the things we produce, when its purchasing power will drop, the whole Nation will feel it.

The Landrum-Griffin bill also bans the so-called "hot cargo" provisions, which is nothing more than a device to maintain nonunion conditions. This is an unfair labor practice for it denies unions the right and the opportunity to protect themselves against ruthless employers.

Finally, the Landrum-Griffin bill is hurting legitimate union organization which is seeking to establish the same pay for the same work for all working people in the country.

I hope and trust that when the conference report on the labor bill is brought back for final consideration by both Houses of Congress, all or most of these objectionable features will have been deleted or so amended as not to hurt legitimate labor unions. We must not turn the clock back. The people of America want to see reform in the ranks of labor, not revenge or the destruction of labor's achievements.

The Specific Issue at Stake in the Sullivan Amendment—Comment on Washington Post Editorial on Food Stamp Proposal

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mrs. SULLIVAN. Mr. Speaker, the Washington Post carried an editorial today under the heading "Surpluses for the Hungry" discussing the food stamp amendment which I submitted here last Thursday to the Agricultural Trade Development and Assistance Act, known as Public Law 480, governing the disposal of surplus food here and overseas. While endorsing generally the idea of getting more of our huge surplus of farm produce to the needy in our own country, the Post raises some questions about my amendment which I am glad to try to answer, and which I think should be answered.

Otherwise, in view of the prestige of the Washington Post and its reputation for fairness, accuracy, and humanitarianism, many of the Members of the Congress who voted for my food stamp amendment last week may begin to wonder whether it was they rather than the editorial writer of the Post who misunderstood what it was we were voting for.

COMMITTEE REPORT COVERED ALL CRITICISMS

All of the reservations about the bill made in the editorial, particularly those quoting opponents on the Republican side, were, I thought, fully answered in the debate which preceded passage of the bill, as well as having been answered thoroughly, I thought, in the report of the House Committee on Agriculture on H.R. 1359, the bill which I added to the surplus disposal bill as an amendment. The committee views are stated in House Report No. 907.

Taking the statements in the editorial one by one in order, however, might be a good way to set the record straight. The editorial starts out as follows:

SURPLUSES FOR THE HUNGRY

It is easy to see why the House added to the surplus disposal bill the amendment by Congresswoman SULLIVAN authorizing the Secretary of Agriculture to set up a food stamp plan for distribution of surplus commodities to needy families in this country. There is a strong sentiment in Congress behind the use of crops that bulge Government warehouses to help friends abroad. Along with this goes a general feeling that surplus food should also be going into empty stomachs in this country. So the House voted by a large majority to let the Secretary of Agriculture distribute such food, preferably through commercial channels, along with stamps that would entitle needy persons to obtain the food, up to the value of a billion dollars a year.

We think the general principle on which the House acted is unquestionably sound. So long as there are hungry people in the United States, surplus food held by the Government ought to be used to relieve them. It would be strange, indeed, to subsidize the shipment of unneeded farm crops abroad to relieve hunger and deny similar relief to American people. But that is not the specific issue at stake in the Sullivan amendment.

FOREIGN DONATIONS OF FOOD FAR EXCEED DOMESTIC

Mr. Speaker, I interrupt the editorial at that point to say that it is exactly that fact which is and was a specific issue at stake in the Sullivan amendment. We have spent over $5 billion since 1954 in gifts and "sales" of food to nations overseas whereas in the same 5-year period the total of all domestic donations of food—including the school lunch program and food given to State institutions, and so forth, as well as the total value of all food given to needy persons—has come to less than one-tenth of the value of the food given away or "sold" abroad.

I place the words "sales" and "sold" in quotation marks because, as we all know, foreign "sales" under title I of Public Law 480 are sales for foreign currency which is then given or lent back to the country "buying" the food.

To be scrupulously fair about donations as opposed to "sales," the record shows that the Federal Government spent $1,232,419,000 on outright donations of food to the peoples of other countries under title III of Public Law 480 in the 5-year period, and an additional $546,130,000 under title II—famine and similar emergency relief—and in the process we spent $100 million on ocean freight charges alone. This was to help feed the needy of other countries—a very worthwhile cause. But in that same period, of 5 years, we have given away only about $400 million worth of food to all recipients in this country—and the preponderant share of that went to the school lunch program.

In the 1958 fiscal year, $272 million worth of food was given to needy persons overseas, and $75 million was given to needy persons in this country, outside of the school lunch program. They received $76 million worth of surplus food. State institutions received another $33 million. Obviously, therefore, we have not done, and are not doing, enough to help our own needy, compared to what we are doing for those of other countries. The record shows it. This, therefore, was very definitely one of the specific issues at stake in the Sullivan amendment and one of the reasons why 232 Members of the House voted for it.

Now, to continue with the Washington Post editorial, Mr. Speaker, it said:

Representative LAIRD pointed out that 20 million school children and needy persons, in this country, are already benefiting from Federal surplus food. The Government packages food and ships it to the States free of charge, leaving the distribution to local agencies. According to Congresswoman MAY, the Sullivan amendment would do nothing more than relieve the States of the expense of distributing these surplus foods.

REACHING THE NEEDY ON PUBLIC ASSISTANCE

Mr. Speaker, to say that we do not need any expansion of the surplus food distribution program in this country because 20 million school children and needy persons are receiving some of the food now is to lump more than 14 million school children into the category of

"needy." This figure includes all the children now participating in the Federal school lunch program. Many of them are indeed from needy families. As the Washington Post's own Eve Edstrom pointed out in her series of articles on hungry children in the District of Columbia, a school lunch would be the only hot and nourishing food some children would get. But most school children participating in the school lunch program in the Washington area or in any other area of the country are not hungry children from substandard homes.

Furthermore, out of the 5 million or so needy people now receiving surplus food under the Department of Agriculture program now in effect, the preponderance are not people on public assistance, but are workers temporarily unemployed in the hard-hit distressed areas. They and their families need the help of this surplus food, that I do not dispute. But less than half of those receiving food are the people on public assistance for whom the food stamp plan is most necessary. Furthermore, the 2⅓ million people on public assistance who now receive surplus food, usually because they live in the distressed areas, make up only about one-third of the total of Americans on various forms of public assistance. As I pointed out in the debate, if you are on public assistance, you can be just as hungry in a city which has low unemployment as in one which has unemployment of a high enough level to justify the expenditure of large amounts of local funds for surplus food distribution.

LOCAL DISTRIBUTION COSTLY AND INEFFICIENT

The food stamp plan would not only save these huge and burdensome local costs—so high as to prevent about two-thirds of the Nation's counties from participating—but would also allow for a more orderly method of distributing the food through the stores, rather than on a once-a-month basis at some central depot. And the Federal Government, in utilizing the regular stores in this plan, could save many hundreds of thousands of dollars in packaging and processing and storing the commodities and shuttling these surplus foods around the country.

Primarily, however, we would get away from this grim spectacle of poor old people once a month being called to line up at a central depot for a great big package of dried and powdered food items for them to lug home however they can. A food stamp plan operating through the stores would permit them to obtain food items as needed, weekly or oftener, and in fresh rather than powdered form.

Mr. Speaker, the Washington Post editorial then adds:

> One other factor has been emphasized by Secretary Benson. The Commodity Credit Corporation, he says, is not a giant supermarket. More than 85 percent of its surpluses consist of corn, cotton, wheat, rice, peanuts, and tobacco. Since the CCC could distribute only surplus crops, obviously it could not provide a well-rounded diet. It is not clear how much actually would be gained by a food stamp plan to make the products of a few surplus commodities available in commercial stores.

NOT JUST STORABLE BASIC COMMODITIES

I interrupt the editorial at this point, Mr. Speaker, to say that here the Washington Post has apparently completely misunderstood the purpose of the food stamp proposal and the suggested mechanics of such a plan. The committee report on H.R. 1359, House Report No. 907, went into this whole question in great detail. I included relevant excerpts from the House committee report as part of my remarks in the CONGRESSIONAL RECORD of August 20, prior to House passage of the bill.

Let me acknowledge that Mr. Benson does not want a food stamp plan, or any other plan for expanding the present food distribution program. He has said he does not want it because it would involve some additional expenditures. But on this point quoted by the Post editorial, he cannot be speaking of the food stamp plan contained in H.R. 1359 and agreed to by the House last week as part of Public Law 480. For under my amendment, not only storable items in surplus but all agricultural commodities, including the perishables, in periodic surplus and eligible for removal by use of section 32 funds, could be included in the food distribution. Right now, this could include, in addition to the cornmeal, flour, rice, and powdered milk now being given out, and the butter and cheese previously donated, such items as poultry, fresh—rather than powdered—eggs, pork products, fresh—rather than powdered—milk, other dairy products, and any fresh vegetables in such temporary surplus as to depress the market. In other words, all of the items the Secretary can now legally donate to the school lunch program under section 32 or sell for foreign currencies under Public Law 480 could also be included in the food stamp plan.

He has limited his use of section 32 funds almost entirely to foods which can be used in the school lunch program. The farmer complains about this, pointing out that section 32 has much broader powers than that Members of Congress from areas now partipating in the surplus food distribution program also complain, pointing out that section 32 funds can be and should be used to provide a greater variety of surplus foods for the needy. Under the food stamp plan, the market for these additional items of surplus foods would be ready made. The need is certainly there from the standpoint of both the farmer and the needy.

Mr. Speaker, the Post editorial states in conclusion:

> Probably the flow of these commodities into consumption by needy families ought to be stepped up. But there are substantial advantages in letting the States choose their own means of distributing help to their needy citizens. From the national point of view the important thing is making the food available—not a particular method of distribution.

In reply to that, Mr. Speaker, I might say that nearly all of the Senators who recently testified before the Senate Agriculture Committee on the surplus food disposal program in their areas made the point that adequate help is not getting to the people who need it most because of the deficiencies of the present distribution program. And they nearly all urged a food stamp plan be adopted.

WASHINGTON POST DEMONSTRATED GENUINE CONCERN

The Washington Post has been an active and effective proponent of feeding our hungry in this country out of the great abundance of our harvests, and I want to make clear that in making these comments on the editorial which appeared today I am in no sense implying any lack of sympathy by the Post for the people who would benefit from a food stamp plan. The newspaper has proved its humanitarianism in many, many ways.

