

South is trying to adopt a token compliance policy to get around the 1954 Supreme Court decision. Generally," he adds, "we are opposed to any form of token integration on the grounds that it is contrary to the Court's decision, but the NAACP will go along with plans where it appears to be a bona fide start toward desegregation."

Note that Wilkins accepts token integration only as a "bona fide start toward desegregation." Desegregation means massive integration.

I and other Virginians who advocated massive resistance to the illegal school integration decision of the Warren court have been bitterly denounced, chiefly by those outside of Virginia.

I stand now as I stood when I first urged massive resistance.

I believe then as I believe now that it is either massive resistance or in the long run

run massive integration, and this would destroy our entire school system.

As one who has been honored so often by the Virginia people I felt my duty was to give the best advice of which I was capable.

At least under the massive resistance program Virginia remained segregated for 5 years after the Warren decision, notwithstanding the fact that massive efforts of the Federal Government and the NAACP were directed at Virginia alone.

Due to the concentration of all power against us today Virginia is the only Southern State having enforced integration.

The policy was to break Virginia down first, and now the unholy alliance of the NAACP and the Federal Government will attempt the same strong-arm methods throughout the South.

I am firmly convinced that as long as the NAACP is in the driver's seat, the goal is massive integration all down the line in all walks of life.

Just a few weeks ago the NAACP met in New York City in annual convention and were addressed by so-called political notables.

A resolution was adopted declaring for complete integration of the races in all areas, effective on the 100th anniversary of the signing by Lincoln of the proclamation for the emancipation of the slaves. This program naturally includes declaring unconstitutional all State laws prohibiting mixed marriages.

If Warren lives long enough and remains on the Court this decision will certainly be rendered. It is not necessary for me to forecast the calamitous results of massive integration accompanied by legal encouragement toward mixed marriages.

SENATE

SATURDAY, SEPTEMBER 5, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

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

Eternal Father, strong to save: Amid all the confusion and bafflement of these days, we pray by Thy sustaining grace that our minds may be kept clear and clean and uncluttered by prejudice.

Lord, in this hour of tumult;
Lord, in this night of fears;
Keep open, O keep open
Our eyes, our hearts, our ears
In this sacred temple of the Republic's
life,
Not blindly nor in hatred,
Lord let us do our part.
Keep open, O keep open, dear Lord,
Our eyes, our mind, our heart.

Amen.

REQUESTS FOR COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Banking and Currency Committee, which is considering the housing bill, be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Without objection—

Mr. MORSE. Mr. President—

The VICE PRESIDENT. Is there objection?

Mr. MORSE. I object.

The VICE PRESIDENT. Objection is heard.

Mr. JOHNSON of Texas. Mr. President, it may be necessary to recess the Senate, in order to permit committees to meet, to transact the public business. I hope that will not be necessary; but I want all Members to be on notice that it may be necessary. I trust that the 90-odd Members who indicated that they were willing, ready, and anxious to work to complete the job which we were

elected to do will be here to support that position.

Mr. President, I ask unanimous consent that the Finance Committee, which has under consideration the bill on the interest rate ceiling on E bonds and H bonds, may be permitted to sit during the session of the Senate today.

Mr. MORSE. Mr. President, I object

FEDERAL-AID HIGHWAY ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 934, House bill 8678.

The VICE PRESIDENT. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which had been reported from the Committee on Public Works, with amendments; and subsequently had been reported from the Committee on Finance, with additional amendments.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the motion to consider the bill was agreed to be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay on the table the motion to reconsider.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I give notice to the Senate that we expect to have a late session this evening. It may continue until as late

as midnight, at least. We are hopeful that the Senate will be able today to pass the very important Federal-aid-to-highways bill.

We received complete cooperation from all the members of the two Senate committees yesterday; and I particularly wish to express the appreciation of the Senate and, I believe, of the country, to the very able Senator from Tennessee [Mr. GORE], the very able Senator from Minnesota [Mr. McCARTHY], and the very able Senator from New Mexico [Mr. ANDERSON], and to other Senators who had proposals in which they were interested. They realize the importance of this bill; and they also realize that with each day that passes, the country is losing taxes it will need in order to make the highway program a success.

As a result of their diligence and the diligence of the chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], and the chairman of the Public Works Committee, the Senator from New Mexico [Mr. CHAVEZ], we were able—notwithstanding the fact that it was necessary for the Senate to be in recess—to get that important piece of proposed legislation reported.

Each Member will have a chance to say what he wishes to say on that measure, today; and a little later I will propose a unanimous-consent request for a limitation of time, so that Members who may desire to be away from the Chamber may know when to expect votes.

But at the moment—

Mr. PROUTY. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. PROUTY. The Senator from Texas knows that a very controversial amendment, an amendment which relates to billboards, which was approved yesterday by the Public Works Committee, is in the highway bill; and millions of people throughout the country are very much concerned about that provision.

I hope the distinguished majority leader will not seek to limit time on this important question, about which few Members know anything; they have no idea of what the effects will be on their individual States. I believe widespread resentment would result if we were to act on this proposal too precipitately.

Mr. JOHNSON of Texas. Mr. President, I do not intend to act on it precipitately. I am simply trying to carry out the requests of the administration and of the Members of the Senate.

So we shall be here hour after hour after hour, to attend to the necessary business.

Mr. President—

The VICE PRESIDENT. The Senator from Texas.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate take a recess, subject to the call of the Chair.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 11 o'clock and 5 minutes a.m.) the Senate took a recess, subject to the call of the Chair.

At 12 o'clock and 45 minutes p.m. the Senate resumed its session, on the expiration of the recess.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 5, 1959.
To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALAN BIBLE, a Senator from the State of Nevada, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BIBLE thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes;

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government;

H.R. 7040. An act making appropriations for sundry independent executives bureaus,

boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

ORDER OF BUSINESS

Mr. BYRD of Virginia. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a bill coming over from the House of Representatives, which will be read the first time.

The bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, was read the first time by its title.

The ACTING PRESIDENT pro tempore. Is there objection to the second reading and reference of the bill?

Mr. MORSE. Mr. President, I object.
Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment for 3 minutes.

The motion was agreed to; and, at 12 o'clock and 48 minutes p.m., the Senate adjourned for 3 minutes.

AFTER ADJOURNMENT

(Saturday, September 5, 1959)

The Senate met at 12 o'clock and 51 minutes p.m., pursuant to adjournment.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 5, 1959.
To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALAN BIBLE, a Senator from the State of Nevada, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BIBLE thereupon took the chair as Acting President pro tempore.

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

O Thou Master of all good workmen, enrich us with the durable satisfactions of life, so that the multiplying years may not find us bankrupt in those things which matter most—the golden currency of faith, and hope, and love.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

The ACTING PRESIDENT pro tempore. The Secretary will proceed to read the Journal.

The Secretary proceeded to read the Journal of Thursday, September 3, Friday, September 4, and Saturday, September 5, embraced in the legislative day of Monday, August 31, 1959.

During the reading the following occurred:

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Is it proper to have the bill read the second time now?

The ACTING PRESIDENT pro tempore. It will be proper to do so as soon as the reading of the Journal has been disposed of.

Mr. JOHNSON of Texas. That will take several minutes, if it is desired to waste the public funds to engage in dilatory tactics by reading the Journal. But if it is necessary to do so, that can be done. Then we hope to have the bill read the second time and referred to committee. It is a very important bill. It is a bill on which we want to act next week. The committee is prepared to meet late this afternoon. If the Journal can be approved without having it read in its entirety, I should like to have that done, because the reading of the Journal is purely a formality.

I ask unanimous consent that the reading of the Journal be dispensed with, so that the bill may be read the second time and referred to committee, and that the committee can give proper consideration to it.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Reserving the right to object, I shall not take any time now to discuss certain reasons for the course of action which the senior Senator from Oregon is taking in regard to the parliamentary problems before the Senate. I shall discuss them at some length in a later speech. Therefore, at this time I will object.

The ACTING PRESIDENT pro tempore. The clerk will proceed with the reading of the Journal.

The Secretary resumed the reading of the Journal.

Mr. MORSE. Mr. President, may we have order, so that I can hear the reading of the Journal? I raise a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senate will be in order. The Senator may state his parliamentary inquiry.

Mr. MORSE. Will the Chair advise me whether the Journal is being read in sequence, without omissions? The only reason why I raise the question is that I notice the reading clerk has turned a great many pages. I assume they are blank pages and are not a part of the Journal.

The ACTING PRESIDENT pro tempore. The Chair is advised that the Secretary read the action on the conference report, but did not read the conference report word for word.

Mr. MORSE. Mr. President, I object to the omission from the reading of any

of the material contained in the Journal. The rule makes perfectly clear that the Journal is to be read and that the Journal is subject to approval; and I object to any omission or failure to read any part of the official Journal.

The ACTING PRESIDENT pro tempore. The Chair is advised that objection has been made; therefore, the Journal is to be read in full.

The Secretary resumed the reading of the Journal.

Mr. MORSE. Mr. President, I cannot hear the Secretary.

The ACTING PRESIDENT pro tempore. The Chair must insist that the Senate be in order. The Secretary will suspend until the Senate is in order.

The Chair asks the Secretary to read just a little louder, so the Senator from Oregon can hear every word.

The Secretary will proceed.

The Secretary resumed and concluded the reading of the Journal.

ENROLLED BILLS SIGNED

The ACTING PRESIDENT pro tempore announced that he had signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1555. An act to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes;

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government;

H.R. 7040. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 8575. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

INTEREST RATES ON E AND H U.S. SAVINGS BONDS—HOUSE BILL REFERRED

The PRESIDING OFFICER (Mr. CANNON in the chair). The Chair lays before the Senate House bill 9035 for a second reading and reference to the Committee on Finance.

The bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, which was read the second time by title and referred to the Committee on Finance.

FEDERAL AID HIGHWAY ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No.

934, House bill 8678, the Federal Aid Highway Act of 1959.

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

The LEGISLATIVE CLERK. A bill (H.R. 8678), to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments, and subsequently reported from the Committee on Finance with additional amendments.

Mr. JOHNSON of Texas. Mr. President, I wish to inform Senators that this is a very important bill. There are a number of amendments both from the Committee on Public Works and the Committee on Finance which Senators will wish to examine. Several amendments have been submitted by the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. McCARTHY], and other members of the Finance Committee. I am told that so far as the committee is concerned, no lengthy debate will be necessary, although a full explanation is desired of each amendment and of its effect. Roll-calls will be requested.

One of the amendments involves reducing the appropriations 1 percent. Another amendment involves using the tax dividend credit, to take care of highway obligations. There are other amendments with which I am not familiar in detail.

The Senate will remain in session as late this evening as necessary to pass the bill and send it to conference. Some amendments have been added by both the Public Works Committee and the Finance Committee. It is desired to send the bill to conference before the Senate adjourns or takes a recess this evening. So I ask the acting minority leader and the attachés on the minority side, as well as those on the majority side, to give each Senator due notice that there is pending business.

It may be necessary for the Senate to take a recess for a brief period for consideration of other committee business if we are unable to obtain consent to have committees meet during the session of the Senate. I am hopeful that we shall be able to obtain consent for the Finance Committee to meet for a brief period. If so, we shall not have to take a recess. However, if a recess is necessary, it will be taken, and the Senate will reassemble later.

I also expect to ask unanimous consent, if I am able to arrive at a satisfactory arrangement with the author of an amendment and with the chairman of the committee and any other Senators who may be interested in specific amendments, so that Senators who may be detained at other places in the city or at their homes will know definitely the time

we expect to vote, in order that all Senators may have an opportunity to record themselves.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I intended to propound this inquiry immediately following the reading of the Journal. For the RECORD, I should like to make this inquiry: Will the Chair advise the Senator from Oregon whether or not the entire Journal was read, without omissions?

The PRESIDING OFFICER. So far as the Chair knows, the entire Journal was read, without omission.

The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 2, after line 15, it is proposed a new section, entitled "Parkways."

Mr. JOHNSON of Texas. Mr. President, I inquire of the Senator from Tennessee [Mr. GORE] if he is prepared to offer his amendment when he obtains recognition?

Mr. GORE. I am.

Mr. JOHNSON of Texas. I hope all Senators now in the Chamber will take note of this fact, and that the aides will notify other Senators.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded as original text for the purpose of amendment.

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

The amendments of the Committee on Public Works agreed to en bloc were:

On page 2, after line 15, to insert a new section, as follows:

"Sec. 104. Parkways.

"For the purpose of carrying out the provisions of section 4(b) of the Federal-Aid Highway Act of 1958 (72 Stat. 93), there is hereby authorized to be appropriated for the construction, reconstruction, and improvement of parkways, authorized by Acts of Congress, on lands to which title is vested in the United States, the additional sum of \$2,000,000 for the fiscal year ending June 30, 1960."

At the top of page 3, to insert a new section, as follows:

"Sec. 105. National System of Interstate and Defense Highway mileage study for Alaska and Hawaii.

"The Secretary of Commerce is authorized and directed to make a study of the need for the extension of the National System of Interstate and Defense Highways within the States of Alaska and Hawaii, and report the results of such study to the Congress within ten days subsequent to January 4, 1960. The report shall include recommendations as to the approximate routes and mileages thereof which should be included in such system within those States."

After line 11, to insert a new section, as follows:

"Sec. 106. Exemption from national standards of certain areas adjacent to the Interstate System.

"That subsection (b) of title 23, section 131 of the United States Code is amended by striking therefrom the following language: 'Upon application of the State, any such

agreement may, within the discretion of the Secretary of Commerce consistent with the national policy, provide for excluding from application of the national standards segments of the Interstate System which traverse incorporated municipalities wherein the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use is clearly established by State law as industrial or commercial; and substituting therefor the following language: "This section shall not apply to those segments of the Interstate System within the presently existing boundaries of incorporated municipalities where in the use of real property adjacent to the Interstate System is subject to municipal regulation or control, or which traverse other areas where the land use, as of the date of approval of this Act, is clearly established by State law as industrial or commercial."

And on page 4, after line 10, to insert a new section, as follows:

"Sec. 107. Emergency relief.

"(a) That section 125 of title 23, United States Code, is amended to read as follows: "§ 125. Emergency relief.

"(a) An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120, for the repair or reconstruction of highways, roads, and trails which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. The appropriation of such moneys, not to exceed \$30,000,000 as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis is authorized. Pending such appropriation or replenishment the Secretary may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with the provisions of this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriations herein authorized when made.

"(b) The Secretary may expend funds from the emergency fund herein authorized for the repair or reconstruction of highways on the Federal-aid highway systems, including the Interstate System, in accordance with the provisions of this chapter. Except as to highways, roads, and trails mentioned in subsection (c) of this section, no funds shall be so expended unless the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary.

"(c) The Secretary may expend funds from the emergency fund herein authorized, either independently or in cooperation with any other branch of the Government, State agency, organization, or person, for the repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads, whether or not such highways, roads, or trails are on any of the Federal-aid highway systems."

"(b) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 50 per centum of the cost thereof, except that the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation

roads may amount to 100 per centum of the cost thereof, whether or not such highways, roads, or trails are on any Federal-aid highway system. Any project agreement for which the final voucher has not been approved by the Secretary on or before the date of this Act may be modified to provide for the Federal share authorized herein."

The amendments of the Committee on Finance agreed to en bloc were:

On page 7, at the beginning of line 2, to strike out "September" and insert "October"; at the beginning of line 10, to strike out "September" and insert "October"; on page 8, line 5, after the word "on", to strike out "September" and insert "October"; in line 16, after the word "after", to strike out "November 30" and insert "December 31"; on page 9, line 5, after "July 1," to strike out "1951" and insert "1961"; on page 11, line 19, after the word "distributor", to insert "and a dealer selling gasoline exclusively to producers of gasoline", and on page 12, line 7, after "(2)", to strike out "is registered and bonded" and insert "elects to register and give a bond."

Mr. JOHNSON of Texas. Mr. President, if the Senator from Tennessee will offer his amendment at the conclusion of these statements by Senators who now desire recognition, I shall attempt to obtain the attendance of other Senators.

THE CRISIS IN LAOS

Mr. DODD. Mr. President, the latest phase of overt Communist aggression against free and peaceful neighbors, the subjugation of Tibet and the guerrilla-type invasions of Laos and India, marks the end of the uneasy truce that has existed in southeast Asia since the Geneva accord of 1954. The conjunction of this aggression with the preparation of an exchange of informal summit meetings between Khrushchev and President Eisenhower calls to mind two events of recent history.

One is the trip of Bulganin and Khrushchev to India in 1955. Prime Minister Nehru, in an honest but misguided attempt to give Khrushchev and Bulganin full opportunity to observe and to be observed, gave them every chance to make the most of their visit. Every kindness and honor imaginable was extended to them. Khrushchev and Bulganin were invited to address the Indian Parliament, just as many have urged that Khrushchev be invited to address our Congress. The theme of their talks was peaceful coexistence, just as Khrushchev has recently released an address on peaceful coexistence for publication in American newspapers.

Khrushchev and Bulganin donned Indian headgear, publicly observed the rituals and customs of the Moslems, and in general took full advantage of every opportunity to make a favorable impression and to create a false atmosphere of good feeling.

And what was the result of all this?

The people of India were softened up. The hand of communism within India was strengthened. The Government of India was lulled into a false sense of security. And now, those who preached peaceful coexistence a few years ago have launched Communist invasions into Indian territory and are directing Com-

munist uprisings and riotings in the cities of India.

The second event which the present world situation calls to mind is the ill-fated Geneva Summit Conference also in 1955. That conference, like those of this year, was called ostensibly to achieve a "lessening of tensions."

The same make-believe atmosphere of false optimism that is now so apparent filled the air then.

We now know that at the very time free world leaders were meeting with Khrushchev and Bulganin to discuss peace, the Communists were secretly shipping arms to the Middle East in an attempt to stir up further warfare and subversion.

And so it is not surprising that preparations for a new round of summit conferences should be accompanied by new acts of Communist aggression, this time in southeast Asia.

But there is one striking difference in the circumstances surrounding the summit conference of 1955 and the present series of negotiations.

Khrushchev made some peaceful gestures to pave the way for the last summit conference, by agreeing to the liberation of Austria and by the dramatic though short-lived restoration of normal relations with Yugoslavia. And at that time, the treacherous arms shipments to the Middle East were made under a veil of secrecy.

Here lies the great difference between then and now. The present Communist estimate of the free world and its leaders is so diminished that they now seek, and gain, their conferences by ultimatums. And the Communists are now so contemptuous of us that they engage in open aggression as a prelude to meetings with our President.

The guerrilla attacks on India and Laos constitute only a part of an entire pattern of Communist aggression extending along the 2,000-mile border of Communist China which parallels the borders of Laos, Burma, India, Bhutan, Sikkim, and Nepal. Each of these nations is being attacked, infiltrated or threatened by forces directed from Peiping and Moscow. From the China Sea to the Himalayas, militant and aggressive communism is on the march.

There is a great deal of speculation about the nature of Khrushchev's role in these attacks. I believe that Khrushchev is an accomplice and a collaborator. During the early stages of the attack on Laos, the North Vietnamese Communist chief, Ho Chi Minh, was Khrushchev's guest during an extended state visit to Moscow. He was in Moscow throughout the period when the propaganda barrage against Laos was unleashed. First, the Red government in Hanoi, then the Red government in Peiping, and finally the Red government in Moscow joined in the propaganda attack which accompanied the invasion.

The Moscow press continues to make its false charges against Laos and the United States.

There was a time, only a few months ago, when the President refused to negotiate under the threat of an ultimatum. Now, we not only negotiate under ulti-

mum, but in the face of open aggression against the free world.

The subjugation of Tibet is now an accomplished fact. Its remoteness and inaccessibility foreclosed its defense.

As for India, Prime Minister Nehru declines to call the attack across Indian borders an invasion. He does not seek free world assistance and we must await further action by the Government of India before planning our own course.

But in Laos the situation is different. It is a nation which can be defended. It is a nation which has asked for free world help. It is a nation whose defense is essential, geographically and psychologically, if we are to save southeast Asia from communism.

The fall of Laos would give the Communists easy access to Cambodia and Thailand across a vulnerable frontier, and it would allow them to flank South Vietnam. Should Laos fall, should the story of North Vietnam be repeated, it is probable that the free peoples of southeast Asia would become so demoralized as to make their lands impossible to defend.

And so I should like briefly to review the situation there and suggest a course of action for our country.

Laos is a small nation with about two million inhabitants. Its borders were created by the Geneva truce of 1954 by which French Indochina was divided between the Communists and the free world. The Communist half bears the name North Vietnam. The free half was in turn subdivided into the states of Laos, South Vietnam and Cambodia.

The United States did not sign the Geneva accord which divided French Indochina, presumably because of Secretary Dulles' conviction that this agreement represented appeasement to communism.

Having neither the courage for armed intervention against the Communists in Indochina nor the honesty to openly acquiesce in appeasement, our Government, like Pontius Pilate, washed its hands of the matter. But we have not been able to wash our hands of the consequences of this appeasement.

It is somewhat remarkable that the free section of Indochina has resisted Communist subversion for 5 years. At the time of the Geneva accord in 1954, all signs pointed to a swift Communist takeover of the entire Indochina area. A combination of factors, including effective local leadership and large scale free world assistance has preserved this area from falling victim to Communist subversion or infiltration. It is now clear that it will fall only through overt military aggression and that is what is taking place at this moment.

Since 1955, the United States has poured \$225 million of economic aid into Laos, an enormous amount for a nation of this size.

There are conflicting estimates of the effectiveness of our Lao foreign aid program. Some grave charges have been made against its operation, and strong rebuttals have been made to those charges. Whatever the imperfections of the program, it is clear that our aid has

strengthened the country and improved conditions of life there.

The leader of Laos, Prime Minister Phoui Sananikone, has apparently proved to be a forceful, capable, and popular figure. Faced in the beginning with two provinces under the control of a Communist group known as the Pathet Lao, and saddled with Communist representatives in his Cabinet, he has integrated Pathet Lao into free Laos and has banished Communist representation from his government.

Laos now has an army of about 25,000 regular troops, backed up by 16,000 militia. This army is largely untrained, and a training program, directed by the French, is now under way. The army is financed and equipped through U.S. aid.

Communist guerrilla invaders are now active in 8 of the 12 provinces of Laos. They are present in large numbers only in the Province of Sam Neua, where two Communist pincer movements have this province virtually surrounded.

It is estimated by Lao observers that approximately 2,500 Communist guerrillas are in Sam Neua Province, broken up into small groups of 50 to 200 men. An additional 1,000 Communist guerrillas are scattered throughout the other seven provinces.

As yet there have been no pitched battles nor large-scale fighting. But the mountainous, junglelike, inaccessible terrain of Laos adapts itself perfectly to Communist guerrilla tactics.

Guerrilla forces have struck within 16 miles of Vientiane, the administrative capital of Laos. Today's reports place them a dozen miles from the principal government position in Sam Neua. Characteristic of this type of warfare is the report of one of these guerrilla units called a "psychological warfare unit" containing approximately 130 men. This unit is terrorizing Lao communities by raiding villages, and by slashing the throats of infants in the presence of their parents and hurling their mutilated bodies into the Mekong River in order to send a message of terror to the communities to the south. This is the authentic mark of communism.

The situation is further complicated by the fact that this is the monsoon season. This makes it difficult for the Government of Laos to maintain supply lines and communications with its troops, and we may assume that it similarly hampers the invading Communist forces. The monsoon season ends in November. The present limited invasion is achieving four Communist military objectives preparatory to a possible full-scale invasion in November.

First, by forcing the Lao Army to enter the field in full strength, it is badly interfering with the vitally needed training program which the French and the United States are trying to carry out.

Second, it has broken up government military operations in the outlying areas thus enabling Communists to infiltrate the population of these provinces.

Third, it has forced the deployment of the Lao Army in scattered positions throughout Laos.

Fourth, it is softening up the people of Laos through terror and demoralization in a land which cannot be defended without determined and courageous popular support.

And so all the elements of disaster are present in Laos today. The full proportions of the danger will not be known until November.

The response of our Government thus far leaves much to be desired. Laos apprised us of the danger early this summer and asked for increased military assistance prior to the first Communist attacks. It repeated its request after the fighting began.

Last week it again requested aid. This time our Government belatedly responded by reportedly granting aid which will provide for between 5,000 and 8,000 additional troops for the Lao Army. It has been announced that an immediate airlift operation is being put into effect by the Navy to get this aid to the Lao Army.

This is encouraging. But our official statements on the Lao question have been so lethargic, legalistic, and half-hearted as to give encouragement to the Communist aggressors. Instead of making it clear that we will provide Laos with whatever assistance necessary to defend its borders, we have been publicly minimizing our participation and apparently acquiescing in a limitation upon the type and amount of assistance. For weeks the State Department has been repeating that the United States has no bases in Laos in an apparent attempt to mollify the Communists. We have seemed overanxious to prove that the United States has only a small number of technicians and accountants in Laos. We have emphasized that our aid was only of the small arms variety and have indicated that our aid would be limited in amounts and in kind.

Our officials are quoted as saying that no thought was being given to action by the Southeast Asia Treaty Organization.

Also we have put out a lot of nonsense about not doing anything to violate the "spirit of the Geneva accords"; accords which have already been torn up by the Communists; accords which would limit the military strength of Laos to an inadequate force armed with obsolete weapons; accords which the United States was never signatory to in the first place.

At a time when Laos is fighting for its life, at a time when the confidence of its people in free world help may make the difference between victory and defeat, the United States contents itself with announcing not what it is doing, but what it is not doing.

Since we do not now know the degree to which the guerrilla invasion will be backed by North Vietnam, Communist China, and Russia, we cannot know whether the invasion of Laos can be thrown back by Lao forces alone, or whether the armed intervention of the United States and perhaps other free world nations will be required to defend that country.

In the last few days we have had newspaper reports that outside Communist help to the guerrilla invaders was being dramatically stepped up. We received this information not from our Government, with appropriate warnings of the gravity of the situation, but through the efforts of courageous and dedicated newspapermen.

One of these, Joseph Alsop, after warning our people day after day of the dangerous situation there, has risked his life by flying to the fighting front in the jungles of Laos in order that a sleeping nation could have firsthand reports.

The details of our action must vary with shifting conditions, but the implacability of our resistance, the firm resolve to do whatever becomes necessary to drive back the Communist invaders, must be clearly known from the outset, and it must be constant and not subject to change.

Whatever the Communist motive and plan of attack, we know one thing which will always be right and which will always furnish a guide for action. We cannot yield another foot of territory to communism anywhere in the world.

For once, I hope that we will not wait upon the Communist initiative month after month and tailor our actions by what they do.

President Eisenhower said only a week ago that we will oppose any aggression "if necessary by force." I think it is necessary for the President to repeat this pledge with specific reference to Laos, and I urge members of his administration and Members of Congress continually to restate this principle, and to take whatever steps may be necessary to live up to it.

Let me repeat: I recommend that we announce to the world that, whether through the United Nations or through SEATO or through unilateral action, we will do whatever becomes necessary to defend Laos, including armed intervention.

I ask for an official, irrevocable statement that it is a national policy of this country to defend Laos whatever this defense entails.

I ask for a speedup in deliveries of arms and equipment to the Lao Army and for an announcement that our aid will not be limited by any Geneva accords and will be governed only by the needs of the Lao Army.

I ask that the Senate restore the unwise cuts which were made in the military assistance program.

I ask that our Government do everything it can to bring about a special session of the United Nations Security Council which in turn could summon a special emergency session of the United Nations General Assembly.

If the U.N. Secretary General is now powerless to act, as he says he is, we must swiftly take the necessary steps to give him a mandate to act.

If the United Nations proves unable to act effectively against Red aggression, at least it can bring the moral condemnation of the free world to bear upon the Communists at the very time their leader is attempting to soften up the free world with protestations of peace and with

propaganda tours through non-Communist nations.

I urge the President reconsider his plan for an exchange of visits with Khrushchev. At the very least, the President should lay before Khrushchev the alternatives of either calling off the Communist aggression in Asia or canceling the proposed conferences. If Khrushchev should reply that the events in Asia are beyond his control, then we should make him prove it by agreeing not to use the Soviet veto to block action by the United Nations Security Council.

Each day brings further evidence that Khrushchev has no intention of seeking peace and that he regards peace conferences and State visits abroad only as additional means of waging war against free nations.

If we indicate now, unmistakably and irrevocably, that there is no limit to the action we are prepared to take to drive the Communist invaders out of Laos, past experience leads us to believe the Communists may withdraw from their aggressive designs.

If they do not withdraw, it will only indicate that years of neglect of our military strength in the face of the Communist military buildup, years of vacillation in the face of Communist firmness, years of inaction in the face of aggressive and determined Communist action, have at last brought us to the point where our words are no longer respected and where we must now meet the Communist challenge with our deeds and with our blood.

Once again it has fallen to the people of a small, weak, and impoverished nation to wage the battle against communism for freemen everywhere. Once again a people already destitute, already the victims of tragedy and injustice, are having added to their bitter lot the terror of Communist aggression.

It seems that it is always the poorest and the most unfortunate who must bear the main burden of our common struggle against communism.

Today in Laos, men and women are being given rifles to defend their homes, by themselves, from a vicious invader.

We must see to it that they are not permanently abandoned to fight the battle alone.

The future of southeast Asia and perhaps of the entire free world hinges on the courage and the vigor of our response to the latest event in the constant Communist design to subjugate the free world.

TRIBUTE TO SENATOR MANSFIELD

Mr. DODD. Mr. President, yesterday, the able and respected Senator from Montana [Mr. MANSFIELD] made another notable address on foreign relations.

I commend the Senator from Montana, not only for the speech that he made yesterday, but also for the selfless, fearless and effective efforts he has been making for a very long time to bring about widespread discussion on vital aspects of foreign policy and to lay before the Nation imaginative proposals in the quest of peace.

Those who do not know the Senator from Montana except through his pub-

lished speeches must have a deep respect for his eloquence, his scholarship, his courage, and his dedication to peace.

Those who are privileged to know him can add to this regard a deep personal respect and affection for one whose tolerance, magnanimity and selfless devotion to the public good shine through all his actions.

I associate myself with much of what the distinguished Senator from Montana had to say yesterday and commend him for a very great address.

THE HOUSING ACT OF 1959

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a summary of the proposed housing bill which I presented this morning before the Senate Committee on Banking and Currency. It is the pending business before that committee. This proposal will be taken up when the committee meets again.

I do this in order that Senators may have an opportunity to read the proposal. The housing situation is becoming quite complex. I feel that each Senator would like to know exactly what is pending before the Committee on Banking and Currency with respect thereto.

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

SUMMARY OF SENATOR CAPEHART'S PROPOSED HOUSING BILL

1. Urban renewal: Provide additional authorization of \$200 million. No time limit.
2. FHA insurance authorization: Provide \$6 billion in additional authorization. No time limit.
3. College housing: Provide \$150 million in additional funds.
4. Public housing: Authorize 37,000 units. No time limit.
5. Title 1 (FHA property improvement): Extend expiration date to September 30, 1960. Existing date is September 30, 1959.
6. Farm housing research: Provide \$75,000.
7. Voluntary home mortgage credit program: Extend expiration date to September 30, 1960. Existing date is September 30, 1959.
8. Veterans' and servicemen's waiver for entrance in public housing: Extend expiration date to September 30, 1960. Expired on March 1, 1959.
9. Lanham Act occupancy: Extend time in which servicemen and essential employees may remain in certain Lanham Act projects sold to cities for low rent public housing use—Passayunk to September 30, 1960; now January 31, 1960—Newport to September 30, 1960; now December 31, 1959.

(These are the only changes Senator CAPEHART proposes in the existing law.)

INDEPENDENT OFFICES APPROPRIATIONS, 1960

Mr. MORSE. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], I ask unanimous consent to have printed in the RECORD at this point a table showing a comparison of the estimates with the action taken on each item in the independent offices appropriations bill for 1960.

There being no objection, the table was ordered to be printed in the RECORD.