But I know the Post likes to present its case accurately, and in this instance I think it made a mistake in taking as its text for the editorial the casual and inaccurate statements of a Secretary of Agriculture who sees in this surplus food only a big storage and budgetary headache, not the blessing it could be in meeting poverty and want in our midst. His objections to the food stamp plan were fully reported to the House Agriculture Committee. All of these issues were brought up in the hearings.

The report of the House committee fully explains why the Secretary's objections were rejected. I recommend to anyone interested in knowing both the good and bad things about the present distribution program and the good and bad of the proposed food stamp plan that he read the report of the House Agriculture Committee on H.R. 1359, House Report No. 907.

There is one big fault with the food stamp bill as reported by the committee and as included as an amendment to Public Law 480. It is that it merely provides discretionary authority to the Secretary of Agriculture to initiate such a program. As I introduced the bill, it would have directed and required him to institute it.

Kennedy and Anfuso Honored by Morgenstern Foundation

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. ANFUSO. Mr. Speaker, Senator JOHN F. KENNEDY and I were honored today by the Morris Morgenstern Foundation of New York which presented to us, at a special ceremony in Senator KENNEDY's office, parchment replicas of the famous letter written by George Washington in 1790 to the Touro Synagogue in Newport, R.I. These awards were presented to us by Mr. Morris Morgenstern, the founder of the foundation bearing his name, for "their inspirational efforts in combatting bigotry."

Senator KENNEDY and I were privileged to be the first to receive this award, which will be presented annually by the foundation to national figures for their

efforts in combating bigotry and persecution. The award has as its text President Washington's statement in his letter of 1790 in which he assured the Jewish congregation of Newport that the United States will give "to bigotry no sanction, to persecution no assistance."

In the summer of the year 1790, after the troubled years of the American Revolution, the first President of the United States made a tour of the country. He came to the little seafaring town of Newport, R.I., in the part of the country colonized by the great champion of religious liberty, Roger Williams. The people of Newport turned out to greet President Washington.

Moses Seixas, sexton of the Hebrew congregation of Newport, who was a friend of Washington's, sent him a warm letter of welcome. Washington's reply to this letter of welcome, addressed to the Hebrew congregation of Newport, is today one of the Nation's most cherished historical documents. It is an eloquent expression of American freedom and religious harmony. In 1946 the Touro Synagogue in Newport, which is now about 200 years old, was dedicated as a national shrine.

The words "to bigotry no sanction" have played a vital role in the life of Morris Morgenstern, well-known millionaire financier, philanthropist, and realtor, who resides in Long Beach, N.Y.

Owner of the original letter by George Washington, in which this quote appears, Mr. Morgenstern is a firm believer that George Washington was the personification of the American ideal of freedom. As long as he can remember, he has been a crusader of the principles of tolerance expounded by our first President.

Through his efforts, the Washington letter has been seen by millions as part of the Freedom Train Exhibition and at universities in various parts of the country. It is now on display at the B'nai B'rith Building in Washington, D.C.

The 78-year-old president of Morris Morgenstern & Son is more anxious today to spread the word of George Washington than ever before.

Morris Morgenstern, as an individual, has probably financed more building than anyone else in the United States. But he is not happy being just a successful businessman. For years he has found time to help good causes and actively support various organizations, regardless of race or religion.

In 1949 he created the Morris Morgenstern Foundation, "to aid men and women of every creed, race, and ancestry to contribute their highest gifts to the development of our national culture."

Through his efforts, the Levittown Jewish Center was enabled to expand from its original facilities accommodating a handful of children to a synagogue of prime status in Long Island.

He was also drafted by the directors of the West Side Branch of the YMCA to be chairman of a committee to raise funds to provide decent recreational facities for the boys living in Hell's Kitchen.

Judge Albert Conway brought to Mr. Morgenstern's attention the fact that although children of other faiths were provided with houses of worship at the Ten Mile River Boys Scout Camp, the Jewish boys were not so provided. Mr. Morgenstern made the necessary funds available for construction of what is now known as the Synagogue in the Pines.

The list of agencies which he helps is endless. They include the Brooklyn Hebrew Home and Hospital for the Aged; the Infants Home of Brooklyn; the Cathedral Club; Yeshiva University; Cardinal Spellman's Foundling Home, among others.

Born in Russia, Morris was brought to the United States at the age of 4. Because his family was poor, he had to give up school and start working. At 14, he borrowed some money and went into the business of manufacturing seltzer bottles. Eventually he began dabbling in real estate and founded the finance firm he now heads.

Mr. Morgenstern — known affectionately as "M.M" by his friends—has been the personal guest of Vice President NIXON. Dr. Jonas Salk, the conqueror of polio, recently hailed Mr. Morgenstern for his humanitarian work. He has received citations from Presidents Roosevelt, Truman and most recently Eisenhower, for his invaluable efforts in behalf of the sick, poor, and needy of all races and creeds.

The text of the George Washington letter follows:

To the Hebrew Congregation in Newport, R.I.

GENTLEMEN: While I receive, with much satisfaction, your address replete with expressions of affection and esteem, I rejoice in the opportunity of assuring you, that I shall always retain a grateful remembrance of the cordial welcome I experienced in my visit to Newport, from all classes of citizens.

The reflection on the days of difficulty and danger which are past is rendered the more sweet, from a consciousness that they are succeeded by days of uncommon prosperity and security. If we have wisdom to make the best use of the advantages with which we are now favored, we cannot fail, under the just administration of a good Government, to become a great and a happy people.

The citizens of the United States of America have a right to applaud themselves for having given to mankind examples of an enlarged and liberal policy, a policy worthy of imitation. All possess alike liberty of conscience and immunities of citizenship. It is now no more that toleration is spoken of, as if it was by the indulgence of one class of people that another enjoyed the exercise, of their inherent natural rights. For happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance requires only that they who live under its protection should demean themselves as good citizens, in giving it on all occasions their effectual support.

It would be inconsistent with the frankness of my character not to avow that I am pleased with your favorable opinion of my administration, and fervent wishes for my felicity. May the children of the stock of Abraham, who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while every one shall sit in safety under his own vine and figtree, and there shall be none to make him afraid. May the father of all mercies scatter light and not darkness in our paths, and make us all in our several vocations useful here, and in his own due time and way everlastingly happy.

G. WASHINGTON.

Distinguished Service to Agriculture Award to Senator Frank Carlson

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. CURTIS of Missouri. Mr. Speaker, at the 45th annual meeting of the Missouri Farmers Association at Columbia, Mo., on August 24, the Honorable FRANK CARLSON, Senator from Kansas, received the award for distinguished service to agriculture. Following is the citation used by the president, Fred V. Heinkel, in presenting the award:

Because of your genuine interest and leadership in the encouragement of farmer owned aud controlled cooperative associations and your sincere and demonstrated friendship for farmers; and because of your particular and thorough understanding of the difficult problems involved in the production and marketing of our great wheat crop, and your dedication to finding a solution to these problems, a solution which is of vital importance to the farmers of Missouri, Kansas, and the rest of the Midwest's great Wheat Belt, we feel that you have fully earned and deserve the highest honor and award the Missouri Farmers Association has to offer.

Therefore, the board of directors of the Missouri Farmers Association has voted unanimously to bestow upon you the MFA's award for distinguished service to agriculture.

FRED V. HEINKEL,
President.

Mr. Speaker, I am happy that the Missouri Farmers Association honored our distinguished colleague from our adjoining sister State. Hereafter follows the speech of the Honorable FRANK CARLSON delivered on this auspicious occasion:

SPEECH BY SENATOR FRANK CARLSON, ANNUAL MEETING, MISSOURI FARMERS ASSOCIATION, INC., COLUMBIA, MO., AUGUST 24, 1959

It is an honor and a privilege for me to appear on your program today. We folks in Kansas have always had a great respect for the farmer in Missouri and especially for your active, hard hitting Missouri Farmers Association.

After accepting your kind invitation to speak here today, I spent some time thinking about a wide range of topics which I would have liked to discuss with you. As you probably know, a Senator becomes involved in so many activities today that he has difficulty in keeping up to date in any one field. After considering several alternatives, I decided to try to organize my thoughts and observations regarding the current impasse which has developed in the farm policy field.

I ask, What, if any, progress has been made in national farm policy in the past 30 years?

I ask, Why do we find it so difficult to reach a common agreement on desirable revisions in farm price support legislation?

And finally, I ask, How and in what manner can we expect to make progress in improving farmers' bargaining power in months and years immediately ahead?

These are the questions that interest me, and I believe they are questions in which you are interested.

When I consider the first question, "What, if any, progress has been made in national farm policy?" it occurred to me that it was just 30 years ago that we first made the

stabilization of farm prices a national policy objective. The Agricultural Marketing Act, the first national legislation having as its objective the stabilization of farm prices, was passed in 1929 with the active support of President Hoover.

Those of you who have as many gray hairs as I do will remember that the Agricultural Marketing Act created a Federal Farm Board with a price stabilization fund of $500 million and a charter to assist in the development of regional and national marketing cooperatives. The Board hoped that, with the help of credit from the $500 million stabilization fund, these cooperatives would be able to stabilize market supplies and prices.

President Hoover, especially anxious that this new Board should succeed, prevailed upon Alexander Legge, the former president of the International Harvester Co., to become its first chairman. Soon after taking office Mr. Legge explained the purpose of the Board in a U.S. Chamber of Commerce meeting in these words:

"Nearly 10 years of discussion, controversy, and compromise led Congress, in its wisdom, to declare that permanent solution of the agricultural problem lies in collective action on the part of the farmers. It created the Farm Board to help producers organize for such action, both as to production and marketing of their crops, the purpose being to enable them to put their industry on economic parity with other industries."

Apparently the chamber of commerce opposed farm price stabilization 30 years ago, just as it does today, for later in the same speech Mr. Legge said:

"Is there any reason why those who have prospered and grown apace through governmental aid and assistance to various industries should object to the farmer getting his?