Comparison of estimates with action taken on independent offices appropriation bill, 1960

TITLE I—INDEPENDENT OFFICES

Item	Appropriations, 1959 ¹	Budget esti- mates, 1960	House bill	Senate bill	Conference agreement
TITLE I					
EXECUTIVE OFFICE OF THE PRESIDENT					
OFFICE OF CIVIL AND DEFENSE MOBILIZATION					
Salaries and expenses.....	\$23,285,000	\$28,800,000	\$23,285,000	\$23,285,000	\$23,285,000
Federal contributions.....	0	25,000,000	10,000,000	25,000,000	10,000,000
Emergency supplies and equipment.....	20,000,000	13,900,000	6,950,000	6,950,000	6,950,000
Research and development.....	2,000,000	7,270,000	3,500,000	4,500,000	4,000,000
Total, Office of Civil and Defense Mobilization.....	45,285,000	74,970,000	43,735,000	59,735,000	44,235,000
INDEPENDENT OFFICES					
CIVIL AERONAUTICS BOARD					
Salaries and expenses.....	6,540,200	7,500,000	6,925,000	6,925,000	6,925,000
Payments to air carriers.....	54,844,500	62,618,000	57,000,000	60,000,000	58,500,000
Total, Civil Aeronautics Board.....	61,384,700	70,118,000	63,925,000	66,925,000	65,425,000
CIVIL SERVICE COMMISSION					
Salaries and expenses.....	19,787,200	20,165,000	18,800,000	19,440,000	19,120,000
Investigation of U.S. citizens for employment by international organizations.....	450,000	412,000	400,000	400,000	400,000
Annuities under special acts.....	2,570,000	2,450,000	2,450,000	2,450,000	2,450,000
Administrative expenses, employees' life insurance fund.....	(123,800)	(70,000)	(240,000)	(258,000)	(249,000)
Total, Civil Service Commission.....	22,807,200	23,027,000	21,650,000	22,290,000	21,970,000
FEDERAL AVIATION AGENCY					
Expenses.....	258,016,100	326,400,000	283,200,000	320,200,000	301,700,000
Establishment of air navigation facilities.....	158,500,000	145,000,000	131,200,000	139,700,000	135,200,000
Grants-in-aid for airports (liquidation of contract authorization).....	48,000,000	50,000,000	47,500,000	47,500,000	47,500,000
Research and development.....	297,000	63,600,000	47,100,000	50,350,000	48,725,000
Operation and maintenance, Washington National Airport.....	2,490,000	2,400,000	2,400,000	2,400,000	2,400,000
Construction and development, additional Washington Airport.....	50,000,000	0	0	0	0
Operation and maintenance of public airports, Territory of Alaska.....	1,075,650	0	0	0	0
Airways Modernization Board.....	31,500,000	0	0	0	0
Total, Federal Aviation Agency.....	549,878,750	587,400,000	511,400,000	560,150,000	535,825,000
FEDERAL COMMUNICATIONS COMMISSION					
Salaries and expenses.....	9,781,100	11,000,000	10,400,000	10,700,000	10,550,000
FEDERAL POWER COMMISSION					
Salaries and expenses.....	6,932,500	7,425,000	7,062,000	7,374,000	7,218,000
FEDERAL TRADE COMMISSION					
Salaries and expenses.....	6,488,000	6,975,000	6,745,000	6,935,000	6,840,000
GENERAL ACCOUNTING OFFICE					
Salaries and expenses.....	39,020,500	41,869,000	41,800,000	41,800,000	41,800,000
GENERAL SERVICES ADMINISTRATION					
Operating expenses, Public Buildings Service.....	145,818,960	155,100,000	148,150,000	153,150,000	151,000,000
Repair and improvement, federally owned buildings.....	75,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Payments, public buildings purchase contracts.....	310,900	1,675,000	1,675,000	1,675,000	1,675,000
Sites and expenses, public buildings projects.....	39,915,000	0	25,000,000	25,000,000	25,000,000
Construction, public buildings projects.....	152,810,000	0	0	0	0
Construction, Federal Office Building No. 6, Washington, D.C.....	14,000,000	0	0	0	0
Construction, United States Court of Claims and Federal Office Building, Washington, D.C.....	1,200,000	0	0	0	0
Construction, United States Mission Building, New York, N.Y.....	3,750,000	0	0	0	0
Construction, public buildings.....	323,000	0	0	0	0
Hospital facilities in the District of Columbia.....	1,020,000	0	0	0	0
Operating expenses, Federal Supply Service.....	3,715,690	3,970,000	3,770,000	3,970,000	3,770,000
Expenses, supply distribution.....	20,507,000	22,000,000	21,150,000	21,550,000	21,450,000
General supply fund.....	21,250,000	0	0	0	0
Operating expenses, National Archives and Records Service.....	8,082,500	9,300,000	9,176,800	9,176,800	9,176,800
Operating expenses, Transportation and Public Utilities Service.....	1,995,800	2,029,000	2,000,000	2,000,000	2,000,000
Strategic and critical materials.....	3,000,000	0	(¹)	(¹)	(¹)
Salaries and expenses, Office of Administrator.....	372,240	225,000	225,000	225,000	225,000
Allowances and office facilities for former Presidents.....	0	200,000	200,000	200,000	200,000
Refunds under Renegotiation Act.....	1,400,000	0	0	0	0
Administrative operations fund (limitation).....	(12,398,900)	(15,000,000)	(12,800,000)	(15,000,000)	(12,750,000)
Total, General Services Administration.....	494,471,090	254,499,000	271,346,800	276,946,800	274,496,800
HOUSING AND HOME FINANCE AGENCY					
Office of the Administrator:					
Salaries and expenses.....	8,684,000	10,025,000	8,702,000	9,402,000	9,052,000
Urban planning grants.....	3,230,000	875,000	875,000	875,000	875,000
Capital grants for slum clearance and urban renewal.....	50,000,000	100,000,000	90,000,000	90,000,000	90,000,000
Reserve of planned public works (payment to revolving fund).....	7,000,000	7,000,000	6,000,000	6,000,000	6,000,000
Total, Office of the Administrator.....	68,934,000	118,000,000	105,677,000	106,377,000	106,027,000
Public Housing Administration:					
Annual contributions.....	107,500,000	124,000,000	120,000,000	120,000,000	120,000,000
Administrative expenses.....	12,574,000	13,000,000	12,660,000	13,000,000	12,830,000
Total, Public Housing Administration.....	120,074,000	137,000,000	132,660,000	133,000,000	132,830,000
Total, Housing and Home Finance Agency.....	189,008,000	255,000,000	238,337,000	239,377,000	238,857,000
INTERSTATE COMMERCE COMMISSION					
Salaries and expenses.....	18,747,800	20,150,000	19,400,000	19,900,000	19,650,000

¹ Includes funds contained in the Second Supplemental, 1959 (Public Law 86-30).² And \$1,999,010 from proceeds of surplus personal property disposal.³ And \$2,230,000 from proceeds of surplus personal property disposal.⁴ Rescission of prior year funds.

Comparison of estimates with action taken on independent offices appropriation bill, 1960—Continued

TITLE I—INDEPENDENT OFFICES

Item	Appropriations, 1959	Budget esti- mates, 1960	House bill	Senate bill	Conference agreement
TITLE I—Continued					
INDEPENDENT OFFICES—Continued					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Salaries and expenses.....	\$86,286,300	(9)			
Research and development.....	50,000,000	(9)			
Construction and equipment.....	48,000,000	(9)			
Total, National Aeronautics and Space Administration.....	184,286,300	0			
NATIONAL CAPITAL HOUSING AUTHORITY					
Operation and maintenance of properties.....	38,000	\$45,000	\$40,000	\$40,000	\$40,000
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses.....	134,000,000	160,300,000	143,273,000	160,300,000	152,773,000
International Geophysical Year.....	2,500,000	0			
Total, National Science Foundation.....	136,500,000	160,300,000	143,273,000	160,300,000	152,773,000
RENEGOTIATION BOARD					
Salaries and expenses.....	3,025,500	3,000,000	2,700,000	3,000,000	2,850,000
SECURITIES AND EXCHANGE COMMISSION					
Salaries and expenses.....	7,705,000	8,275,000	7,800,000	8,275,000	8,100,000
SELECTIVE SERVICE SYSTEM					
Salaries and expenses.....	29,556,800	30,650,000	29,000,000	29,556,800	29,278,400
VETERANS' ADMINISTRATION					
General operating expenses.....	164,680,000	163,373,000	163,373,000	163,373,000	163,373,000
Medical administration and miscellaneous operating expenses.....	26,726,300	23,005,000	27,349,000	31,349,000	29,349,000
Inpatient care.....	769,318,000	786,779,000	792,079,000	792,079,000	792,079,000
Outpatient care.....	82,333,000	83,866,000	83,866,000	83,866,000	83,866,000
Maintenance and operation of supply depots.....	2,201,700	2,303,000	2,218,000	2,218,000	2,218,000
Compensation and pensions.....	3,252,500,000	3,307,000,000	3,300,000,000	3,300,000,000	3,300,000,000
Readjustment benefits.....	700,000,000	588,000,000	585,000,000	585,000,000	585,000,000
Veterans insurance and indemnities.....	51,100,000	53,000,000	53,000,000	53,000,000	53,000,000
Grants to the Republic of the Philippines.....	1,250,000	2,000,000	2,000,000	2,000,000	2,000,000
Construction of hospital and domiciliary facilities.....	19,295,000	20,159,000	30,159,000	33,159,000	31,659,000
Soldiers' and sailors' civil relief.....	1,300,000	0			
Total, Veterans' Administration.....	5,070,704,000	5,029,485,000	5,039,044,000	5,046,044,000	5,042,544,000
Total, title I.....	6,875,620,240	6,584,188,000	6,457,657,800	6,559,348,600	6,502,152,200

* Being considered on supplemental appropriation bill, 1960 (H.R. 7978).

TITLE II—CORPORATIONS—ADMINISTRATIVE EXPENSES

[Limitations on amounts of corporate funds to be expended]

Corporation or agency	Authorizations, 1959 ¹	Budget esti- mates, 1960	House bill	Senate bill	Conference agreement
Federal Home Loan Bank Board.....	\$1,699,000	\$1,900,000	\$1,800,000	\$1,800,000	\$1,800,000
Federal Savings and Loan Insurance Corporation.....	750,600	800,000	775,000	775,000	775,000
General Services Administration:					
Abaca fiber program.....	51,950	52,500	47,000	47,000	47,000
Federal Facilities Corporation.....	26,620	24,000	20,000	20,000	20,000
Reconstruction Finance Corporation liquidation fund.....	53,960	44,000	40,000	40,000	40,000
Housing and Home Finance Agency:					
College housing loans.....	1,718,200	1,780,000	1,723,000	1,723,000	1,723,000
Public facility loans.....	434,200	550,000	500,000	550,000	525,000
Revolving fund (liquidating programs).....	650,900	755,000	653,000	755,000	653,000
Federal National Mortgage Association.....	4,885,000	6,100,000	6,050,000	6,050,000	6,050,000
Federal Housing Administration.....	7,841,500	8,200,000	8,100,000	8,100,000	8,100,000
Public Housing Administration.....	12,574,000	13,000,000	12,660,000	13,000,000	12,830,000
Total, administrative expenses.....	30,685,930	33,205,500	32,368,000	32,860,000	32,563,000

¹ Includes funds contained in the Second Supplemental, 1959. (Public Law 86-30).

JUVENILE DELINQUENCY

Mr. KEATING. Mr. President, yesterday in connection with remarks which I made on the subject of juvenile delinquency, I ask unanimous consent that certain extraneous matter, including editorials and other material, be printed with my remarks in the permanent RECORD.

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

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, the Senator from Tennessee [Mr. GORE] has an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out title II of the bill and in lieu thereof, insert the following:

TITLE II—HIGHWAY TRUST FUND AND INTERNAL REVENUE CODE AMENDMENTS AND RESCISSION OF APPROPRIATIONS

SEC. 201. Transfers to highway trust fund.

(a) TRANSFERS.—Section 209(c) of the Highway Revenue Act of 1956 (relating to

transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXCISE TAX ON PASSENGER AUTOMOBILES, ETC.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to—

"(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1960, under section 4061(a) (2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 4 percent in lieu of the applicable rate; and

"(B) that portion of the taxes received in the Treasury after June 30, 1960, and before July 1, 1964, under section 4061(a) (2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 6 percent in lieu of the applicable rate."

(b) CLERICAL AMENDMENT.—Paragraph (4) (as renumbered by subsection (a)) of such section 209(c) is amended by striking out "paragraphs (1) and (2)" each place it appears and inserting in lieu thereof "paragraphs (1), (2), and (3)".

SEC. 202. Rescission of 1 percent of certain appropriations for 1960 fiscal year.

(a) RESCISSION.—Except as provided in subsection (b), an amount equal to 1 percent of each appropriation made from the general fund of the Treasury for the fiscal year ending June 30, 1960, by each Act of Congress enacted during the first session of the Eighty-sixth Congress which makes regular or supplemental appropriations for such fiscal year is hereby rescinded.

(b) EXCEPTIONS.—Subsection (a) shall not apply to any appropriation made for any of the following purposes to the extent that the President determines that the amount of such appropriation cannot be reduced by 1 percent:

(1) compensation and pensions payable under the laws administered by the Veterans' Administration,

(2) refund of overpayments of taxes, custom duties, and other amounts paid to the United States,

(3) interest on the public debt, and

(4) any other obligation of the United States the fulfillment of which is both authorized and directed by Act of Congress.

SEC. 203. Repeal of credit against income tax for dividends received by individuals.

(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1958, section 34 of the Internal Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out

"Sec. 34. Dividends received by individuals."

(2) Section 35(b)(1) of such Code is amended by striking out "the sum of the credits allowable under sections 33 and 34" and inserting in lieu thereof "the credit allowable under section 33".

(3) Section 37(a) of such Code is amended by striking out "section 34 (relating to credit for dividends received by individuals)",

(4) Section 584(c)(2) of such Code is amended by striking out "section 34 or".

(5) Section 642(a) of such Code is amended by striking out the first sentence, and by striking out "section 34 and" in the second sentence.

(6) Section 702(a)(5) of such Code is amended by striking out "a credit under section 34".

(7) Section 854(a) of such Code is amended by striking out "section 34(a) (relating to credit for dividends received by individuals)".

(8) Section 854(b) of such Code is amended by striking out "the credit under section 34(a)," in paragraph (1) and by striking out "the credit under section 34," in paragraph (2).

(9) Section 1375(b) of such Code is amended by striking out "section 34, section 37, or section 116" and inserting in lieu thereof "section 37 or 116".

(10) Section 6014(a) of such Code is amended by striking out "34 or".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1958.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Tennessee is temporarily detained but will be here momentarily. He is very desirous that all Senators who can possibly be present be here while the amendment is being considered. I ask the aids of the minority and majority parties to please telephone Senators that a very important amendment is being considered.

The Senator from Tennessee has informed me that he expects a number of questions to be asked, and that his presentation will be as brief as possible, perhaps 25 or 30 minutes.

Mr. President, I hope we may have order in the Chamber, so that all Senators may hear the discussion, because we expect to have a yea-and-nay vote on the amendment. While there is a good attendance of Senators now, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the amendment of the Senator from Tennessee, as called up by the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Tennessee, so he may proceed with the statement he desired to make.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. GORE. Is the amendment now before the Senate the one identified by the letter "D"?

The PRESIDING OFFICER. The pending amendment is identified by the letter "C".

Mr. GORE. Mr. President, I withdraw that amendment, and call up my amendment "D", and ask that it be stated.

The PRESIDING OFFICER. Inasmuch as the yeas and nays have been ordered on the question of agreeing to the amendment "C", the Senator from Tennessee will have to obtain unanimous consent before he can have the amendment withdrawn.

Mr. GORE. Mr. President, inasmuch as, by error, the wrong amendment was called up, I ask unanimous consent that I may withdraw that amendment at this time, and may call up my amendment D.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object—although of course I shall not object—I wish to propound a parliamentary inquiry of the Chair, if the Senator from Tennessee will be so kind as to permit me to do so: Has any time limitation in regard to consideration of the amendment or the bill been entered into?

The PRESIDING OFFICER. No.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? Without objection, it is so ordered; and the amendment is withdrawn.

Mr. GORE. I ask unanimous consent that the names of Senators LONG of Louisiana, MCCARTHY, and MONRONEY may be added as additional cosponsors of my amendment.

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

Mr. President, I now call up my amendment identified as "D."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out title II of the bill, and in lieu thereof insert the following:

TITLE II—HIGHWAY TRUST FUND AND INTERNAL REVENUE AMENDMENTS

SEC. 201. Transfers to highway trust fund.

(a) Transfers.—Section 209 (c) of the Highway Revenue Act of 1956 (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXCISE TAX ON PASSENGER AUTOMOBILES, ETC.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to—

"(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1960, under section 4061(a) (2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 4 percent in lieu of the applicable rate; and

"(B) that portion of the taxes received in the Treasury after June 30, 1960, and before July 1, 1964, under section 4061(a) (2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 6 percent in lieu of the applicable rate."

(b) CLERICAL AMENDMENT.—Paragraph (4) (as renumbered by subsection (a)) of such section 209(c) is amended by striking out "paragraphs (1) and (2)" each place it appears and inserting in lieu thereof "paragraphs (1), (2), and (3)".

SEC. 202. Repeal of credit against income tax for dividends received by individuals.

(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1958, section 34 of the Internal

Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "Sec. 34. Dividends received by individuals."

(2) Section 35(b)(1) of such Code is amended by striking out "the sum of the credits allowable under sections 33 and 34" and inserting in lieu thereof "the credit allowable under section 33".

(3) Section 37(a) of such Code is amended by striking out "section 34 (relating to credit for dividends received by individuals)".

(4) Section 584(c)(2) of such Code is amended by striking out "section 34 or".

(5) Section 642(a) of such Code is amended by striking out the first sentence, and by striking out "section 34 and" in the second sentence.

(6) Section 702(a)(5) of such Code is amended by striking out "a credit under section 34".

(7) Section 854(a) of such Code is amended by striking out "section 34(a) (relating to credit for dividends received by individuals)".

(8) Section 854(b) of such Code is amended by striking out "the credit under section 34(a)," in paragraph (1) and by striking out "the credit under section 34," in paragraph (2).

(9) Section 1375(b) of such Code is amended by striking out "section 34, section 37, or section 116" and inserting in lieu thereof "section 37 or 116".

(10) Section 6014(a) of such Code is amended by striking out "34 or".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1958.

Mr. GORE. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. GORE. Mr. President, my discussion of the highway program and the amendment which I have offered—and I offer it on behalf of myself and the junior Senator from Minnesota [Mr. McCARTHY]—will be brief.

To begin with, there is no disagreement between the members of either the Finance Committee or the Public Works Committee in regard to continuation of the highway program. It is agreed that the highway program must be continued.

I desire to point out that the difference or the issue presented by this amendment is divisible into two parts: first, the source from which, and the manner by which, additional revenue will be raised; and, second, the dedication to the highway trust fund of an amount sufficient to prevent a default in the fund within the present fiscal year.

Mr. President, there is a third question with which the Senate will need to deal, and it relates to apportionments for future years.

The amendment I have proposed is offered as a substitute for title II. It provides two things:

First, the amendment substitutes a repeal of the credit on dividends for a levy—as provided in the House version of the bill—of an additional 1 cent a gallon on every gallon of gasoline bought by every man, woman, and child in the

United States. It also provides that four percentage points of the excise tax on automobiles shall be dedicated to the highway trust fund in fiscal 1960 and dedication of six percentage points of that tax for fiscal 1961, 1962, 1963, and 1964.

According to estimates made by the Treasury Department, the repeal of the dividend credit will yield to the general fund of the Treasury revenue in the amount of \$335 million per year. The revenue from the additional 1-cent tax on gasoline, to begin October 1—as provided in the bill now before the Senate—would yield, according to estimates, \$333 million this fiscal year.

So the yield to the Treasury—the additional revenue resulting from the bill before the committee or that resulting from the amendment I have submitted, on behalf of myself and the Senator from Minnesota [Mr. McCARTHY]—will be approximately the same; the difference between the two will, according to the estimates, be only \$2 million.

So the Senate has a choice between providing for \$335 million of revenue, through repeal of the tax favoritism given to income received from dividends, on the one hand; or the levying of an additional 1 cent a gallon Federal sales tax on each gallon of gasoline, on the other hand.

I think that Members of the Senate question the equitableness of the proposed levy. Gasoline is a necessity and an essential commodity. Nearly every person in America—or, at least, an overwhelming proportion of the people in America—find it necessary to use gasoline. A sales tax on gasoline bears equally upon those who are able to pay and those who are not able to pay; it is no respecter whatever of ability to pay.

If this were the only tax upon this essential commodity, perhaps we could overlook it. But, Mr. President, I call attention to the fact that gasoline already bears a heavier tax than does any other essential commodity. For instance, in my State, the combination of State taxes and Federal taxes on gasoline approximates the refinery cost of gasoline. Where is there another essential commodity on which a 100 percent tax is already levied? Indeed, one must search far and near to find even a luxury commodity which bears the heavy burden of taxation that gasoline bears. I can think of only two which may be so heavily taxed; they are liquor and tobacco.

Mr. RANDOLPH. Mr. President, will the Senator from Tennessee yield to me at this time?

Mr. GORE. I yield.

Mr. RANDOLPH. I think it important, during this debate, to indicate that the American people are not so much interested in the purchase of small automobiles because of the fact that they are small as they are interested in purchasing such cars—and today they are purchasing them by the tens of thousands—of foreign manufacture, and, more recently, of American manufacture, because of the decreased consumption of gasoline in small automobiles. Tires on a replacement basis bring an additional saving.

I repeat that it is not because Americans are so much interested in smaller automobiles versus larger automobiles; the car size interests them not so much as does the amount of gasoline the automobile engines they purchase consume. Motorists are finding that the average annual use, for business and recreational purposes, of the small type of automobiles I have mentioned actually saves—because of the decreased fuel consumption—each motorist using such an automobile approximately \$200 annually.

The presentation of this subject by the well informed Senator from Tennessee, is of utmost importance.

Mr. GORE. Mr. President, I appreciate very much the contribution the Senator from West Virginia has made. He has stated a point of view which had not occurred to me.

Another point of view which has not been brought to the attention of the Senate, insofar as I am aware, is that only about one-seventh of the Nation's traffic is expected to use the System of Interstate and Defense Highways; yet every person who purchases gasoline—whether he uses the interstate highways or not—and in that connection I refer to the people in Alaska and the people in Hawaii—will be required to pay this additional tax. It is a very inequitable levy—inequitable not only for those reasons, but also because the tax on gasoline is already very heavy and quite burdensome.

It is inequitable for yet another reason: The users of our highways are already paying this year more than \$1,600 million in excess of the amount devoted to highway improvement and construction. One billion six hundred million dollars is being diverted to purposes other than highway construction.

I do not accept the theory which some persons advocate that highway users should pay the entire cost of highways. I think highways benefit the entire Nation. Indeed President Eisenhower and General Clay presented this program as necessary in the interest of national defense.

There are many segments of our economy which benefit from highways that do not pay highway user excise taxes. Let us take the situation of Miami, Fla., for example. I notice the distinguished senior Senator from Florida [Mr. HOLLAND] is doing me the honor of listening to my remarks. The resort at Miami, with hundreds of beautiful hotels, depends in large part for its patronage upon people who use the highways traveling to and from the great and beautiful resort.

What about the automobile tire manufacturers, such as Goodyear and Firestone? Are not they beneficiaries of improved highways? What about General Motors, Ford, Chrysler? Indeed, one man out of seven who works in America today, we are told, earns his living in some way from the highway transportation industry.

Why, then, must the entire cost of highways be borne by the direct users of the highways? I do not accept this thesis. But, Mr. President, if we accept it, the highway users are already paying more—far more—than the cost of high-

ways. As I have said, \$1,600 million is being diverted this year from highway uses to other purposes.

How much money do we need this year? We need an estimated \$493 million, according to the testimony before the committee, to meet the deficit in the highway trust fund. I am sure there will be no disagreement on that point. When do we need it? Immediately. The highway trust fund will be completely out of money on about October 1, we are told.

That is why I moved, earlier in this session, to replenish the funds in the highway trust fund. That is why we must move quickly now to do so.

Does the bill before the Senate wipe out the deficit in the highway trust fund? It does not. How much does it provide? \$333 million. And what is the deficit? \$493 million.

So, by the testimony given to the committee yesterday—and Senators will find it on their desks—even with the passage of House bill 8678, the highway trust fund would be in default \$160 million this fiscal year. Because of the seasonal peaks of construction, the deficit will be \$353 million December 31, this year, with the enactment of H.R. 8678.

So I submit that enactment of H.R. 8678 is not adequate. It will not solve the fiscal problem immediately at hand—the problem of meeting obligations already due. This will mean that the Federal Government will be in default to the States.

What does that mean to them? It means that the States will be in default upon the payment of contracts that have been performed and on which payment is due, unless, of course, the States can have special sessions of their legislatures to provide for the sale of bonds or raise funds in another manner.

Mr. President, this is a serious matter. This is a commitment. This highway program has been in operation since 1916. It has been on a matching basis, on a cooperative basis.

The Congress each 2 years has passed a bill providing for apportionments to the respective States for highway construction, in accordance with a formula determined by law. Each State knows exactly the amount to which it is entitled. Its legislature has without doubt proceeded upon this commitment. But now we are told that these commitments cannot be honored, even with the enactment of H.R. 8678. I would that all Members of the Senate could be made aware of this fact.

How does Mr. Tallamy propose to operate the Bureau of Public Roads without honoring the apportionments made by law? He told us yesterday he would do so by contract control. I hope that Senators will read the hearings of yesterday before they vote. I hope each Senator will read the testimony, because he told us that the Federal Government would exercise control of contracts within the respective States, even though the States provide 50 percent of the cost of projects on a matching basis.

The deficit to which I refer as existing this year will be for the reimbursement to the States for contracts al-

ready entered into on which no Federal control was exercised. These contracts were made pursuant to a law enacted by Congress and signed by the President. It is that deficit to which I refer when I refer to the deficit within the present fiscal year, which deficit will still be \$160 million after H.R. 8678 becomes law, if it does.

Therefore, I propose to dedicate to the highway trust fund a sufficient amount in the present fiscal year to meet the deficit in the fund in order that the Federal Government can honor the commitments which have been made solely by an enactment of law by the Congress and the President of the United States.

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

Mr. GORE. I yield.

Mr. WILEY. I wish to compliment the distinguished Senator from Tennessee. He is making a very clear statement. I think I understand the Senator's amendment.

I am wondering, in view of what the Senator has shown us, whether it would be advisable not only to keep the 1 cent increase but also to repeal the credit against the income tax on stocks. That would give us the funds which are necessary, and give an overage, and I am sure the Treasury needs all taxes it can get.

I make this suggestion because these days, when there is a big national income, now close to \$400 billion, we have to reach out and get those who can afford to pay to pay.

I simply make that suggestion. I am not a member of the committee, nor have I studied the problem before. The thought occurred to me as I heard the very fine, lucid statement of the distinguished Senator.

Mr. GORE. The Senator has made a very worth while suggestion. It is not at all without merit. Were it not for the inequity and unfairness of levying additional taxes on gasoline, which already bears such a heavy burden, I would readily accept his suggestion. Why? Because with the passage of H.R. 8678 we shall not only fail to meet the problem this fiscal year, but the problem we have this fiscal year is comparatively mild compared to what we shall face in the next fiscal year. I remind the Senate that at the beginning of the present fiscal year the highway trust fund had a surplus of about \$500 million, whereas by the terms of H.R. 8678 we shall begin the next fiscal year with a deficit a \$160 million. So we shall be \$600 million worse off 1 year from now than we are now. There is no question that additional revenue is needed.

I do not offer my amendment as a solution to all the problems of the highway program. I offer it to accomplish two purposes: First, to dedicate a sufficient amount of the excise tax on automobiles to the highway trust fund to meet the deficit in the fund this year, secondly, to provide new revenues to the Treasury in an approximate amount which would result from the 1-cent tax on gasoline. I prefer the repeal of the dividend credit to the 1-cent additional tax on gasoline. The Senator has suggested the possibility of both.

Mr. WILEY. I appreciate the Senator's fine approach to what I believe is the real, overall problem.

Mr. GORE. I thank the Senator. As he knows, I have been involved in highway legislation. I have never approached it in any partisan way whatsoever. The program has had bipartisan support, and it must remain that way.

Mr. WILEY. We all agree that the deficit in the Treasury continues. This year we anticipate a deficit of \$2 billion or \$3 billion, I believe, if things keep on going the way they are. Much could be said in favor of the argument the Senator made in relation to not adding the 1-cent tax. But when we consider what gasoline is selling for in Britain and in other places, we realize we do not pay really half of what the British have to pay. Then when we appreciate also that the tax we collect relates to a 40-cent dollar, in value, or a 40 percent penny, we begin to realize that the tax is not very high on gasoline after all.

From the standpoint of taxing dividends, that argument we know. It is double taxation. There are many widows who depend upon the small dividends they get. But it seems to me what we must think about is the overall challenge to keep this country, if it is possible, on an even keel financially. I for one, would be very happy to adopt the suggestion of getting taxes from both sources.

I have not studied the matter, but in view of the figures the Senator has given us, which show a deficit this year and a deficit next year, it seems to me we are proposing to meet the problem only half way. By taking funds from the Treasury, if there are any funds there, that should be applied otherwise, it seems to me is "passing the buck."

Mr. GORE. The Senator speaks of taking away the gasoline tax. The Senator understands my amendment would not reduce the existing tax on gasoline.

Mr. WILEY. Oh, no.

Mr. GORE. It would merely substitute a repeal of the dividend credit for the proposed 1-cent increase.

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

Mr. GORE. I wish to answer the Senator from Wisconsin [Mr. WILEY], and then I will yield to the distinguished Senator from Louisiana.

The highway bill (H.R. 8698) now before the Senate provides for a severe slowup of the program. It would reduce the authorized apportionment from the level of \$2,500 million per year on the interstate and defense system, to \$2 billion for fiscal 1961, of which only \$1,800 million could actually be apportioned. According to the tables which the Senator will find in the committee hearings, this slowup and stretchout provided in H.R. 8678 would mean that the highway system would not be completed until 1977. This would destroy the whole concept of an integrated National System of Interstate and Defense Highways completed within a generation's time, and at design standards equal to the traffic needs of 1975.

I say this bill is inadequate. It is unacceptable. It will not solve the problem this year, next year, or in the future.

It fails to meet the problem this year. It makes the problem worse next year. It provides a stretchout, which means that these highways may not be completed within the lifetimes of many Members of the U.S. Senate.

Mr. LONG of Louisiana. Will the Senator yield?

Mr. GORE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. It seems to me we might observe what has happened taxwise in this administration.

The first thing this administration did in 1954 was to give us its rich man's tax relief bill. That started out being 375 pages long, without one line in there to help the workingman, and yet it meant about \$6 billion or \$7 billion of tax relief. We finally put on there some reduction in excise taxes, not the gasoline tax.

This particular one that the Senator wants to take away, this dividend credit, is an amendment which was adopted in the House of Representatives under a rule, and that is the only way in which this provision could have become law, and the Senator knows as well as I do that this particular provision was adopted in the House of Representatives under a closed rule, under which the House could not vote on the merits of the proposal. I am glad that I was one of those who voted against the dividend credit in the Senate at the time when the Senate voted by a majority of, I believe, about 4 to 1, and knocked this dividend credit out of the tax bill. However, the House conferees never permitted the House to vote on it. They were able to sustain their original position to keep this provision in the law. If the House had ever had a chance to vote on this proposition, they would have killed it, just as the Senate had by a 4-to-1 majority.

The administration recommended and helped to put into law this provision which helps corporation stockholders. Mr. President, it has helped the wealthy of this country. It is a completely unnecessary, unjustified tax advantage to those people.

Having given all this tax advantage to all those in higher income tax brackets, the administration has brought us two different bills, one to increase the gasoline tax, and then another one to raise it another cent.

I think the Senator will find that if his amendment wins again, the Senate will express itself that this tax advantage is not justified, and on the other hand we will put the tax back on those who are well able to pay.

If more money is needed, it seems to me the Senator suggests the obvious way to get it. Here is one place where we could get some revenue very easily, surely, and it is certainly preferable to these continual increases in the gasoline taxes.

Mr. GORE. I thank the Senator for his support. I desire to suggest again that the tax favoritism to income from dividends operates to the discrimination of the person who invests in local community improvement. If one builds a building or a business in his hometown from which he receives personal income,

he is taxed on that income at the regular rate, but the person who turns away and buys bonds or General Motors stock and receives his income from that, gets a tax advantage. If the Senate is not aware of how great that advantage becomes, I should like to point out that the persons with an income of under \$3,000 receives, on the average a credit of \$18, while a person with an income of \$1 million or more receives, on the average a credit of \$38,995.

I should like to put into the RECORD, Mr. President, a compilation that has been made which shows the amount of tax saved by this dividend tax credit device.

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

Who benefits and how much?—The dividend credit tax loophole, 1957

Adjusted gross income	Number of taxable returns filed	Returns claiming dividend credits	
		Percent of returns filed	Tax saved by credit
Under \$3,000.....	11,543,127	2.1	\$18
\$3,000, under \$5,000.....	14,137,633	3.0	27
\$5,000, under \$7,000.....	10,078,686	4.2	33
\$7,000, under \$10,000.....	6,618,334	8.2	42
\$10,000, under \$15,000.....	2,211,504	22.6	64
\$15,000, under \$20,000.....	543,154	43.7	103
\$20,000, under \$25,000.....	250,583	54.8	147
\$25,000, under \$50,000.....	366,156	66.8	244
\$50,000, under \$100,000.....	93,289	83.5	622
\$100,000, under \$150,000.....	14,089	89.3	1,628
\$150,000, under \$200,000.....	3,986	93.7	2,509
\$200,000, under \$500,000.....	3,979	95.3	4,401
\$500,000, under \$1,000,000.....	3,578	96.0	10,470
\$1,000,000 or more.....	217	95.4	38,995
Total.....	46,865,315	6.2	-----

Source: Statistics of Income, 1957, "Individual Income Tax Returns," U.S. Treasury, Internal Revenue Service.

Mr. LONG of Louisiana. If the Senator will yield again, one reason the administration is trying to tell us we are not responsible unless we vote to raise interest rates on the national debt, these corporation stocks are so much more attractive to these people than Government bonds, and one of the reasons is that they get this tax advantage on dividends on corporation stocks.

Mr. GORE. I think it is an unsound tax advantage or favoritism to income from dividends that cannot be justified. Some mention has been made of double taxation. That is a canard. Under the law a corporation is one person; a stockholder is another.

I do not wish to argue at length about the matter of this tax. The Senate has voted on it once already this year. As the able Senator has pointed out, the Senate has by rollcall vote with a heavy majority voted to repeal it. It has also voted with a heavy majority against the assessment of an additional tax on gasoline.

Here we have a clean, clear-cut, simple choice between two things: First, a Federal sales tax of 1 cent on every gallon of gasoline bought by every man, woman, and child in America or its possessions or, second, the repeal of this tax favoritism.

I should like to point out that neither will completely solve the highway pro-

gram, either this year, next year, or in later years.

Mr. President, what I have proposed is a dedication of enough of the excise taxes on automobiles to the highway trust fund to meet the deficit in the trust fund this fiscal year and to meet the anticipated deficit in future years through 1964. I hope the Senator understands that.

Mr. CLARK. Will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Mr. President, the Senator knows, because we have talked together, that I am very sympathetic with his point of view and that if there is any possible alternative, I wish to utilize it instead of passing this regressive tax on gasoline which I think is utterly against the interests of the ordinary American citizen.

The tax on gasoline in my State is presently 5 cents, and that is too high. The Federal tax is 3 cents and it would go up to 4 under this bill. That will make a total of 9 cents taken out of the pockets of the relatively poor as well as those of middle income and the rich and the corporations. I think that kind of regressive sales tax is a great mistake, and therefore I support the general point of view which my friend from Tennessee has indicated.

I want to ask the Senator from Tennessee if he will be kind enough to turn to his amendment and answer a couple of questions for me. As I understand it, on page 2 of his amendment "D" under the subheading "Excise Tax on Passenger Automobiles," does the Senator find that?

Mr. GORE. I have it.

Mr. CLARK. As I understand, the Senator proposes to transfer out of the general fund of the United States enough in terms of excise taxes on passenger automobiles to permit the highway program to go forward for the indefinite future at the rate contemplated when the legislation was passed. Is that correct?

Mr. GORE. I am sorry that it will not accomplish all those purposes. The transfer will approximate \$500 million this year.

Mr. CLARK. Five hundred and twenty million dollars, I believe.

Mr. GORE. Well, I am speaking in round figures. As the Senator knows, these are estimates, and we cannot speak in exact terms. I believe, as a matter of fact, that the estimate is about \$520 million. The estimate deficit is \$493 million.

Mr. CLARK. The Senator is correct.

Mr. GORE. So far as the present year is concerned, the amendment would solve our fiscal problem, and it would allow the Federal Government to honor its commitments to the States, rather than to be in default.

Mr. CLARK. That is correct.

Mr. GORE. I cannot assure the Senator from Pennsylvania, however, that that amount of money transferred to the highway trust fund will permit the highway program to continue in the future at the full rate authorized in the schedule of apportionments in the 1958 act.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. It would be much closer, however, than would be provided by the House bill now before the Senate.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. CLARK. The figures which I have before me, and which I understand were prepared jointly by the Senator's staff and by my staff indicate that for fiscal year 1961 the highway fund deficit would, if nothing were done, be \$816 million, whereas the Senator, as shown on page 2 of his pending amendment, would have the portion of the excise taxes which would be transferred to the highway fund increase from 4 percent to 6 percent. This would raise \$804 million, which would still permit the highway program for fiscal 1961 to go forward at the present rate, because there will be enough surplus from 1960 to more than make up the difference between \$804 million and \$816 million.

Mr. GORE. That is correct.

Mr. President, I ask unanimous consent to place a table in the RECORD at this point. This table shows the estimated amount of auto excise tax revenue which would be transferred to the highway trust fund under my amendment.

Mr. KUCHEL. Mr. President, reserving the right to object, what is the source of the figures the Senator wishes to place in the RECORD?

Mr. GORE. The table shows the amount of money which would be transferred from the general fund to the highway trust fund by the terms of the amendment which I have offered. The estimates come from the Bureau of Public Roads.

Mr. SCOTT. Mr. President, reserving the right to object—and I shall not object—can the Senator answer this question for me—

Mr. GORE. Will not the Senator permit the statement to go into the RECORD?

Mr. SCOTT. I withhold the objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

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

Estimated receipts from auto excise tax

Fiscal year	Percent	Receipts
		<i>Millions</i>
1960.....	4	\$520
1961.....	6	804
1962.....	6	828
1963.....	6	858
1964.....	6	882
Total.....		3,892

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

Mr. GORE. I yield.

Mr. CLARK. Let me say to my good friend and colleague from Pennsylvania that I am in the midst of trying to develop what the amendment would do, and I would appreciate it if my colleague would allow me to finish.

Mr. SCOTT. I am very happy to defer to my colleague until he finishes.

Mr. CLARK. I appreciate the courtesy of my colleague.

I ask my friend from Tennessee if it is not true that, on the basis of the figures which have just been introduced into the RECORD, transfers of the excise tax on passenger automobiles, which my friend from Tennessee contemplates by his amendment, would, so far as we can now estimate, permit the highway plan to go forward at the contemplated rate for the indefinite future.

Mr. GORE. At the rate provided for this fiscal year and fiscal year 1961, it would meet the problem of the deficit existing now and the deficit which looms for next year. It would fall somewhat short of the anticipated deficit in years following if full apportionments are made as authorized.

Mr. CLARK. The table which I have before me indicates trust fund balances as a result of the transfers my friend contemplates, for all fiscal years through 1964. I ask him whether perhaps I have been misinformed.

Mr. GORE. That is true; but it would not provide sufficient funds to permit apportionment at the full levels contained in the 1958 act, for years beyond 1962, because funds apportioned for 1963 would require disbursements extending into 1965.

Mr. CLARK. Could we not agree that the transfer contemplated by my friend in his amendment D would put the highway fund in funds to continue the present program at the contemplated rate at least through the fiscal year 1962?

Mr. GORE. That is true; and perhaps beyond. But I do not wish to claim too much for it. I wish to make it emphatic to my colleagues in the Senate that the bill now before the Senate would solve none of these problems. It would leave a deficit this fiscal year of \$160 million, with which we would have to start the next fiscal year, after the Federal Government had been in default to the States to the extent of \$160 million; and the trust fund would have a deficit of perhaps \$660 million at the middle of fiscal year 1961; and still have a deficit of \$50 million at the end of fiscal year 1961.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. CLARK. By transfers from general funds in the ordinary budget of sums sufficient to take care of the highway program through fiscal year 1962, under his amendment my friend contemplates, does he not, making up a part—but a part only—of what he takes out of the general fund by repealing the 4 percent dividend credit?

Mr. GORE. The Senator is correct. I say in all candor, as I have tried to say before, that the amendment would transfer from the general fund 4 percentage points of the tax on automobiles to the highway trust fund in the fiscal year 1960. This amounts to approximately \$520 million, to meet the estimated deficit of \$493 million.

To come to the point just made by the senior Senator from Pennsylvania, my amendment proposes to bring new revenue into the general fund in the amount of \$335 million, accomplished through a repeal of the dividend tax credit; and the House bill provides new revenue in

the sum of \$333 million by way of a 1 cent increase in the tax on gasoline.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. CLARK. I am in complete accord with the Senator's objective. I am against the 1-cent increase in the tax on gasoline, except as a last resort. I am in favor of transferring to the highway fund enough money to permit the highway program to go forward as contemplated; but I am strongly opposed to not refurbishing the general fund by closing other tax loopholes which will make it possible for us, on this side of the aisle, to show that we are putting back into the Treasury not only what we take out for the highway fund, but a little more, to help balance the budget for 1960, 1961, and 1962.

So I say to my good friend from Tennessee that I will wholeheartedly support his amendment; and if it is adopted, I will support the amendment which my good friend from Minnesota is prepared to offer as soon as the amendment of the Senator from Tennessee is disposed of. That would impose a tax at the source on dividends, just as we have taxation at the source on wages.

That would come closer to filling the gap. Therefore I shall myself offer loop-hole closings which will impose a tax at the source on interest, which would more than equal the revenue transferred to the highway trust fund and follow that with the gift-entertainment-dues-expense account stiffening amendment. We would end up by putting back into the general fund several hundred million dollars more than we take out.

Mr. GORE. I thank the Senator. I shall listen with interest to the discussion of the amendment he proposes to offer later.

I wish to invite attention to the amendment now before the Senate, which would meet the fiscal problem of the highway trust fund this year, and without which, I warn each Member of this body, the Federal Government will be in default to the States, and the States will either be in default with respect to contracts performed, upon which payment is due, or the legislatures will have to meet to provide funds, unless they can be provided from some other source to avoid default.

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

Mr. GORE. I yield.

Mr. SCOTT. Will the Senator answer this question: Why is it unfair that those who use the highways should pay for the use of the highways?

Mr. GORE. I do not believe I have said that it was entirely unfair. I believe they should bear a heavy portion of the cost, but I do not believe they should bear the entire cost, because there are so many other interests which benefit, including national defense, automobile companies, tire companies, and other industries which depend upon highway transportation. However, even if we accept the thesis which the able Senator advocates, the highway users are already paying far more than enough. One billion, six hundred million dollars in revenue from highway

user taxes is being diverted to purposes other than the highways this year.

Mr. SCOTT. I wonder why the Senator from Tennessee and also my senior colleague from Pennsylvania [Mr. CLARK] are trying to find some other way, some other tax, or loophole, to pay for the highway system without facing the basic problem, which is that if the people of the United States want certain benefits, they ought to know that those benefits cost money. They ought to be aware that if they are extracting from the Federal Treasury all kinds of benefits, assistance, assurances, gifts, grants, and donations, those things have to be paid for. If those who use the highways desire, as we all do, better highways, safer highways, more elaborate highways, and more automobiles on the highways, what is wrong, I again ask, why not say: "You should be aware that you must pay for what you use?" That was a good American tradition for a long time. What is wrong with it now?

Mr. GORE. I know that it has not been possible for the junior Senator from Pennsylvania to hear all the remarks of the junior Senator from Tennessee. Therefore, I doubt that the Senator understands fully the amendment which I propose. I have proposed to do just that. I propose to bring into the Treasury—

Mr. SCOTT. I cannot agree that the amendment does that.

Mr. GORE. I propose to bring into the Treasury the same amount of revenue which the House bill proposes, but I propose to do it in a more equitable way. I propose to do it by closing a tax loophole, rather than by levying a heavier sales tax on this essential commodity. I think I have answered the Senator.

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

Mr. GORE. I yield.

Mr. PASTORE. I merely wish to make a slight observation, preparatory to asking a question. It certainly would not shock the sensitivities of the junior Senator from Rhode Island to vote to repeal the credit against dividend income. I have done it twice before. But I simply do not see the compatibility. While I understand the objective of trying to raise money in order to fill a gap which is created by appropriating money from the general fund in order to continue the accelerated Federal-aid highway program, why would it not be better, since we are trying to close tax loopholes, in order to pick up the money which is necessary, if the money is to be appropriated from the general Treasury—

Mr. GORE. The Senator understands that the additional revenue from repeal of the dividend tax credit would go into the general fund, does he not?

Mr. PASTORE. I realize that.

Mr. GORE. And that 4 percentage points of the automobile tax is dedicated to the highway trust fund.

Mr. PASTORE. I realize that. But why do we not look to greener pastures? Why do we not look to the repeal of the oil depletion allowance of 27½ percent? Why do we not consider closing a loophole which is a real loophole, one which

is almost as big as a hole which would be created by the dropping of a hydrogen bomb? If we are to be guided by relativity and compatibility it seems to me that we stand face to face with this source—the oil depletion allowance.

Mr. GORE. I have voted affirmatively upon amendments seeking to reduce the deduction for oil depletion. I seek here not to solve all the inequities in the tax laws, but to prevent an additional inequity from being enacted by substituting therefor repeal of one of the inequities, as I regard it, which would bring in approximately the same amount of money.

Mr. PASTORE. I realize that. I applaud the Senator from Tennessee for it. But on the scope of compatibility, we are allowing the oil industry to get away with a 27½ percent depletion allowance. I do not know what the historic background for it may have been, but today, when everyone is forced to pay high taxes, why should the oil people, get a 27½ percent depletion allowance on oil production? Why should we not fill in that gap and take the money which is coming out of oil and use it to build highways, so that more people can buy more gasoline? And the profit circle would bring back much of the sacrificed bonus of the depreciation allowance we take away.

Mr. GORE. The Senator from Rhode Island convinces me all the more that so long as so many tax loopholes exist, it is utterly unfair to solve all our tax problems by levying heavier and heavier Federal sales taxes.

Mr. PASTORE. But does not the Senator think that it would sit better with the American people if we concentrated on gasoline and oil? The 27½ percent oil depletion allowance is very fertile ground. Perhaps it is time to cut that allowance down. We could spend part of those billions to build the best roads in America—expanding this great income source of the oil industry.

Mr. GORE. I must acknowledge that if that loophole were closed, it would bring in revenue far in excess of the 1 cent tax on gasoline.

Mr. PASTORE. Why are we afraid to do it?

Mr. GORE. I am not. Is the Senator from Rhode Island?

Mr. PASTORE. I think the Senator from Tennessee ought to amend his amendment. Then I could vote for it.

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

Mr. GORE. I yield.

Mr. LONG of Louisiana. I hope the Senator from Tennessee will not let his amendment be defeated by being led astray and accepting the proposal made by the Senator from Rhode Island. The reason why it will not be possible to finance the highway construction by cutting the 27½ percent oil depletion allowance is that there are not enough votes in the Senate to do it. It is just that simple.

What the Senator is trying to do is to take away a tax advantage which the Senate has repeatedly expressed itself as being opposed to, but which the House will vote to take away if the House ever gets a chance to vote on it.

I urge the Senator from Tennessee not to let himself be led astray. When the oil depletion tax matter came to a vote in the Senate some time ago, it was defeated overwhelmingly.

The Senator has an amendment which I believe might be agreed to. I point out these figures: Highway users are paying \$3,885 million a year right now in excise taxes on gasoline, lubricating oil, passenger cars, trucks, buses, automobile parts, tires, tubes, rubber, and diesel fuel. The total comes to almost \$4 billion.

Mr. GORE. In addition to the payment of those taxes, the highway users pay every other tax which everyone else pays. They pay excise taxes; they pay income taxes.

I appreciate the fact that there are a number of inequities in the tax laws. I submit that we have before us in H.R. 8678 a proposal to levy an additional inequity. Gasoline is an essential commodity which every person must use, and it is already bearing a higher tax than any other necessity in America. Yet it is proposed to levy an additional Federal sales tax upon every gallon of gasoline.

As the senior Senator from West Virginia [Mr. RANDOLPH] pointed out, the principal reason why so many Americans are buying small foreign cars is that such cars consume less gasoline. Do not think that the price of gasoline is not a matter of concern to the American people.

Only the other day, I walked out of my abode and engaged a taxicab to come to the Senate Office Building. I do not recall that I had ever seen the driver of that taxicab. For some reason, he recognized me as being the junior Senator from Tennessee. He pulled off to the right side of the street, turned around, and with enthusiasm said, "I thank you for fighting this increase in the gasoline tax. With this car, I make a living for myself, my wife, and my three children. I am already paying about \$300 in gasoline taxes a year. If that tax is raised any more, it will reduce my standard of living. It will increase my cost of living."

I point out, incidentally, that that man does not use the interstate highways at all in his business, as most people do not.

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

Mr. GORE. I promised to yield first to the junior Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I am in complete accord with and support the amendment of the junior Senator from Tennessee. I agree wholeheartedly that the proposed tax is a super sales tax. I had occasion to have some research done this morning in the U.S. statistical book. The combined State and Federal taxes on gasoline, on the national average, today total \$63.92. The 1-cent a gallon increase advocated by the administration will add another 10 percent to that amount. That will put the total average of gasoline tax above \$70 a year for the average automobile user. It does not include the taxicab driver, who makes his living by driving his cab. It includes the wage earner who has bought a house with a GI or an FHA loan, a house which is 15

or 20 miles from his place of work. Such a person's cost of transportation is as essential a part of his cost of living as the bread, butter, and milk he buys for his children, because otherwise he cannot earn his income.

Mr. GORE. This is a regressive tax. It is completely unfair, as I have pointed out. It levies an additional tax burden on a necessity which already bears the heaviest tax of any essential commodity.

Mr. MONRONEY. Let me further illustrate the impact: When this tax reaches \$70 per automobile, it will be the equivalent of a 2 percent sales tax on \$3,500 a year, which is more than the annual income the average man has. Yet the tax now proposed would bring the total tax to \$70 a year, which would be the same as the total sales tax, at the rate of 2 percent, which the average wage earner pays on all the other things he purchases in a year. No commodities, except liquor, are taxed as heavily as are gasoline and oil.

Mr. GORE. And all luxuries are taxed at a lower rate than the tax on this essential commodity—gasoline.

Mr. MONRONEY. One who purchases diamond rings, platinum watches, or strings of pearls is required to pay a maximum tax of 10 percent, I believe, regardless of just what luxury he may purchase. But, today, the average State gasoline tax is 6 cents a gallon, and it is now proposed to increase the Federal gasoline tax to 4 cents a gallon—which will make a total tax of 10 cents a gallon, which amounts to more than a 33½-cent tax on gasoline.

Mr. GORE. On the basis of the retail price.

Mr. MONRONEY. Yes, on the basis of the retail level price. On the basis of the price at the refinery, that total tax amounts to a tax of approximately 100 percent.

Mr. GORE. That will depend on the State involved. In many States, the State tax is 7 cents a gallon, and the Federal tax is 3 cents a gallon; and I am told that the refinery cost of gasoline is approximately 10 cents a gallon. So, in that event, the total tax on gasoline is approximately 100 percent of its cost at the refinery.

Where is there another commodity which is taxed so heavily?

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield further to me?

Mr. GORE. I yield.

Mr. MONRONEY. This morning, I was amazed to realize the sleight-of-hand trick accomplished by transferring the cost of the ABC program—the cost of the normal State highway program, for which the Federal Government contributes on a 50-50 basis—from the general revenue fund to the highway trust fund; but the revenue from the ABC program—in other words, from the tax on automobiles, and so forth—was not transferred to the highway trust fund. So we find that those expenses were charged to the highway trust fund; but none of the income from the automobile excise tax, the tax on lubricating oil, and so forth, was transferred to the highway trust fund.

Yet the Federal Government has had, since 1934, a law which prohibits the States from spending the highway users' tax on things other than highways; and if that law is violated, the State's allocation is reduced to one-third.

Mr. GORE. The Senator from Oklahoma is now referring to the Hayden-Cartwright Act, is he not?

Mr. MONRONEY. That is correct; and it has been on the statute books since 1934.

Mr. GORE. By means of that policy, that requirement is made of the States; but the Federal Government does not proceed to do likewise. Will the Senator from Oklahoma refer to that policy again?

Mr. MONRONEY. That law has been in force since 1934. It requires the States to spend on highway uses the revenue they obtain from their highway users' tax—in other words, the tax revenue from automobile licenses, the tax on automobile tires, the State gasoline tax, and other items spelled out in the law. Yet the Federal Government—which makes that requirement of the States—has not only preempted this field, now, for general taxation, while moving \$800 million of expenses out of the revenue fund and into the highway trust fund, but has not increased the revenue going into the highway trust fund.

I understand this is what the Senator from Tennessee is trying to correct. He is trying to move into the highway trust fund, not all of that tax revenue, although the Federal Government requires the States to do that, but only 40 percent of the excise tax on automobiles.

Mr. GORE. Yes, the tax on automobiles only.

Mr. MONRONEY. And that will leave more than \$1 billion of the highway users' tax to go into the general fund.

Mr. GORE. Approximately \$1,100 million.

Mr. MONRONEY. And the Senator from Tennessee would go even further, because he proposes a much needed correction in that connection; he is attempting to close the tax loophole by means of the 4 percent dividend credit. He proposes that that be replaced with the revenue which his proposal would transfer. It not that correct?

Mr. GORE. That is correct.

Mr. President, the junior Senator from Pennsylvania [Mr. SCOTT] raised the question of highway user taxes. I wish to point out that in the 1956 Act, the Congress increased the gasoline tax from 2 cents a gallon to 3 cents a gallon; increased the tax on diesel fuel from 2 cents a gallon to 3 cents a gallon; increased the tax on automobile tires from 5 cents to 8 cents per pound; imposed a tax of 3 cents per pound on tread rubber—which had not previously been taxed; increased the excise tax on trucks, buses, and trailers from 8 percent to 10 percent, for 1957, and from 5 percent to 10 percent from 1958 to 1972; and a new truck use tax was levied at \$1.50 a thousand pounds.

Those additional taxes were levied in 1956. Those taxes were levied or increased by the Congress to pay for the highway program. But highway user taxes are being diverted to other uses.

I also wish to point out to my friend, the Senator from Oklahoma, and to my other fellow Senators, that the choice presented by means of my amendment is not simply between levying an additional 1 cent tax on every gallon of gasoline or repealing the dividend credit; the choice is also between having the Federal Government in default to the States to the extent of \$160 million, this year, or being able to meet its obligations fully.

How can the Senate exercise any honorable choice other than to provide the necessary funds to meet this commitment?

Mr. SCOTT. Mr. President, inasmuch as the Senator from Tennessee mentioned my name, will he yield to me?

Mr. GORE. In just a moment. I have been having a colloquy with the Senator from Oklahoma, and I wish to finish it, first.

Mr. MONRONEY. Mr. President, if the Senator from Tennessee will yield further, I wish to say a question was raised as to why the highway users do not pay more of the cost of the Interstate System of Highways. I believe the Senator from Tennessee has already explained that already they are paying, paying, paying, and paying. Today, I took occasion to call Mr. Tallamy, the head of the Bureau of Public Roads; and I asked how much of the average automobile mileage is traveled—according to his studies—on the Interstate Highway System—since we are going to provide additional funds for it, and are expected to increase the gasoline tax until it will be 10, 11, or 12 cents a gallon.

Mr. YOUNG of Ohio. Mr. President, I rise to a point of order: There is too much conversation in the Chamber, particularly by those who stand behind me; and there is too much noise in the Chamber. I ask for order.

The PRESIDING OFFICER. The Senate will be in order. Senators who desire to carry on conversations will retire to the cloakrooms. The aides of the Senate will be silent and will find seats.

Mr. MONRONEY. So, Mr. President, I was amazed to find that only 20 percent of the automobile mileage is traveled on the Interstate System highways.

Mr. GORE. Yet this tax will apply to all those who purchase gasoline, regardless of the roads on which they drive.

Mr. MONRONEY. Yes, including the taxi drivers who travel only in the cities.

I repeat that only 20 percent of the passenger car mileage of the Nation is traveled on the Interstate System highways, according to the Bureau of Public Roads. Yet the automobile users already are paying far more than the highway users' tax, and are carrying a great deal of the general tax load for the Nation's defense, social welfare programs, health programs, and so forth.

Certainly it is high time that we provide general revenue taxes to take care of general revenue items, and transfer—as would be done by means of the amendment of the Senator from Tennessee—some of the automobile users' tax receipts—such as those from the automobile excise tax—to help defray a

part of the vast cost of this necessary System of Interstate Highways.

Mr. SCOTT. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. In one moment.

At this time I wish to point out to my friend, the junior Senator from Oklahoma, that by means of the pending amendment, I do not propose to stop all of that diversion. I propose to dedicate to the highway trust fund only 4 percent of the 10-percent excise tax on automobiles in fiscal year 1960. My amendment would not touch the revenue from the tax on trucks, buses, trailers, automobile parts and accessories and other highway user taxes which now go to the general fund. Still there will be diverted, after my amendment is enacted, approximately \$1,100 million for building of highways in Burma, or for other purposes, whatever they may be.

I yield now to the junior Senator from Pennsylvania.

Mr. SCOTT. Would the distinguished Senator, for purposes of clarification, tell me this: Do I understand the Senator abandoned his proposal for a rescission of 1 percent of the general revenues.

Mr. GORE. I have that amendment pending at the desk. I hope this amendment will be adopted. I would prefer the closing of a tax loophole to a rescission of appropriations. If the Senate should, unfortunately, decline to accept the pending amendment, I will then propose the amendment to which the Senator has made reference.

Mr. SCOTT. In other words, if the pending amendment fails, it is the intention of the Senator from Tennessee to propose a general rescission of 1 percent of the general revenues. Is that correct?

Mr. GORE. Well, I would not say general; it is general with the exception of statutory requirements, such as for veterans' pensions and interest on our public debt. But I do not wish to discuss that amendment at this time. Let us not confuse that amendment with the pending amendment.

Mr. SCOTT. I was hoping the Senator would answer a relevant question. Would his proposal not include rescission of 1 percent of the \$40 billion of the defense budget, and would not it take away \$400 million from the defense of the United States?

Mr. GORE. That question is not now before the Senate, and I hope the Senator will not try to confuse the issue. The pending question is very simple.

Mr. SCOTT. May I ask—

Mr. GORE. Well, now—

Mr. SCOTT. On this amendment, then. I will confine myself to this pending amendment with one further question.

Mr. GORE. I yield.

Mr. SCOTT. Will the Senator inform me how much revenue he expects to be gained by this amendment in its several parts?

Mr. GORE. It has only one part relating to additional revenue.

Mr. SCOTT. It relates to the excise tax—

Mr. GORE. The Senator misunderstands. There is only one source of revenue provided in the amendment, and that is the repeal of the dividend credit.

Mr. SCOTT. How much then would go to the general fund?

Mr. GORE. An estimated \$335 million, and that estimate comes from the Treasury Department.

Mr. SCOTT. So that that \$335 million taken from the general fund must be raised in some other manner if we are going to raise the \$40 billion for the defense budget?

Mr. GORE. I am sorry the Senator does not understand the amendment.

Mr. SCOTT. I suspect I am not the only one.

Mr. GORE. If he will join me on the couch in the back, I will endeavor to explain it to him. [Laughter.]

Mr. SCOTT. I do not propose to psychoanalyze the able Senator. [Laughter.]

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

Mr. GORE. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I thank the distinguished Senator. I actually seek information. I should like some enlightenment. If I am correct, will the Senator please so advise me? The Senator simply would take the excise tax on passenger automobiles as now levied—

Mr. GORE. In part. The levy is now 10 percentage points. I would transfer 4 percentage points to the highway fund in fiscal 1960.

Mr. McCLELLAN. Four out of the ten.

Mr. GORE. 40 percent.

Mr. McCLELLAN. The Senator would transfer that money from the general fund into the highway trust fund.

Mr. GORE. That is correct.

Mr. McCLELLAN. The deficit in the general fund has to be made up. So the Senator wants to make up that deficit in the general fund by repealing the dividend credit now in the tax law. Is that, simply stated, the amendment of the Senator?

Mr. GORE. That is correct. The senior Senator from Arkansas understands it.

Mr. McCLELLAN. I came into the Chamber a little late. The Senator proposes simply to transfer permanently 40 percent of the excise tax now in effect on passenger automobiles into the trust fund for highway construction.

Mr. GORE. For this year.

Mr. McCLELLAN. For this year only.

Mr. GORE. Then 6 percentage points the following 4 years.

Mr. McCLELLAN. How much is it estimated will that take out of the general fund for this year?

Mr. GORE. \$520 million.

Mr. McCLELLAN. \$520 million.

Mr. GORE. May I point out how we arrived at that amount? The deficit in the highway trust fund this year is estimated to be \$493 million. The 40 percent of the excise tax on automobiles will produce an amount as nearly equal to that amount as could practicably be selected.

Mr. McCLELLAN. In other words, that amount is adequate to make up the deficit?

Mr. GORE. That is right; it is adequate.

Mr. McCLELLAN. To replenish the general fund, into which the passenger automobile tax is now going, the Senator simply proposes to repeal the dividend tax credit now allowed?

Mr. GORE. That is right.

Mr. McCLELLAN. How much revenue will the repeal produce?

Mr. GORE. \$335 million, according to an estimate of the Treasury Department, which compares, I point out, to an estimate of \$333 million from the proposal in the House bill of a 1-cent increase in the gasoline tax.

Mr. McCLELLAN. In other words, the levy on the gasoline tax will amount to only \$333 million, according to the estimate?

Mr. GORE. That is correct, for fiscal 1960. I should like to say that I disagree with the recommendation of the Administration that we should impose an additional gasoline tax. If the problem is to be solved in that manner, however the Administration was correct in asking for a 1½ cent additional tax, instead of a 1-cent tax. An additional tax of one cent will not do the job. The provision for a 1-cent tax as contained in the House bill will leave a deficit in the highway trust fund of \$160 million this year, and that means the Federal Government will be in default to our States.

Mr. McCLELLAN. Does the transfer of funds from the passenger automobile tax adequately cover the deficit?

Mr. GORE. This year.

Mr. McCLELLAN. For this year?

Mr. GORE. And next year.

Mr. McCLELLAN. The Senator proposes to make up a part of that deficit by a repeal of the dividend allowance. Is that correct?

Mr. GORE. That is correct.

Mr. McCLELLAN. Some money will still be taken out of the general fund, however? That will not be replenished?

Mr. GORE. That is correct. I seriously considered proposing a transfer from the general fund only of the amount equal to the amount the dividend credit repeal would bring in, but I could not bring myself to do so because it would not solve the problem at all. It would still leave a deficit in the highway trust fund. As the Senator knows, as long as he has been a Member of the Congress, we have made apportionments, and the State governors and the State legislatures and the State highway departments have depended upon them. They have never been questioned before.

Mr. McCLELLAN. May I state my understanding of the proposal? With the amendment of the Senator from Tennessee, we are given the choice of substituting a repeal of a dividend allowance, which is now received under existing law, or raising the gasoline tax by 1 cent. Is that correct?

Mr. GORE. That is correct.

Mr. McCLELLAN. Will either completely solve the problem?

Mr. GORE. No.

Mr. McCLELLAN. We are still left without the problem being fully resolved, either way we go?

Mr. GORE. Well, there is another provision in my amendment about which

the Senator has interrogated me. The other part of my amendment provides for a dedication of 40 percent of the revenue from the automobile tax to the highway trust fund.

Mr. McCLELLAN. I just stated that.

Mr. GORE. It would solve the fiscal problem so far as the highway trust fund is concerned. It would raise the problem which the able Senator has discussed—that we would transfer out of the general fund to the highway trust fund more money than the amendment would bring into the general fund.

Mr. McCLELLAN. That is the point I was making. There would still be a deficiency or a deficit.

Mr. GORE. With my amendment.

Mr. McCLELLAN. How are we going to make up that deficit?

Mr. GORE. May I state what H.R. 8678 does? It raises approximately only the same amount of revenue my amendment proposes. One amount is \$335 million; the other is \$333 million.

Mr. McCLELLAN. In other words, does the Senator think there would be about the same deficit, either way we go? Is that right?

Mr. GORE. Not quite. The House bill, however, would let the States bear the deficit by having the Federal Government default on a commitment that we have made, under which the States have awarded contracts. The contracts are being performed. When a contract is completed, as the able Senator knows, the contractor expects to be paid. How is the State going to pay the contractor? The House bill leaves a deficit in the trust fund, according to the testimony—it is all in the hearings of yesterday—of \$160 million in this fiscal year and a deficit next year which will be substantially larger, at least until near the close of the next fiscal year.

Mr. McCLELLAN. If I may, I should like to make one brief observation and then conclude. I thank the distinguished Senator.

Mr. GORE. I will say that after the catechism of the able senior Senator from Arkansas the question has been brought so plainly and simply before the Senate I think the best thing I can do is take my seat. The Senator has contributed greatly by bringing the points into focus.

Mr. McCLELLAN. The Senator from Tennessee contributed greatly to my understanding. I thought I understood the matter, but it has been clarified.

I should like to make one other observation, if the Senator will permit. What is attractive to me about the Senator's proposal is that I have long desired to see the gasoline tax and the automobile taxes—the revenues raised from those sources—applied first to cover all that we spend on Federal highways.

Mr. GORE. The Senator has not only done that—

Mr. McCLELLAN. I have been anxious to see that done. We require the States not to divert any of their gasoline tax funds.

Mr. GORE. The Senator is correct.

Mr. McCLELLAN. I know the fiscal situation which confronts us. We are confronted with alternatives. If we want to try to keep this thing in balance,

we are simply confronted with the alternative of either placing a 1-cent additional tax on gasoline or repealing the dividend credit.

Mr. GORE. Or we can leave the Government in default to our States.

Mr. McCLELLAN. Or we will further pyramid the national debt.

Mr. GORE. The Senator is correct.

Mr. McCLELLAN. I thank the distinguished Senator.

Several Senators addressed the Chair.

Mr. GORE. I yield first to the Senator from Pennsylvania.

Mr. CLARK. If I may, I should like to have the attention of the Senator from Arkansas for a minute.

Mr. McCLELLAN. Yes.

Mr. CLARK. I heard the Senator's interesting colloquy with the Senator from Tennessee. It is true that the amendment offered by the Senator from Tennessee will not make up to the general fund of the Treasury all of the money it would take out, but I shall support the Senator's amendment, because if it is adopted—and I hope it will be—then the Senator from Minnesota, the Senator from Wisconsin, and I propose to offer another amendment which will be an amendment, really, to require the deducting of the tax on interest and dividends at the source. If that amendment is agreed to, we will not only make up everything we will take out of the general fund of the Treasury, but we will provide a \$100 million surplus.

Mr. GORE. I should like to add one other thing to the statement made by the Senator from Arkansas, before I yield to another Senator.

I think I referred to the suggestion of Mr. Tallamy yesterday, about contract control, before the senior Senator from Arkansas entered the Chamber. Never before, since 1916, have the apportionments which Congress has enacted every 2 years been questioned. The integrity of those apportionments was put into question yesterday, because of what Mr. Tallamy told the committee. What he said is in black and white, several times, because I questioned Mr. Tallamy at length about the matter.

Mr. Tallamy said he proposed to solve the problem of the deficit by a Federal control of State contracts, even though the State provides a 50–50 matching fund on the primary, secondary, and urban extensions. I hope every Senator will read the RECORD, before he votes to support the House bill.

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

Mr. GORE. I yield now to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from Tennessee for the very fine fight he is making against the increase in the gasoline tax. I support the Senator enthusiastically.

I should like to invite the attention of the Senate to the fact that in the event the amendments proposed by the Senator from Pennsylvania and other Senators should fail, I have an amendment I may offer to reduce the depletion allowance on oil. I think there is a great merit in what the Senator from Rhode Island has said, because this is particularly and peculiarly pertinent to a high-

way bill, since it involves oil, of course. As many Senators know, there are great inequities involved. Whether I offer that amendment or not will depend on whether it seems at the time that I have any chance of winning adoption of the amendment.

Mr. GORE. I thank the Senator from Wisconsin very much.

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

Mr. GORE. I yield to the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I wish to say to my distinguished colleague that I have an amendment to offer to his amendment. When I can get the floor in my own right I intend to offer the amendment.

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

Mr. NEUBERGER. Mr. President, I have an amendment to offer, and I would like to get the floor.

Mr. GORE. Mr. President, I shall conclude as quickly as possible.

I now yield to the Senator from Colorado.

Mr. CARROLL. Mr. President, I hope that the Senator from Wisconsin did not indicate he intended to offer the depletion allowance amendment on top of the other amendments. As I understand the situation, only if the other amendments fail will the Senator offer the amendment.

Mr. PROXMIRE. If the Senator from Tennessee will yield for a moment, so that I may reply to the Senator from Colorado, I am delighted to have the Senator from Colorado emphasize that point. I will only offer the amendment in the event that I am required to do so because the other amendments which are offered do not pass. In that event, I feel this alternative might conceivably be considered favorably by the Senate, and in that event I may or may not offer this amendment.

Mr. CARROLL. The reason why I make that statement is that the Senator from Rhode Island said we ought to have a depletion allowance amendment offered. This has been worked on for 30 years. This is a problem which was considered in the time of President Roosevelt and in the time of President Truman. The able Senator from Louisiana, who comes from a great gas State, knows that if the amendment ever is adopted—and it is almost impossible ever to have it adopted in the first place—it would be vetoed at the White House.

I say we should stick to first things first. The Senator from Tennessee has made a very able presentation. It is so clear that even the Senator from Colorado can understand it. [Laughter.]

Mr. GORE. Mr. President, I shall take only 1 additional minute.

It would be hard to overestimate the importance of our highway program. According to recent estimates, approximately 40,000 American citizens were killed in wrecks on our inadequate highways last year. Even with this program which we have underway, we are not meeting the need for better highways.

Through World War II and through the Korean war, because of a shortage

of money and material, we let our highway improvement program take a back seat. Now we have a vigorous program designed to bring our highways to a condition of adequacy, in all of the categories, by 1975. I urge the Senate not to leave the program in default, and to provide equitable and adequate financing for the program.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question on an entirely different point? I wanted to wait until the other Senators had exhausted their questions on the money angle.

Mr. GORE. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have a question to ask the Senator from Tennessee regarding history. In the Federal-Aid Highway Act of 1956, section 116, subparagraph (c), it is stated:

Public hearings: Any State highway department which submits plans for a Federal-aid highway project involving the bypassing of, or going through, any city, town, or village, either incorporated or unincorporated, shall certify to the Commissioner of Public Roads that it has had public hearings, or has afforded the opportunity for such hearings, and has considered the economic effects of such a location: *Provided*, That, if such hearings have been held, a copy of the transcript of said hearings shall be submitted to the Commissioner of Public Roads, together with the certification.

My question of the distinguished Senator is this: Is it the Senator's understanding—and was it the Senator's understanding at the time the legislation was written—that, with regard to a highway project involving the bypassing of a community, the wishes of the community were to be considered by the State highway body?