"You fellows, better organized, got yours while the farmer, unorganized, failed to get anything.

"The farmers have little or nothing to say about what their product brings. Costs of production can be passed along to the buyer by nearly everyone but the farmer. Unorganized, he has to take for his product what the other fellow is willing to give him."

No one knows how successful these first efforts at farm price stabilization would have been under normal peacetime conditions. We know, of course, that they were unable to stem the tide of economic recession which set in in the fall of 1929.

We usually think of the Federal Farm Board as having failed in its price stabilization efforts. But it was this first Farm Board experience which convinced Mr. Legge and other farm leaders that production and marketing controls were essential for the success of farm price stabilization policies.

Mr. Legge, with his background of manufacturing experience, was a vigorous advocate of balancing supplies with available markets. After several years of service, in his letter of resignation to President Hoover, he included this significant sentence:

"While there are still a few of the agricultural leaders who lower their voices when they speak of production control, yet practically all of them have accepted the principle as essential."

The production control programs of the Agricultural Adjustment Administration in the 1930's were a direct outgrowth of the Farm Board's experience. The Secretary of Agriculture in 1933 also inaugurated price-support loans direct to producers. In the fall of 1933 producers of cotton and corn who had kept production in line with their allotments were offered loans on their crops at above-market values. This was the beginning of direct price-support programs as we know them today.

The price-support features of the farm program increased in popularity throughout the 1930's. It became increasingly difficult, however, to hold production in line with the volume that could be marketed at the support price levels with continued large unemployment rolls. Just as a matter of interest I looked up the records and found that the loans and inventories of the Commodity Credit Corporation increased from $279 million in 1938 to $1.7 billion at the end of 1942.

I often wonder how our farm price policy would have met this problem of growing stocks in the prewar years if high levels of employment could have been achieved and World War II could have been avoided.

World War II generated economic forces, just the opposite of those prevailing in the 1930's, and gave us an opportunity to try out Government price supports as economic incentives for increased production. The experience of the war period was not particularly revealing, however, for market prices remained well above support price levels most of the time.

Production goals replaced quotas and, to increase production, farmers were given all possible incentives feasible in view of wartime conditions. They responded with such vigor that per capita food consumption (in part associated with fuller employment) increased 6 percent. In addition, large quantities of food were supplied to the Armed Forces and to our allies.

Senator AIKEN, of Vermont, recently said: "In fact, the increase in agricultural production in America was largely responsible for winning the war, and was a feat which was exceeded only by the men in the fighting forces themselves

"After the war the productive power of American farms was instrumental in putting countries of Western Europe and other parts of the world back on their feet.

"This had hardly been accomplished when the Korean war broke out; and there was increased demand for certain commodities, particularly wheat.

"Again the American farmer responded."

The 6 years following the Korean war have given us a different kind of experience. It has been a frustrating experience for farm leaders, farm program administrators, and farm-minded legislators.

During the last 6 years net farm income has been almost $20 billion less than in the previous 6 years.

Farm prices are now 17 percent lower than 6 years ago and the trend is still downward in spite of the general business boom in progress.

Farm production in 1958 was 15 percent higher than the new record levels achieved in 1952–53, and total producton in 1959 may equal or exceed 1958.

We have bartered, sold for local currencies, and given away at home and abroad $8 billion of farm products.

Government loans and inventories of farm products have increased to almost $9 billion and further increases are expected under present legislation as currently administered.

Net budget expenditures of the Department of Agriculture in the past 6 years have reached $28 billion.

Prof. Dale Hathaway of Michigan State University, who spent 1956 on the staff of the Council of Economic Advisers, made a widely accepted appraisal of recent U.S. farm policy in the May issue of the Journal of Farm Economics. The key points in this appraisal are as follows:

1. The program probably has maintained farm income (both in the aggregate and per capita) at levels higher than would have existed in the absence of a program. (Other reputable economists estimate that net farm income would have been one-fourth or more lower without supports in recent years.)

2. The program that has operated has not seriously impeded agricultural adjustment, especially the adjustment of the agricultural labor force.

3. Aggregate agricultural efficiency probably has not been impaired by the program.

* * * * *

5. Despite the conclusion that our recent program has not been a major contribution to the present difficulties in agriculture, neither has it contributed positively to a solution of the problem.

It (the program) has failed, despite massive expenditures, to bring a solution to the U.S. farm problem.

To Professor Hathaway's appraisal I should like to add the following too often overlooked facts:

Over the past 30 years, with farm price supports in operation most of the time, the cost of food in terms of workers' earnings has dropped sharply. A weekly market basket of food for a family of three which cost 25 percent of the worker's average weekly earnings in 1958 would have cost 48 percent of a worker's weekly earnings 30 years earlier.

Food costs less in the United States in terms of workers' wages than anywhere else in the world. Although Government costs of farm price support programs are higher than they should be, they equal only 5 percent of the money spent for food at retail. If the pro rata share of farm program costs had been added to the cost of food, workers in 1958 would have spent only 26 percent of their weekly earnings for a market basket of food as compared with 35 percent for the same food 10 years earlier, and 41 percent 20 years earlier.

Throughout the last two decades, output per hour of farm labor has increased at a rate equal to two to three times that of the nonfarm worker. Largely because of this rapid increase in efficiency, people have left the farms in record numbers in the past 20 years. Yet workers in agriculture, mostly independent farm operators, receive less than half as much for their labor as nonfarm workers. The economic benefits of this increase in efficiency have largely been passed on to the processors and consumers.

When I reflected on the second question, "Why do we find it so difficult to reach a common agreement on desirable revisions in farm price support legislation?" I found it especially challenging. Actually, in the past 6 years I have given a good deal of thought to this question. And I have changed my views somewhat over the period.

In the past several months it has seemed to me that the single most important factor has been the wide difference in views as to the economic facts relating to agriculture. I am told that for the country as a whole, perhaps a third of the farmers believe farm income will drop sharply if effective supply management programs are not adopted soon; an equal number of farmers just as sincerely believe that farm income will be maintained at present levels or will be increased by lower price supports and the removal of production restrictions; and the other third of the farmers are undecided as between these two points of view.

The proportion of farmers holding each of these views differs in the different farming areas. A large majority of the tobacco, cotton, and wheat producers apparently believe in the need for production controls while only a minority of the corn and livestock producers appear ready to accept production controls or believe them to be feasible for their products. There also is a wide diversity of views with respect to the effectiveness of acreage controls and of market prices as incentives in adjusting supplies to available markets.

In my opinion if we could more nearly agree on the relevant economic facts we

could rather quickly agree on desirable changes in farm price support legislation. All of us would prefer more, rather than less, individual freedom in our farming operations. All of us would prefer to do away with price support programs and production controls if farm prices and farm income would not fall to disastrously low levels.

I am not an economist and it is not my purpose to attempt a review of all the important facts relating to farm price support programs. There are, however, three misconceptions which I would like to clear up. First, the evidence does not support the often made assertions that control programs have been ineffective and that farm price support programs have stimulated greater production.

Official statistics compiled by the Department of Agriculture show that in the last 5 years production of the basic crops has been held 21 percent lower than the nonbasics, using 1952–53 (the last 2 years before acreage controls and marketing quotas were invoked) as the base period. The production of the basic crops, feed grains other than corn and soybeans (crops increased most by diversions from the allotment crops) in the last 5 years has averaged 2 percent lower in relation to the 1952–53 base than all other (non-price-supported) crops. Obviously production controls have not been as effective as they should have been but they have held production in check, as compared with that of the non-price-supported crops.

Second, the economic facts do not support the propaganda to the effect that the producers of the non-price-supported products, especially livestock, have demonstrated the superiority of free market policies in recent years. In the 6 years 1953–58, on a net basis 94.5 million tons of feed grains and wheat were removed from commercial market channels by surplus disposal and Government storage programs.

Had these additional feed grains and wheat remained in commercial market channels, their outlet would have been livestock feeding. Livestock feed grains supplies would have been 14 percent larger for the entire 6-year period. In the absence of price-support programs on feed grains and wheat, total livestock feeding would have been about 14 percent larger, thus increasing supplies and lowering prices of livestock products generally.

Hogs which would have utilized about half of the increased feed supplies would have been sent to market in about 16 percent larger numbers. An increase in marketings of this magnitude, on the basis of recent Department of Agriculture analyses, would have lowered hog prices one-third or more below what they actually were.

While we are discussing farm surpluses and the effect they have had on farm prices generally, I want to discuss briefly our crop surplus problem in Kansas. Wheat is the basic crop and the farmers are very much concerned and embittered about the continuous reminder to the public about the cost to the taxpayers for the storage of wheat and cost of the program. Wheat is the political football—the whipping boy for those who do not know the farm problem.

Admittedly, we have a surplus of some 120,917,000 bushels of wheat stocks in all storage positions as of August 7. On August 7 corn stocks in the United States were 1,033,431,000 bushels and this figure will go up about 340 million bushels in the next 2 or 3 weeks, or to a total of 1,373 million bushels.

With the present anticipated corn yield this year, corn could also be a great burden in our farm surplus problem.

Stocks of oats on August 7 were 36,495,000 bushels—grain sorghums 269,912,000 bushels.

I mention these figures because the wheat farmers of this Nation have been receiving the brunt of criticism for surplus crops that are not limited just to wheat.

The third misconception relates to the potentialities of market expansion as a solution for the current imbalance between supplies and market outlets.

The evidence does not support the optimism often expressed regarding the widening of markets which will occur with lower prices. Although I have always supported programs for market expansion I believe we should be realistic in our expectations.

In spite of the greatly increased promotional efforts in recent years, 9 percent more American consumers, with 10 percent higher real incomes in 1957, bought 11 percent more food, including more higher cost meats and fewer cereals and potatoes than in 1952. Yet farmers received $600 million less for this food in 1957 than for the smaller quantity taken 5 years earlier.

Prof. Murray Benedict of the University of California, a long-time student of national farm policies, says: "* * * so far as food is concerned, once a nation is as well fed as ours now is, demand can grow only about as fast as population grows."

Official reports show that in the 4½ years of surplus disposal operations ending December 31, 1958, we removed a total of $10.7 billion of farm products from commercial markets by disposal and net storage programs. These disposal and storage programs provided an outlet for $2.4 billion of farm products a year. Had these extra products moved through commercial markets, they would have caused a sharp decline in prices. The most recent studies available indicate annual farm income would have dropped by at least twice this amount.

In my opinion far too small a part of our expanded research programs in recent years has been devoted to an objective study of farm price-support program results.

There has been far too much propaganda based on misconceptions of agriculture's basic economic problems. There has been far too little comprehension of the economic significance of the output—increasing effects of rapid technological change in food production at a time when the peoples of the industrialized Western World already are well fed. There has been far too little understanding of the economic effects on farmers of the market pricing policies of big business and big labor.

I believe that if we could get widespread common understanding of the economic facts and relationships in these fields it would not be difficult to reach agreement on desirable revisions in price support legislation.

This brings us to a consideration of the third question, "How and in what manner can we expect to make progress in the near future in improving farmers' bargaining power?" I hope you won't be disappointed if I fumble this one a little.

Although I am vitally interested in farm problems I am not a member of the Senate Committee on Agriculture and Forestry. Consequently, I have not become involved in the cross currents of conflicting recommendations which almost overwhelm the members of the Committee on Agriculture.

As I see it, however, producers of the basic crops—with the exception of corn—have a tolerable satisfactory history of price stabilization and supply management through marketing quotas. Producers of the more important perishable crops appear to have learned how to use marketing agreements and marketing orders effectively in stabilizing their market supplies and prices.

Dairymen have been able to stabilize their prices with the help of Federal milk-marketing orders, where the milk goes into fluid use and price-supporting Government purchases as necessary for manufactured dairy products.

While it is difficult to discover any clear trends in recent farm-policy developments, it appears to me that these groups are likely to maintain and improve on such price-stabilization measures as they now have. As technological progress continues to expand the productive capacity of the agricultural plant faster than markets expand, the producers of these other products may be more or less successful in balancing their supplies with market outlets available at stable prices and in diverting their unused resources into feed grain and livestock production.

For the farm economy as a whole we are now producing 6 to 9 percent more products than can be sold in commercial markets at stable prices. Most of this excess capacity is likely to be diverted into feed and livestock production. Since feed grains and livestock products now make up two-thirds of total farm marketings, an expansion of some 8 to 12 percent in feed grains and livestock would be necessary to absorb current excess productive capacity in agriculture.

In addition, stocks of both feed grains and wheat are excessive. Even though exports are expanded as much as possible through continued Public Law 480 programs, it is probable that a part of these excess stocks can only be liquidated by feeding them domestically to livestock.

Every effort must be made to expand our export of farm commodities. The export of these farm commodities means not only dollars for farmers, but it has been, and will continue to be, an important part of a program of bringing closer relationships with countries that do not have an abundant food supply. Food for peace must be more than just a slogan; it can and must be a reality.

Recently the Senate Foreign Relations Committee, of which I am a member, reported to the Senate a bill, S. 1771, which is known as the International Food for Peace Act of 1959. I am a cosponsor of that bill.

From a humanitarian standpoint, I know of nothing we can do as a Nation that will win friends faster and more permanently than getting food and fiber into the hands of the needy.

The distribution of this food to underdeveloped countries where there are millions of needy and undernourished people is more than a commodity-disposal operation; it has important psychological value. In my opinion, it is one of the most effective forms of foreign aid.

Although attention was centered on wheat in this session of Congress, CCC loans and inventories of feed grains already are 10 percent larger than the loans and inventories of wheat. It seems almost certain that by this time next year CCC investments in feed grains relative to wheat will be even larger than at present. Hog prices will be distressingly low, poultry and egg prices will be less than fully satisfactory, and cattle prices will be starting their cyclical decline as marketings increase.

If there is anything to the old saying that necessity is the mother of invention, I am inclined to believe that in the next year or two increasing Government stocks of feed grains and declining livestock prices will force Midwest farmers to agree upon some program for improving their bargaining power.

Undoubtedly, it will have to include placing a part of our cropland in a conservation reserve. The central issue that should receive a great deal more study and discussion is whether or not more direct market supply management programs will be needed to make a conservation reserve program reasonably effective for feed grains and livestock products.

This has been a rather long statement, but the agricultural problem today is a complex and badly misunderstood problem. We and

the public have been confused by the substitution of cheerful and hopeful statements for vital economic facts.

It is my hope that the leaders of our farm organizations, the farmers themselves, and our citizens generally will take a realistic view, with the hope that we may work out a solution which will maintain price stabilization and give the American farmer his fair share of our national income.

Home Rule for the District of Columbia

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 26, 1959

Mr. MULTER. Mr. Speaker, on July 28, 1959, I testified before the House District Committee in support of my bill, H.R. 4630. My testimony was as follows:

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, JULY 28, 1959

Mr. MULTER. For the record, I am ABRAHAM J. MULTER, Representative from the 13th District of New York.

Mr. Chairman and distinguished members of the committee, I appreciate the opportunity to appear here this morning in support of home rule for the District of Columbia.

At the outset may I say that I understand and respect the views of other Members of Congress who oppose home rule for the District. At the same time I very vigorously and sincerely disagree with them.

It is my opinion that not only should the hearings go forward expeditiously, but that a bill should then be reported to the House so that the House may work its will as to whether or not the District should have home rule and if so the form that that home rule should take.

Mr. MCMILLAN. Will the gentleman yield for a question at that point?

Mr. MULTER. Surely.

Mr. MCMILLAN. I take it you do not favor the discharge rule before the Rules Committee that would not permit the House to work its will?

Mr. MULTER. I do not know as of this moment of a discharge petition, if that is what you are referring to.

Mr. MCMILLAN. I am referring to the discharge rule that provides for a 1-hour debate on the home rule bills.

Mr. MULTER. I do not think a discharge petition has been filed yet but, most respectfully, I hope it will be filed and I hope to be one of the first to sign the petition, and I hope in short order the petition will be signed and the legislation will be brought before the House.

Mr. MCMILLAN. Perhaps I misunderstood you. I understood you to say you wanted the House to work its will, and the House cannot work its will on this legislation in the period of 1 hour.

Mr. MULTER. I understand your statement, but I do not agree with it and cannot subscribe to it.

[Applause.]

Mr. DAVIS. Mr. Officer, if anyone attempts any applause or any other demonstration in the room, I want you to see who it is and promptly remove him.

The OFFICER. Yes, sir.

Mr. DAVIS. Proceed, please, Mr. MULTER.

Mr. MULTER. Addressing myself further for the moment to Chairman MCMILLAN's remarks, it is my firm opinion that the House can work its will on any bill that is brought before it, whether it comes before it through the committee procedure of being reported by a committee and then by a rule, or without either report from the committee or a rule. And when a discharge petition is filed and it is signed by the necessary number constituting a majority of the House, that is the will of the House that the House shall determine whether they shall pass on the legislation. That is the first question the discharge petition puts before the House. The House can then decide it will not consider the matter, or, on the other hand, if the majority says it will consider the matter, the House proceeds to determine what it will do with the bill and perfect the bill if that is the will of the majority. It is my considered opinion that it is and that the majority will so express itself in favor of home rule for the District and will bring forth a bill that will give to the District a modicum of home rule, probably not as much as I would like to see, and probably not as much as other Members would like to see, but, at the expense of referring to the cliche that maybe this is just a foot in the door, I for one am willing that we get that foot in the door or that toe in the door and move forward from that. If we get some kind of home rule for the District this year, after we have had some experience under it I hope we can perfect it and give to the District more and more home rule.

I have before me the letter from our distinguished chairman, the gentleman from South Carolina, Mr. MCMILLAN, dated July 27, which was addressed to me and I believe to all the authors of other home rule bills, in which he states that among other things he will request the chairman of the subcommittee to insist on all authors of bills making an oral statement so that we will be able to get all the information possible on this subject.

Mr. MCMILLAN. That is correct. That letter was sent to the author of every bill because this is an important question and I think every member who thinks enough of this question to introduce a bill should come in and explain how he can get by the Constitution. You are a good lawyer, and we want you to tell us how you can get by article I, section 8, of the Constitution.

Mr. MULTER. I will get to that in a moment, sir.

I would first like to say that this is rather an unusual request. The chairman himself, Mr. MCMILLAN, has been the first to violate it by having the chairman of the subcommittee read his own statement, and I respectfully suggest that other members who desire to file a written statement be permitted to do so and to file it just as though he had made it orally.

Mr. MCMILLAN. Of course, everybody may submit a statement, we will be glad to have it, but we feel any man who introduces a bill should be willing to come in and explain it. I did not introduce a bill.

Mr. MULTER. I understand. I do trust the committee will take the view that when 26 Members of the House introduce an identical bill, if one or more come in here and explain the bill and they explain in writing or otherwise that they support that bill, that would be a sufficient record.

I do not pretend to know all about home rule or all about all the bills that have been submitted, but I think it is high time, after the other body has five times in the last 10 years passed a bill for home rule for the District, it is high time this committee report a bill to the House so that the House can decide by vote if it wants home rule for the District and to what extent.

Mr. MCMILLAN. Will the gentleman yield?

Mr. DAVIS. Mr. MCMILLAN.

Mr. MCMILLAN. I do not know whether you were here when we had the bill before the House and the House spent 2 whole days on home rule?

Mr. MULTER. I recall it, sir.

Mr. MCMILLAN. And the bill was not passed.

Mr. MULTER. I recall it, sir.

Mr. MCMILLAN. According to the radio and television and the newspapers it would appear we have never had one before the House.

Mr. MULTER. It has been 10 years since we had one, and I think it is time the House decide whether the people of the District are entitled to the right of representation as well as the burden of taxation. One goes with the other, and without both we do not have the democratic form of government—with a small "d"—that we brag about to the free world and that we like to talk about during campaign time, and that goes whether we believe in States' rights or a central government. That is unimportant. Certainly all should agree that everybody has a right to vote and elect their representatives and their representatives should have a right to participate by voting on every piece of legislation passed or considered which affects their lives and their property and their rights.