In other words, let us consider that it might be found desirable, under the formula set up by the Bureau of Public Roads, to bypass a small town. Was that town to be allowed a chance to say something about the bypassing before it was done?

Mr. GORE. The Senator has read the provision of the law which is still in effect. The law does not make mandatory that a hearing be held, but it makes mandatory that there be an opportunity for a hearing, if a community desires it.

Permit me to make one additional point. The act provided that the highways should be located and constructed so as to give equal consideration, insofar as practicable, to intrastate traffic and interstate traffic.

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

Mr. GORE. I yield to the Senator from Arizona.

Mr. GOLDWATER. My reason for asking the question is that in the Far West, as the Senator knows, interstate highways do not have the importance of intrastate highways, and when a State like the State which I represent, in part, goes into a program of interstate highways, it realizes that what we are attempting to do, in essence, is to provide a means for tourists in the East to get to California a little earlier. I do not know why anyone should want to do so, but, nevertheless, that is what

they are doing. Likewise, they are providing means for people from California to get to the eastern part of our country. Therefore, as the Senator might imagine, this has not met with general acceptance in the Western States.

I merely wished to clear up, if I could, with the distinguished Senator from Tennessee, the legislative intent of this particular subparagraph of section 116. Are these communities to have anything to say about bypassing, or is it merely subterfuge we find in the act?

Mr. GORE. So far as I am qualified to state the intent of the committee—and I am qualified to state my own intent—it was intended that every community would be afforded an opportunity to have a public hearing, if it so desired.

Mr. GOLDWATER. I have one additional question, on which I will try to be brief. Is it the Senator's further recollection, in the establishment of the legislative history, that the State highway engineering body, whatever it might be called—in my State it is the highway commission—would be the organization which would first prepare the plans for the Interstate System, or was that power to be vested in the Public Roads Bureau?

Mr. GORE. The act provides for the submission of construction plans by the respective States. Those plans, including proposed design and location, are subject to approval or disapproval by the Secretary of Commerce. The initiation of projects is entirely a State matter.

Mr. GOLDWATER. Is it then clear to the junior Senator from Arizona, from what the Senator from Tennessee has just said, that the State highway body is the initiating body in this program, and not the Bureau of Public Roads?

Mr. GORE. That is correct.

Mr. GOLDWATER. I mention that point because in my State occasions have arisen when the State highway body has said they had received the plans from up above. Some bypasses involved 40 or 50 miles, and were not economically desirable or feasible. If I can have the assurance of the intent of the author of the act that the State is the level at which these plans are to be initiated, I am perfectly satisfied.

Mr. GORE. There is nothing in the act which forbids the Bureau of Public Roads in the Department of Commerce from making suggestions concerning location of routes through States, but the application for approval of construction plans originates in the States, and it can originate in no other place.

Mr. GOLDWATER. I thank the Senator.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. I believe it should be made clear, in the event it is not fully understood, that highway users are already paying almost twice as much in excise taxes imposed on highway users as is presently going into the fund. It is not fully twice as much, but they are paying about \$3,885 million in excise taxes, including the tax on automobiles.

In addition, the amount going into the fund is approximately \$2,200 million, I believe.

Mr. GORE. It is approximately 58 percent of the total amount collected.

Mr. LONG of Louisiana. About \$2,200 million. So all the Senator is saying is that highway users are already paying more than enough to pay for the highways, and \$1.5 billion or perhaps \$1.6 billion over and above that to finance general Government.

Mr. GORE. That is correct.

Mr. LONG of Louisiana. In addition to that, they are paying all the other taxes. Ten members of the House Ways and Means Committee who voted for the bill we have before us said what the Senator is saying here. They said that highway users are already paying more than their share. Here are 10 members of the House Ways and Means Committee who send us a bill and who say there are other more fair and equitable means of raising additional funds, if we wish to adopt them. They themselves point out, in their supplemental views, there are more equitable methods of increasing the general revenues than by imposing an additional tax on gasoline.

There is very substantial support in the House of Representatives for exactly the position the Senator has taken. The trouble is that in the House the rules prevent them from voting for the kind of bill the Senator has in mind.

Mr. GORE. Mr. President, I appreciate the attention of my colleagues.

Mr. NEUBERGER. Mr. President, I propose an amendment to the amendment submitted by the distinguished Senator from Tennessee. My amendment would add a new section to the amendment, as follows:

There will be imposed an additional 1 cent tax on gasoline, diesel fuel, and special motor fuels for the 21-month period beginning October 1, 1959, and ending June 30, 1961.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. At the appropriate place, insert the following:

There will be imposed an additional 1-cent tax on gasoline, diesel fuel, and special motor fuels for the 21-month period beginning October 1, 1959, and ending June 30, 1961.

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

Mr. NEUBERGER. I yield to the Senator from Tennessee.

Mr. GORE. The Senator proposes to repeal the dividend credit?

Mr. NEUBERGER. That is absolutely correct. I should like to make a few remarks, and then I shall be glad to yield.

The Senator from Tennessee and his associates are eminently correct in wanting to close tax loopholes, but I also believe we need more revenues in the Government. Let us not fool ourselves about this need. We have a \$12 billion to \$13 billion deficit in the fiscal year just concluded. We are not even beginning to live up to our responsibilities during the present fiscal year.

The President of the United States and the Prime Minister of Great Britain

said, in their meeting a few days ago in London, that they expected the cold war between the free world and Russia to continue indefinitely, which means we are going to have vast expenditures in the field of armament throughout the future.

Only last night or the night before the distinguished Admiral Rickover told the American Legion convention we were not really doing our job in the field of education if we are to keep up with the Soviet Union in scientific and other fields.

We know there are unlimited Government responsibilities such as health we are not properly carrying, and yet already the Treasury anticipates a deficit in the current fiscal year. Therefore I believe we should close the existing tax loopholes and we should also raise the Federal gasoline tax.

Members of the Senate should know the Saturday Evening Post pays nearly 25 cents a word for fiction. There have been speeches today claiming there is a plot to raise the gasoline tax and big business wants to unload the burden of cost on the little fellow. This is fiction. Unless we consider the big petroleum companies as "papa and mama" stories, that claim is wrong. We know for months the big oil companies have carried on propaganda against President Eisenhower's proposal to raise the gasoline tax. I have here a statement published by one of the big gasoline companies, Texaco, which is headed "Stop Unwarranted Federal Gasoline Tax Increase." I ask unanimous consent that it be inserted at this point in the RECORD.

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

UNWARRANTED FEDERAL GASOLINE TAX INCREASE

For every gallon of gasoline your car consumes you now pay State and Federal taxes that average more than 40 percent of the retail price, less tax. Yet Congress is being asked to increase the Federal tax on gasoline from 3 to 4½ cents.

Proponents of the increase argue that it is needed to prevent a deficit from developing in the Federal highway trust fund set up in 1956 to finance the network of interstate highways now under construction. The fact is there would be no deficit whatsoever in the highway trust fund if Federal automotive taxes already being collected from vehicle owners were not being used to subsidize other governmental functions. In fiscal 1958, 42 cents out of every dollar in Federal automotive taxes went into the general fund of the Treasury instead of the highway trust fund. These diverted automotive taxes would be more than sufficient to make up any anticipated deficits in the highway program.

For this reason, Texaco believes that an increase in the Federal gasoline tax is unwarranted. If you share this view, we suggest you make it a point to let your Congressman know that you do.

The combined national average of State and Federal taxes on a gallon of gasoline now amounts to 80 percent of the refinery price, 54 percent of the tank wagon price, and 41 percent of the retail price, less tax. Any further increase is unjustifiable and should be vigorously opposed.

Mr. NEUBERGER. I have also a statement published by another "papa and mama store," the General Petroleum Corp., telling us not to increase Federal

gasoline taxes. I ask unanimous consent to insert that article in the RECORD at this point.

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

The price you pay for gasoline is not the price of gasoline.

You pay 80 to 95 cents tax on 10 gallons of gasoline—30 cents Federal plus 50 to 65 cents State.

On the national average, a dollar's worth of gasoline, plus taxes, costs \$1.41. No other necessity carries such a taxload.

We all want and need adequate highways. So far, highway users have been willing to shoulder a fair cost burden. What is fair should be for users to judge.

A tax once considered fair can become unfair if excessive taxes force people to drive less, or if tax money is wasted or spent for frills, or spent for nonhighway purposes.

The Federal Government puts into the highway fund less than \$2 out of \$3 it collects from motorists. The rest goes into the general fund.

Now, to keep the highway fund out of the red, Congress is being asked to increase the Federal gasoline tax to 45 cents on 10 gallons. This wouldn't be necessary if all Federal tax dollars collected from motorists went into highways.

Also, this year, bills to increase State gasoline taxes have appeared in 15 States. They were enacted in New York and West Virginia. They failed in Arizona, Oregon, and Washington. One is still pending in California.

We don't like to have any more tax added to your bill than you will endorse and support.

Let your representatives in Government know your feelings when a tax change is proposed. It will be too late after the tax appears on your monthly bill.

Without the tax, gasoline is a bargain in both price and quality. Since 1940, gasoline prices have gone up less than half as much as most other items in your budget, with quality constantly improving. Only the tax is high.

GENERAL PETROLEUM CORP.

Mr. NEUBERGER. At the same time, these little "papa and mama" stores, the big gasoline companies, tell us not to raise the gasoline tax to 4 cents and close up our Federal financial and fiscal deficit, as the President has recommended. What are they doing? Here is a story from the New York Times of July 28, 1959, headed "Gasoline Prices Up." I ask unanimous consent that the article 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:

[From the New York Times, July 28, 1959]
GASOLINE PRICES UP—STANDARD OF INDIANA RAISES DEALER RATES IN ILLINOIS

CHICAGO, July 27.—Standard Oil Co. of Indiana raised prices of gasoline today. The increases were expected to be also adopted by other major gasoline producers.

In the Chicago metropolitan area, the price to service station dealers goes up eight-tenths cent a gallon. In northern Illinois area, the increase is 1 cent.

A spokesman for Standard said the increases restored in whole or in part price cuts made earlier this year.

Mr. NEUBERGER. Here is an article from the Wall Street Journal of August 7, 1959, stating:

In Cleveland, Standard Oil Co. (Ohio) raised the price of gasoline 1 cent a gallon at all marketing levels.

I ask unanimous consent that this article 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:

Esso Standard Oil Co. reduced prices of its kerosene, No. 2 fuel and diesel oils by 0.3 cent a gallon. Areas affected by the cuts include most of the Atlantic seaboard. In Cleveland, Standard Oil Co. (Ohio) raised the price of gasoline 1 cent a gallon at all marketing levels. Sohio said the increase puts the company's motor fuel prices back to where they were last fall.

Mr. NEUBERGER. Next is an article from the Wall Street Journal of August 10, 1959, headed "Sun Oil, Atlantic Refining Raise Some Gasoline Prices." I ask unanimous consent that this article 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:

[From the Wall Street Journal, Aug. 10, 1959]

SUN OIL, ATLANTIC REFINING RAISE SOME GASOLINE PRICES

PHILADELPHIA.—Sun Oil Co. and Atlantic Refining Co. increased wholesale gasoline prices 0.8 cents a gallon in Pennsylvania. Atlantic said it would boost the price by the same amount in Delaware.

The higher tank-wagon prices will result in a 1-cent increase at retail in Pennsylvania, where gasoline is "fair traded" at 28.9 cents for regular grades in the eastern part of the State and 28.9 cents in western Pennsylvania, including taxes.

New tank-wagon price for regular gasoline is 16.1 cents in eastern Pennsylvania and 16.9 cents in western Pennsylvania. The new tankwagon price for Atlantic gasoline in northern Delaware is also 16.1 cents, and in the southern part of the State is 16.7 cents. Tankwagon prices exclude taxes.

New York-Esso Standard Oil Co., marketing affiliate of Standard Oil Co. (New Jersey), has increased its wholesale price of gasoline to dealers 0.8 cents a gallon, effective August 8, in Pennsylvania and at Wheeling, W. Va.

The change is in line with increases by other marketers in the area.

Mr. NEUBERGER. Here is a story from the Washington Post, a newspaper published in the city where we now live temporarily, but which we hope soon to leave for a spell. It states:

Esso Standard Oil Co. announced a 1-cent increase in wholesale gasoline prices to Washington area retailers yesterday.

I ask unanimous consent that this article be printed in the RECORD as a part of my remarks.

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

GASOLINE PRICE INCREASED HERE

Esso Standard Oil Co. announced a 1-cent increase in wholesale gasoline prices to Washington area retailers yesterday.

Horace Walker, a spokesman for the Retail Gasoline Dealers Association, said a spot check of local dealers indicated that they would pass on to the consumer, increases varying from 1 to 1.5 cents per gallon. He said he was unable to learn the reason for the increase, but expected other companies to follow suit.

The Esso increases would apply to all grades of gasoline, which sell locally at retail from 28.9 to 30.9 cents for regular, 32.9 to

34.9 for extra, and 34.9 to 36.9 for the new "super" grades.

Mr. NEUBERGER. What is the situation? The very oil companies that have been flooding the country with propaganda, and putting propaganda into each motorist's car as he comes up to the gasoline pump, against a 1-cent or 1½-cent increase in the Federal gasoline tax to maintain the roads on which these motorists drive, are constantly increasing their own prices. They bleed for the little motorist, and undertake to defend him against an increase in the gasoline tax, but they are quite ready to raise their own gasoline prices.

I have been sitting here for an hour listening to speeches by distinguished Senators, telling us that this is a great plot of big business and big corporations to load the 1-cent or 1½-cent increase in the tax—and I am willing to vote for an increase of 1½ cents in the gasoline tax—on the little fellow. Yet, all the gasoline companies are flooding the country with propaganda against President Eisenhower's proposal.

What is the situation with regard to the contention that somehow the gasoline tax must be dedicated only to the purpose of roads? There is no such doctrine in our country, and has never been any such doctrine of taxation. If that were true, why do people without children pay school taxes in every State in the Union, as they should? Why do people who live in brick apartment houses and hotels have to pay to support the fire department to enable it to put out a fire in a frame dwelling that is combustible—as they should do?

We know that our Federal and State governments collect taxes from Christian Scientists and use the money for medical research. Do Senators mean to tell me that they should not pay? The Christian Scientists are not going to draw on medical research. It is contrary to the sincere teachings of their religion. But they are taxed, and the taxes are used to promote public health activities, which they often oppose, much less acquiescing in it.

We have never had any doctrine of taxation to the effect that every dollar collected should go to the particular purpose to which it is related. If that were the case, we would take all the money from cigarette taxes and use it in cancer research, to learn more about dreaded lung cancer. We would take the taxes from liquor and use them to try to rehabilitate the 5 million victims of chronic alcoholism. Or we would take the substantial excise tax on electric light bulbs and dedicate it to hydroelectric plants, or to the TVA, or St. Lawrence Seaway, in the States of the Senators from Wisconsin and New York.

We have an opportunity to close some tax loopholes, which the Senator from Pennsylvania, the Senator from Tennessee, and other Senators have very properly excoriated.

We also have an opportunity to be responsible legislators, and to raise some money to help pay for what we need to do here and abroad, if we are to protect the free world and maintain progress at home.

Suppose in 1 year we should collect a little more than we spend, and help to whittle away a small part of the \$290 billion national debt. Would that be a felony? I favor such a policy.

I have read the writings of J. M. Keynes, a very famous economist. I have often quoted him. Many of my liberal friends—and I hope I am a liberal—say that in times of depression we should have deficit financing. That may be true. It is also said that in good times we should retire the debt caused by deficit financing during the earlier depression. That time never seems to arrive.

I have offered my amendment to the amendment of my able friend from Tennessee in order that we might have in one vehicle the means of closing some of the tax loopholes and at the same time increasing revenues.

One of the most outstanding speeches I ever heard in the Senate was delivered after we passed the mutual security authorization bill by the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] who is now present in the Chamber. He pointed out that he thought the American people would rather survive in a Lark than go down to defeat and perdition in a Cadillac. If I am not mistaken—I quote from memory—he said that he thought the American people would be willing to pay higher taxes if that were necessary to maintain the free world and to maintain our competitive position with the Soviet Union and Red China.

I do not see why we should not increase the Federal gasoline tax. Certainly it is a sales tax. There are all kinds of sales taxes. There is a high sales tax on electric light bulbs. Are electric light bulbs any less a necessity than gasoline? I would rather have an old car and electric lights in my home than to have a new car and have no electric lights in my house. I cannot very well get along with a Coleman lantern, as I used to do when I was a Boy Scout or soldier camping in a tent. I have passed that age.

Women in the galleries pay a heavy sales tax every time they paint their faces. Ask them which is the greater necessity—putting on their cosmetics or getting into an automobile to go downtown. Would they rather take a street car while wearing cosmetics, or an automobile, and forgo the use of cosmetics?

There are all kinds of sales taxes on necessities. The able Senator from Tennessee has pointed out what an imposition it would be to raise the Federal gasoline tax from 3 to 4 cents a gallon; yet I do not believe I abuse the truth when I say that he, who was the predominant figure in connection with the Federal Interstate Highway Act, himself collaborated and participated in raising the Federal gasoline tax from 2 to 3 cents a gallon. How can it be sound wisdom to raise the Federal excise tax on gasoline from 2 to 3 cents a gallon, but a heinous offense to raise the same tax from 3 cents to 4 cents? Who ordains that the line of demarcation between good and evil occurs at 3 cents? If we face up to the truth, I believe we shall have to raise more revenues in this country, and not less.

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

Mr. NEUBERGER. I yield.

Mr. McCARTHY. I should say that the difference might be about the same as the difference between holding a man's head 1 inch above the water and holding it 1 inch below the water. There is a significant difference.

Mr. NEUBERGER. I am probably very stupid, but I do not understand the analogy.

Mr. McCARTHY. The Senator says there is no difference between raising the gasoline tax from 2 to 3 cents and raising it from 3 to 4 cents.

Mr. NEUBERGER. We have had a period of inflation in between. Roads have become more costly.

Mr. McCARTHY. We have not had a period of inflation since last year.

Mr. NEUBERGER. Have we had no inflation from 1956 to 1959?

Mr. McCARTHY. Not that much.

Mr. NEUBERGER. We have had some inflation, and we have expanded the Interstate Highway System and added to the mileage.

Mr. McCARTHY. The economy has expanded, too, as has the consumption of gasoline.

Mr. NEUBERGER. It seems to me that we would have a balanced program if we were to close tax loopholes, and also increase the Federal gasoline tax. Those who drive on the roads should help to pay for them. It appears to me that this is a tax which all our States support. I do not know of any State that fails to have a gasoline tax. I do not know any Member of this body who has ever returned to his State and protested against the State gasoline tax.

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

Mr. NEUBERGER. I yield.

Mr. FULBRIGHT. I am not quite clear what the Senator's amendment would do. Would his amendment provide for the repeal of the credit on dividends received?

Mr. NEUBERGER. What my amendment does is this: At the desk is an amendment offered by the able Senator from Tennessee [Mr. GORE]. I am probably presumptuous in seeking to explain his amendment, but his amendment would repeal the credit on income tax for people who receive dividends.

Mr. FULBRIGHT. The dividend credit.

Mr. NEUBERGER. Yes. He would put it in the general fund to make up for that portion of the automobile excise taxes which would be taken by his amendment from the general fund and placed in the highway trust fund.

Mr. GORE. It transfers 4 of the 10 percentage points of the excise tax on automobiles to the trust fund in fiscal 1960.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. JOHNSON of Texas. I am informed that the language the Senator has prepared needs to be put in another form if it is to get the results he desires. The chairman of the Committee on Finance [Mr. BYRD] has some witnesses

from the Treasury here. He would like to have a meeting for possibly 30 or 40 minutes. I have spoken with the author of the amendment, the Senator from Tennessee [Mr. GORE]. He thinks it might be possible, by taking a recess now, to discuss the language proposed by the Senator from Oregon to see if the matter can be straightened out. I shall move that the Senate take a recess subject to the call of the Chair, if that is agreeable to all parties.

Mr. FULBRIGHT. I should like to complete my question.

Mr. JOHNSON of Texas. Certainly.

Mr. FULBRIGHT. I wanted to have my point made clear. That is the same measure, is it not, which the Senate, so far as the repeal of the dividend credit is concerned, passed upon earlier this year?

Mr. NEUBERGER. I think the Senate passed upon it, if I am not mistaken. It was rejected in conference.

Mr. ANDERSON. No; on the floor.

Mr. CLARK. The Senator is incorrect. The amendment was agreed to on the floor of the Senate by a vote of 47 to 31. It was taken to conference and was rejected in conference.

Mr. FULBRIGHT. What the Senator from Oregon is offering is not some new, radical idea; it is exactly the same proposal as that which the Senate adopted earlier this year in a different tax matter. Is that not correct?

Mr. NEUBERGER. That is correct. That is the amendment of the Senator from Tennessee.

Mr. FULBRIGHT. Just a moment. I know there is some overlapping, but what the Senator is offering is a substitute.

Mr. NEUBERGER. It is an addition.

Mr. FULBRIGHT. It is the repeal of the dividend credit, is it not?

Mr. NEUBERGER. That is what the Senator from Tennessee is proposing.

Mr. FULBRIGHT. But the Senator from Oregon is adopting that, is he not?

Mr. NEUBERGER. Yes, and I am adding to it.

Mr. FULBRIGHT. I am trying to understand the effect of the amendment of the Senator from Oregon. He is adding a proposal to increase the tax, which is the same as what the House has passed.

Mr. NEUBERGER. That is correct.

Mr. FULBRIGHT. The Senator from Tennessee is opposed to that, but the Senator from Oregon is offering it as an amendment to the repeal of the dividend credit, and the net result would be, if the Senator's amendment was adopted, that we would repeal all the dividend credit, which would contribute about \$380 million to the Treasury and provide for an increase in the gasoline tax. Is that what the Senator's amendment does?

Mr. NEUBERGER. All my amendment does is to add to the amendment of the Senator from Tennessee [Mr. GORE] a 1-cent increase in the Federal motor fuel tax until July 1, 1961.

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

Mr. NEUBERGER. I yield.

Mr. CARROLL. I want the Senator from Tennessee to hear me on this. If I correctly understand the amendment of the Senator from Oregon—and I believe I understand it now—it is similar to

the bill passed by the House, with the addition if we should adopt it, of the amendment offered by the Senator from Tennessee.

Mr. GORE. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. GORE. As the distinguished majority leader has pointed out, the amendment offered by the junior Senator from Oregon is in the form of a statement of intent and purpose; but to be legally applicable to the amendment I have offered, it would have to be offered in precise language as an amendment to the pending amendment. I think it would require some little time on the part of the legislative drafting service. For that reason, the distinguished majority leader has suggested that this might be an appropriate time to take a recess in order that the Senator may have his amendment drafted in a form applicable to the pending proposal.

Mr. CARROLL. I understood there was some imperfection with respect to the intent and purpose of the amendment offered by the junior Senator from Oregon. That is why I wanted the attention of the Senator from Tennessee. If the bill is drawn in the same form as it came from the House, and after the recess we adopt the amendment of the Senator from Tennessee, is there any doubt in anybody's mind what will happen in conference? This matter went to conference before and was rejected. It will happen again, just as surely as I stand before the Senate now. The only chance we have, in my mind, is to pass a different bill along the lines of the amendment of the Senator from Tennessee. Then perhaps we can meet the issue headon.

EMERGENCY HIGHWAY CONSTRUCTION FUNDS

Mr. MANSFIELD. Mr. President, I would like to speak briefly about a situation which is of great concern to my distinguished senior Senator [Mr. MURRAY] and myself.

As the Members of the Senate know one of the major aftermaths to the earthquake in southwestern Montana has been the need for repairing and reconstructing highways and roads. It is estimated that it will cost \$6 million.

The existing Highway Act creates an emergency relief revolving fund of \$30 million for reconstructing roads destroyed by catastrophes such as earthquakes. These funds are restricted to Federal aid roads and are available on a 50-50 matching basis in all instances. This program goes into operation when an emergency is declared by the Governor and concurred therein by the Secretary of Commerce.

Unfortunately the 50-50 matching formula also applies to forest, park, and Indian roads which were originally constructed with 100 percent Federal funds.

The highways and roads in southwestern Montana and Yellowstone National Park in need of repair and reconstruction are all forest, park, or Indian roads and highways that were originally constructed with 100 percent Federal moneys. It seems reasonable to expect that any repairs and reconstruction

would be done on a 100-percent Federal-financing basis. The Federal Government is a self-insurer.

The existing law was geared to the Federal-aid highway program, and I feel that it was an oversight in considering emergency aid to federally constructed roads and highways.

Senator MURRAY and I introduced legislation, S. 2623, which would rectify this situation and will allow these emergency funds to be used to provide the entire amount needed to put these Federal agencies' highways and roads back into shape without placing a burden on the program of either the State or any Federal agency.

Because adjournment appears to be near at hand, we brought this matter to the attention of the Senate Public Works Committee so that it might be included as an amendment to the Highway Act in the bill that we are considering today. I am very pleased with the fine response we received from the distinguished chairman of this committee, the senior Senator from New Mexico [Mr. CHAVEZ], and the unanimous approval by the committee members for including the language of our bill as an amendment to the highway-financing legislation. I also wish to express my appreciation to the junior Senator from Utah [Mr. MOSS] for the fine job he did in supporting this measure and discussing in detail the need for such legislation. His recent trip to the earthquake area made it possible for him to give an actual account of the need for this emergency highway program.

Mr. President, this new language in the highway bill will be most helpful to restoring normal conditions in southwestern Montana and Yellowstone National Park. In addition, this bill will also apply to any future situations of this nature.

HIGHWAY ACT

Mr. MURRAY. Mr. President, I wish to rise to mention briefly one provision included unanimously by the Senate Public Works Committee in the Highway Act. This is the Murray-Mansfield bill to extend the application of the emergency fund in the Highway Act which is used to restore roads destroyed by disaster. Up to now, forest highways, park roads and trails, forest development roads and trails, and Indian roads have been, through oversight, not covered by the emergency fund. These roads are normally constructed with 100 percent Federal funds since they are on Federal lands. The amendment will include these roads.

The fund provides a Federal share of 50 percent in restoring these roads. The amendment makes it a 100 percent Federal share on the basis that these roads are a Federal responsibility.

These are the only policy changes in existing law. The rest stands. It will still be necessary for a Governor to make a declaration and the Secretary of Commerce to concur that a disaster has occurred before 1 penny can be spent.

The checks and balances that have restricted the use of the emergency fund to disaster will continue in full force and effect.

I would be remiss if I did not say that each and every member of the Senate Public Works Committee has my heartfelt thanks for his willingness to help us to meet Montana's disaster problem, and in the process to correct an inequity in the present law. The senior Senator from New Mexico [Mr. CHAVEZ] has shown his humanity and understanding. The chairman of the Roads Subcommittee [Mr. McNAMARA] has been most helpful. The Senator from Utah [Mr. Moss] deserves credit for both going to Montana to see this problem and taking the lead in committee in securing adoption of this needed amendment. I thank each member of the committee for their bipartisan support of our effort to restore this disaster stricken area in Montana and Wyoming.

Finally, I want the RECORD to show that we had from the outset good cooperation and help from Mr. Tallamy, Director of the Bureau of Public Roads.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and (at 4 o'clock and 55 minutes p.m.) the Senate took a recess subject to the call of the Chair.

At 6 o'clock and 3 minutes p.m., the Senate resumed its session and was called to order by the Presiding Officer (Mr. MANSFIELD in the chair).

INTEREST RATES ON SERIES E AND H U.S. SAVINGS BONDS—REPORT OF A COMMITTEE

Mr. BYRD of Virginia. Mr. President, from the Committee on Finance I report favorably, with amendments, the bill H.R. 9035 to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, and I submit a report (No. 909) thereon.

The PRESIDING OFFICER. The report will be received and printed.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. NEUBERGER].

LAOS AND THE COMMUNIST THREAT

Mr. JAVITS. Mr. President, I have waited a considerable part of the day to make a speech on a very important subject, in regard to which I have already issued a release. If the Senate will be so kind as to indulge me for approximately 10 minutes, I should like to proceed at this time to make the speech.

First, Mr. President, I wish to point out that, as always happens in our very complex world, while we have been engaged with measures relating to roads and other measures which are of great domestic interest and importance, our world is burning.

Some very serious things are happening in connection with our foreign policy and, I believe, the security of our country.

There is a real conflagration in Laos; and the State Department has today issued a statement which I believe commends itself—notwithstanding our present concern with domestic matters and with Senate procedure—to the consciousness of every Member.

The State Department has stated, in regard to what is happening in Laos:

It is now clear that the Communist bloc does not intend to permit the sovereign Lao Government to remain at peace.

The State Department release ends with the following injunction to us and to the rest of the country:

It is appropriate that this matter be brought to the world's attention. It is obvious that any further augmentation of the invading force or continued material support thereof by Communists in North Vietnam will require a major change in the nature and magnitude of the Royal Lao Government's need for support. The United States is confident that the free world would recognize such a new danger to peace and would take the action necessary. For its part the United States supports that view.

Mr. President, I ask unanimous consent that the full text of the State Department release be printed at this point in the RECORD, as a part of my remarks.

The PRESIDING OFFICER (Mr. JACKSON in the chair). Is there objection?

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

Following is the text of the statement issued by the State Department today on the situation in Laos:

"The United States as a member of the United Nations will fulfill in good faith the obligations assumed by it under the charter. One of these obligations is to take appropriate measures in support of the charter. To this end the United States will support United Nations consideration of the Royal Lao Government's appeal.

"The U.S. Government has repeatedly announced its strong support of the Royal Lao Government in its determination to resist Communist efforts to undermine the security and stability of Laos. On August 26, 1959, the United States announced that, in response to specific and urgent requests from the Lao Government for improving its defense position, additional aid was being authorized to permit emergency increases in the Lao Army and Militia to cope with the threat posed to that Government by the Communists. The United States announced at the same time that it would continue to support reasonable approaches to achieve a peaceful solution of the current situation in Laos.

"On August 30 a strong attack from the northeast was launched against Royal Lao Army units in the northeastern border area of Sam Neua Province. The small Lao forces in this Province had been reinforced and had begun to push back an earlier Communist salient which had extended about 50 miles from the North Vietnam border in an

area northwest of the town of Sam Neua. The August 30 attack against the northeastern border area provides further evidence of the active support of Communist rebel forces within Laos from Communist North Vietnam. The attack could not have been supported nor coordinated without such outside collaboration.

"It is now clear that the Communist bloc does not intend to permit the sovereign Lao Government to remain at peace. The Communist bloc apparently intends to foment and direct a rebellion within Laos and to give extensive support to the attempt to seize important areas and otherwise to prevent the establishment of those peaceful conditions necessary to implement basic economic and social programs. In short, the Communist intervention is apparently aimed at preventing the Lao people from realizing their just hopes for a better life.

"That outside Communist intervention exists is demonstrated by (1) the assistance evidently being received by the Communist forces within Laos, including supplies and military weapons that could be provided only from Communist territory; (2) the false and ridiculous Communist propaganda emanating simultaneously from Hanoi, Peking, and Moscow to the effect that the Lao Government has been instigated by the United States to stir up a civil war within its boundaries; (3) the continuing flow from Moscow, Peking, and Hanoi of propaganda and false information about the situation in Laos aimed at confusing world opinion and stating that the United States is using Laos as a military base; and (4) the fact that the military outbreak in Laos has followed conferences in Moscow and Peking between Ho Chi Minh and Soviet and Chinese Communist leaders and also conferences in Moscow between two members of the North Vietnam Politburo and Deputy Prime Minister Anastas Mikoyan.

"The latest attack upon the Lao Army in Sam Neua Province has resulted in an appeal by the Royal Lao Government for United Nations assistance. It is appropriate that this matter be brought to the world's attention. It is obvious that any further augmentation of the invading force or continued material support thereof by Communists in North Vietnam will require a major change in the nature and magnitude of the Royal Lao Government's need for support. The United States is confident that the free world would recognize such a new danger to peace and would take the action necessary. For its part the United States supports that view."

Mr. JAVITS. Mr. President, we may have another Korea right on our doorstep, facing us right now.

As I have said, notwithstanding the obsessions of the moment, I should like to state, as one Senator, that I think the U.S. Government is doing exactly the right thing. I hope very much that if it is necessary to organize United Nations forces, they will be organized and we will participate.

I hope very much that we will make that clear to the Security Council, which I understand meets in emergency session on Monday, and to the General Assembly of the United Nations, which should be called into speedy session if the Russians veto—and undoubtedly they will—anything the Security Council seeks to do.

Mr. President, these are times in which the world can be dealt a death blow while we argue about domestic matters which, although they seem important to us, are relatively irrelevant to our survival.

One of those things is the need to defend freedom, wherever it exists today, by the collective action of all mankind.

We have learned some lessons—among them, that a struggle for freedom, whether in Korea, at Dien Bien Phu, or in Berlin, is just as much a struggle for the survival of the United States as would be another December 7, 1941, attack on Hawaii or an attack on the mainland of the United States.

Mr. President, when we consider what has been going on today in the Senate, I believe it very important that we be reminded of these very stern facts and happenings in the world.

I hope other Senators will join in encouraging our President and our Government, in this very solemn moment and this very dangerous hour, indeed. In fact, I do not think we yet begin to understand the quality and the aggressive character of the Communist Chinese Government, and the North Vietnam Government which it backs, and the whole Communist complex in the center of Europe and in Asia, until we view their activities in this light.

Mr. President, in order to deal properly with such situations, one has to have great moral determination and great courage in terms of providing for the support of the country. It is most important that we take realistic steps which will demonstrate that courage; and I believe we owe it to the President and to the Secretary of State, who only recently has returned from abroad, and to our United Nations delegation, to demonstrate our support in these very critical hours.

Mr. President—
The PRESIDING OFFICER. The Senator from New York.

THE MIDDLE EAST

Mr. JAVITS. Mr. President, I should like to say a few words in regard to another area of the foreign policy of the United States. I shall not take very long to do so.

I had prepared remarks to be made today, in response to a significant speech made Monday, August 31, on the floor of the Senate by the distinguished chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT]. His speech was entitled "Statement on the Middle East."

Mr. President, I realize the need to answer that speech, because one of the grave dangers we face, as I view it, is a failure to appraise with the greatest accuracy the situations in foreign relations which are so dangerous to the security of the world. I think one of them exists in the Middle East.

With the greatest of respect for my colleague [Mr. FULBRIGHT], who has so distinguished a position in the Congress—and, Mr. President, let me say, incidentally, that I have advised him that I would make this speech—I should like to address myself at this time to that subject, because it relates to an area in which I have long had a keen interest, and which I have previously discussed in the Senate.

I make these remarks in order to develop by debate the most constructive policy recommendations for our country.