I have introduced two bills. One bill, H.R. 4630, is the bill which is preferred by the administration. While I have disagreed vigorously from time to time with the administration on many problems—and probably will again many times before this administration leaves office—this is one time I am willing to go along with them again with the idea in mind that this is half a loaf and this half loaf is better than no loaf.

I will not take the time to discuss each of the sections in that bill. I did place a detailed analysis of the bill in the CONGRESSIONAL RECORD during the course of a special order I had on February 17. It appears at page 2312 of the RECORD and subsequent pages up to and including page 2317.

The other bill which I introduced, H.R. 8081, is the so-called Morse bill, and it is quite like the one which the Senate has now passed and sent to this body. I will not take the time to analyze that bill either.

The first bill calls for elected local legislators and an appointed Governor.

The second bill calls for an elected mayor and city council and so forth.

Both bills present the primary issue—

Mr. DAVIS. Will you designate them by number?

Mr. MULTER. Yes, sir. The first bill is H.R. 4630 and the second bill is H.R. 8081.

Both bills present the first and primary issue the Congress must determine, and that is, Shall there be home rule?

Mr. DAVIS. I shall have to ask you to suspend until we can have the noise stopped outside.

(Brief suspension of the hearing.)

Mr. DAVIS. Some of the people who attended the hearing this morning seem to be determined to make this the same kind of situation which prevailed in Havana last week. If we just had the beards and machetes we would have a pretty good duplication of it out in the hall this morning and we apparently would be ready to begin the distribution of land and other property.

We will proceed in an orderly way, and I think you can proceed now, Mr. MULTER.

Mr. MULTER. Mr. Chairman, I think before we go much further I ought to direct the attention of the committee to one of the primary rights of citizens of our country. It starts with the Declaration of Independence and it is written into our Constitution with such bold letters and big type that none can misunderstand it, and none should ever forget it, and that is the inherent right of citizens of our country to assemble publicly and to peaceably petition their legislators and their Congress, and that is what these people are trying to do who are

in this room and out in the hall, and if there is any disorder the committee must bear the responsibility for it by not providing adequate room for these people to come in and quietly attend the hearing and hear what is being said.

Mr. DAVIS. Will you yield at that point?

Mr. MULTER. As soon as I finish this point.

I submit this hearing should be adjourned to a larger room, if one is available, which I am sure it is, so that we can all, citizens outside, and citizens inside, listen quietly and orderly and give them the orderly hearing I am sure they all want.

I yield, sir.

Mr. DAVIS. Mr. MULTER, as I stated in answer to a question by our colleague, Mr. WIER, a moment ago, we have been able to hear all the legislation that we have had hearings on in this room. We are able to hold these hearings here now and will hold them here in an orderly fashion and will hear everyone who desires to be heard on this legislation.

This is a staged demonstration, as you well know and as all of us well know, and its purpose is not to present any facts to the committee but to bring pressure on it. I do not think it will succeed.

We will be glad to hear you and we will be glad to hear every other interested person.

You may proceed.

Mr. MULTER. Mr. Chairman and my distinguished colleagues on the committee, although I did not participate in the preparation for this demonstration or in the march on the Hill, I approve of it and I remind you gentlemen that the Boston Tea Party also was a staged demonstration, a demonstration against the King and his tyrannical use of his powers. It did not have its effect. It resulted in a war, a revolution, and the birth of this country.

I am sure that no such demonstration will ever again result in war in this country to attain for the people the privileges and rights that are guaranteed to them by the Constitution, and I am sure the Congress will eventually give them all the rights they are guaranteed by our Constitution, including the right to elect a voting Representative to the House of Representatives and to elect their own local officials.

With respect to the specific question that was tendered by Mr. MCMILLAN of whether or not home rule legislation would be constitutional, may I suggest that in the same article I, section 8, the Congress is given the power to coin money and regulate the value thereof, yet no one denies that the National Bank Act and the Federal Reserve Act are constitutional. They have been tested and found constitutional and I have not heard anybody in recent days argue against the constitutionality of the National Bank Act and the Federal Reserve Act. Both acts take from the Congress, by the Congress's own legislation, and give to the Comptroller of the Currency and to national banks and to Federal Reserve banks the right to do that which is reserved to the Congress in this same article, this same section, with reference to money.

How much more important is it that we give personal rights—the right to vote, the right of representation—to these people by legislative enactment. We do it every time we create a State. I know the answer will be, "But look at the particular language of section 8, clause 17." I do look at it, but I do not overlook when I get to the same article, same section, clause 18, the same Constitution says, "The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

I think that is the complete answer to any argument that may be urged that home rule legislation would be unconstitutional.

Mr. MCMILLAN. While you are on that subject, were you in Congress when we had the last hearings on this subject?

Mr. MULTER. I came here in 1947, Mr. Chairman.

Mr. MCMILAN. You were not a member of this committee at that time?

Mr. MULTER. No, sir; I was not.

Mr. MCMILLAN. We had a statement from the late John W. Davis, who I am sure you will agree was one of the greatest constitutional lawyers in the United States.

Mr. MULTER. One of the greatest.

Mr. MCMILLAN. He sent down a statement to the committee stating we did not have the right as Members of Congress to delegate our authority in this respect.

Mr. MULTER. I respect the opinion of the late John W. Davis as a great constitutional lawyer. I disagreed with him in this instance, as I have in other instances. Without going into the details, I recall distinctly one case that went to the Supreme Court in which we were on opposite sides. The Supreme Court unanimously agreed with me. And I hope if the home rule bill goes before the Supreme Court it will again agree with me. I think the arguments for constitutionality of the home rule bill are of much greater weight and have more validity than the respected and respectable opinion of the late John W. Davis.

Mr. BROYHILL. Will the gentleman yield?

Mr. MULTER. Yes.

Mr. BROYHILL. We appreciate your stating your views. However, it seems our Founding Fathers went to great lengths to make sure Congress would exercise authority over the District of Columbia, because they added some words to emphasize that language that would otherwise be superfluous. They said Congress shall have power to exercise exclusive legislation in all cases whatsoever. The language without the words "exclusive" and "whatsoever" would still make sense, but they added the words "exclusive" legislation in all cases "whatsoever." It seems to me their intent was to exercise the authority of Congress over the city.

There is and has been for several years a resolution pending before the House Committee on the Judiciary to grant to the citizens of the District of Columbia who are American citizens the right to vote for President and Vice President.

To my knowledge no consideration has been given by the Judiciary Committee to that legislation. I have not heard of any Member of Congress who objected to that proposal to give the citizens of the District of Columbia the right to vote for President and Vice President, but there does not seem to be the same desire to give them that right—which seems to me to be more important than to give them the limited authority involved here. And it will be limited because whatever bill is passed there will be the question of how much voice the local people would have, but in voting for President and Vice President there would be no question about it, and I am certain the House would pass an amendment to give these citizens of the District of Columbia the right to vote for President and Vice President, and it would go through.

I am wondering why the people interested in this legislation do not start a discharge petition to discharge the Judiciary Committee and bring that bill before the House?

What do you say about that?

Mr. MULTER. I say let us not pass the buck.

Mr. BROYHILL. I am not passing the buck.

Mr. MULTER. I am willing to join with you tomorrow in filing a petition to discharge the Judiciary Committee from further consideration of the bill to pass a constitutional amendment to give the citizens of the District of Columbia a right to vote for President and Vice President.

Mr. BROYHILL. Do you not think that is a more important bill?

Mr. MULTER. I think it is a very important bill and I am willing to join in filing a petition to discharge the Judiciary Committee, but I think we should leave no stone unturned to give them both bills.

Mr. BROYHILL. You would eliminate the constitutional question by a constitutional amendment to give them that right.

Mr. MULTER. I do not think you need a constitutional amendment. I agree the weight of authority is with you in saying there is need for a constitutional amendment, but I would risk passing a law and giving the right to them and I would risk what would happen in the U.S. Supreme Court as to whether that bill is constitutional or not.

Mr. BROYHILL. I will not argue with you on that.

Mr. MULTER. I say let us do the two things. Let us do the three things. Let us pass the constitutional amendment, too. By the time the constitutional amendment is adopted I think the Supreme Court would have passed on the constitutionality of the legislation. I am willing to vote for the constitutional amendment because it is one sure method to give them the right to vote, but I would not forgo the right of Congress to give it to them without a constitutional amendment.

Mr. BROYHILL. I am merely suggesting that we eliminate the ambiguity. I do not think that would be difficult if the Judiciary Committee would hold hearings on the legislation before it.

Mr. MULTER. But this is before us now.

Mr. DAVIS. Mr. MULTER, would you prefer to finish your statement and then answer questions?

Mr. MULTER. No; I think it is much better that the questions be asked and the answers given as the questions arise.

Mr. MATTHEWS. Mr. MULTER, will you yield?

Mr. MULTER. Surely.

Mr. MATTHEWS. I want to express my sincere regard for our colleague, who is a very distinguished member of our committee and who is always loyal to his interests.

I think I heard you say you would be in favor of giving the District a voting Representative in Congress, and if I heard you correctly, is it your idea that the next step probably that would be undertaken would be to make the District a State with two or more U.S. Congressmen and two or more U.S. Senators, and if that is granted I wonder what you think about giving them voting Representatives in the Senate, too?

This is a great concern that I have. We hear so much about taxation without representation. If we grant some kind of home rule would the next step be, "We are still being taxed without representation," and what would be the position of the great city of New York and the State of New York and down the line? That is the question that puzzles me.

Mr. MULTER. It gives me no trouble, BILLY, and may I take a moment to say I appreciate the compliment you pay me. It gives me no trouble because I so frequently refer to the history of the city of New York and State of New York and what happened to my town or city of New York. We did not always have home rule there. We do not have complete home rule yet but we have more than many cities. We had to fight for it all the way and today we have more than many other cities.

It does not bother me that you have a bill—I do not think it is on the list but I think our distinguished colleague from Texas, Mr. TEAGUE, has introduced a bill that is known as a nonsovereign State bill.

Mr. DAVIS. Do you have the number of that bill?

Mr. MULTER. No, I do not, but the newspapers referred to it. I do not know the

number of it but that bill, I think, calls for a voting Member of the House of Representatives and two voting Members of the U.S. Senate.

I do not go for half representation. I say if a citizen is entitled to be represented he is entitled to full representation. If he is entitled to vote he is entitled to vote on everything that concerns him. But I am willing to take this step by step, and I think the first step is to give him some home rule. I do not know of any prohibition against home rule up to 75 years ago. No one tested its constitutionality. It was good at that time. Why could not home rule be good today?

I think the constitutional question is one that should be resolved by the Supreme Court if and when it is tested, but in the meantime I think we should move forward and give the taxpaying citizens of the District of Columbia of the United States of America the right to vote for their local officials and to govern themselves.

And that reminds me of this situation:

If what is said about home rule being unconstitutional is true, and if this language means precisely what it says, that the Congress reserves to itself all the legislative power concerning this District of Columbia, then indeed our Founding Fathers were very foolish and impractical, and I disbelieve that because if that is so everything that is done today by the Commissioners is illegal and unconstitutional. I have not heard anyone say that. Every time you give the Commissioners or the Public Utilities Commission the right to issue a rule or regulation, whether it involves health or sanitation or transportation, that is legislation and a legislative power, and if the Congress did not have the right to give that authority to the Commissioners or to the Public Utilities Commission or any other District Commission, then everything they have done is unconstitutional and everyone who violated an ordinance and paid a fine was fined illegally, and I do not think that is so.

This is my position on these bills and I hope very shortly you will go into executive session and bring forth a bill that can be acted on promptly.

Mr. DAVIS. We appreciate your statement.

I want to ask you some questions about some of the points you touched on.

Mr. MULTER. Surely.

Mr. DAVIS. I notice in House Resolution 320 that you are listed as one of the four Representatives which that resolution provides for recognition by the Speaker to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 4630, which is one of the bills you referred to in your statement.

Mr. MULTER. Yes, sir.

Mr. DAVIS. You are familiar with House Resolution 320?

Mr. MULTER. Yes, I am.

Mr. DAVIS. That resolution provides that all points of order against the bill are waived and it provides that general debate shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by you or whoever requested the rule for consideration of H.R. 4630, and a Member who is opposed to said bill to be designated by the Speaker.

The resolution further provides that no amendment shall be in order to the bill except those offered by direction of the Member requesting the rule, which could be you or one of the three other Members named in the resolution, and that amendments so offered may be offered to any part of the bill but shall not be subject to amendment.

That strikes me as being a very harsh and stringent gag rule.

This bill, H.R. 4630, is a bill which has 83 pages in it. This resolution also provides that it shall be considered as read when the debate has been ended.

What is the reason for all these various provisions?

Mr. MULTER. All the reasons I have ever heard urged since I have been a Member of the House in support of closed rules can and should be urged in support of that closed rule. It is no different from any other closed rule that has been reported by the Rules Committee and adopted by the House, and you know, I am sure, the House does not have to adopt this closed rule.

Mr. DAVIS. It expresses your attitude?

Mr. MULTER. That is right, because I think a bill of this kind ought to be considered just as we can consider bills out of the Ways and Means Committee dealing with billions of dollars under a closed rule without amendment when there is much disagreement. Surely we can consider a bill of this kind under the same rule and determine once and for all the issues it raises in this session of Congress and that is, whether or not home rule shall be given to the District and whether or not they shall at least have the right to experiment under home rule for a while.

Mr. DAVIS. How does the gentleman feel that restricting these debates to 1 hour will further the purpose of having home rule this session? Does not the gentleman know that 1 day's debate or 2 days' debate or any reasonable time would not jeopardize the passage of the bill if the House wants to pass it? I would like to know why you want to restrict it to 30 minutes to those in favor and 30 minutes to those opposed when you cannot begin to touch the various provisions in this 83-page bill in that length of time?

Mr. MULTER. May I be presumptuous enough to suggest that the reason for the limitation to 1 hour is that I do not think if you talked about this bill for 10 days a single vote would be changed.

Mr. DAVIS. Is that the gentleman's attitude about legislation generally?

Mr. MULTER. No; it is not.

Mr. DAVIS. Why does the gentleman say it about this bill?

Mr. MULTER. Because on this particular bill I think every Member of the House has made up his mind whether he is for or against home rule and will vote accordingly regardless of how much debate there is.

Mr. DAVIS. Would you say every Member of the House is familiar with the provisions of H.R. 4630?

Mr. MULTER. Just as he is not now, I would say after 20 days' debate every Member would not be familiar with every provision of the bill.

Mr. DAVIS. You do not think debate would inform him as to the provisions?

Mr. MULTER. Debate would inform those willing to stay on the floor during general debate.

Mr. DAVIS. The gentleman knows you have a right to get them on the floor and keep them there.

Mr. MULTER. You cannot if there are 100 on the floor, and that is less than one-fourth of the Members of the House.

Mr. DAVIS. I differ with the gentleman as to the necessity to explain the provisions of a bill.

Mr. MULTER. Before we leave the matter of limitation of debate, I have learned the hard way that all good legislation is the result of compromise, and I am willing to compromise if you and others who feel about it the way you do say 1 hour is not enough. I am willing to agree with you on how much time for debate there should be.

Mr. DAVIS. Let me get the gentleman's idea on how much time he thinks would be reasonable?

Mr. MULTER. I have said I do not think any amount of debating——

Mr. DAVIS. You are a member of the Banking and Currency Committee, are you not?

Mr. MULTER. Yes, sir; I am.

Mr. DAVIS. That committee reports out many bills and the Rules Committee has always allowed reasonable time for debate on bills out of that committee.

Mr. MULTER. That is right.

Mr. DAVIS. You have referred to tax bills. We all know the reason tax bills come before the House on a closed rule is that experience has demonstrated that is is almost impossible to pass a tax bill unless it comes up under a closed rule.

The gentleman referred to tax bills involving billions of dollars. Appropriation bills also involve billions of dollars and they come up under a closed rule.

Mr. MULTER. Sometimes they do.

Mr. DAVIS. Almost always, but you can offer an amendment any time you want to and get a hearing before the House, and House Members are not prevented from offering amendments and expressing themselves about such amendments as they may offer, and certainly the appropriation bills I do not think can be considered as of lesser importance than the subject matter of this legislation.

What do you say about that?

Mr. MULTER. I say this committee is in charge of that situation. Most of these bills have been before this committee since January. Most of them have been before Congress every session for the last 10 years. I am not accusing anyone of being dilatory, but I am suggesting the answer to any discharge petition is that the committee has had ample time to report out a bill and that the committee can be in control of the kind of rule you wanted brought forth. It is still within the power of this committee to control that.

Mr. DAVIS. Is it your attitude, then, that because the committee has not held hearings on these bills up to this time, to eliminate all the legislative processes and go ahead and adopt these stringent provisions provided for in this resolution which have already been outlined here and assume that this bill, H.R. 4630, is so perfect that no Member of the House other than the four named in House Resolution 320 would be capable of offering an amendment to it that would improve it?

Mr. MULTER. I am sure I can talk for the other three colleagues mentioned in that resolution. None of us claim to know it all, none of us is perfect, and none of us claim we can bring out a perfect bill.

Mr. DAVIS. Why have you restricted it so that the other 433 Members of the House would have no opportunity to offer an amendment or debate it?

Mr. MULTER. Because the discharge petition and the closed rule is as much a part of the legislative processes as the committee system.

Mr. DAVIS. Why have you restricted it further so that if one of these four Members does offer an amendment that no Member of the House will be permitted to amend that amendment?

Mr. MULTER. The same principle applies here regarding the offering of amendments to amendments as to other bills.

Frankly, none of us at this time foresee the necessity for amendments. However, during the course of the debate things may be suggested to improve the bill, and I am sure my colleagues sponsoring this bill will agree to any amendment that will improve the bill.

Mr. DAVIS. But you would not agree that any other Member who disagrees with the propriety of any provision in this bill could offer an amendment?

Mr. MULTER. Most respectively I say to you we had a choice, a hard choice. We could have an open rule and permit amendments until the end of the session of Congress—whether dilatory or otherwise is unimportant—but under an open rule it could go on

until adjournment. Or if it is a closed rule it must be a closed rule not in part but completely, otherwise those who want this legislation will see it talked to death.

I say that to you most respectfully.

Mr. DAVIS. Again I disagree with the gentleman most respectfully because I am convinced under the rules of the House there cannot be carried on any such dilatory tactics as the gentleman has referred to. I thoroughly disagree with the gentleman regarding the reason he gives for completely eliminating the voice of the House in passing on the provisions of the bill, which is what this gag rule would do.

Mr. MULTER. If the majority of the House disagrees with us the rule will never be adopted. If it agrees with us it will be adopted. That is the democratic way, again with a small "d".

Mr. DAVIS. I think the gentleman obviously wants to be democratic, but if there has ever been an autocratic gag rule presented to the House in the history of this country, this is it.

Mr. MULTER. I urged the same arguments when I was opposed to the gag rule on bills I did not like.

Mr. DAVIS. Did the gentleman change his opinion?

Mr. WILLIAMS. Mr. Chairman, I think it should be pointed out that there is a difference in the procedure followed by the Ways and Means Committee in seeking these closed rules and the very stringent procedure that is being followed here; that is, that this bill has never reached the stage of committee consideration.

The bills which come out of the Ways and Means Committee have received careful studious consideration by that committee and must be recommended by that committee before the Rules Committee will even give consideration to granting a rule. I think there is quite a difference in the procedure. This is a bill that has been arbitrarily selected and as a bill which the proponents seek to push through the House without giving the House an opportunity to work its will on the legislation.

There is quite a bit of difference in the procedure.

Mr. KEARNS. Mr. Chairman.

Mr. DAVIS. Mr. KEARNS.

Mr. KEARNS. Mr. Chairman, I would like to compliment my colleague. I think he is very honest and sincere in his conviction. There is also one thing very interesting about him. He always has a very great sense of humor.

Mr. MULTER. Thank you, sir.

Mr. KEARNS. Especially when he said he thought every Member of the House had their minds made up whether or not they would uphold home rule.