It will be recalled that we had a similar debate in regard to Berlin. That debate was sparked by the distinguished junior Senator from Montana [Mr. MANSFIELD]; and it resulted in tremendously constructive policy determinations on the part of our Government. Indeed, only the other day the Senator from Montana [Mr. MANSFIELD] referred in the course of the very excellent speech he made on our foreign policy—and in the course of his speech he was so kind as to name some of us who participated—to the crystallization of foreign policy which resulted from the Berlin situation. Mr. President, it is in the same spirit that I make these remarks about the Middle East.

In his statement, the Senator from Arkansas [Mr. FULBRIGHT] pointed to the relative calm in the Near East and suggested that this climate offered an opportunity to improve our relationship with the United Arab Republic and other Arab States. It is interesting to compare this appraisal with that of the deputy majority leader, the distinguished Senator from Montana [Mr. MANSFIELD], who spoke on September 4, 1959, only a few days later, on the Middle East, saying:

Sooner or later, we are going to have to decide who in the Middle East works sincerely and with forbearance to end the state of fear and incipient war which prevails in that region.

In the course of his remarks, the Senator from Arkansas called for a new long-range American policy, and criticized what he termed the "ad hoc measures" which, he said, had characterized our policy in the past.

Mr. President, I have followed our Near East policy most closely for more than a decade, and I share the opposition of the Senator from Arkansas to ad hoc measures. I agree that we should attempt to achieve better relationships. But, Mr. President, is this a period of "relative calm," as Senator FULBRIGHT states, which I agree is "essential to the development of representative government and economic growth among the Arab States"? My answer is, Decidedly not. I make these statements in view of the following four serious unsettling developments which persist in the Near East:

First. Threats of war to the very national existence of Israel and to the survival of its people, thus imposing a threat to the peace of the world.

Second. Continued uncertainty regarding relations between the United Arab Republic and the Soviet Union, and the threats of aggression or subversion which these relationships pose for the whole Near East.

Third. Blockade of the Suez Canal against international cargoes and shipping, in violation of international law, the Suez Canal Convention and the assurances of the Egyptian Government when it took control of the canal in 1956.

Fourth. Rejection of the initiative of the Secretary General of the United

Nations to endeavor to nationalize the position of the Arab refugees through resettlement in the Arab countries where they are now located and to free them from their continued confinement to the refugee camps under international relief.

These are the dangerous issues for the Near East; they hardly sound like relative calm, but more like the state of fear. But we cannot consider our contribution to the resolution of these issues except in the context of a program for the area—in that I agree with the Senator from Arkansas, though he does not suggest such a program, but only suggests that we should have one.

Regarding the first point, threats of war to the very national existence of Israel, and thus the peace of the world, the Arab States have continued their threats to exterminate Israel and to push its people into the sea; and have, as a matter of fact, intensified their economic warfare against that free nation. Unhappily, the Arab States continue to give the unmistakable impression that they will launch armed conflict against Israel with a view to its total extermination at a time of their own choosing.

At times of crisis elsewhere in the world, the Soviets have seen fit to set counterfires in the Middle East tinderbox to divert our attention and resources. Thus, it must be realized that these threats to the existence of Israel are not only the concern of some who may feel an attachment of sentiment to it, but are a very real and deep concern to the very security of our Nation and the free world.

To think that Israel is the source of all Middle East political and military crises is, however, to overlook recent events, for internal dissension in Lebanon, Syria, Jordan, and Iraq, as well as a whole catalog of disputes between the Arab States themselves, have featured the area. However, the consistent and continuing threats of warfare against Israel remain for the Soviets the convenient button to push to set into motion another world crisis for their own ends.

The principal sore point at this time from which a major crisis could erupt is the matter of the blockade of the Suez Canal, in violation of international law.

It will be recalled that in 1951, the U.S. delegation to the United Nations voted that the Suez Canal blockade was illegal and reiterated this position when the issue came before the United Nations Security Council in 1954. This position was strongly reaffirmed in 1957 when we called upon Israel to withdraw its forces from the Sinai Peninsula and President Eisenhower declared:

We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the Armistice Agreement or other international obligations, then this should be dealt with firmly by the society of nations.

And a few days later, when the Israelis agreed to withdraw, President Eisenhower sent a message to Prime

Minister David Ben Gurion to the effect that—

Israel will have no cause for regret having thus conformed to the strong sentiment of the world community. * * * It has always been the view of this Government that after the withdrawal there would be a united effort by all the nations to bring about conditions more stable, more tranquil and more conducive to the general welfare than those which existed heretofore.

In reliance on these assurances, Israel's Government withdrew its forces and for the next 2 years there was a measure of serenity on the Israel-Egypt frontier. Israel's own ships passed through the Straits of Tiran, opening up that country's trade with Asia and Africa, and Israel's cargoes were permitted to transit the Suez Canal—though not Israel's shipping.

But this state of comparative calm came to an end early this year. After permitting some 40 ships to pass through the Suez Canal carrying cargoes to and from Israel, President Nasser suddenly halted two ships in the canal in the spring of this year. In both cases, cargoes either to or from Israel were seized. A few weeks later a Greek ship was allowed to pass, but on May 21 Egyptian authorities halted the *Inge Toft*, a Danish freighter, as it attempted to carry an Israel cargo of cement, potash, and other goods to Hong Kong, Manila, and Japan. This ship is still in Port Said. President Nasser will not let it pass.

Since that time and within recent weeks the Egyptians have seized mail bound for Israel from Australia from the Norwegian freighter *Tarn* and impounded from another Norwegian freighter *Tagof*, a box containing equipment and literature for the Israeli meteorological service from Australia.

All members of the United Nations, whether they be big or small, are entitled to protection from aggression, and all members of the United Nations owe an obligation to that body to help it discharge its responsibilities. We will not carry out our responsibilities to meet and solve the problem of the Suez Canal by an airy reference of the issue to Mr. Hammarskjold or the United Nations. The U.N. is no stronger than any of its members, and we are one of the strongest. This is not an issue to be decided by asking little Israel to accept some abridgment of its rights, and by pressuring Israel to live under imposition, blockade, and siege. The premise upon which the United Arab Republic predicates its course is untenable. No member nation of the U.N. has the right to assert that it is in a state of war with its neighbors in the face of a United Nations Security Council resolution making a contrary finding. The U.N. Charter requires it to work for peace and to live in peace.

In this connection, I should like to recall two of the six principles which President Nasser accepted in 1956. They provided, first, there should be free and open transit through the canal without discrimination overt or covert; and, second, the operation of the canal should be insulated from the politics of any country.

On June 24 a group of 25 Senators joined in a telegram addressed to Presi-

dent Eisenhower, expressing our concern over shipping in the Suez Canal. Nine days later, on July 3, we received a reply from Assistant Secretary of State William B. Macomber, which was made public, in which we were reassured that our Government clearly and unequivocally adhered to its original position in opposition to any restrictions on the use of the Suez Canal. Secretary Macomber's letter has been inserted in the CONGRESSIONAL RECORD of August 6.

The United Arab Republic has now requested from the International Bank for Reconstruction and Development a \$40 million loan to widen and deepen the Suez Canal. There is little question that such a physical improvement of that international waterway would be of great benefit to the world and to the United States. However, to what avail is such an improvement if the canal should be operated illegally and, once improved, as a more efficient instrument against the peace wielded by the United Arab Republic?

The World Bank is a specialized agency of the United Nations. It makes its own decisions. It is independent. It decides who shall receive its loans. It is not responsible to the United Nations. But the Bank, like any responsible lender, owes some obligations to the international community by which it is sponsored. Does the World Bank propose to lend large sums to one of its stockholders to improve a waterway which is used in violation of a U.N. decision and in illegal action against other stockholders?

It is very sad to reflect that after 11 years the Arab-Israel conflict is just as far from solution as it ever was. We have not been able to bring the parties closer together. We cannot hope to bring about peace and concord between Israel and Egypt now, but we can hope to pursue a consistent policy which in this area we have already inaugurated in 1956 and 1957, and insist on respect for international law. Our policy has been often criticized for failure of consistency in its application; this is a situation in which such consistency is both practical and needed. Hence, on this step-by-step basis, we should insist now that illegal restrictions on the use of the Suez Canal must be lifted and the *Inge Toft* case settled; otherwise we cannot give aid or fail to protest aid proposed by other international agencies.

I would urge, therefore, that as a condition for the World Bank loan the Egyptians pledge operation of the Suez Canal in accordance with the Constantinople Convention of 1888 and subsequent international agreements providing for unrestricted access and use, and that this pledge be guaranteed by the U.N., of which the International Bank is a constituent body. The United Arab Republic is a member both of the U.N. and the International Bank.

Just as the Tripartite Pact of 1950, under which Great Britain, France, and the United States assured Israel's borders, and the U.N. Emergency Force in the Gaza strip and the Strait of Tiran has brought to an end border raids on the Egyptian border, so such a U.N. guarantee could be meaningful in terms

of achieving a solution to the problem of transit through the Suez.

The third unsettling development to which I referred earlier is the question of the Arab refugees.

U.N. Secretary Dag Hammarskjold early in June published a proposal to deal with the refugee problem, wherein \$1.5 to \$2 billion would be expended within the next 5 years on projects that would make production jobs for the estimated 900,000 refugees in Arab countries. The Arab States have rejected the proposal, indicating that they would be satisfied with no less than repatriation of the refugees in Israel—an obvious impossibility with their final position to be taken at the impending Casablanca conference of the Arab League.

Jordan has qualified its position out of concern for the territorial problems of what was formerly Palestine, but this has not changed the basic situation. This follows a pattern in which I feel that Arab States have been most misguided in refusing to cooperate in the firm settlement of the Arab refugees, where they can be so practically accommodated, but have insisted on keeping hundreds of thousands of the refugees in the misery of the refugee camps as a political weapon against Israel.

The U.N. General Assembly will undoubtedly have this item on its agenda this month.

The United States can do no less than be fully prepared to move for settlement of the Arab refugee problem, which has too long been one of the most critical problems in the Mideast. A resettlement plan should include worldwide action of the same nature as Europe's resettled displaced persons. Whatever may be the objections of Arab spokesmen to the proposition that the Arab refugees were made to leave what is now Israel by exhortations of the Arab armies in preparation for a triumphant return after the Jews had been pushed into the sea, the unfortunate fact is that for 10 years there has been no Arab cooperation in their resettlement and they have been used largely as a political dagger pointed at Israel. Recent reports indicate that 1,400 jobs for refugees went unfilled when exit permits were denied them by Arab host governments, host governments which have rejected also plans for extensive development programs for resettlement. Syria and Lebanon, on their part, have obliged UNWRA to transport supplies for these unfortunates by railroad rather than, less expensively, by truck.

Arab refugees constitute almost half the population in Jordan, about 517,388 being there, with 221,058 in the Gaza Strip, 102,586 in Lebanon, and 92,524 in Syria, with an annual net population increase of 25,000 to 30,000 due to a continuing high birth rate. It is clear that the problem must be settled now.

Israel has evidenced willingness to negotiate compensation for Arab properties, notwithstanding its heavy counterclaims against the Arab States, which ejected 300,000 Jews since 1948 and deprived them of their property.

The problem of land could be quickly settled by the Arab governments, particularly Iraq, which has the resources in land and water and is underpopulated,

and whose new revolutionary regime we have just recognized. A major effort by the United Nations and the United States to enlist its participation could prove most fruitful at this time.

I believe that Israel will take a reasonable number of the refugees suitable for repatriation and giving consideration to the dangers to its security by any fifth column. Also, Israel has already repatriated 25,000 to 30,000 Arabs, and in reuniting Arab families and by other means, it is estimated as many as 100,000 former Arab refugees are now located in Israel.

Obviously, the resettlement of the Arab refugees is not a complete policy for the Mideast, but it does represent an initiative upon which the other elements can be built. They include:

First a clear guarantee of Mideast borders against direct or indirect aggression, preferably under U.N. auspices. This would include also the U.N. guarantee of freedom of transit through the Suez Canal.

Second. A suitably adapted and adequately financed Mideast regional economic plan based on self-help and mutual cooperation, and started with those who choose to cooperate even if this does not include all the Arab States. President Eisenhower in his August 13, 1958, address before the U.N. General Assembly, proposed the establishment of such an Arab Development Bank on a regional basis to accelerate progress in such fields as industry, agriculture, water supply, health and education. It would provide loans to the Arab States as well as the technical assistance required in the formulation of development projects, would be managed by the Arab States themselves and would serve also to attract needed private investment funds to the area as well. Such an Arab Development Bank, I believe, should not only include the Arab nations originally contemplated—United Arab Republic, Jordan, Iraq, Saudi Arabia, Lebanon, Yemen, and Kuwait—but study and consideration should be given to include also such other nations as Iran, Libya, the Sudan, Tunisia, Turkey, Afghanistan, Morocco, Somalia, and Ethiopia.

Third. Broad-scale activities in person-to-person exchanges and the establishment of technical training institutes and other institutions in the Middle East.

One of the primary aspects of an initiative by the United States would be in respect of a regional economic plan for the area if this is taken up and implemented. There is every assurance that other governments will cooperate in the financing of such a plan, notably the United Kingdom, Italy, and Germany have already indicated their interest, and so has the International Bank for Reconstruction and Development.

It would be essential also to bring into Mideast economic development and the resettlement of the Arab refugees the oil revenues of the Mideast and the oil companies which pay them. These oil revenues aggregated \$1.026 billion in 1957 and are an indispensable element of any Mideast program.

The argument is made that the Arab States might not work with us due to Arab nationalist pressure, but in efforts in regional economic development we are not confined to the Arab States alone but should include the economic region involved, leaving the problems of an economic bridge to Israel to be solved for the present through the United Nations. The leaders of these countries outside the Arab bloc have also led their peoples out of colonial status yet with acceptance of their responsibilities in the civilized world and without seeking to build personal power hegemonies.

Settlement of the Suez Canal dispute, Mr. President, is, I believe, the first great step at this time. For a guarantee of a freedom of transit through that international waterway by the United Nations would clearly stake out the interest of the world community in taking an active role in assuring peace in the strife-ridden Middle East. As a principal member of the International Bank and a leader in the United Nations, the United States can assume the leadership position in seeing that this is done.

Last week 13 members of the House Committee on Banking and Currency addressed a communication to the World Bank appealing to that body to withhold the loan for improvements to the canal until the Suez Canal is recognized as an international artery without limitations or restrictions, thus concurring with the sentiments previously expressed by Members of this body to which I have referred. The International Bank surely can do no less than this, for it has within its power, as the lender of important funds highly desired by the United Arab Republic, an instrument to help bring about that compliance with international law which we all seek. A key to the peace lies within our hands; let us grasp it.

Mr. President, I close with a word for which I hope perhaps I shall be forgiven by all Senators present. I express the hope and I make the prayer, as one new Member of this body—and I am relatively new, since this is only my third year in the Senate—that the face of the Senate which is turned to the people of the United States and to the people of the world, especially in hours which are very likely to see the adjournment of the Congress, be the best, the most constructive, the most invigorating and the finest face which we can turn to them. I hope and pray we will do our utmost to subordinate our personal desires or our personal irritations, or even our personal pet projects, bearing in mind that no matter what we debate, whether it be highways, Laos, the Mideast, or some inconsequential bill, we will not be judged on that, but we will be judged on our total overall performance, on the fact that we proceed with deep consciousness of the prestige of our country, which is on the line in this body—yes, Mr. President, tonight as never before in the great history of our country.

I hope, Mr. President, I shall be forgiven and understood for uttering these words. I am not critical of anyone concerned. I know every Senator is trying to do his best for our country and for the world. Sometimes it is helpful if

we look at things in that light, bearing in mind the fact that we are not only in a fish bowl for the United States, but also in a fish bowl for the whole free world.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

Mr. NEUBERGER and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Oregon is recognized.

Mr. NEUBERGER. Mr. President, I have decided to withdraw my amendment to the amendment of the distinguished Senator from Tennessee [Mr. GORE] at this time, because of the technical difficulties involved in synchronizing my proposal with the language in the amendment of the Senator from Tennessee. I have consulted on this matter with learned legal counsel, and they feel it is not possible effectively to dovetail my proposal with that of the Senator from Tennessee [Mr. GORE].

In order that the issue before the Senate may remain as clear cut and as forthright as possible, I hope the Senate will proceed to an early vote on the amendment offered by the Senator from Tennessee [Mr. GORE].

Should the Senate approve the Gore amendment, it is my understanding there will be offered another amendment, I believe by the senior Senator from Pennsylvania [Mr. CLARK], which will be designed to eliminate a deficit which would be created by the diversion of the automobile excise taxes from the general fund to the highway trust fund, which deficit will not be entirely made up by a repeal of the credit against income tax for dividends received by individuals.

A second amendment, which I am informed will be offered, will deal with the withholding at the source of taxes on dividends and interest, and the revenue to be realized from those items has been estimated to cover more than the general fund deficit.

If the Senate should fail to adopt the latter proposal, it is my present intention to offer again an amendment to increase, by 1 cent, the Federal tax on gasoline and other motor fuels, so as to cover the deficit.

In conclusion, I wish to say it is my opinion that not only should these tax loopholes be closed, but we should face up to our fiscal responsibilities by increasing the Federal gasoline tax 1 cent, or perhaps even 1½ cents.

Mr. GORE and Mr. JAVITS addressed the Chair.

Mr. NEUBERGER. I yield to the Senator from Tennessee.

Mr. GORE. I appreciate the generous action of the able Senator from Oregon, because this will permit the Senate to make a simple choice, a clear-cut choice. The amendment which the Senator has in mind can be more readily drafted as an additional section to

the bill, rather than as an amendment to my amendment.

Mr. NEUBERGER. The Senator, I am sure, knows of my desire to cooperate with him on these very vital issues.

Mr. JAVITS and Mr. LAUSCHE addressed the Chair.

Mr. NEUBERGER. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I simply want to send an amendment to the desk for printing under the rule.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

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

Mr. NEUBERGER. I am willing to yield the floor, unless the Senator wants to discuss what I have recently said.

Mr. MORSE and Mr. LAUSCHE addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Oregon is recognized.

THE PARLIAMENTARY SITUATION, VISIT BY PREMIER KHRUSHCHEV TO THE UNITED STATES, AND SINE DIE ADJOURNMENT

Mr. MORSE. Mr. President, I should like to have the staff notify the majority leader I am about to make some remarks in which he may be interested. I have explained to the majority whip that as soon as I got the floor in my own right I should like to have the majority leader notified.

Mr. President, I have been waiting for some hours to take the floor to discuss briefly my position in regard to the parliamentary situation which confronts the Senate. I think I owe it to the Senate and I certainly owe it to myself and to my friends to make a statement as to my position in regard to the parliamentary situation which confronts us and my part in it. I shall discuss it from the standpoint of three general topics: First, my reason as to why I do not think the Senate should adjourn sine die by September 12; second, my position in regard to the parliamentary situation in which I found myself yesterday with respect to protecting my own parliamentary rights in the Senate; third, my views in regard to what we ought to do with respect to a legislative program before we adjourn.

THE KHRUSHCHEV VISIT

One of the reasons, Mr. President, why I think the Senate should not adjourn sine die September 12 is that I think it should be in session at least for a few days after Khrushchev arrives in the United States. I am sorry, but it is my feeling—and I think there is reason to support my feeling—that one of the primary reasons for the sudden speedup in Senate business in recent days is that there is a strong movement on to avoid having the Congress in session when Khrushchev arrives in the United States. Roscoe Drummond in a column today expressed a view with which I completely agree when he said:

Congress certainly ought not to run for cover during Mr. Khrushchev's presence in Washington by rushing to adjourn before it finishes its business.

Mr. President, I ask unanimous consent that the entire column by Roscoe Drummond, appearing in the Washington Post this morning, be printed at this point in my remarks.

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

CONGRESS AND MR. K.—NO PRECEDENT OR PROTOCOL CALLS FOR INVITATION

(By Roscoe Drummond)

Before the debate gets needlessly off the rails, let's get out the facts on this question of Congress inviting Premier Khrushchev to address a joint session.

I find a lot of people, in Government and out, who believe and strongly urge that Congress should invite Mr. Khrushchev in the conviction: (1) That the invitation is required by protocol; (2) that Congress always invites heads of government to address it; (3) that not to invite him would be discourteous discrimination.

If you were to check these three statements true or false, what would your answer be? The truth is that they are all false.

There are no protocol requirements whatsoever about inviting foreign dignitaries to speak before Congress—either presidents, prime ministers, kings, queens, shahs, or governors general. The initiative is with Congress. The decision is with Congress. The precedents set no pattern of policy whatsoever.

Far from inviting all visiting chiefs of state or heads of government to address it, Congress over the past decade has extended invitations to fewer than half. I have just checked the array of the top foreign statesmen who came to the United States from 1947 through 1958. There were 88 such visits; a few came more than once but only 34 of them addressed either the House or Senate or joint session.

The precedents are so diverse as to make nothing automatic. Just look at a few of them: The Prime Minister of France, Guy Mollet, was invited to address a joint session of Congress. The Prime Minister of Great Britain, Harold Macmillan, was only invited to address the Senate. The President of Brazil addressed Congress; the President of Chile didn't. The Queen of the Netherlands addressed Congress. The King of Greece did not.

Certainly past practice shows no pattern of policy to be followed automatically. Then, would there be discourtesy or discrimination if Congress did not invite Premier Khrushchev?

There is actually no legislation and no established procedure by which Congress determines whom it shall invite to address it. The chief parliamentarian of the Senate says that the custom has been for the decision to be made by the leadership. That would mean a decision by the majority and minority leaders of the House and the Speaker, and the majority and minority leaders of the Senate and the President of the Senate.

But what happens if there is disagreement among the congressional leaders? Does the issue go to the floor of the House and Senate if there is a tie vote among the leaders or even if there is only one dissent? There is no rule and no precedent to govern this situation, but it can, I am sure, be taken for granted that there will be no invitation if any of the leaders seriously object. A harsh controversial floor debate is wanted by nobody.

I cannot myself escape these conclusions:

That neither protocol nor precedent nor courtesy requires Congress to invite Mr. Khrushchev to speak.

That Congress certainly ought not to run for cover during Mr. Khrushchev's presence

in Washington by rushing to adjourn before it finishes its business.

That, since the Soviet Premier was invited to make a public tour of the United States and to have private talks with the President, there is no reason why the precious, prized platform of Congress should be thrust into his hands. Let's reserve that for those who believe in representative government, not give it to those who want to destroy it.

Mr. MORSE. Mr. President, as a member of the Foreign Relations Committee, I believe that any planned congressional walkout on Khrushchev will be interpreted in many parts of the world where we are trying to win men's minds to the cause of freedom, as an affront not only against Russia, but against our own professed ideals of peace.

We claim to be searching for honorable ways of establishing permanent peace in the world. We represent to the world that we are willing to give reasoned judgment to the representations of the leaders of people of other nations such as Russia, who may lead us into war, if an acceptable basis for peace is not worked out in our time. I hold to the view that there is not much time left.

NATIONAL INTEREST SERVED BY CONGRESS REMAINING IN SESSION

Congress, along with the President, has the responsibility to help mold a program of peace through a system of world justice by law. Congress has a duty to the American people to carry out its responsibility, under the advice and consent clause of the Constitution, to help promote a better understanding with Russia and other potential enemies.

Democratic institutions are worth looking at. The American people have the right to be proud of their democratic institutions. Congress is one of the great trio of the independent branches of democratic government which help distinguish democratic self-government from a totalitarian politburo.

We should not run out on the Khrushchev visit. To the contrary, we should proceed between now and then with a regular legislative program unscarred by steamroller parliamentary pressures and tactics. Congress should recognize that the eyes of the world generally are on America because of the forthcoming Khrushchev visit.

Much is being said about Khrushchev trying to turn his visit into a Communist propaganda barnstorming of the United States. I have no doubt that Khrushchev will try to take advantage of every incident, of every interview, of every public appearance, of every demonstration of public reaction to him, in an endeavor to propagandize himself and his Communist sophistry and the Communist claims that his government is seeking peace and coexistence, but finds lack of cooperation on the part of the Western nations including especially the United States.

What I am urging is that we in Congress not run away from our opportunity and our duty to stand with the President in extending proper Congressional protocol and diplomatic responses to Khrushchev's official visit to the United States.

What are we afraid of? What are we worrying about? Does anyone think that the American people are any less able than we are to appraise whatever representations Khrushchev may make while he is in our country? I respectfully point out that we should adopt an affirmative and positive rather than a negative and defeatist attitude to Khrushchev's visit to the United States. We should demonstrate to the world that we seek an honorable peace and we should outline to Khrushchev a program for peace which will place the burden on Russia to demonstrate to the world in return that she is willing to keep faith with the professions about peace.

Mr. President, let me make it clear that I did not favor Khrushchev's visit in the form in which it is about to take place. In fact, long before the President ever extended any invitation to Khrushchev, the record is perfectly clear that time and time again I urged that the leaders of the nations of the world should meet under the canopy of the United Nations at the United Nations headquarters in New York City for a discussion of the various problems that threaten the peace of the world. Under such an arrangement Khrushchev would have come as only one of many visiting heads of state.

I believe that inevitably, if we are going to win this great battle for peace, the heads of all nations will have to get together in such an international conference under the auspices of the United Nations for a discussion of what can be done to avoid a nuclear war. It may very well be humanity's last chance to save itself. However, another course of action was followed by the President of the United States.

I suppose, Mr. President, that no one in the Senate has been more critical of the President of the United States on many issues than the senior Senator from Oregon, but when it becomes an issue of national survival, when it becomes an issue of peace or war, when it becomes an issue of standing behind the President in an hour of national crisis, the senior Senator from Oregon will yield to no man in the Senate. I believe, although I may be wrong—but my intuition tells me not—that we are approaching a decisive hour in the history of mankind. When we have such a visit as is about to take place in this country by the head of a state which we all recognize would probably be our greatest potential enemy in case of another world war, then we in Congress should be on hand, side by side, shoulder to shoulder with the President, to demonstrate the working of democracy during the visit of that head of state.

Mr. President, it is not for me to say what the form of the welcome should be so far as the official program of my Government is concerned. However, as a Member of the Senate and as a member of the Foreign Relations Committee, I owe it to the people of my State and of my Nation to make myself clear as to what I think Congress ought to be ready to do, provided the President of the United States and the State Department desire that kind of assistance from us during the Khrushchev visit.

I think we ought to be on the job, ready and willing to cooperate with the President in the extending of any protocol that a Congress in session can extend to the visiting head of a foreign state. It is not for the Congress to take the initiative in such matters but rather to stand ready to cooperate with whatever request the President and the State Department might make of the Congress.

I wish to point out, Mr. President, that we are going to be judged in India, in Burma, in Pakistan, in all of southeast Asia and Africa and in all the areas of the world where we are in a contest with Russia for the minds of men, by the way we keep faith with our profession of our good will, of our claimed sincerity in trying to work out a permanent and honorable peace, of our willingness to listen to ideas with which we do not agree, of our national policy of politeness, and of our friendship for the people of Russia.

I believe we also need to keep in mind that we should not play into the hands of Russian propaganda by following a congressional course of action of adjourning sine die almost on the eve of the arrival of Khrushchev. By doing so, we would provide much fodder for the Russian propaganda machine in regard to the failure or the refusal of Congress to at least be on hand when the Premier of Russia arrives. It would be represented as a symbolic insult to the people of Russia.

Mr. President, I point out that Khrushchev has welcomed many Governors of States of the United States in Moscow. I would point out that Khrushchev has laid out the so-called protocol red carpet for many American businessmen. I would point out—and I think it was very helpful to our cause because of the discussion that took place in Moscow—that the Vice President of the United States received the so-called red carpet protocol treatment from the head of the Russian state. I would point out also that a good many Senators and Representatives have availed themselves of the protocol courtesies of the Premier of Russia and other high officials of Russia when they have been in Moscow. Also let us not forget that the President of the United States will be a guest in Russia later this fall.

Mr. President, I am not passing any valued judgment on the visits of American officials and businessmen to Russia. I am only pointing out that these are facts. Therefore I do not like to see Congress put itself in a very embarrassing position by going into sine die adjournment on September 12, just before the Russian Premier arrives in the United States. If it should do so, we would probably read in the press of the countries of southeast Asia, India, and Africa that the Congress of the United States, to use the language of Mr. Drummond in his article this morning, ran for cover during Mr. Khrushchev's presence.

There are great differences among us in the Congress as to what our course of action should be. All I am saying in the Senate tonight is that we should be on hand to follow out whatever protocol

ceremonies the President or the Secretary of State may call upon us to perform.

Also, as I shall show when I reach another point shortly, there is need for a longer session of the Congress to complete the legislative program which will be uncompleted if the Congress adjourns sine die on September 12.

I also point out that two dignitaries from the Soviet Union, Deputy Premier Mikoyan and Mr. Kozlov, visited us. The Senate Foreign Relations Committee met with both those representatives of the Soviet government. I happen to think it was very helpful to us. Speaking only for myself, I think it was very helpful to me to sit there during the period of questions and answers and conversation, and evaluate the nature of the men who were here representing the Soviet Union. Men in whose totalitarian hands there rests such vast power of life and death over so many millions of people in Russia, and—let us be frank about it—perhaps also in the United States.

This is a dangerous period in world history. We are not going to solve the problems of peace if we do not take every advantage that comes our way, to try to find out what it is that makes the minds of these men tick.

I think we would be in a much better position with the Congress in session, and with the Foreign Relations Committees of the two Houses of Congress, if they should decide to do so, ready to sit down in a conference with Khrushchev. Such a course of action would enable us to put to Khrushchev, as we did to Mikoyan and Kozlov, certain pertinent questions the answers to which would be helpful to us in appraising and evaluating and judging the future course of action which we should follow in our relations with Russia.

So I publicly confess that one of the reasons I am urging a slow bell, so to speak, in the adjournment of this session of Congress is that I think it is in the national interest for Congress to be in session for at least a few days after the arrival of Khrushchev. I believe that if we follow the course of action I have suggested, we shall not regret it.

There may be some acrimonious debate in Congress while Khrushchev is here. There may be some incidents. But that is democracy at work. Are we afraid of it? That is free speech, manifested in a country which practices self-government. It would be good for Khrushchev to observe these workings of democracy and to take those observations back to Russia no matter what incidents, what points of view, or what debates occur in the United States during his visit. I do not believe that we should put democracy under wraps during the period of Khrushchev's visit. I believe that the Congress of the United States, the legislative branch of the Government, along with the executive branch, should be working together during the period of this historic visit.

THE END OF THE SESSION SPEEDUP

I turn now to the second reason for the course of action I am following parliamentarywise in the Senate. I think my colleagues know that this is not the

first year that I have been very much concerned about the speedup of Senate action in the dying days of a session. I learned many years ago, early in my 15 years of service in the Senate, that during the last days of a session we need to perform the services of a watchdog on legislation in the Senate, because under the rush and the pressure, under the many unanimous consent agreements, bad legislation is frequently passed.

I do not need to recall to my colleagues that the last afternoon and night of the last day of the session last year only two or three of us, under a great deal of criticism, and it is never pleasant to be in that role—followed a parliamentary course of action in the Senate which, in my judgment, stopped the passage of what was generally recognized as anti Supreme Court legislation. I am satisfied that more legislation of that nature would have been enacted if two or three of us had not taken an adamant position that we would exercise all of our parliamentary rights under the rules of the Senate.

ABUSE OF UNANIMOUS CONSENT

I resolved last year, after that experience, that, come this year, I would start earlier, and that this year I would slow up the procedures of the Senate in the last days with respect to unanimous-consent agreement. Let me say respectfully that we have almost reached the point where most pieces of legislation are offered to us on the basis of a unanimous-consent agreement to limit debate.

This is not the first time I have spoken against this approach. I doubt if any other Member of this body has objected to more unanimous-consent requests to limit debate than has the senior Senator from Oregon. I serve notice tonight that for whatever additional period of time I serve in the Senate, I shall object to many more—percentage-wise—unanimous-consent agreements from the beginning of each session than I have in the past. I have become convinced that legislating through unanimous-consent agreements is not in the best interest of the Senate or of the Nation. I have become convinced that major pieces of legislation should not be passed in the Senate under unanimous-consent agreements to limit time for debate.

Time and time again colleagues have come to me, after they had become parties to a unanimous-consent agreement, and said, "I wish I had known that this particular point would arise in the debate. If I had known it, I never would have given consent because there is not enough time now to make a convincing case in opposition to it." I have heard that point of view expressed many times after the fact—a point of view which I think is right. I serve notice tonight that from now on I shall grant unanimous-consent requests to limit debate on any major issue in the Senate only upon the rarest of occasions, and only when the facts and circumstances in an individual case convince me that the public interest could not possibly be jeopardized by the agreement.

Three or four years ago, I believe, I placed in the RECORD an analysis of the

history and development of unanimous-consent agreements to limit debate in the Senate. I have not had time this afternoon because of my work on the floor to locate that study and refresh my memory about it, so I must speak about it from memory.

The analysis showed that unanimous-consent agreements have become a very common procedure in recent years in the Senate. Until recent years it was a procedure that was used only rarely. I believe that the tendency to transact most business in the Senate—at least in connection with anything of major consequence—by way of unanimous-consent agreements, has been very costly to the effectiveness of the Senate as a deliberative parliamentary body.

I think it has been very costly to the purpose of debate and the exchange of ideas in the Senate. I think we are going too far away from the intention and purposes of our constitutional fathers in respect to unlimited, full, deliberate debate in the Senate. Do not tell me that if Senators sit and listen to debate, if they are actually present and hear the debate, their minds are not changed.

No one will ever convince me that at least some of the amendments offered last night by the Senator from Minnesota [Mr. HUMPHREY] in connection with Public Law 480 would not have been adopted if all Senators had been on the floor of the Senate, heard the debate, and realized that many of the amendments were committee amendments, and not Humphrey amendments. Discussions I have had today lead me to believe that votes were cast last night against some amendments by Senators who thought they were voting to sustain the committee. The fact of the matter is that the Senator from Minnesota was presenting committee amendments, not Humphrey amendments, in many instances.

But what happens when a unanimous-consent agreement is entered to limit time? We all know what happens. The few who are engaged in debate speak to an almost empty Senate Chamber.

A unanimous-consent agreement to limit debate has resulted in the common practice in the Senate of Senators not attending debate, once the agreement has been entered into. Then if an agreement is entered to vote at a time certain—say a time certain to vote next Wednesday at 2 o'clock—we all know what happens. Senators not only leave the Chamber, but they go elsewhere, far removed from the Senate in many instances. I do not think that is good for the Senate. I do not think it is in keeping with the history and purpose of debate in the Senate. I think the entering into unanimous-consent agreements to limit the time for debate, and sometimes to fix a time certain to vote, has reached the point of abuse.