I would like the record to show at least some conscientious person living here in Washington did not think so because my telephone rang at 3:30 this morning and at 4:30 this morning asking me to vote for home rule.

I had illness in the family back home so I thought nothing of it and I answered the phone.

There is one conviction I have and I am very sure about it, that when George Washington stepped off this 10-mile square and said, "This shall be the seat of the Federal Government," he never anticipated, neither did we, that the bureaucracies of Government would get to the numbers they are and people would come here as they have, in droves. I share the thinking of my colleague from Virginia about their right to vote for President and Vice President, but in the years that I have had the privilege of serving here on the District Committee, I do not see possibly how the Federal Government can act, be effective in their designated duties being subjected to a municipally controlled government.

I mean it sincerely. Then, too, where are you going to get the money to pay for this? The first year you are going to be in the red. The second year more in the red, the third year more in the red, and coming to Congress every year for money. You do not have the taxable potential here to run as other municipalities do.

There are many things considered. My goodness. You talk about the resolution here. We should have as much debate and read the bill on a subject like this as we would on passing a labor bill here in the Congress. To ever think of getting this through, on that type of thing, my dear friend, I don't think it is fair to the people. I don't think it is fair to the Congress, and above all I don't think it is fair to our concept of our form of Government.

Thank you, Mr. Chairman.

Mr. MULTER. Mr. Chairman, may I thank Mr. KEARNS for the remarks he made about me and indicate to him that I feel as strongly as he does at the anoyance that was tendered to him. I think it was deliberate annoyance and if they did that to me as strongly as I feel about this bill, I might change my vote. That might change my vote faster than anything else. I think that kind of annoyance and nuisance just cannot be condoned. It is wrong.

With reference to the financial situation the gentleman referred to, may I there again call upon my personal knowledge of operations in the city of New York. We have the second biggest budget in the country. There is no budget bigger than that of the city of New York except that of the U.S. Government.

But we do not hesitate to come to the Congress, and our mayor comes down here regularly asking the Congress to help us out financially. And every other city does. Every State does, too. The District of Columbia will be no different then than it is now.

Mr. MCMILLAN. Has the city of New York had any assistance to help operate the city government from the Congress of the United States?

Mr. MULTER. If we take "government" in its all-inclusive term, which I am sure we must, and that is the entire operation of the city of New York, we get money for the city of New York for housing, without which we would have no public housing. That comes from the Congress.

Mr. MCMILLAN. I am talking about operating the city government. I want to get some, too, if you can get some in New York.

Mr. MULTER. Our mayor and our city council, elected by the people of the city of New York, our board of estimate, elected by the people of the city of New York, have their salaries and expenses paid out of the budget which is raised by taxation upon the citizens of the city of New York, those residing and working there.

That does not give us all the money we need with which to operate.

Mr. MCMILLAN. Since the gentleman is one of the leaders in this proposed legislation, I wonder if he could tell the committee who he would provide or give permission to vote here in the District of Columbia.

It seems that we have so many categories of people here as brought out in the last hearings who would not be permitted to vote in the District, I wondered who you would permit to vote.

Mr. MULTER. I would permit to vote in the District any person who has a bona fide legal residence in the District and has had it and maintained it at least 1 year prior to the election in which he participates.

Mr. MCMILLAN. That would exclude Government employees?

Mr. MULTER. Those Government employees are voting back home now. A Government employee comes down here from back home and lives in a house and he registers from the last place he voted. He takes a Government job and he can vote forever and a day from that residence even though the house is torn down.

It is still his bona fide residence according to the law.

Mr. MCMILLAN. There are 2,500 people working here on Capitol Hill. Would they be permitted to vote?

Mr. MULTER. If they give up their legal residence back in their home State and establish a bona fide residence here and maintain it at least 1 year prior to election, they should have a right to vote.

Every citizen of the United States should have the right to vote once in a general election but not in two different places, in one place only.

Mr. MCMILLAN. How about Navy personnel? Would they be permitted to vote here?

Mr. MULTER. They vote from their bona fide legal residence at home.

Mr. MCMILLAN. Who would vote in the District?

Mr. MULTER. They would not vote in the District unless they changed their legal residence.

Every man has that right. If I did it and moved out of the State I would lose my seat in Congress. That is not a right, but a privilege. If I want to give up that privilege by moving out of my home State, that is my business.

I can move anywhere within the State and still retain my right to vote within that State.

Mr. MCMILLAN. We all know that. The record should show who shall be eligible to vote in the District of Columbia should this bill become a law.

Mr. DAVIS. Can the gentleman tell us what percentage of the residents of the District of Columbia would be excluded from voting under his bill by reason of the fact that they maintain a legal voting residence in some other State?

Mr. MULTER. I have no such statistic, sir. I am sorry I cannot give it to you. I don't know if anbody has that statistic.

Mr. DAVIS. That would be quite a substantial number, would it not?

Mr. MULTER. I would not even try to guess, sir. I don't know. I have never seen any figure that attempted to give it to us. I do know that most Government employees have been moving out of the District and living in Maryland, nearby Maryland, nearby Virginia. But how many still live in the District, I have no idea.

Mr. DAVIS. The gentleman, I believe, stated in his initial statement that every person was entitled to have the right to vote for representatives.

Did I understand you correctly?

Mr. MULTER. I did say that although that is not in any of the bills that are before you.

Mr. DAVIS. Why, then, especially in view of your feeling, is that not included in H.R. 4630 and these other bills?

Mr. MULTER. We are trying to get as much support for a bill as possible. We tried to bring forth the least controversial bill and that is why the resolution, H. J. Res. 320, refers to H.R. 4630, which is the so-called administration bill. Frankly, I think if we took the other bill which was passed by the Senate the Republicans in the House would probably not support us. They will support the President's bill, the administration's recommendation and that is the bill which I put in under H.R. 4630. This is one instance where I think we need all the bipartisan support we can get. I am willing to compromise and give up the Morse bill for the administration bill for the Republican support.

Mr. DAVIS. I have read some of the provisions of H.R. 4630, not all of them as yet, although I intend to, but I notice that this bill provides for a Governor and a Secretary.

I notice also that although the gentleman has expressed himself very sincerely and earnestly as being in favor of giving the people of the District the right to vote and self government that this bill does not give them the right to vote for the Governor and the Secretary the highest two offices in the bill.

It provides that those officers shall be appointed by the President and also provides that they can be removed by the President at his pleasure.

Mr. MULTER. That is right.

Mr. DAVIS. Why does the gentleman wish to prevent the people of the District from voting for those two high officers and yet have the right to vote for certain others?

Mr. MULTER. I think you put it unintentionally in reverse, Mr. Chairman. I do not want to prevent them from doing that.

Mr. DAVIS. Your bill does that.

Mr. MULTER. The bill does not give them that privilege. I hope some day we will get a law that will give it to them but this is, I think, as far as we can go at this time.

Mr. DAVIS. Isn't that one of the most important things you could give them?

Mr. MULTER. It is a very important thing, but it is not the most important thing. In order to get a bill past a Presidential veto I am willing to go along with the President in this instance and let him have the appointive power and hope in 1961 we can change it and have a President who will go along with elective power and give up his own appointive power.

As of today I do not think we can get the President to go along with a bill that will permit us to elect the Governor or the mayor, as the case may be. He will go along with a bill which will call for an appointment by himself or by his successor.

Mr. DAVIS. I have noticed that many people threatened the Congress in recent days and weeks with a possible veto by the President.

I am glad to have your voice added to the list.

Mr. MULTER. Many a time, and the housing bill is one time, when I said, "Let's override the President's veto and let's send him a bill whether he likes it or not, which we think is a good bill," but there there is a difference of opinion as to the contents of the bill, as to whether it is inflationary or less inflationary than that which he wants.

Mr. DAVIS. Are there any further questions?

Mr. BROYHILL. One more question, Mr. Chairman.

Mr. DAVIS. Mr. BROYHILL. I would like to compliment the gentleman for a very fine statement, particularly for his excellent sense of humor.

Mr. MULTER. Thank you, sir.

Mr. BROYHILL. As the gentleman knows, when the Federal city was laid out, 100 square miles, a 10-mile square, in 1847 the portion west of the Potomac was ceded back to the State of Virginia, 66 square miles. Has the gentleman ever given consideration to the desirability of ceding a large portion of that part that was contributed by Maryland back to the State of Maryland and let the residential areas and a large portion of the business areas be part of the State of Maryland and then reduce the size of this Federal city?

It was done once before. I wondered if we might cut down some more of it.

Mr. MULTER. Under our system of government you cannot force a gift upon people, and I do not think Maryland would accept the gift. I do not think Maryland would accept the cession.

Mr. MATTHEWS. If you will yield.

Mr. BROYHILL. Yes.

Mr. MATTHEWS. I believe all of our colleagues from Maryland have introduced home rule legislation. I believe I am correct.

I know they are sincerely anxious to give our people voting rights such as people in the State have. I am not so sure of that. I wonder, with their enthusiasm and their active cooperation, if maybe the State of Maryland would not be glad to have the opportunity of gaining so many fine citizens from here in the District of Columbia. I am really serious about that. We were talking a while ago about everybody having different ideas about home rule. I want to say to my colleague I have talked to many Members of the House who say they are in favor of some home rule and actually at least four or five Congressmen have suggested that that fundamental idea is right. I know it is difficult. I know it can't be worked out easily, but they said, "It would get rid of all my objections if we could tie in the District with Maryland." I do not think that is a facetious suggestion. I want to emphasize it. Many a Congressman has spoken to me about it.

Mr. BROYHILL. I want the record to show that over a hundred years ago Virginia did its share and its part.

Mr. DAVIS. I would like to ask the gentleman, what is the reasoning behind the provisions in this bill, H.R. 4630, which do not or would not give any representation whatever in the Senate to residents of the District?

Mr. MULTER. Again, we have tried to follow tradition and what we think will gather the greatest number of votes, the most support.

Mr. DAVIS. What objection do you see in the residents of the District having representation in the Senate?