I have the power, as do other Senators under the rules, until they are changed, to carry out what I think is my duty in regard to that practice. It is only fair to Senators to say so. They can pass any value judgment on it they wish. It is only fair to them to know that this is

my view, and that I am giving notice as to what my position will be.

INTENTION TO APPLY SENATE RULES

Some very dear and close friends in the Senate have pleaded with me to change my course of action. They have pleaded with me out of sincerity and friendship, and I think deep affection, to retreat from my position on the ground that they thought my course of action is offending many of my colleagues, and stirring up animosity against me in the Senate, neither of which I like, both of which I wish I could avoid. But my reply to them has been that I have made a study of this practice, and I am satisfied that this is my duty, so long as I sit here. If carrying out my duty means the loss of friendship and the stirring up of animosities, then I will pay that penalty rather than follow a course of inaction because I lacked the courage to do what I thought was right.

So I repeat: I think the unanimous-consent agreement method of doing business in the Senate has reached the point of abuse. It is not good for the Senate. I intend to apply the rules with respect to it.

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

Mr. MORSE. If the Senator will permit me to finish, I should like to do so. Then I will yield.

No one regrets more than I the incidents and, in some respects, misunderstandings which led to the situation yesterday which caused me to proceed to exercise my rights under the rules. I made a request through the same channels through which other Senators time and time again have made similar requests. I made a request through the Secretary to the majority that the majority leader, or whoever was sitting in the majority leader's chair at any time, be notified that I wanted a quorum call before any unanimous-consent agreement was requested in connection with a proposed time limitation on any issue. Under the rules we are not entitled in this situation to a quorum call as a matter of parliamentary right, but every Senator who is within hearing of my voice knows it is common practice as a matter of Senate courtesy when the leadership is placed on notice to have a quorum call. Many times in each session of Congress a quorum call is asked for before a unanimous-consent agreement is submitted in regard to any major legislative issue.

I believe I had the right to expect a quorum call in connection with the fixing of a time limitation to consider a veto on the housing bill.

I had no intention of leaving the floor of the Senate yesterday at any time, but I received a message from Mr. Jack Bell of the Associated Press asking me to step into the press room to answer a couple of questions which apparently AP subscribers elsewhere in the country, including my own State, sought to have him get from me. I sent out to him the message I could not leave the floor at that time.

Immediately a second message came back to me from Mr. Bell, saying he hoped I would do what I could to arrange

to leave the floor of the Senate because it would take him only a minute or two—and it took him less than 3 minutes—to get answers to those questions.

I asked a colleague who was seated next to me at the time—and my colloquy was heard by another colleague—if he would protect me until I got back in case a unanimous-consent agreement was asked for. I was not off the floor of the Senate 3 minutes. I am not criticizing the majority leader with any bitterness for what happened. I am simply making a statement of fact as to my understanding of what happened.

I returned to the floor of the Senate within 3 minutes of the time I left to discover that a unanimous-consent agreement limiting time on the housing bill debate had been entered into. To my shocked surprise, it provided for 1 hour of debate. It was said that members of the committee were willing to accept the limitation, but members of the committee do not speak for me or any other Member of the Senate. We speak for ourselves.

Mr. President, I happen to think the veto message on the housing matter raised such an important question of policy that the discussion of it should not have been limited to 1 hour, but should have been at great length. There are many phases of the whole veto problem which have been presented by the President to Congress, and which were raised again by the housing bill veto. We ought to have had a thoroughgoing discussion of it.

A 1-hour limitation of debate agreement did not make that possible.

I came into the Senate Chamber and discovered the agreement had been entered into. It was no fault of the majority leader because he says he did not know of my notice to have a quorum call. It was no fault of the colleague who had agreed to protect my interest. The fact of the matter is that my colleague said he did not hear the majority leader offer the unanimous-consent agreement. He said the action happened so quickly that he thought the majority leader was only asking for a quorum call. He said that the majority leader did not speak loud enough to be heard throughout the Senate Chamber. I can understand how those things happen and I am critical of no one for what happened. But I am making this statement of fact to the Senate because that incident satisfied me the time had come for me to protect myself completely in regard to my procedural rights, and I made very clear to the majority leader that that was my position. If we do not like the rules in the rulebook, we can change them.

But I take it for granted that the Senate rules were written by our predecessors in the Senate to be available to any Senator who wishes to use them when, in his judgment and according to his rights, it becomes his duty, in carrying out his obligations to his constituents, to use them.

That is all I have been doing, and that is all I shall do for the duration of this session of Congress; whenever in the future I wish to resort to the rules.

By using them, I believe the Senate will be required to take time to deliber-

ate more carefully and discuss more fully the remaining important, unsettled major issues which will have to be considered by the Senate before it adjourns sine die, whether that comes before September 12 or after that date.

Now I come to the last reason for following the course of action I am taking. I believe it is very well known.

SENATE SESSION ON LABOR DAY UNWARRANTED

I think it was a great mistake to schedule a meeting of the Senate on Labor Day.

I understand that 90 or more Senators expressed, on a poll, a preference for meeting on Labor Day. It is one thing to take a poll; it is another thing to have a group policy discussion as to whether such a course of action is wise. Very often a poll will be quite different after a discussion, as compared with the result of a poll if held in the absence of a discussion.

It is my view that it would have been very helpful if the policy committee, at least for the Members of the Senate on this side of the aisle, had met, so that those of us who had some very definite objections in regard to a meeting of the Senate on Labor Day would at least have had an opportunity to express our point of view.

I can well understand that many will not agree with me, although I wish to say that some who voted against me the other night have been fair enough to say to me they think there is some merit to the view I take.

In view of the labor bill the Senate voted for the other evening, I think it is not good psychology to hold a Senate session on Labor Day, unless we wish to devote that session to a discussion of labor problems and the history of the labor movement and the importance of the free labor movement to a strong democracy.

Knowing that the bill we passed is not going to be received with enthusiasm on Labor Day by the free men and women who belong to organized labor and will meet on Labor Day in many halls throughout the country to pay honor to that day, and in view of the fact that those meetings will be taking place, I do not think it will be good psychology for the Senate to meet on Labor Day. It will amount in a way to rubbing salt into the wounds the Congress has inflicted on labor.

But be that as it may, I felt that at least some consideration should have been given to, and there should have been more opportunity to give consideration to, the point of view of those of us who do not think the Senate should meet on Labor Day.

Let me put one ugly rumor to rest at once: This afternoon, I was told by a newspaperman that it is rumored in the Press Gallery that by having the Senate meet on Monday, the senior Senator from Oregon would lose an honorarium of \$2,000, which otherwise he would have received for making a speech on that day.

In the first place, I do not know what an honorarium of that sort looks like.

In the second place, I was not planning to make an honorarium speech on that day at all. In fact, although I would

have attended a labor meeting on that day, my major activity would have been complete relaxation at the Oregon State Fair. Certainly that would have been no reason for not agreeing to have the Senate meet on Monday.

I was perfectly willing to waive that activity, to conform myself to the decision to meet on Monday. But I think it was a mistake to decide to meet on Monday for the other reasons I have mentioned and will mention.

LABOR DAY SESSIONS

Mr. President, Labor Day was established in 1894. It became a national holiday in that year.

Since 1894, the Senate has been in session 19 times through Labor Day; that is to say, on 19 occasions since 1894 the sine die adjournment came after Labor Day. But since 1894 the Senate has met on Labor Day only three times.

The first time the Senate met on Labor Day was in 1913. The Labor Day meeting of that year was due to President Wilson's calling the 63d Congress into "extraordinary" session in April instead of waiting until December, when a new Congress ordinarily met. He told Congress that the 1912 election was a mandate they should act on promptly and not wait for more than a year.

The great debates of that period were on the Federal Reserve System and the Federal Trade Commission; and the great, progressive legislative program of Woodrow Wilson which was then under consideration. Of course, at that time the President had some legislative problems, too; a long session had been held, and it had been a highly controversial one. It was decided that the Senate should remain in session on that Labor Day. But the House of Representatives was not in session. Only the Senate met on Labor Day, in 1913.

In 1918, both Houses of Congress met on Labor Day. I do not believe I need point out to the Senate that at that time our Nation was in the midst of war.

In 1942, the Senate met on Labor Day again in the midst of a war.

In 1945 the Senate took a recess from August 1 to September 5; and during that time, the Labor Day holiday occurred.

So, Mr. President, by meeting on Labor Day, next Monday, we shall be acting quite contrary to the general, historic pattern of Senate conduct in regard to Labor Day. I respectfully submit that next Monday there will be no emergency that will justify a meeting of the Senate on that day. Regardless of what others may wish to point out, in my judgment no sufficient case or argument can be presented in that connection; it cannot be shown that there exists any emergency which will necessitate a meeting of the Senate on next Monday, Labor Day.

I happen to think, Mr. President, that we owe it to one of the great foundation stones of democratic self-government; namely, the free labor movement, to honor it, in the absence of a real emergency, next Monday, by standing in recess, so that this hard-working staff of the Senate and of our own offices, who, after all, belong to the ranks of labor

in the real sense may enjoy that holiday. Furthermore, Members of the Senate who would like to keep some commitments in regard to honoring Labor Day should have the opportunity to do so, without the inconveniences that are going to be caused and the embarrassments that are going to be caused by our meeting next Monday.

Mr. President, I yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, earlier in the remarks of the senior Senator from Oregon, he made the statement that he probably has brought on to himself the animosity of the Members of the Senate because he has exercised the rights which he said were his and which he believed should be exercised in the interest of good government.

If I may say so to the Senator from Oregon, I have not heard a single Senator express animosity toward him. I say that with a great deal of contentment, because it reflects the high attitude of the Members of this body not to look with contempt on the action of a Senator who is exercising his right under the rules and attempting to present to the Senate his views on important matters pending before us.

Mr. MORSE. I appreciate the comments of the Senator from Ohio. I trust that at least with the lapse of time, after which we all have a tendency to forget pain of all sorts, if there are any painful feelings toward the Senator from Oregon, time will cure them. But, contrary to what the Senator from Ohio has said, I think there is some basis for the comment I made on the basis of other evidence which has been made available to me. And I believe it bears out my comment. If I were to let that deter me, then I would have no right to sit at this desk, because I must do my duty as I see it no matter who may become resentful about it.

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

Mr. MORSE. I yield with the understanding that I do not lose the floor and that the remarks of the Senator will follow mine. I am almost through, I may say to the Senator from Connecticut.

Mr. DODD. I want to ask the Senator some questions about that part of the Senator's remarks having to do with whether or not Congress should adjourn before the visit of Mr. Khrushchev. I do not want to intrude, if the Senator would rather have me wait until he is through.

Mr. MORSE. No. I will be glad to yield.

Mr. DODD. The Senator from Oregon referred to a column by Mr. Roscoe Drummond, published in the Washington Post of this morning. Does the Senator not agree that Mr. Drummond said, in that column, that neither protocol nor precedent nor courtesy requires Congress to invite Mr. Khrushchev to address Congress?

Mr. MORSE. I did not suggest we should, either.

Mr. DODD. It seems to me this point ought to be made clear to our colleagues. As the Senator knows, I have opposed Mr. Khrushchev's visit and an invitation

to address Congress. I have never suggested we should adjourn because of this impending visit of Mr. Khrushchev.

I do not know anyone else in this body who has. So I think we ought to make clear that the objection of some of us to an invitation to Khrushchev to address Congress is based on the fact that throughout our history—and I have asked the Library of Congress to look into this—we have never before invited a tyrant or a dictator with the blood of millions on his hands to be a guest of Congress and to be afforded the ceremonial and signal honor of being a guest of Congress at a joint session. That is why some of us have been urging Congress not to tolerate an invitation to one of the worst tyrants and dictators in the world.

The second point I should like to make is that the Senator very earnestly and eloquently told us about the symbol of Labor Day. I think it is important. I do not want anything I say to be understood as anything less than that. There is an importance in symbols, and there is an importance in psychology.

I wonder if the Senator would not agree that the symbolism involved in one of the world's worst tyrants in history being invited as a guest of a free Congress is not of great significance, too?

Mr. MORSE. I shall be glad to discuss the comments which the Senator has made. First let me say to my colleague that I put in the RECORD the entire Drummond column, not just an excerpt. Second, I made very clear, as the RECORD will show, that the protocol and the reception and the procedure for handling the Khrushchev visit rests on the executive branch of this Government, particularly the President and the Department of State. But I said I thought we ought to be in session, ready and willing to cooperate with our President, in carrying out any protocol that the President or the Department of State might decide would be helpful in connection with the visit of this head of a foreign state. Although one can argue technically as to whether he is the head of the Government of Russia, we all know that in practical effect he is, just as the Queen of Great Britain or the President of any republic who might be visiting the United States is the head of their respective governments.

This is a difficult and delicate matter. I understand the point of view of the Senator from Connecticut, and that is one of the reasons why I said in my remarks that because there may be a discussion and a division of opinion between us or among us while Khrushchev is here, that is all to the good. I would not put free speech and open debate under a bushel. I would not conceal it. That is democracy at work. That is one of the things freedom stands for, and it is one of the lessons Khrushchev ought to take back to Moscow.

Mr. President, you cannot get away from the ugly fact that he is the head, the symbol of the Soviet Union. You cannot get away from the fact that all the difference between peace and war in our time may be dependent upon an

honorable course of action we may be able, and we pray we may be able, to effectuate with the Russians.

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

Mr. MORSE. I yield.

Mr. DODD. I am sure the Senator remembers the India visit about 3 years ago. Would the Senator not agree that about 3 years ago Mr. Khrushchev and his then confidant and companion, Mr. Bulganin, visited India as official guests of that country and were invited, and accepted the invitation to address the Indian Congress. In India they talked in terms of coexistence and peace. They were wine and dined throughout the Indian nation.

But I am sure the Senator from Oregon is as aware as I that tonight 3 years later, Communist aggressive forces are massing on the Indian border, and Communist sympathizers and Communist Party members within India are rioting in her cities.

Does the Senator have any fear of or does he suspect that the now disclosed true purposes of the Khrushchev visit to India may be similar to the purposes which Mr. Khrushchev has in visiting the United States?

Mr. MORSE. I wish to say to the Senator from Connecticut, I am well aware of the Indian visit of Khrushchev and Bulganin. I am well aware of the duplicitous record which characterizes Communists generally, including heads of their State. But I refuse to blind myself to the fact that the contest which is going on for the minds of men around this world will be determined by whether or not we are able to work out an honorable program for peace with the very person who is coming to the United States at the invitation of the President of the United States as a guest at least of the executive branch of the Government, but also, I think, through the President, as a guest of the Government of the United States.

In the light of that invitation I think we will stand better as a united nation with the Congress in session, ready and willing to cooperate with the President of the United States in his very difficult situation in which he will find himself in connection with this visit, rather than to do what I think we will be doing—playing right into the hands of the Russian propagandists in Asia, Africa, and elsewhere in the world by being out of session. These propagandists will say that we ran away from that visit and that we did not keep the congressional session flag of this Capitol flying, to show that the Senate and the House were in session transacting the business of the people of this country during the course of Mr. Khrushchev's visit in the United States.

Those are my views about the subject. I have one other brief subject matter I want to cover in regard to my explanation of my reasons as to why we should stay in session after September 12.

Mr. DODD. Mr. President, if the Senator from Oregon will permit me to do so, I ask unanimous consent to have printed in the RECORD a list of all foreign dignitaries who have been invited to ad-

dress a joint session of Congress or either body. I ask my colleagues to look over the names of this list beginning with

Lafayette in 1824. They will find in it no precedent for extending this honor to a Communist dictator.

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

Foreign dignitaries who have addressed the Congress of the United States

Name	Country	Body addressed	Date	Name	Country	Body addressed	Date
Gen. Marquis de Lafayette.....	France.....	House.....	Dec. 10, 1824	Hon. Ferdinando di Savola, Prince of Udine.....	Italy.....	(Senate.....)	May 31, 1917
Gen. Louis Kossuth.....	Hungary.....	Senate.....	Jan. 7, 1852	M. Signor Marconi.....	do.....	(House.....)	June 2, 1917
King David Kalkaua.....	Hawaii.....	Joint session.....	Dec. 18, 1874	Baron Moncheur.....	do.....	do.....	Do.
Hon. Charles Stuart Parnell, Member of Parliament.....	Great Britain.....	House.....	Feb. 2, 1880	B. A. Bakmetieff, Ambassador.....	Belgium.....	(Senate.....)	June 22, 1917
Count Albert Apponyi, Minister of Education.....	Hungary.....	do.....	Feb. 9, 1911	Viscount Ishii.....	Russia.....	(House.....)	June 27, 1917
M. Rene Viviani.....	Italy.....	(Senate.....)	May 1, 1917	Dr. Milenko R. Vesnitch.....	Japan.....	do.....	June 23, 1917
M. Jules J. Jusserand, Ambassador.....	France.....	(House.....)	May 3, 1917	M. Jules J. Jusserand, Ambassador.....	Serbia (Yugoslavia).....	(Senate.....)	June 26, 1917
M. Joseph Joffre, Marshal.....	do.....	House.....	Do.	Hon. J. Ramsey MacDonald, Prime Minister.....	France.....	do.....	Aug. 30, 1917
Hon. Arthur James Balfour.....	Great Britain.....	(Senate.....)	May 1, 1917			(House.....)	Sept. 5, 1917
		(House.....)	May 3, 1917			(Senate.....)	Jan. 5, 1918
		(Senate.....)	May 5, 1917			(House.....)	Jan. 8, 1918
		(House.....)	May 8, 1917			(Senate.....)	Sept. 24, 1918
		(Senate.....)				do.....	Oct. 7, 1929

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Heads of foreign governments who have addressed the Congress of the United States, 1935-58

Name	Country	Body addressed	Date	Name	Country	Body addressed	Date
Hon. John Buchan, Lord Tweedsmuir, Governor General.....	Canada.....	(Senate.....)	Apr. 1, 1937	Vincent Auriol, President.....	France.....	Joint session.....	Apr. 2, 1951
General Anastasio Somoza, President.....	Nicaragua.....	(House.....)	May 8, 1939	Galo Plaza, President.....	Ecuador.....	do.....	June 21, 1951
Hon. Winston Churchill, Prime Minister.....	Great Britain.....	(Senate.....)	Dec. 26, 1941	Alcide de Gasperi, Prime Minister.....	Italy.....	do.....	Sept. 24, 1951
Hon. Manuel Prado, President.....	Peru.....	(House.....)	May 11, 1942	Hon. Winston Churchill, Prime Minister.....	Great Britain.....	do.....	Jan. 17, 1952
Hon. Manuel Quezon, President.....	Philippines.....	do.....	June 2, 1942	Queen Juliana.....	Netherlands.....	do.....	Apr. 3, 1952
King George II.....	Greece.....	(Senate.....)	June 4, 1942	Celal Bayar, President.....	Turkey.....	do.....	Jan. 29, 1954
King Peter II.....	Yugoslavia.....	do.....	June 15, 1942	Rt. Hon. Vincent Massey, Governor General.....	Canada.....	do.....	May 4, 1954
Queen Wilhelmina.....	Netherlands.....	(House.....)	Do.	His Imperial Majesty Haile Selassie I, Emperor.....	Ethiopia.....	do.....	May 28, 1954
Carlos Alberto Arroyo del Rio.....	Ecuador.....	(Senate.....)	June 25, 1942	Syngman Rhee, President.....	Republic of Korea.....	do.....	July 28, 1954
Mme. Chiang Kai-shek.....	China.....	(House.....)	Aug. 6, 1942	Pierre Mendes-France, Premier and Foreign Minister.....	France.....	Senate only.....	Nov. 18, 1954
Hon. Enrique Penaranda, President.....	Bolivia.....	(Senate.....)	Nov. 24, 1942	Rt. Hon. Robert Gordon Menzies, Prime Minister.....	Australia.....	House, Senate.....	Mar. 16, 1955
Dr. Eduard Beneš.....	Czechoslovakia.....	(House.....)	Nov. 25, 1942	Hon. Mario Scelba, Prime Minister.....	Italy.....	do.....	Mar. 30, 1955
Hon. Winston Churchill.....	Great Britain.....	do.....	Feb. 18, 1943	Hon. P. Pibulsonggram, Prime Minister.....	Thailand.....	do.....	May 4, 1955
Hon. Edwin Barclay, President.....	Liberia, West Africa.....	(House.....)	May 6, 1943	Hon. U Nu, Prime Minister.....	Burma.....	do.....	June 30, 1955
Gen. Higinio Moringio M., President.....	Paraguay.....	(Senate.....)	May 13, 1943	Hon. Juscelino Kubitschek de Oliveira, President-elect.....	United States of Brazil.....	Senate.....	Jan. 5, 1956
Isaias Medina Angarita, President.....	Venezuela.....	do.....	May 19, 1943	Rt. Hon. Sir Anthony Eden, Prime Minister.....	Great Britain.....	House, Senate.....	Feb. 2, 1956
Rt. Hon. Clement R. Attlee, Prime Minister.....	Great Britain.....	(House.....)	June 10, 1943	Giovanni Gronchi, President.....	Italy.....	Joint session.....	Feb. 29, 1956
Miguel Aleman, President.....	United Mexican States.....	(Senate.....)	Do.	John A. Costello, Prime Minister.....	Ireland.....	House, Senate.....	Mar. 15, 1956
Enrico Gaspar Dutra, President.....	Brazil.....	(House.....)	Jan. 20, 1944	Dr. Sukarno, President.....	Indonesia.....	Joint session.....	May 17, 1956
Elpidio Quirino, President.....	Philippines.....	do.....	Do.	Guy Mollet, President of the Council of Ministers.....	France.....	House, Senate.....	Feb. 27, 1957
Hon. Pandit Jawaharlal Nehru, Prime Minister.....	India.....	(Senate.....)	Nov. 13, 1945	Ngo Dinh Diem, President.....	Vietnam.....	Joint session.....	May 9, 1957
His Excellency Enrico Gaspar Dutra, President.....	Chile.....	(House.....)	May 1, 1947	Konrad Adenauer, Chancellor.....	Federal Republic of Germany.....	House, Senate.....	May 28, 1957
Liaquat Ali Khan, Prime Minister.....	Pakistan.....	do.....	May 19, 1949	Nobusuke Kishi, Prime Minister.....	Japan.....	House only.....	June 20, 1957
Rt. Hon. Robert Gordon Menzies, Prime Minister.....	Australia.....	(Senate.....)	Aug. 9, 1949	Theodore Heuss, President.....	Federal Republic of Germany.....	Joint session.....	June 5, 1958
		(House.....)	Oct. 13, 1949	Harold Macmillan, Prime Minister.....	Great Britain.....	Senate.....	June 10, 1958
		(Senate.....)	Do.	Carlos F. Garcia, President.....	The Philippines.....	Joint session.....	June 18, 1958
		(House.....)	Apr. 13, 1950	Sardar Mohammad Daud, Prime Minister.....	Afghanistan.....	House, Senate.....	June 25, 1958
		(Senate.....)	May 4, 1950				
		(House.....)	Aug. 1, 1950				

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Representatives of foreign countries who have addressed the House of Representatives, the Senate, or a joint session, 1958 to Sept. 1, 1959

Name	Country	Body addressed	Date	Name	Country	Body addressed	Date
Theodore Heuss, President.....	Federal Republic of Germany.....	Joint session.....	June 5, 1958	Kwame Nkrumah, Prime Minister.....	Ghana.....	(Senate.....)	July 24, 1958
Harold Macmillan, Prime Minister.....	Great Britain.....	Senate.....	June 10, 1958	Aminoro Fanfani, Premier and Foreign Minister.....	Italy.....	(House.....)	July 25, 1958
Carlos F. Garcia, President.....	The Philippines.....	Joint session.....	June 18, 1958	Arturo Frondizi, President.....	Argentina.....	Senate.....	July 29, 1958
Sardar Mohammad Daud, Prime Minister.....	Afghanistan.....	House, Senate.....	June 25, 1958	Jose Maria Lemus, President.....	El Salvador.....	Joint session.....	Jan. 21, 1959
				Sean T. O'Kelly, President.....	Ireland.....	do.....	Mar. 11, 1959
				King Baudouin.....	Belgium.....	do.....	Mar. 18, 1959
						do.....	May 12, 1959

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BYRD of West Virginia. I thank the Senator from Oregon. I do not know of any Member of the Congress who has suggested that Congress should adjourn and run away because Khrushchev is coming to this country. I have taken the position that Khrushchev should not be invited to address the Congress if it is in session when he is here. I, for one, think that, if there is still work to be done, we should stay and do it, but I still take the position that Khrushchev should not be invited to address a joint session of Congress.

Two thousand years ago the greatest Peacemaker of all time said:

Give not that which is holy unto the dogs, neither cast ye your pearls before swine, lest they trample them under their feet, and turn again and rend you.

I fear, Mr. President, that we may be casting our pearls before swine and that the time may come when he will turn again and rend us. So far as I am concerned, I have only this question for those who suggest that we invite Khrushchev to address the Congress: "How spineless can we get?"

Mr. MORSE. I will say to the Senator from West Virginia, I think it is never very convincing to try to settle differences of points of view by placing spiritual truths in contest. There is also a great spiritual teaching:

Blessed are the peacemakers: for they shall be called the children of God.

COMMITTEE CONFERENCE WITH KHRUSHCHEV SUGGESTED

I only want to say, Mr. President, we have a task of making peace with honor. The Senator from Oregon has not suggested that Mr. Khrushchev be invited to address a joint session of Congress. The Senator from Oregon has made very clear he feels we should only cooperate with the administration in connection with its task of handling this visit.

I do not have any reason to believe, if the administration should suggest to the leadership of the Congress it would be helpful, that the suggestion would not receive very courteous consideration by the Congress in the reaching of its final decision. But I have no hesitancy in saying, as a member of the Committee on Foreign Relations of the U.S. Senate, I should like to have Khrushchev at a question-and-answer conference with the committee, as we had Mikoyan and Koslov.

Mr. DODD. Mr. President, will the Senator yield so that I may ask one more question?

Mr. MORSE. I will yield in just a minute, after I finish this thought.

I should like to see what Mr. Khrushchev would have to say in answer to the questions which would be put to him at such a conference, and I think it would be good for him. It would be good for him to see what free representatives of a free people have the right to do in a democracy, in respect to the examination of officials of Government—yes, even the officials of a foreign government who come before us for conference purposes. I think that would be a healthy thing.

What a good thing it would be in India, in southeast Asia, and in Africa to have the word go out that in Washington, D.C., the Foreign Relations Committee of the U. S. Senate—and I should like to see it done in a joint committee meeting with the House—spent a period of time in discussion with Khrushchev in regard to questions of foreign policy which were of interest to the members of the committee.

Why draw the line between Mikoyan and Khrushchev? Why not go to the top?

Now, I yield to the Senator from Connecticut.

Mr. DODD. I shall be very brief. I take it the Senator would agree we should not stay in session, if we have concluded our business, simply because Khrushchev is coming?

Mr. MORSE. The Senator is correct. That leads me to the last point I will make just as soon as I finish my statistics on this issue in regard to meeting during holidays.

SENATE MEETINGS ON NATIONAL HOLIDAYS

Mr. President, as a general practice the record, as compiled for me by the Library of Congress, shows that the Senate does not customarily meet on national holidays.

We meet on Washington's Birthday, but we meet on Washington's Birthday and have done so historically primarily to pay honor to George Washington. George Washington's farewell message has been read before the Senate on Washington's birthday for years and years and years. The RECORD shows that on a few occasions on George Washington's birthday, Mr. President, some business has been transacted in the Senate, but it is seldom major business and is usually pretty much pro forma. The RECORD shows that usually following the reading of the Farewell Address the Senate adjourns or recesses.

What about the Fourth of July? The only data I have been able to get—and this has had to be done very hurriedly, Mr. President—has been data on what has happened since 1940. The Senate has met once on the Fourth of July. That was in 1952, during the Korean War, when it sat on Friday, July 4. Twice, in 1943 and 1954, July 4 fell on a Saturday, and the Senate was not in session. Twice, in 1944 and 1948, the Senate was out of session. In 1948 it adjourned sine die on June 18, and it was called back into special session by President Truman on July 17. In 1944 it recessed from June 22 to August 1.

So out of the last 19 years the Senate has been on hand 17 times on July 4, but has met only once, and that was a war year. I mention it because it was stated to me this afternoon that the Senate has met frequently on July 4. Research at the Library of Congress does not bear out that claim, and I offer it for what it is worth.

I turn now to my last reason for believing that we should not adjourn sine die on September 12.

May I say this further in response to the Senator from West Virginia [Mr. BYRD]. I did not say, Mr. President, that any specific person in Congress had said

we ought to adjourn sine die by September 12 because of the approaching Khrushchev visit. I said, and I repeat now, Mr. President, that it is my feeling and belief that it is a motivating reason for a rush toward adjournment. I do not think it is an expressed reason, but I think it is there and I think it is in the backs of the minds of many people. Mr. President, I think it is perfectly proper and appropriate for me to express my view that it is an influence in the matter.

I do not think we should adjourn sine die September 12. I do not think we ought now, in the closing days of this session, to try to rush through, without full deliberation and careful consideration, the proposed legislation which is scheduled for consideration between now and September 12.

UNRESOLVED ISSUES STILL PENDING

There are many pieces of proposed legislation that I think ought to have very careful consideration and that we are never going to get to if we adjourn sine die on September 12. Let me mention one or two.

One that is always highly controversial, one that is a hot issue, one that will take a considerable amount of time and debate and deliberation is civil rights legislation, about which we are very much divided among ourselves.

The fact still is we are one branch of a legislative body representing the interests of the American people. The issue of civil rights legislation is a national issue, and there are many of us here who believe that the people of the country are expecting us to act upon some civil rights legislation, one way or another. For example, I just received today a communication from a group of people very much interested in civil rights legislation, calling themselves the Leadership Conference on Civil Rights. Without taking the time to read it, Mr. President, I ask unanimous consent that it be incorporated at this point in my remarks.

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

LEADERSHIP CONFERENCE ON CIVIL RIGHTS,
New York, N.Y., September 3, 1959.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: It is a tragic thing that at this late date, on the eve of adjournment of the present session, the Senate has not yet had an opportunity to pass meaningful civil rights legislation. Like a broken record the same theme has been played again and again. The Constitutional Rights Subcommittee has voted out a bill, albeit woefully inadequate, after extensive hearings, and thereupon the filibuster in the full Judiciary Committee has been going strong.

In light of this situation, we welcome the actions which have been taken to bypass the Judiciary Committee. In now appears likely that through one route or another the Senate may have the opportunity to act on civil rights legislation before it adjourns.

Because of the timing of the probable action, however, we are greatly disturbed over the possibility that the Senate might feel compelled to accept so little substantively that the final product would be a civil rights bill in name only. If the issue comes to the floor of the Senate just prior to an announced adjournment target, we urge the friends of

civil rights not to be stampeded into accepting a token civil rights bill.

Although men of good will may disagree on the last details of a meaningful bill for 1959, we think that there really is no room for disagreement on the imperative need to include in any bill provisions for explicit and substantial implementation of the school desegregation decisions which have now been the law of the land for more than 5 years. The most effective provision thus far proposed towards this end is the part III which was struck from the 1957 bill. Events since then have only underlined the need for this provision giving the Attorney General authority to institute civil actions on behalf of those whose rights have been denied.

Part III is included in the amendment to S. 2391 which Senator HENNINGSON has already offered to the Senate for calling up at any time and on any bill. This amendment, as a matter of fact, includes all of S. 810, the Douglas-Javits-Humphrey-Case bill. We support this amendment as the most complete and meaningful "package" of civil rights proposals and earnestly request your support for it, and, if the parliamentary situation should develop that way, against tabling it.

The newspapers have been speculating for some time now about a possible "package" which will be offered by the leadership of the Senate on both sides of the aisle. We cannot, of course, appraise a proposal which has not been unveiled. We feel compelled to state, however, that if the press reports of its probable contents are accurate, this token bill will be opposed by civil rights groups of the Nation. No other proposal, written or rumored, packaged or separate, which omits backing for the law of the land as contained in the Hennings amendment we endorse can win the backing of those seeking vindication of rights protected by the Constitution.

Regardless of the particular parliamentary situation which may develop, we call upon the friends of civil rights not to yield to adjournment jitters, to filibuster threats, to cries for party harmony, or any other excuse for doing less than is morally justified at this crucial moment in the battle for human rights.

Sincerely yours,

Roy Wilkins, Chairman, Leadership Conference on Civil Rights, and Executive Secretary, National Association for the Advancement of Colored People; Patrick Murphy Malin, Executive Director, American Civil Liberties Union; (Mrs.) Aretha B. McKinley, Director, American Council on Human Rights; John Slawson, Executive Vice President, American Jewish Committee; Arnold Aronson, Secretary, Leadership Conference on Civil Rights; Isaac Toubin, Executive Director, American Jewish Congress; Irving Lechlitter, Executive Director, American Veterans Committee; Joseph L. Rauh, Vice Chairman for Civil Rights, Americans for Democratic Action; E. Raymond Wilson, Executive Secretary, Friends Committee on National Legislation; Mike Masaoka, Washington Representative, Japanese American Citizens League; Bernard Weitzer, National Legislative Director, Jewish War Veterans; James B. Carey, President, International Union of Electrical, Radio, and Machine Workers; Francis Shane, Executive Secretary, Committee on Civil Rights, United Steelworkers of America; Walter Reuther, President, United Automobile Workers of America; Annalee Stewart, Washington Representative, Women's International League for Peace and Freedom; A. Philip Randolph, President, Brotherhood of Sleeping Car Porters.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask one question. Does the Senator know whether or not the President or the head of any executive department has requested of the leadership of the Senate or the House to invite Mr. Khrushchev before Congress?

Mr. MORSE. No; I do not know. I have expressed my full view in my speech in regard to it. I do not know what the plans are for the handling of the Khrushchev visit.

Mr. President, going back to my point in regard to civil rights legislation, I believe we ought to stay on the job until we have passed some needed civil rights legislation.

Mr. President, I think I have a right to speak on this matter because I happen to be the only northern Democrat who voted against civil rights legislation in 1957. I voted against it because in my judgment the bill in the form it came to us at that time was not acceptable. I did not think it was good enough. It was not because I was not for civil rights legislation, but I did not think the bill of 1957 was effective civil rights legislation.

I have always taken the position, Mr. President, that an unfinished job remains in the field of civil rights legislation. Many of my colleagues who voted for the legislation in 1957 are my witnesses that they too think there is still a job to be done. It ought to be done this year and, may I say quite frankly, I believe it ought to be done this year rather than next. I think it ought to be done in 1959 for many reasons: First, because of the merits of the issue itself, because of the need of giving full civil rights protection to all Americans irrespective of the color of their skin or their religious faith or race. It ought to be done in the second place before the 1960 party conventions are split by this issue.

Mr. President, that raises a very important question for debate. I do not believe we ought to run out on that either. I believe we ought to stay here for a full debate on an adequate piece of civil rights legislation and get this issue behind us before the 1960 elections.

Next, I think we ought to come to grips with education legislation. Mr. President, we ought to have a Federal aid to education bill that goes far beyond school construction. However, I have little hope, if we adjourn sine die on September 12, that we will even have a school construction bill that is more than a label.

The Senate has heard me to the point of boredom, I am sure, on the need for Federal aid to education. The problem is still with us, and I think it is apropos to urge action on it before we adjourn when we take a look at what Russia is doing in the field of education.

What I am proposing is that we come to grips with the educational program from the standpoint of teachers' salaries, classroom facilities, scholarships, aid for brilliant students, and aid to the communities that cannot at the present time support an adequate school system. We need a Federal aid to education program that will give to the boys and girls an equal break and a chance to go to

college. We know from the experience we had with the GI bill in the field of education what it means to the Nation economically to train minds to their maximum potentiality. In our hearings on education legislation this year the Senator from West Virginia [Mr. RANDOLPH], did able work in our labor committee on the so-called Youth Conservation Corps, and also has been of great assistance to us on educational matters. I can cite him as my witness, as I can the Senator from Alabama, the chairman of my committee, concerning the testimony as to increased tax dollars flowing to the Treasury of the United States through benefits we gave GI's so they could go to college. There was a great increase in national wealth because we developed the brainpower of those GI's who would never have had a college education except for that training. They were able to earn larger incomes on which to pay taxes because of their educational training. It is only an example, Mr. President, of what could happen to the whole potential student population of this country if we were to come to grips with this educational program.

Jefferson said democracy cannot be stronger than the enlightenment of its people. I know of no better way to keep a people enlightened than to provide our people with educational opportunities so that they have a chance to develop to the maximum their intellectual potential.

The testimony before us is that thousands upon thousands of American boys and girls are denied a college education today because of no fault of their own. They go to grade schools and high schools so low in standards that they cannot qualify for college.

So I say, rightly or wrongly, irrespective of the point of view of others on the merits of the issue, it is an issue which the American people are entitled to have decided in this session of Congress before adjournment. If it means sitting until Christmas to do it, I am for sitting in session that long.

We still have great unsettled problems in the field of taxation with which we have not come to grips, in my judgment, in this session of Congress. I think it is still true that one of the best ways to demonstrate that we believe in the principle of uniform justice in this country is by means of a tax structure that is truly based upon the principle of ability to pay. This means that there must be a great revision of the administration's tax program, which the Congress mistakenly enacted in 1954. It means that we must come to grips with some new tax problems which have arisen since 1954.

In my judgment we also have a great deal of unfinished business, as was demonstrated on the floor of the Senate last night, in the whole field of agricultural legislation. We cannot run away from the farm problem, because it will follow us. It will follow us back to the States and the voters precincts, I say most respectfully to my colleagues, when they get back home.

There was much bold talk some months ago as to what was to be done

about farm legislation. In my judgment the record is an unsatisfactory one today, and we should stay to finish it.

Area redevelopment legislation to give greater help to distressed areas should be enacted. We have a tremendous job to do in that field.

I could continue with a rather lengthy list of what I consider to be vital items of legislation, which should be acted upon before we adjourn sine die, because I believe that is our duty. I feel that we should not adjourn on September 12. As I intimated earlier, and as I wish to say specifically now, I do not believe the coincidence of September 12 as a proposal for adjournment sine die, and the visit of Khrushchev a few days thereafter, is a coincidence we ought to let come to pass.

For all these reason I most respectfully say that it will be my parliamentary course of action between now and the time Congress adjourns sine die to exercise my judgment and to act in accordance with my parliamentary rights in respect to applying the rules of the Senate to the business of the Senate.

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

Mr. MORSE. I yield.

Mr. PASTORE. I applaud the noble objectives expressed by the distinguished Senator from Oregon. Does he think we can accomplish those objectives most expeditiously and effectively with the harassment of having the Journal read for 2½ hours, consuming valuable time which could be devoted to the other measures enumerated by the distinguished Senator from Oregon?

Mr. MORSE. I think it would have been very interesting—

Mr. PASTORE. It might be interesting, but it is not effective. It is consuming valuable time which should be devoted to other matters.

Mr. MORSE. I intend to answer the Senator's question. I do not intend to allow him to answer it for me.

I think it would have been very interesting and very helpful to our reflective processes if we had contemplated very carefully the interesting part of the reading of the Journal today, setting forth the course of action we followed in regard to the legislation on labor which we passed. Even as one of the conferees who worked very hard in that conference, listening to the reading of the Journal today I saw newer connotations in regard to that legislation than I had previously recognized, which convinced me even more that we had made a grievous mistake. If we had listened today carefully it still might not be too late to enact some corrective legislation in this field.

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

Mr. MORSE. I yield.

Mr. BUTLER. Has the Senator outlined the Morse formula?

Mr. MORSE. I have no formula.

Mr. BUTLER. It is not that strict?

Mr. MORSE. I have no formula.

Mr. BUTLER. When will the Senator allow the Senate to adjourn?

Mr. MORSE. Under the rules of the Senate I feel that we should do a very

thorough job, and a careful job, and not act under unanimous-consent agreements, which assure empty seats in the Senate. The Senate can adjourn when it votes to adjourn.

Mr. BUTLER. The Senator has neglected several subjects upon which he might talk.

Mr. MORSE. I did not try to cover them all. I tried in all sincerity to present to Senators my reasons for following the parliamentary course of action I propose to follow.

Mr. BUTLER. Is this the Morse blueprint for making the world perfect?

Mr. MORSE. No.

Mr. BUTLER. Only the United States?

Mr. MORSE. The Senator is perfectly free to attach any judgment he wishes to attach to the position of the Senator from Oregon; but let me assure him, as I tried to intimate, that I am perfectly willing to permit my colleagues to form any judgments they wish, but their judgments will not deter me from insisting on applying the rules of the Senate when I think they should be applied.

Mr. PASTORE. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. PASTORE. Do I correctly understand it to be the interpretation of the Senator from Oregon that the Senate is deliberately planning to adjourn by September 12, in order to avoid a situation in which Mr. Khrushchev might be asked to address a joint session of Congress?

Mr. MORSE. If the Senator from Rhode Island heard the speech of the Senator from Oregon, he will recall that in effect the Senator from Oregon said that he is satisfied that behind all this drive to adjourn September 12 is the unexpressed desire to adjourn by the time Khrushchev arrives. I believe it is a mistake to let such coincidence of dates come to pass.

Mr. PASTORE. In view of the implication leveled at the Senate by the Senator from Oregon—and I cannot speak for other Senators; I speak only for the Senator from Rhode Island—let me say that I am perfectly willing to remain here as long as necessary. I do not care whether the Congress adjourns sine die on the 12th, the 15th, the 16th, or the 17th of September. So far as I am concerned, I do not believe that Khrushchev ought to be invited to address a joint session of Congress. I do not believe it is necessary. I do not believe anyone has offered such an invitation.

I do not believe that the implication should be leveled at this branch of Congress or the other branch of Congress that we are scurrying away from Washington by September 12 because we are afraid to be here on September 13, when Khrushchev arrives. I am perfectly willing to be here on the 13th, the 16th, or the 17th. But I do not believe he should be invited.

Mr. MORSE. I have two things to say to the Senator from Rhode Island. First, the Senator from Oregon did not say that Khrushchev should be invited to address the Congress. I do not propose to permit the Senator from Rhode Island to leave that implication in the RECORD.

Mr. PASTORE. I think my ears are clear enough to hear the words uttered by the distinguished Senator from Oregon, who said that the purpose is not being expressed, but the implication is being left, that we are all rushing away by September 12 because we are afraid to be here on the 15th. The junior Senator from Rhode Island is not afraid to be here on the 15th, the 16th, or the 17th.

Mr. MORSE. I do not know of anything the Senator from Rhode Island would be afraid of; but in view of the Senator's comments, I would place much greater confidence in his eyesight, after he reads the RECORD, than I would in his words, or the implications he is seeking to leave as to the remarks of the Senator from Oregon. I do not believe the Senator's eyesight will bear him out when he reads the RECORD. The RECORD will stand as spoken.

I wish to make it very clear that I do not believe we should allow the coincidence of dates to occur, in view of the fact that we have so much unfinished business to do. We cannot complete the unfinished business by September 12.

The chief thing I said about September 12 was that it was generally understood that the drive is for sine die adjournment by September 12, as the Senator can see for himself if he reads the newspapers.

Mr. PASTORE. I quite understand that. As a matter of fact, that has been said; but I have not heard anyone else say that the date of September 12 was connected for any reason to the coming of Khrushchev to the United States.

I realize that about this time of the year it is quite natural to look forward to the adjournment of Congress. At other times Congress has adjourned sine die in the latter part of August. On a number of occasions it has remained in session during September and October.

I realize that there is much important business to be considered. I regret very much that there have been times when the Senate has convened at 12 o'clock and has recessed or adjourned by 5 o'clock in the afternoon. We did that only last week. But I say to the distinguished Senator from Oregon that the distinguished majority leader [Mr. JOHNSON of Texas] canvassed the entire membership of the Senate a week or so ago. I was one of those who were asked if they would be willing to give up this weekend with their families and friends, to remain here and do the important work that had to be done, both, today and on Labor Day. I did not consider that an affront to the labor movement of the country. I did not consider that as relating to the so-called labor legislation which was enacted a few days ago.

I took that to mean that we had important work to do, and that we should stay here and do it, even to the point of giving up a holiday or a weekend vacation. We were asked to do that. I understand the majority of Senators expressed their opinion to the distinguished majority leader, and that predicated upon that expression he decided that the Senate would be in session on Saturday and on Monday.

I do not know why the majority leader has to be punished. I do not know why he has to be chastized. I do not know why he has to be called a dictator. I do not think he has to be called any of those names at all. I think he has tried to do his work as best he can, for the benefit of the entire membership of the Senate.

I may say to the distinguished Senator from Oregon—and he may deny it if it is untrue—that I believe there have been times when the distinguished Senator from Oregon has asked the distinguished majority leader if he would not let a vote be postponed or if he would not ask for a unanimous consent agreement so that the Senator from Oregon might be accommodated on one occasion or another. I know that he has been very solicitous for the welfare of all of us. I think he has behaved himself in that regard. To go out and look at the news ticker and see the majority leader called what might be termed unkind, to use even a kind word—unkind names, is going too far, in the humble judgment of the junior Senator from Rhode Island.

To be frank, I have the highest regard, respect, and affection for the senior Senator from Oregon, and he knows it. I think what he did was rather ungenerous on his behalf. I take personal offense at it, because of my own friendship for both of the personalities involved. I do not think it did the country any good. I do not think it did the Senate any good. I do not think it is doing any of us any good, in doing the work which has to be done, as the senior Senator from Oregon pointed out only a short while ago.

Mr. MORSE. Mr. President, I shall be glad to reply to the Senator from Rhode Island. In my speech on this matter, I think I spoke with great fairness, restraint, and regret about any differences I have with the majority leader. I have great differences with him in regard to the parliamentary course of action which he follows toward the Senator from Oregon. I did not believe, and I still do not believe, that that was a matter for me to discuss here in public debate, although I should like to say that there was a time in the history of this body when the Senator from Texas became the majority leader because of the position taken by the senior Senator from Oregon. That is a point which, sometimes, I think some of my Democratic colleagues, when they engage in their criticisms of the senior Senator from Oregon, overlook. The matter of the exchange of cooperation and courtesy is a two-way street. I know of no one on this side of the aisle who has any better record of cooperating with the majority leader. I never have refused to put myself out in granting concessions and cooperation to the majority leader. Time after time after time, month after month, I have been perfectly willing to cooperate by delaying making any comments on the floor of the Senate until the rest of the Senators had gone home. I did this to accommodate Senators, including the majority leader, when I still felt a record had to be made. If Senators think that

was helpful in my public relations, they are quite mistaken.

Mr. PASTORE rose.

Mr. MORSE. I am going to finish answering the Senator from Rhode Island; then he can reply.

If Senators think that for me to postpone making speeches until after Senators had left the Chamber was very helpful in my public relations, they are wrong. But those things do not bother me.

I have some great differences with the majority leader. But he and I will thrash them out. However, the so-called tickertape bulletin, to which the Senator from Rhode Island refers, was an accurate description of the treatment I had received. I still stand on it. I do not think any good purpose will be served by the Senator from Rhode Island and the Senator from Oregon engaging in a discussion of some Democratic Party family problems which, I say most respectfully, I think ought to be discussed in a Democratic caucus or before the Democratic policy committee.

Mr. PASTORE. That may be so. All of us have very intimate family considerations. Most of us have been compelled to come here on this long Saturday. We were here until late last night. None of us are complaining, because if our duty commands us to be here, we are perfectly willing to come back. I will be willing to come back on the Sabbath Day if it is in conformity with the tradition of the Senate, if important work needs to be done. I will forego every other important consideration to be here to do my work. Most of us have arranged to give up our holiday.

It is awfully exasperating as I believe the Senator from Oregon will agree, to insist that, under the rule, the Journal be read for 3 or 4 hours, when important business has to be transacted, merely for the sake of delaying; merely for the sake of harassing the entire Senate.

I realize the Senator from Oregon may have reasons of his own, but when his action extends beyond that and affects every other Member of the Senate, and when it reaches out and touches the activities of 99 other Members of the Senate, then I say that a man ought to ask himself this question: "Am I God?"

Mr. MORSE. Mr. President, I may say to the Senator from Rhode Island that the Senator from Oregon does not play God, nor does he make the kind of implied insulting remark to a colleague which the Senator from Rhode Island has just made.

I will tell the Senator from Rhode Island what the Senator from Oregon intends to do, contrary to his false statement that the Senator from Oregon would seek to harass the Senate. I intend to apply the rules on the books of the Senate, to which the Senator from Rhode Island is a party, until those rules are repealed. I think I should exercise my rights under them, and I am going to exercise them.

If it does not please the Senator from Rhode Island, I am sorry, but the Senator from Rhode Island has just finished

demonstrating how wrong the impression of the Senator from Ohio was, as expressed a few minutes ago on the floor of the Senate.

Mr. President, I yield the floor.

CIVIL USES OF ATOMIC ENERGY— AMENDMENT TO AGREEMENT FOR COOPERATION WITH GOVERNMENT OF ISRAEL

Mr. PASTORE. Mr. President, pursuant to section 123c of the Atomic Energy Act of 1954, as amended, the following documents were submitted to the Joint Committee on Atomic Energy on August 21, 1959: First, an amendment to the agreement for cooperation with the Government of Israel; second, a letter from the Atomic Energy Commission to the President recommending approval of the proposed amendment; and, third, a letter from the President, dated August 3, 1959, to the Atomic Energy Commission approving the amendment, containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and his authorization to execute the proposed amendment.

This amendment clarifies the responsibilities assumed by the parties with respect to information or data transferred pursuant to the agreement. It provides that the Atomic Energy Commission may sell or lease a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U²³⁵ for use in research reactors and, at the Commission's discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in research reactors, materials testing reactors, and reactor experiments. Provision is made regarding the responsibilities arising out of the handling or use of atomic energy materials transferred pursuant to the agreement and for the reprocessing of source or special nuclear material by the Commission facilities or in facilities acceptable to the Commission.

A new provision is incorporated in the amendment permitting the transfer of quantities of special nuclear materials, on an as may be agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

Several provisions are incorporated to minimize the possibility that material or equipment transferred under the agreement will be diverted to non-peaceful purposes. The parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the agency.

The amendment will enter into force when the two governments have exchanged written modifications that their respective statutory and constitutional requirements have been fulfilled.

Mr. President, I ask unanimous consent that these documents be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, August 3, 1959.

The Honorable JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. MCCONE: Under date of July 29, 1959, you informed me that the Atomic Energy Commission has recommended that I approve the proposed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The amendment would modify the agreement for cooperation signed by the Government of the United States and the Government of Israel on July 12, 1955.

Among other things, the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235} , except as noted below, for use in research reactors, materials testing reactors and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. It is also provided that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed either in Commission facilities or in facilities acceptable to the Commission.

The quantity of uranium enriched in the isotope U^{235} transferred to the Government of Israel for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit or, subject to Commission approval, is being reprocessed in Israel.

The amendment further permits the transfer of quantities of special nuclear materials, including U^{235} , U^{233} , and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments. It also incorporates provisions clarifying the responsibilities of the parties with respect to atomic energy materials, or information, or data, transferred pursuant to the agreement.

The amendment also contains several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes. Finally, the amendment contains a provision whereby the parties affirm their common interests in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby (1) determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (2) approve the proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of Israel en-

closed with your letter of July 29, 1959; and (3) authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the U.S. Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would modify the agreement for cooperation signed by the Government of the United States and the Government of Israel on July 12, 1955. Major features of the amendment are summarized below.

Article I of the amendment includes a new provision clarifying the responsibilities assumed by the parties with respect to information or data transferred pursuant to the agreement.

The existing agreement provides that the Commission will lease to the Government of Israel, as fuel for research reactors, up to 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235} , plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactor involved. Article II of the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235} , except as noted below, for use in research reactors, materials testing reactors, and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. In addition, article II provides that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed either in Commission facilities or in facilities acceptable to the Commission. Article II also contains a provision (par. H) clarifying the responsibilities assumed by the parties with respect to liability for any causes arising out of the handling or use of atomic energy materials, including source of special nuclear material, transferred pursuant to the agreement.

The quantity of uranium enriched in the isotope U^{235} transferred to the Government of Israel for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit, or, subject to Commission approval, is being reprocessed in Israel.

Article III of the amendment incorporates a new provision permitting the transfer of quantities of special nuclear materials, including U^{235} , U^{233} , and plutonium, on an as-may-be-agreed basis, for defined research

projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

Article IV of the amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

In article V of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Following your approval and subject to the authorization requested, the amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of Israel and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

Chairman.

(Enclosure: Amendment to agreement for cooperation with Israel.)

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of Israel, desiring to amend the Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy, signed at Washington on July 12, 1955 (hereinafter referred to as the "Agreement for Cooperation"), agree as follows:

ARTICLE I

Article I of the Agreement for Cooperation is amended to read as follows:

"A. Subject to the limitations of Article V, the Parties hereto will exchange information in the following fields:

"1. Design, construction and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

"2. Health and safety problems related to the operation and use of research reactors.

"3. The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

"B. The application or use of any information or data of any kind whatsoever, including design drawings and specifications, exchanged under this Agreement shall be the responsibility of the Party which receives and uses such information or data, and it is understood that the other cooperating Party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application."

ARTICLE II

Article II of the Agreement for Cooperation is amended to read as follows:

"A. The Commission will sell or lease, as may be agreed, to the Government of Israel, uranium enriched up to 20 percent in the isotope U^{235} , except as otherwise provided in paragraph C of this Article, in such quantities as may be agreed, in accordance with the terms, conditions, and delivery schedules set forth in contracts, for fueling defined research reactors, materials testing reactors, and reactor experiments which the Government of Israel, in consultation with the Commission, decides to construct or authorize private organizations to construct and which are constructed in Israel and as required in experiments related thereto; provided, however, that the net amount of any uranium sold or leased under this

Article during the period of this Agreement shall not at any time exceed 10 kilograms of the isotope U^{235} contained in such uranium. This net amount shall be the gross quantity of such contained U^{235} in uranium sold or leased to the Government of Israel during the period of this Agreement less the quantity of such contained U^{235} in recoverable uranium which has been resold or otherwise returned to the Government of the United States of America during the period of this Agreement or transferred to any other nation or international organization with the approval of the Government of the United States of America.

"B. Within the limitations contained in paragraph A of this Article, the quantity of uranium enriched in the isotope U^{235} transferred by the Commission under this Article and in the custody of the Government of Israel shall not at any time be in excess of the quantity necessary for the full loading of each defined reactor project which the Government of Israel or persons under its jurisdiction construct and fuel with uranium received from the United States of America, as provided herein, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of such reactors or reactor experiments while replaced fuel is radioactively cooling, is in transit, or, subject to the provisions of paragraph E of this Article, is being reprocessed in Israel, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

"C. The Commission may, upon request and in its discretion, make all or a portion of the foregoing special nuclear material available as uranium enriched up to 90 percent in the isotope U^{235} for use in research reactors, materials testing reactors, and reactor experiments, each capable of operating with a fuel load not to exceed 8 kilograms of the isotope U^{235} contained in such uranium.

"D. It is understood and agreed that although the Government of Israel may distribute uranium enriched in the isotope U^{235} to authorized users in Israel, the Government of Israel will retain title to any uranium enriched in the isotope U^{235} which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U^{235} .

"E. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel shall not be altered after its removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

"F. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of Israel and after reprocessing as provided in paragraph E of this Article, shall be returned to the Government of Israel, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with appropriate credit to the Government of Israel, any such special nuclear material which is in excess of the needs of Israel for such material in its program for the peaceful uses of atomic energy.

"G. With respect to any special nuclear material not subject to the option referred to in paragraph F of this Article and pro-

duced in reactors fueled with material obtained from the United States of America which is in excess of the need of Israel for such material in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agreement for cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

"H. Some atomic energy materials which the Commission may provide in accordance with this Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of Israel the Government of Israel shall bear all responsibility, in so far as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any source or special nuclear material which the Commission may, pursuant to this Agreement, lease to the Government of Israel or to any private individual or private organization under its jurisdiction, the Government of Israel shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such source or special nuclear material after delivery by the Commission to the Government of Israel or to any authorized private individual or private organization under its jurisdiction."

ARTICLE III

Article III of the Agreement for Cooperation is amended to read as follows:

"A. Subject to the availability of supply and as may be mutually agreed, the Commission will sell or lease, through such means as it deems appropriate, to the Government of Israel or authorized persons under its jurisdiction such reactor materials, other than special nuclear materials, as are not obtainable on the commercial market and which are required in the construction and operation of research reactors in Israel. The sale or lease of these materials shall be on such terms as may be agreed.

"B. Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy and under the limitations set forth in Article V, including source materials, special nuclear materials, byproduct materials, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of Israel by the Commission for research purposes other than fueling reactors and reactor experiments in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially."

ARTICLE IV

Article VI of the Agreement for Cooperation is amended to read as follows:

"A. The Government of the United States of America and the Government of Israel emphasize their common interest in assuring that any material, equipment, or device made available to the Government of Israel pursuant to this Agreement shall be used solely for civil purposes.

"B. Except to the extent that the safeguards provided for in this Agreement are supplanted, as provided in Article VI bis, by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding

any other provisions of this Agreement, shall have the following rights:

"1. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any (i) reactor, and (ii) other equipment and devices the design of which the Commission determines to be relevant to the effective application of safeguards, which are to be made available to the Government of Israel or persons under its jurisdiction by the Government of the United States of America or any person under its jurisdiction, or which are to use, fabricate, or process any of the following materials so made available: source material, special nuclear material, moderator material, or other material designated by the Commission;

"2. With respect to any source or special nuclear material made available to the Government of Israel or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or devices so made available: (i) source material, special nuclear material, moderator material, or other material designated by the Commission, (ii) reactors, (iii) any other equipment or device designated by the Commission as an item to be made available on the condition that the provision of this subparagraph B2 will apply, (a) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability for such material; and (b) to require that any such material in the custody of the Government of Israel or any person under its jurisdiction be subject to all of the safeguards provided for in this Article and the guarantees set forth in Article VII;

"3. To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph B2 of this Article which is not currently utilized for civil purposes in Israel and which is not purchased or retained by the Government of the United States of America pursuant to Article II, paragraph F and paragraph G(a) of this Agreement, transferred pursuant to Article II, paragraph G(b) of this Agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the Parties;

"4. To designate, after consultation with the Government of Israel, personnel who, accompanied, if either Party so requests, by personnel designated by the Government of Israel, shall have access in Israel to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph B2 of this Article to determine whether there is compliance with this Agreement and to make such independent measurements as may be deemed necessary.

"5. In the event of non-compliance with the provisions of this Article, or the guarantees set forth in Article VII, and the failure of the Government of Israel to carry out the provisions of this Article within a reasonable time, to suspend or terminate this Agreement and require the return of any materials, equipment, and devices referred to in subparagraph B2 of this Article;

"6. To consult with the Government of Israel in the matter of health and safety.

"C. The Government of Israel undertakes to facilitate the application of the safeguards provided for in this Article."

ARTICLE V

The following new Article is added directly after Article VI of the Agreement for Cooperation:

"ARTICLE VI BIS

"The Government of the United States of America and the Government of Israel affirm

their common interest in the International Atomic Energy Agency and to this end:

"(a) The Parties will consult with each other, upon the request of either Party, to determine in what respects, if any, they desire to modify the provisions of this Agreement. In particular, the Parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the Agency of those conditions, controls, and safeguards, including those relating to health and safety standards, required by the Agency in connection with similar assistance rendered to a cooperating nation under the aegis of the Agency.

"(b) In the event the Parties do not reach a mutually satisfactory agreement following the consultation provided for in subparagraph (a) of this Article, either Party may by notification terminate this Agreement. In the event this Agreement is so terminated, the Government of Israel shall return to the Commission all source and special nuclear materials received pursuant to this Agreement and in its possession or in the possession of persons under its jurisdiction."

ARTICLE VI

This Amendment shall enter into force on the day on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation.

In witness whereof, the undersigned, duly authorized, have signed this amendment.

Done at Washington, in duplicate, this 20th day of August 1959.

For the Government of the United States of America:

G. LEWIS JONES,
Assistant Secretary of State for Near
East and South Asian Affairs.

JOHN H. WILLIAMS,
Acting Chairman, U.S. Atomic Energy
Commission.

For the Government of Israel:

YAACOV HERZOG,
Chargé d'Affaires ad interim, Embassy
of Israel.

Certified to be a true copy:

WILLIAM M. FULLERTON,
Chief, Agreement and Liaison Branch,
Division of International Affairs, U.S.
Atomic Energy Commission.

FEDERAL-AID HIGHWAY ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

Mr. KUCHEL. Mr. President—

Mr. GORE. Mr. President, I ask for a vote on my amendment.

Mr. KUCHEL. Mr. President, in 1956 Congress embarked upon the development of the Interstate Highway System. The program provided for the payment from the Federal Treasury of 90 percent of the cost of constructing 40,000 miles of high-speed, limited-access highways in America. The gasoline tax and other highway users' taxes were increased, in order to provide funds with which to complete the system.

In 1958, Congress was faced with the problem of speeding up construction of the Interstate Highway System; and, for the second time, legislation in that field

was enacted. Many of the States speeded up their process of providing for the plans, the specifications, and the actual construction of the Interstate System within their borders.

Meanwhile, the cost of constructing highways rose prodigiously; and what in 1956 was contemplated as a \$25 billion undertaking, is now contemplated as a \$36 billion undertaking.

So far, the theory behind the construction of the Interstate Highway System has been "pay as you go."

In January of this year, it was clearly possible to demonstrate that the Federal Treasury would not have sufficient funds to permit the program to continue. So, in January, the President, in addressing the Congress, asked for a 5-year 1½-cent a gallon increase in the Federal gasoline tax.

No action was taken.

In June, a courageous Member of the Senate, the junior Senator from Oregon [Mr. NEUBERGER], said Congress needed to provide the additional funds the President had requested; and the junior Senator from Oregon asked the Members of the Senate to approve an amendment which provided for a 1½-cent tax increase.

Regrettably, the Senate refused to accept his recommendation.

Meanwhile, the Members of the House of Representatives felt they should not approve any increase at all. I think it is to the infinite credit of the leadership of the House of Representatives and the great majority of the membership of the House of Representatives that only a few days ago a bill was passed providing for a 1-cent Federal highway tax increase for the next 22 months.

Here is what a prominent Member of the majority party in the House said at the time the bill was taken up. I quote from the statement of the distinguished Representative, Mr. THORNBERRY, on page 17946 of the RECORD:

All of us will agree that we never like to impose taxes. We all look forward to the day when we can reduce taxes. We cannot, under the present fiscal condition of our Government, call upon the Federal Government to continue this program at its present level without providing further necessary revenue to finance it. We must have a sound fiscal program if we are to continue to meet the highway needs of this country and to be certain that we do not cripple the economy of our Nation by causing this great program to come to a complete halt.

To which I am proud to say as a Member of Congress, "Amen."

The President of the United States said:

I must again express my objection to proposals that would, in the absence of a foreseeable budget surplus, 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.

The distinguished Senator from Tennessee, a member of the Finance Committee, offered the amendment now pending before us in the Finance Committee. The Finance Committee voted down his proposal, and, to its infinite

credit, sent to the Senate the House bill which is before us. It is simply beyond my capacity to understand how we can justify taking money out of one pocket to try to underwrite part of the cost of a great undertaking, and that is precisely what my friend from Tennessee is trying to do in his amendment.

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

Mr. KUCHEL. Not now. The Senator from Tennessee is going to take money which now goes into the general fund and say, "We are going to use some of this for a specific purpose."

The Secretary of the Treasury will have one more burden as the only result of that approach. He will have to borrow that much more money in order to pay the prodigious costs of the Government of the United States.

It is true that the Senator from Tennessee also asked us to repeal the 4-percent dividend exclusion. Several years ago when the subject was under debate in the Senate Chamber originally, I tried to study the background of the idea of double taxation on dividends. I went back to the days when the late great Franklin D. Roosevelt was President. I believe I remember with accuracy during his administration some of his associates suggested that double taxation was morally wrong. However, this ought not to be the place to debate that sort of proposition.

Mr. President, the pending question is and ought to be, What is the Senate going to do with respect to the interstate highway problem now? That is the question before the Senate, and I think it is completely irrelevant for my friend from Tennessee to say now, "Let us take the dividend exclusion law and wipe it out and provide that the moneys which its repeal would bring into the Treasury shall go back into the general fund." I wondered how much money that would amount to, and I asked the staff today to get a letter from the Treasury Department covering the point. I will read it. It is very short:

DEAR SENATOR: This is in response to your inquiry about the revenue effect of repealing the income tax credit for dividends received by individuals which is now provided in section 34 of the Internal Revenue Code. We estimate that repeal of the dividends-received credit would have the effect in a full year of increasing revenues by \$310 million. This assumes dividends and incomes at the levels prevailing in the calendar year 1959. If the repeal were made effective July 1, 1959, and extended to June 30, 1961, it is estimated that revenues would be increased by \$620 million, as follows:

By \$248 million in fiscal 1960—

That is the year in which we are borrowing—

by \$310 million in fiscal 1961, and by \$62 million received in the fiscal year 1962.

Sincerely yours,

FRED C. SCRIBNER,
Under Secretary of the Treasury.

I believe it is fair to say that the effect of the amendment of the Senator from Tennessee would be to put back into the general fund by the repeal of the proposed dividend exclusion about half the money he takes out of it in order to provide revenues for the interstate highway construction program.

Mr. President, I am not a member of the Finance Committee. I am from a State which is interested in the construction of the Interstate Highway System. I believe I know a little something about the feelings of the people who use the Interstate Highway System and who look forward to using it more, and it seems to me they would rather have that system completed on the basis of the recommendations of the administration, on the basis of what the House of Representatives has now agreed ought to be done, and on the basis of what the Senate Finance Committee likewise agrees ought to be done. Let us continue to the greatest extent possible a pay-as-you-go basis on which this legislation will be carried forward and all the unhappy, melancholy and foreboding thoughts about inflation and the responsibilities of the Government to borrow, and borrow additional billions of dollars at least will be alleviated by men having the courage to stand up here and vote, as my Democratic friend in the House said, for an additional temporary increase in the gas tax.

I yield to the able Senator from New Mexico.

Mr. ANDERSON. We studied the subject of the amendment in the Finance Committee very carefully. Does the Senator think the House of Representatives enjoyed voting an increase in the gasoline tax?

Mr. KUCHEL. Of course not.

Mr. ANDERSON. Does the Senator think the members of the Finance Committee who voted for a 1-cent increase in the gasoline tax enjoyed so voting?

Mr. KUCHEL. Of course not.

Mr. ANDERSON. Does the Senator not recognize that something must be done which will be effective in the passage of a dividend credit and the termination of that will probably not be effective in the present temper of the House? I say quite frankly I am one of those who voted to end the dividend credit. If the rollcall vote is in the Senate Chamber, it will show I voted for it, and I shall vote for it again. But I do not believe this is the place to do it, because it would place the two Houses of Congress in conflict with each other. The Senator knows the extreme difficulty with which Speaker RAYBURN was faced when he tried to put through a program which was satisfactory. It called for extraordinary efforts on his part.

If we now reverse it by the passage of this dividend credit, he undoubtedly knows that we shall be in a conference which will last a long, long time.

We have just been through a conference on labor legislation that lasted a very, very long time; and if we go on to this one, we shall be here a long time trying to straighten it out.

I am glad the able Senator from California points out that this seems to be the sensible thing to do. I do not enjoy it a bit more than he does. I have communications from the gasoline people of my State, distributors of gasoline, pleading against the 1-cent tax. I have written letters to every one of them saying, "I think you are right. We should not do it. But we have to do it to keep the road program going."

I was the first administrator of the emergency school tax in the State of New Mexico. It was passed in 1933. It was only going to last for 2 years. The emergency is still on. It is still there. There was financial difficulty. Nobody relishes the fact that it had to be done in order to keep the revenues of that State going.

This is a situation where the road program is of great importance to the States, where it is vital to the life of the States, where it is making a fine contribution to the States, where we can get into an impasse if we fail to act.

The Finance Committee took those facts into consideration. I watched the votes of the men when the roll was being called. I know how some of the individual Members felt. They were committed against an increase in taxes. They were committed in their own minds against a 1-cent tax. But they voted for the only thing that will make it possible for the bill to be passed.

If the Senate tonight accepts the alternative proposed by the able Senator from Tennessee, we shall be in a bad situation, in my opinion, because we shall be a long, long way from agreement between the two Houses.

Mr. KUCHEL. I am most grateful for what the able Senator from New Mexico has said. There, from the lips of a man who is a member of the majority, who is a distinguished member of the Finance Committee, who thus may be presumed to be an expert in this field, has been demonstrated abundantly the wisdom of the action which the committee took and which the Senate ought to follow here tonight. The people of the American Union will applaud the courage this Senate has shown if it joins the House of Representatives in approving the House-passed bill.

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

Mr. KUCHEL. I yield.

Mr. GORE. The junior Senator from Tennessee has reason to believe that if a repeal of the dividend tax credit were resubmitted to the House of Representatives at this time, the action of that body might be different from its action on a prior occasion.

The Senate has a very clear choice, that of continuing the highway program through a levy of an additional tax on every gallon of gasoline that every man, woman, or child in this country may buy, or repealing the tax favoritism now accorded income from dividends.