Mr. MULTER. I see none, but I do not think we can get that kind of a bill through today. I think what we have to do is first give them territorial status, representation as Alaska and Hawaii had before they had statehood, a nonvoting delegate, the same as Puerto Rico has, a nonvoting commissioner, giving them a nonvoting Representative in the House first and eventually give that Representative the right to vote.

Mr. DAVIS. Eventually give them statehood.

Mr. MULTER. Whether statehood or not, or simply a right to participate in the right of the Government of the Nation I think is unimportant. I respect all of those who so sincerely urge the States rights theories. I am not a States righter. I think this Government and this Nation of ours can grow and prosper and continue to be the greatest country on God's earth without individual States reserving to themselves all the powers they demand. I think today, with communications what they are, with transportation as fast as it is, when you can get in a matter of hours from one part of the world to the other—not the country, the world—that you do not need this decentralization of Government to the States that we did need many years ago so that whether the District of Columbia has a representative form of self-government is not the test. Every citizen has a right to vote for President and to vote for a Representative in the House of Representatives, and two Senators in the U.S. Senate. I think those are things that they are entitled to. I do not think the Congress is ready to give them to them at this time. Eventually I hope Congress will see fit to do that. I think this bill is as far as we can get a majority of the House to go at this time. The Senate has already indicated they will do this. This is as far, I think, as we can go today, to get a bill to the President which he will sign.

Mr. MATTHEWS. I do not want to belabor that point, Mr. Chairman, but the gentlemen in the other body are so anxious to have us adopt it I wonder why they are opposed to a delegate.

Mr. MULTER. I have said to those who discussed it with me over there, "We will get two Representatives in your body there some day from the District of Columbia."

Mr. DAVIS. Of course, all this legislation ought to be aimed toward fairness and justice and toward securing the appropriate voice in the Government. I presume that is what is behind it.

The gentleman has just stated he does not see too much need for continuance of States rights. I believe that was the substance of what was just said. If I have misquoted you, I wish you would correct me, but if State lines and State functions are to be eliminated, it would seem to me that that is all the more reason why the citizen should have a stronger voice in the Federal Government, in the concentrated Government here in Washington.

If they are not to have States rights, not to have the rights of a citizen of a State, then if their status is to be changed, they ought to be given as strong a voice as possible in the operation of the Federal Government and if you deny them representation in the Senate, you are just giving them what might be called second-class citizenship. Is that not right?

Mr. MULTER. There is substance of what the gentleman says but I say if we cannot give them all the gentleman suggests we have, let's give them part of it now. I will join the gentleman in giving them the rest of it. I will join the gentleman and anybody else in this House or in the Senate to give them all the complete representation and rights that they should have, including the right to elect a voting Representative to the House, and two voting Senators in the U.S. Senate and to vote for the President and the Vice President. I will go along with anybody who will go all the way and I will also go part of the way part of the time until we can get part of it and gradually move along.

Mr. DAVIS. Inasmuch as the gentleman is the present witness before the subcommittee I just want to get all these matters stated as clearly as possible.

Are there further questions?

Mr. WILLIAMS. Mr. Chairman, I think it might be well for Mr. MULTER to describe to the committee the means by which the Federal contribution to the District government will be determined, if any, and why there should be a Federal contribution if we are to grant autonomy to the city itself, any contribution other than a payment in lieu of taxes on the same formula as payments are made in the States.

Mr. MULTER. I think a complete answer would be that if you can set up a local home rule government here and you enact legislation which will require the Federal Government to pay to the local government a sum each year in lieu of taxes upon the full appraised or assessed value of all of the operations of the U.S. Government in the District, they will have more money than they will need and they will be able to make a contribution back to the U.S. Government. That, of course, is a fair way of handling the situation.

Mr. WILLIAMS. You are referring to a payment on property owned by the Federal Government?

Mr. MULTER. Yes, sir.

Mr. WILLIAMS. What are you going to do about parks and playgrounds owned by the Federal Government, deed them to the city?

Mr. MULTER. Do you think we in the Congress ought to exercise jurisdiction over them, operate and maintain them?

Mr. WILLIAMS. Quite obviously I do not, but we are doing it at the present time. Do you feel those should be deeded to the city so that they would relieve the Federal Government from paying in lieu of taxes?

Mr. MULTER. Yes, but relieve the Federal Government of its obligation to support them, no, because most of the people who use those recreational facilities in and around the District of Columbia are the

tourists, American citizens who come to their Capital from all over the country.

Mr. WILLIAMS. Those tourists bring money into the Capital, don't they?

Mr. MULTER. That is right.

Mr. WILLIAMS. There is not a city in the United States who would not be tickled pink to have these facilities provided for their city by the Federal Government and let them enjoy the benefits of it, is there?

Mr. MULTER. I am not so sure about that. It is an economic situation you cannot argue intelligently about unless you have the exact figures and know precisely what we are talking about. I think we can generalize about it, but it will get us nowhere. The fact is even if we give home rule to the District, the U.S. Government must, in my opinion, continue to make a fair contribution to the maintenance of those facilities in and around the District of Columbia that are used by all of the American citizens.

Mr. WILLIAMS. Isn't that going quite a bit further than the Federal Government does with respect to other cities?

Mr. MULTER. What do we do with our national parks outside the District.

Mr. WILLIAMS. I am not referring to national parks.

Mr. MULTER. Don't you think the recreational facilities of parks in the District of Columbia are national parks?

Mr. WILLIAMS. Let's stick to this situation for a minute. You mentioned facilities. Isn't it your purpose to put the city of Washington on exactly the same footing insofar as possible as Kansas City, New York City, Chicago, or other cities and municipalities?

Mr. MULTER. I cannot say that I can't say that any bill goes that far. I do not think you can ever go all the way in the District of Columbia as long as this is the capital of the country.

Mr. WILLIAMS. That is the very point. That is the very reason.

Mr. MULTER. I do not think we ought to confuse the issue.

Mr. WILLIAMS. It is the reason the fathers gave for setting this aside as a separate district.

It gave Congress exclusive control over it.

Mr. MULTER. They didn't see at that time a country stretching from the Atlantic to the Pacific and from the Rio Grande to Canada and they did not foresee all of the difficulties and problems we have today. I am sure one thing they did foresee is that no American citizen should ever be deprived of his right to participate in his own government. I think that is what we should concentrate on here in this bill. We will worry about the financial situations and the financial problems a little later.

Let's give these people their basic, fundamental right to govern themselves.

Mr. WILLIAMS. You think this bill does it even though it does not give them a voice in the Senate nor does it give them a vote in the House?

Mr. MULTER. It gives them only a part of what they are entitled to.

Mr. DAVIS. Are there further questions?

Mr. Multer, you still insist that all of the provisions of House Resolution 320 remain in that resolution?

Mr. MULTER. I am willing to discuss with those who are of a mind to compromise, a compromise resolution in exchange for support for the bill or the resolution.

Mr. DAVIS. What is your position on those things that I asked you about?

Mr. MULTER. As of now, sir, I favor that resolution but my mind is never closed to improvements or amendments that may get additional support for it.

Mr. DAVIS. What would be the method of changing the provisions of this resolution? Has the gentleman studied that any?

Mr. MULTER. First, I think we would have to determine what support we can gain for what amendment. I mean this would have to be a matter of sitting down around the conference table and a matter of give and take.

I think it can be worked out. If there is a will to bring a bill to the House and get it enacted, I think we can work out a method of doing that.

Mr. DAVIS. You won't know whether there is a will to do that or not, will you, until the House votes on this resolution?

Mr. MULTER. We can try to improve it in advance. I think we have a pretty good idea of who is opposed to the resolution, who is opposed to the bill, and if any of those Members are willing to give up some of their opposition in exchange for an amendment, either to the rule or to the bill, I think all of the sponsors of this legislation, including those representing the people in the District of Columbia, I am sure, will be happy to appoint a committee and sit down and discuss with the opponents of the measure how it can be improved so as to eliminate their opposition.

Mr. DAVIS. Does the gentleman have any move in mind of bringing about such a conference?

Mr. MULTER. Frankly, I did not.

Mr. DAVIS. Or such a discussion?

Mr. MULTER. No. I have nothing in mind, because until this morning I had no idea there was any will to compromise or any desire to compromise on the part of the opponents of the measure. If there is such a desire and such a will, we would be very happy to sit down and discuss it.

Mr. DAVIS. But as of now the gentleman does not have any such move in mind?

Mr. MULTER. No.

May I make one more very frank statement about this entire matter, and please believe that I do not intend to offend anybody.

Starting again in my home district, where many people say I come from a one-party district, where in the last election I got some 78 percent of the vote, I might just as well resign or never run again if I voted against a home-rule measure such as these that are before this committee.

I appreciate that many Members in this House and on this committee are in the opposite position, where, if they voted for a home-rule measure, they might just as well resign or not run again. Those are the political facts of life. There isn't much we can do about it, except I think we all, as good American citizens, ought to combine and concentrate our efforts toward bringing something before the House and let the House work its will; and when the majority has spoken, we bow in humility and say, "This is it; maybe we will be the majority next time."

Mr. DAVIS. Well, thank you very much, Mr. MULTER.

Mr. MULTER. Thank you, gentlemen, for listening to me.

SENATE

THURSDAY, AUGUST 27, 1959

(Legislative day of Wednesday, August 26, 1959)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

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

This day, O Master, let us walk with Thee. Teach us Thy patience. Help us to learn more and more to live by the faith that life's true values are spiritual and are expressed in our daily contacts by character and kindness, cheerfulness, humility, and compassion, and that the chief issues we face lie deeper far than human praise or blame, and have to do with life's meaning and purpose and ultimate goals.

In spite of the tangle and darkness of the world we would serve and all our own secret sorrows and disappointments and defeats, steel our hearts to keep the faith that Thy will for all mankind is coming at last to its coronation, for Thine is the kingdom and the power and the glory. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 26, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

REPORT ON U.S. PARTICIPATION IN INTERNATIONAL ATOMIC ENERGY AGENCY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Joint Committee on Atomic Energy.

(For text of President's message, see House proceedings for today.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Foreign Relations Committee was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Passport Reorganization of the Committee on Government Operations was authorized to sit during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

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

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the