I should like, however, to turn to a different point. This is something I think the Senate should consider. If the Senator will be so kind as to yield, I should like to read a little of the colloquy which begins at the bottom of page 20 of the hearings held yesterday:

Senator GORE. Mr. Tallamy, your problem has two distinct parts, does it not? One, the lack of funds to meet commitments and obligations falling due within the present fiscal year?

Mr. TALLAMY. Yes, sir.

Senator GORE. And two, the making of apportionments for use and obligation of the States for future years?

Mr. TALLAMY. Yes; that is right.

Senator GORE. And each of those two major parts is subdivided, are they not, into

the interstate highway program, on the one hand, and the ABC, the primary, secondary, and urban highways, on the other.

Mr. TALLAMY. That is right.

Senator GORE. I would like first to discuss problem number one, to which little reference has been made thus far.

What are the obligations falling due within the fiscal year, or the amount of obligations falling due within the present fiscal year which you are unable to meet without additional legislation or appropriation?

Mr. TALLAMY. Would you ask me that question again?

Senator GORE. What is the amount, what is the total of the obligations falling due within the present fiscal year, 1960, for which you would be in default without either additional legislation or appropriation?

Mr. TALLAMY. Divided into two parts, we require an expenditure this year of \$1.11 billion for the ABC program, and \$2.25 billion for the interstate program.

Senator GORE. You are giving me now the total commitments?

Mr. TALLAMY. The result of the total commitments. This is the result.

Senator GORE. The figure I am asking you for is the amount of default on the trust fund, if I must use that word, without additional legislation or appropriation, or a combination of the two.

Mr. TALLAMY. I understand: \$400 million.

Is the able junior Senator from California hearing that?

Mr. KUCHEL. He is.

Mr. GORE. I continue reading:

Senator KERR. That is the deficit for the current fiscal year which you forecast?

Mr. TALLAMY. Yes, sir.

Senator GORE. I thought you had estimated it to be \$493 million.

Mr. TALLAMY. \$490 million is what I have on this chart. Maybe it is \$493 million.

One of his aides whispered to him, and then he said:

The interest is \$3 million, I am told.

Senator GORE. Then as a matter of fact, it is \$493 million?

Mr. TALLAMY. Yes.

Senator GORE. Now, how much additional revenue within the fund will be provided by H.R. 8678, within the present fiscal year?

Mr. TALLAMY. \$383 million. That is based on the present legislation being effective on September 1.

Senator GORE. That cannot now be a correct answer.

Mr. TALLAMY. So it will be reduced. My charts are all based on that, but it will be reduced \$50 million, so it will be about \$333 million.

Senator GORE. Then you have a deficit in the fund of \$493 million and the bill before the committee would provide only \$333 million.

Mr. TALLAMY. Yes.

Senator GORE. Then that would leave you in default to the States \$160 million, would it not?

Senator KERR. \$160 million.

Off the record, the Senator from Oklahoma [Mr. KERR] is faster with figures than any of us.

Senator GORE. \$160 million.

Mr. TALLAMY. \$157 million is what the deficit would be at the end of this fiscal year.

The bill before the Senate will leave the Government in default to the Senator's State, to my State, to all the States, to the extent of \$157 million, plus \$3 million in interest.

Mr. KUCHEL. Would the Senator approve raising the 1-cent tax to 1½ cents, as the President recommended, in order to cure that deficit?

Mr. GORE. I would not. But if the Senator is going to try to solve the problem with a gasoline tax, he could not solve it now even with a 1½-cent tax, because there are only 9 months left in this fiscal year. The administration proposed a 1½-cent tax for 12 months. There is now before the Senate a bill providing for only a 1-cent tax for 9 months. I tell the Senator it will not solve the problem either for the present fiscal year or for future apportionments.

Mr. KUCHEL. Let me say this to my friend before I ask the able Senator from New Mexico to comment on this point.

I regret that the Senator from Tennessee has had to leave the Chamber. Let the RECORD so indicate.

I merely wish to say, Mr. President, that I am sure the Senate Finance Committee did not commit an idle act. I am sure the House of Representatives did not commit an idle act.

I should like to ask my able friend from New Mexico, who is a member of the committee, to comment on the question raised by the Senator from Tennessee.

Mr. ANDERSON. First of all, Mr. President, I regret that the Senator from Tennessee is not present in the Chamber, because I should like to say, in compliment to the Senator, that I believe he performed two very fine services during the hearing. The first of these was to focus attention on the system of contract controls which was discussed in the hearing. I think this system is completely repugnant to the desires of most States. The Senator pursued that question vigorously and valiantly. I commended him then and I commend him now.

I also commend the able Senator from Tennessee because of the fact that he developed the actual figures to show that even if the 1-cent gasoline tax increase is passed there would still be a deficit.

I also say that the Committee on Finance is supposed to use judgment, and I think the Committee on Finance did use judgment.

I hope my figures are correct, Mr. President. It was pointed out to us that by December 31, 1959, there would be a deficit in this fund of about \$353 million. There is a bill which is being prepared for submission to the Congress which would permit borrowing from the general fund in order to replenish the trust fund, for a temporary period, and the money would be repaid from collections during the following 6 months.

So while a Member of the Senate might stand up on the floor to say, "All of this does not do anything, because we will have a deficit of \$353 million by December 31," the situation actually is not too bad when we recognize that the collections begin to accumulate during the following few months.

Let us consider the period ending June 30, 1960. By then we will have a deficit, if I am correct, of \$157 million, as the able Senator from Tennessee developed and pointed out for the first time to the committee. I commend the Senator for that, because he brought it into the RECORD.

We then asked the representatives before us what they would do about the matter. They answered, very easily, that they would allow vouchers to accumulate for about 2 or 2½ weeks, until collections could take care of them. But they did not intend to cut down on the funds for any individual State.

The Senator from Oklahoma and the junior Senator from Tennessee were two of those who pressed the witnesses very strongly on that point, as to whether they were going to use the contract controls, which the able Senator from Tennessee had developed for the first time, to cut down by the \$157 million which would be in deficit. The answer came back that it was not their intention to do so. The witnesses stated they contemplated that there would be collections early in July, and that they would wait 2 or 2½ weeks for sufficient collections to accumulate to wipe out the deficit.

So the Senator from California is correct. The House did not do a futile thing. The Senate would not be doing a futile thing if it passed the bill. The legislative history is clear in the hearings on that point.

Mr. KUCHEL. Again I thank my friend, the able Senator from New Mexico, very much.

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

Mr. KUCHEL. I yield.

Mr. MCCARTHY. I should like to have the Senator know that so far as the specific proposal before the Senate at the present time is concerned, a vote was taken in the Committee on Finance. The proposal failed of passage by a vote of 9 to 7. What we have before the Senate now is something which the final action of the committee, by a vote of 9 to 7, rejected in the committee. I think it is quite in order for Senators to consider this proposal as a substitute for the action which the committee itself took.

Mr. KUCHEL. I agree with my friend completely that it is in order to consider the proposal. However, I very much hope the Senate will confirm the wisdom shown not merely by the Senate Committee on Finance, but also by the membership of the House of Representatives as a whole.

Mr. MCCARTHY. I did not hear all the remarks of the Senator from Tennessee, but I do not think the Senator said at any point that the action taken by the House or by the Finance Committee of the Senate was futile. I believe the Senator said it was not adequate to meet the full needs of the highway program, as now projected.

Mr. KUCHEL. I thought the burden of the comments of the Senator from Tennessee—and I wrote down a little of the precise wording he used—was that what is before us tonight would not accomplish the job, would leave the States high and dry, and would not fulfill the statutory commitment of the Federal Government to give the States 90 percent of the cost of constructing the interstate mileage and system, so I interpreted the words to have the implication that what was being done so far was futile.

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

Mr. KUCHEL. I yield to my friend from New Mexico.

Mr. ANDERSON. The Senator from Tennessee was completely correct in saying that approval of a 1-cent increase in the gasoline tax would not completely fill all of the pockets which might need to be filled.

Mr. KUCHEL. That is correct.

Mr. ANDERSON. I assume that is the reason why the President of the United States suggested a 1½-cent increase in the tax, instead of a 1-cent increase.

Mr. KUCHEL. That is correct.

Mr. ANDERSON. Unfortunately the majority of the Finance Committee and the majority of the House of Representatives do not choose to agree with the President of the United States, probably due to the fact that nearly everybody in the individual States objects to any increase in the gasoline tax at all. Therefore, the committee felt it was desirable, if there were to be an increased tax, that the increase be 1 penny instead of 1½ pennies. Nobody claims that 1 penny will do what a penny and a half will do.

Mr. KUCHEL. It is exactly that simple.

Mr. ANDERSON. However, the 1-cent increase will come very close to doing it. It will come sufficiently close to satisfy the financial requirements of the States and to fulfill the apportionments made by the highway department. That is the crucial test. The test is not whether one has all the money one wants, but whether one has enough to see him through, borrowing if he has to just a little bit for the next 2 weeks, knowing that at the end of 22 months the fund will be solvent. That is the test.

Mr. MCCARTHY. Mr. President, will the Senator yield to me?

Mr. KUCHEL. I yield.

Mr. MCCARTHY. I am sure the Senator from California and the Senator from New Mexico will agree that the \$340 million which would be derived from the cancellation of the present dividend credit would do just as much toward financing the highway program as the \$342 million which would be derived from the imposition of a 1-cent increase in the gasoline tax.

Mr. ANDERSON. If the Senator will yield, that is surely true.

Mr. KUCHEL. Mr. President, I ask unanimous consent that this colloquy may continue.

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

Mr. ANDERSON. I agree with that statement except that the \$343 million to be derived from the repeal of the dividend credit would not be anything we could lay our hands on.

Mr. KUCHEL. It would feed the general fund.

Mr. ANDERSON. We have no way of knowing whether the House will or will not agree to that proposal. We have no way of knowing whether the President will or will not sign such a bill.

There is a possibility the President would not agree. Certainly, of all Members of the Senate I am least in a position to speak for the administration, but I have a feeling that if the Senate makes a sincere effort to meet the situation, as I think a one-cent increase in the gasoline tax would do, the bill might be signed. I have no feeling that the dividend credit repeal would pass the House or, if it succeeded in the conference, would be signed into law by the President. Quite obviously, that is not the way to cure the problem, because it would be money taken out of the general revenues designed further, perhaps, to increase problems later on. I think the result would not be of real help.

Mr. KUCHEL. The Senator is completely correct in his point.

Last month in the special message which the President sent to us he suggested that a 2-year 1-cent-per-gallon increase was a "step in the right direction." What the House has done has been to approve the 1-cent increase for 22 months, which is certainly substantial agreement with that comment on the part of the President.

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

Mr. KUCHEL. I yield to my friend from Utah.

Mr. BENNETT. Does the Senator remember that a good many times in the last 2 or 3 years this proposal to repeal the dividend credit has been attached to different bills?

I could be mistaken, but as I remember the action, I do not think the Senate Committee on Finance has ever approved the provision. Despite that, it has come up and has been attached to one bill or another until frankly, so far as the Senator from Utah is concerned, it has become a symbol. It has become a proposal which is brought out on any occasion which will focus attention upon it.

With all due respect to my friend from Tennessee, who has done yeoman service in developing the road program, I regret very much that the Senator would even taken the slightest risk of jeopardizing the road program for the benefit of this symbol.

It seems to me also that this has become a symbol of a kind of ideological difference. The ideology on one side is that the taxation of corporations is double taxation and that the stockholders are entitled to a little relief. This is only token relief of that double taxation. But to many people in this body this little relief has become a symbol of a raid on the Treasury by Wall Street and by the rich stockholders.

I think there should be an opportunity to argue this point out in regard to a bill to amend the income tax laws. Let us have all the questions considered and go over all the ground when we are in that particular field.

To apply it as the solution of the financial needs of a program whose basic philosophy is user taxes seems to me to be dragging this symbol in the wrong situation, and I regret very much that my friend from Tennessee [Mr. Gore] has taken this action to bring forward this particular proposal. It seems to

me that it is another case in which the symbol is more important than the solution.

Mr. KUCHEL. I appreciate the comments of my friend from Utah, who graces the Senate Finance Committee and who has indicated once again that the problem involved in the proposed amendment is the sort of problem which ought to be heard in committee on its merits, such as they are, and should not be attached to a highway measure.

Mr. BENNETT. That is my feeling.

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

Mr. KUCHEL. I yield to the Senator from Minnesota.

Mr. McCARTHY. In defense of the Senator from Tennessee, I point out that he is not arguing that this program should not be financed through user taxes. As I understand, he said that user taxes which are now imposed upon automobiles and upon gasoline should be used to support the highway program, and what he proposes in his amendment is to transfer only a part of those funds which are now assessed on the users of the highways and to use them for highway purposes. There is no violation of that principle proposed by the Senator from Tennessee.

The Senator from Utah has also made the point that this is a question of a difference in ideology. I believe that we might make some argument on that basis.

It is a question of whether we wish to impose an additional excise or sales tax on gasoline, or whether we wish to put money into the Treasury through the repeal of a provision which knocks the top off the graduated income tax scale. I shall not argue whether we are trying to tax the rich. I should like to quote figures for 1957, which show that people with under \$3,000 of adjusted gross income filed over 11 million tax returns, and that only 2.1 percent of those taxpayers made a claim regarding dividend credits. The amount of tax saved for each one of these averaged \$18; whereas with respect to people in the \$100,000 to \$150,000 income bracket, 89.3 percent of those who filed in that category saved over \$1,528 per return. When we come to the class above a million dollars, 217 such returns were filed, and 95.4 percent of them claimed dividend credits, with an average saving of \$38,995.

I think this is evidence as to who gains from the dividend credit provision of the income tax laws.

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

Mr. KUCHEL. I yield to my friend, the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I point out that if we take this money from excise taxes, we help to unbalance the budget by another \$300 million, which I do not believe does any favor to this country in its present situation.

When we talk about ideologies, I believe I may have offended some people yesterday or the day before by suggesting, in connection with the housing bill, that if we were in favor of houses, we should vote against classrooms, and that

if we were in favor of issues, we should vote for classrooms. It was that simple. We come down to about the same thing in connection with this provision. If we are really in favor of roads, we should vote for the gasoline tax. That will provide the roads. If we are looking for an issue, we should vote for the very popular issue, which is the repeal of the dividend credit to the rich.

Actually, as many poor people use the roads as rich people. A great many of them drive daily to work. They want highways that are good. When they travel across the country, I believe very frankly that they hope to pay for good highways. Therefore, I believe, knowing what the situation is in the House and what it was with the administration, that if people really desire roads, we shall have to vote for the bill which came from the House and from the Committee on Finance.

Mr. KUCHEL. That is a fine contribution, and I thank the Senator from New Mexico.

Mr. CARROLL. Mr. President, will the Senator yield, so that I may ask a question of the Senator from New Mexico before he leaves the Chamber?

Mr. KUCHEL. Yes; I ask unanimous consent that I may do so.

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

Mr. CARROLL. I should like to ask the Senator from New Mexico some questions, because I have been listening to his discussion with a great deal of interest. I am not a member of the Committee on Finance. I am trying to ascertain what the facts are.

It is my impression that the 1-cent increase in the gasoline tax would yield in the next 9 months' period \$333 million. Is that correct?

Mr. ANDERSON. I believe that is correct. The figure given to us was \$383 million. In testimony before us Mr. Tallamy said that figure would have to be reduced \$50 million because of the lateness in which it would become effective. I made the motion in the committee that this provision become effective October 1, because that is the first practical date.

Mr. CARROLL. This leads me to my second question. For the full 12-month period in 1961, this same tax would yield approximately \$577 million. Is that correct?

Mr. ANDERSON. I think that is correct. I believe \$580 million was the figure, but I will not argue that with the Senator.

Mr. CARROLL. In general terms, Mr. ANDERSON. Yes, I believe that is absolutely right.

Mr. CARROLL. It is my impression that the money we shall need for 1961 is approximately \$816 million under the present program. The distinguished Senator from New Mexico said something about phasing out this program, and this is what bothers me. Are we talking about a slowdown and a cutback under the 1-cent gasoline increase? I must have this information for my own State.

Mr. ANDERSON. I do not know how the Senator could have heard me say

something about phasing out the program.

Mr. CARROLL. I was under the impression that he thought 1 cent would be adequate.

Mr. ANDERSON. I did.

Mr. CARROLL. Why would it be adequate?

Mr. ANDERSON. I say to my friend from Colorado that I do not know where he got his figures. All I can do is take the figures submitted by Mr. Tallamy, which were not challenged by a single person on or off the committee, so far as I know, and which indicated that by December 31 the deficit will be somewhere in the neighborhood of \$380 million, but by June 30 the deficit will be reduced to \$157 million. I believe he said that could be collected in 2½ to 3 weeks in July of 1960, and that thereafter the books would balance for the 1961 fiscal year. I am not the author of those figures. I do not attempt to defend them. I only say they were not subject to challenge, even though Mr. Tallamy was under very vigorous cross-examination by many members of the committee.

Mr. CARROLL. I regret that the junior Senator from Tennessee is not in the Chamber because I think this is of vital importance. I wish to say in response to the Senator from California that the junior Senator from Tennessee had to leave the Chamber on a very important matter. But I want to press this question.

Mr. ANDERSON. May I interrupt to say that before the Senator from Colorado returned to the Chamber I pointed out that the committee was deeply indebted to the able Senator from Tennessee for developing the fact that there was proposed to us something about contract controls. That was the first I had heard of contract controls; and the Senator from Tennessee, aided by the senior Senator from Oklahoma [Mr. KERR], vigorously cross examined not only Mr. Tallamy but the experts for the Bureau of Public Works, and I thought did a creditable job of establishing the fact that something was being proposed that we did not like. So I did nothing but commend the Senator from Tennessee. Through the questioning of the Senator from Tennessee, he developed for the first time the fact that even with a 1-cent tax we would have a deficit during the next fiscal year.

Mr. CARROLL. A deficit, as I understand, of about \$160 million?

Mr. ANDERSON. \$157 million. That is correct.

Mr. CARROLL. As I look to the next fiscal year, the fiscal year 1961—and this is very important to us in the West, in Colorado, New Mexico, and in fact to the whole area, to the whole country—I see in my figures a possible deficit unless the program is slowed down or stopped—I emphasize “unless”—of \$399 million. This is based on the 1-cent gasoline tax. That is what I want to know about.

Mr. ANDERSON. I only say to the Senator from Colorado that nothing of that nature was submitted to the Finance Committee by anyone, so far as I know. I wonder if the Senator from Utah [Mr. BENNETT] heard those figures. I wonder

if the Senator from Kansas heard those figures. I know of no one who heard such figures. Where did they come from? Heaven only knows; but I cannot answer figures when I do not know where they come from.

Mr. CARROLL. If we really needed only a 1-cent increase, was the President wrong in asking for a cent and a half? What is the basis of the reasoning and the logic behind it?

Mr. ANDERSON. I would be happy to have the Senator from Utah answer the question.

Mr. CARROLL. I should like to have the Senator from New Mexico respond.

Mr. ANDERSON. I believe that the statements which have been made indicate why the President asked for 1½ cents. He wanted to take care of the \$157 million deficit on a pay-as-you-go basis. Some of us felt that 1½ cents was a little more than the people wanted to swallow. We reduced it, and found that the lower figure would stretch. The Senator from Utah made fine contributions all the way through. He could probably answer the question much better than can the Senator from New Mexico. The President asked for a sum which he knew would be adequate. The House and Senate gave him something less than that, in the hope that it would be adequate.

Mr. KUCHEL. Mr. President, let me add this comment: The House bill has a provision which covers the problem which my friend raises. The recommendation of the administration was for a 1½-cent increase.

Mr. CARROLL. That is correct.

Mr. KUCHEL. The majority of the membership of the House, in their own wisdom, determined, as my friend from New Mexico suggested, that not more than a 1-cent increase in the tax would be needed. To compensate for the difference in revenues between what a 1-cent increase would bring, as distinguished from a 1½-cent increase, by the bill which was sent to us, the House slowed down the level of future expenditures in the system.

Mr. CARROLL. This is very important. This is what I have been trying to establish. I thank the Senator from California. From the statements of the Senator from New Mexico it is obvious that, in round terms, in the fiscal year 1960 there would be a deficit of \$160 million under the 1-cent tax increase program. No one disputes that.

Mr. KUCHEL. No. What the Senator from New Mexico said is completely right. We are legislating not merely for 12 months, not merely for 2 years, but for 5 years.

What the Senator from New Mexico said, was completely accurate description of the fashion by which, during the coming 12-month period, the Federal Government will make its allocations.

I read the language on page 2, beginning in line 3:

Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out “the additional sum of \$2,500,000,000 for the fiscal year ending June 30, 1961,” and inserting in lieu thereof the following: “the additional sum of \$2,000,000,000 for the fiscal year ending June 30, 1961.”

It is in the second year that the cut-back takes place. A year ago we were legislating a speedup in the construction program of the interstate system. There was an opportunity, it appeared to the Congress, to help the employment situation by stepping up the construction program, and that was what was done. In this instance, in the wisdom of the Congress, we cut back.

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

Mr. CARROLL. I should like to follow through on this line.

Mr. KUCHEL. The House realistically faced today the problem of an increase in taxes, and voted for it. What is involved in the amendment of my friend from Tennessee? It means borrowing from one fund and using it in another fund. We would be manufacturing additional problems for the Treasury Department, because we would be going deeper into debt. This is more deficit financing. It is that simple.

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

Mr. CARROLL. I should like to pursue this line if I may.

The Senator from New Mexico made it so clear that anyone who can hear can understand, that the deficit for the year 1960 is \$157 million plus \$3 million interest. Is that correct, I ask the Senator from New Mexico? It is exactly right.

Take the next year. I ask this question specifically. Let us not beat around the bush. Let us get down to cases. The deficit for the next year, 1961, is \$399 million.

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

Mr. KUCHEL. I yield.

Mr. ANDERSON. Will the Senator from Colorado tell us where he gets that figure?

Mr. CARROLL. The first figure I got from the Senator from New Mexico.

Mr. ANDERSON. That figure is correct. Where did the Senator get the other figure?

Mr. CARROLL. The Senator from New Mexico said there was no basis, so far as he knew, for the second figure. I will be fair enough to say that.

Mr. ANDERSON. That is correct.

Mr. CARROLL. The junior Senator from California has made the real point clear. This is what I was trying to ascertain from my own State, based upon the 1-cent increase. Does this contemplate a slowdown in the program? I understand the Senator from California to say it does. Is that so?

Mr. KUCHEL. What the Senator has said is true.

Mr. CARROLL. That is all I want to know.

Mr. McCARTHY. Mr. President—

Mr. KUCHEL. Will the Senator from Colorado listen?

Mr. CARROLL. I shall be happy to listen.

Mr. KUCHEL. It is precisely the same slowdown that is involved in the amendment of the Senator from Tennessee, because this provision in the bill before us is not touched by the amendment of the Senator from Tennessee.

Mr. CARROLL. I am not arguing with the Senator from Tennessee. I am

trying to ascertain the facts. The Senator from New Mexico has established one fact, about the deficit in 1960. The Senator from California has established another fact; namely, that there is to be a slowdown in the program. That is all the junior Senator from Colorado wishes to know.

I thank the Senator from California. Mr. ANDERSON, Mr. McCARTHY, Mr. NEUBERGER, and Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and, if so, to whom?

Mr. KUCHEL. I yield to the Senator from New Mexico.

Mr. ANDERSON. I say to the Senator from California that he should be extremely careful in saying that there is to be a slowdown, just as he should be extremely careful in saying that last year there was an acceleration. I thought there was an acceleration in the program for 1958, but when we presented figures to Mr. Tallamy, and he began to present figures, I listened very carefully. I got the impression from his testimony that he needed extra money to keep pace with the increased production costs, and that the program was about the same as it had been. It would have been cut down if it had not been for the extra money.

Mr. KUCHEL. I thank my friend. He speaks with greater accuracy than I did when I used those words.

Mr. ANDERSON. In 1961 there will be no slowdown, because we will collect taxes through 12 months, rather than a short period.

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

Mr. KUCHEL. I yield.

Mr. BENNETT. The question was raised a little earlier as to why the President proposed an increase of 1½ cents and is now willing to accept a cent, on the assumption that that would be adequate.

The House not only provided a tax increase of 1 cent, beginning in September, for 22 months, but it provided that a part of the tax on passenger automobiles and a part of the tax on parts would come in in the fiscal year 1961.

Mr. ANDERSON. 1962. It starts on July 1, 1961. The Senator must be careful.

Mr. BENNETT. It is fiscal year 1962, but calendar year 1961.

That revenue would come in to carry on the process of bringing the fund back into balance. Therefore the House felt that by this combination of a gas tax increase of 1 cent and a diversion of a part of the excise tax on passenger cars and parts, the financial need would be met. The operation would be phased in and phased out—not immediately—and the fund would be put back into a solvent condition.

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

Mr. KUCHEL. I yield.

Mr. NEUBERGER. I have received a letter from the deputy State highway engineer in my State, Mr. Forrest Cooper, to the effect that even if House bill 8678 becomes law, the highway pro-

gram in Oregon—and I presume the situation is quite similar in other States—will have to be cut back at least 25 percent.

Mr. President, I ask unanimous consent to have Mr. Cooper's letter printed in the RECORD at this point as a part of my remarks.

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

STATE OF OREGON,
STATE HIGHWAY DEPARTMENT,
Salem, Oreg., August 31, 1959.

HON. RICHARD L. NEUBERGER,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: Thank you for your letter of August 21, and, as you suggested, I am outlining herewith what appears to be the effect of H.R. 8678 on Oregon's immediate highway future. I am answering in Mr. Williams' absence from the State.

While the proposed legislation authorizes two billion dollars for fiscal 1961, the condition of the Federal highway trust fund will govern how much work can be undertaken. It is our understanding that, even though H.R. 8678 is enacted, there will be a deficiency in the fund of some 350 million dollars near the end of this calendar year. Should this occur, the Bureau of Public Roads would have to put into effect a slow down on contracting and might have to delay the payments to the States for work already obligated and under way. This prospective delay in Federal-aid payments could be very serious as far as Oregon is concerned, providing the delay would be very prolonged. We have been advised that the Treasury Department is willing to go along on a repayable advance proposition in order to cover this anticipated deficit, but it will be necessary for Congress to authorize the procedure.

Assuming that H.R. 8678 becomes law, and further assuming that some action is taken to assure the States that Federal reimbursements can be paid with reasonable promptness, Oregon's construction program would be about 75 percent of that authorized under the 1958 highway act. While this much cut-back is a disappointment to both our State Highway Commission and the local construction industry, we recognize that some slow down at this time seems inevitable.

Under such a program, we can complete the Pacific Highway to Eugene and possibly to Goshen to interstate standards; the Baldock Freeway from Salem to its connection with Harbor Drive in Portland can be finished; some progress can be made on the continuation of remodeling the Columbia River Highway as a freeway between Portland and The Dalles, and possibly a minor start can be made on the East Bank Freeway in Portland. In addition to this, a fairly comprehensive right-of-way acquisition schedule can be maintained and an adequate survey, design, and planning procedure can be continued.

The State Highway Commission appreciates the efforts you have made in behalf of highway legislation.

Very truly yours,
FORREST COOPER,
Acting State Highway Engineer.

Mr. NEUBERGER. I ask the Senator from Utah if there is any constitutional or statutory provision of law which would prevent the Senate from approving an increase of 1½ cents, rather than 1 cent, in the gasoline tax and sending it to conference with the House?

Mr. BENNETT. None at all.

Mr. NEUBERGER. It seems to me that would be wise and reasonable. We would be living up to our fiscal respon-

sibilities by sending the 1½ cent increase to conference.

Mr. BENNETT. I remember when the Senator offered that amendment, when we were debating the question a month or so ago. I was happy to support him.

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

Mr. KUCHEL. I yield.

Mr. LAUSCHE. I should like to ask the Senator from Utah a question.

I observe that it was deemed inadvisable to take out of the general fund moneys in this fiscal year and the next fiscal year, and allocate them to the trust fund. I ask the Senator from Utah why it is prudent to take the moneys out of the general fund in 1962, and is not prudent to take them out now.

A further question is, if we are afraid of a deficit now, what assurance is there that there will not be a deficit and a bad fiscal situation in 1962? I do not think any revenues should be taken from the general fund, but that new revenues should be provided, from one source or another, to finance the highway program.

Mr. BENNETT. My understanding is that a study is underway in the Bureau of Public Roads to reevaluate the cost of the program. That study will probably result in recommendations being made to Congress before July 1, 1961.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Has the Senator from California yielded the floor?

Mr. KUCHEL. I have.

The PRESIDING OFFICER. The Chair will state that no other Senator has been recognized.

Mr. BENNETT. Mr. President, I understood the Senator from California had yielded to me to answer a question.

Mr. LONG of Louisiana. Mr. President, I believe the situation is that the Senator from California yielded the floor to the Senator from Ohio [Mr. LAUSCHE] who asked if he might propound a question.

The PRESIDING OFFICER. The Senator from California has yielded the floor. No other Senator has been recognized.

Mr. ANDERSON. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. I am not trying to take the floor from the Senator from Ohio. I therefore ask unanimous consent that, without losing the floor, I may yield to the Senator from Ohio to address a question to the Senator from Utah.

Mr. LAUSCHE. I thank the Senator from New Mexico.

Mr. BENNETT. I appreciate the courtesy. A study is being made, the results of which will be made available to the Committee on Finance, to the House Committee on Ways and Means, and to the Committees on Public Works of the two bodies. It will be made available in ample time so that before July 1, 1961, we may have before us recommendations which will result in changes in the taxation pattern to support the program. But if we do not, we have put a backstop in the bill.

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

Mr. ANDERSON. I yield.

Mr. LAUSCHE. This report shows that in 1962 \$802 million will have been taken out of the general fund and put into the highway trust fund. I have grave apprehensions about that kind of fiscal policy, because I believe that in 1962 the Government will be in the same difficult fiscal position with respect to the general fund as it is now, in fiscal 1960.

Mr. BENNETT. But before then Congress will have had an opportunity to review the situation.

Mr. LAUSCHE. I thank the Senator from Utah.

Mr. ANDERSON. Mr. President, I ask for the floor in order that I might comment on the letter which the distinguished junior Senator from Oregon [Mr. NEUBERGER] placed in the RECORD. The letter reads, in part:

While the proposed legislation authorizes two billion dollars for fiscal 1961, the condition of the Federal highway trust fund will govern how much work can be undertaken. It is our understanding that, even though H.R. 8678 is enacted, there will be a deficiency in the fund of some \$350 million near the end of this calendar year.

That is exactly what I said. Every one who was listening heard what I said. There will be a deficit as of December 31. But I pointed out that the deficit, which came to \$157 million by June 30, will be taken care of by extra collections which might have come in by that time.

The letter continues:

Should this occur, the Bureau of Public Roads would have to put into effect a slow-down on contracting and might have to delay the payments to the States for work already obligated and under way. This prospective delay in Federal-aid payments could be very serious as far as Oregon is concerned, providing the delay would be very prolonged. We have been advised that the Treasury Department is willing to go along on a repayable advance proposition in order to cover this anticipated deficit, but it will be necessary for Congress to authorize the procedure.

Again, that is what I pointed out a short while ago. Legislation will be proposed to provide for an authorization whereby the Treasury Department can advance the \$350 million which would be necessary on December 31 and get it back out of collections.

So I say the letter from the State of Oregon does not contradict, but confirms, exactly what has been said to the Senate.

Mr. LONG of Louisiana. Mr. President, it seems to me that some Senators, even after all this discussion, do not understand the amendment now before us. The amendment would provide more revenue than the House bill provides. The amendment would merely raise the additional funds for the Government in a somewhat different way than that proposed in the House bill. For most of the projects which the Federal Government constructs, such as waterways, dams, reclamation, and almost anything else of that kind, in most instances the money is appropriated, and Congress then looks

at the budget to see if more taxes are necessary, and provides them if necessary. That is how the foreign-aid program is handled for example.

Some years ago someone suggested that inasmuch as this program was for the benefit of highway users, they should pay for it. I suppose one reason advanced was that Congress had just finished cutting taxes by \$9 billion in the previous session, based on this administration's recommendations. So rather than to have the administration say it had cut taxes too greatly, it was said that the highway users should pay for the highway program, rather than rescinding some of the previous tax cut. I am one who did not vote to increase the tax on gasoline at that time.

I ask unanimous consent that a statement that I have prepared be printed at this point in the RECORD.

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

So-called automotive taxes

(Dollars in millions)

	Estimated collections fiscal 1960	Transferred to highway trust fund	
		Per cent	Amount
Gasoline.....	\$1,750	100	\$1,750
Lubricating oil.....	70	0	0
Passenger cars.....	1,300	0	0
Trucks and buses.....	225	50	112
Auto parts and accessories.....	175	0	0
Tires, tubes, and tread rubber.....	275	100	275
Diesel and special motor fuel.....	55	100	55
Use tax on certain vehicles.....	35	100	35
Total.....	3,885		2,227

Amount of so-called automotive taxes retained in general fund of the Treasury—\$1,658 million, or 43 percent.

Mr. LONG of Louisiana. Mr. President, the highway users at that time even under the new program, were going to pay twice as much as the cost of what the Federal Government proposed to do.

Under the present situation, only 58 percent of the excise taxes imposed on highway users will go into the fund. I heard some reference made by the acting minority leader, the Senator from California [Mr. KUCHEL], to the effect that the House exercised careful statesmanship in working out the highway bill. I cannot find any ideological conflict between what the House did and what the Senate proposes to do.

The administration asked the House for a 1½-cent increase in the gasoline tax. The House said it would not grant a cent-and-a-half increase but would agree to a 1-cent increase. The House said it would take some of the taxes on passenger cars, automobile parts, and accessories, and put a part of them into the fund starting in fiscal year 1962, which means beginning July 1, 1961.

If it is wrong now to do what the Senator from Tennessee says, namely, to take some of the excise taxes on new cars, auto parts, and accessories, and put them into the fund, then what makes it right to do it in 1962? It is fair to give highway users the same credit in the highway fund for what they pay in excise taxes on passenger cars, auto

parts and accessories. If it is right to do it in 1962, it is right now.

The Senator from Tennessee merely proposes to advance the date, so that highway users will be given some credit on the excise taxes they are paying on cars, parts, and accessories now, rather than to build the highways now with increased gasoline taxes. The proposal of the Senator from Tennessee would raise more money for the Government than the provision he is proposing to eliminate from the bill. This is a question of opposing points of view.

Let us keep this in mind.

I ask Senators to examine the report of the House committee to the House. It is not a majority report; it is made up of a group of supplemental views, because none of the House committee members could bring forth a measure with which all of them would be satisfied.

In the first set of supplemental views, the largest of the groups said that the method proposed was a very unfair and very inequitable way of handling the matter, because the highway users are already paying too much taxes. That was the conclusion which the largest group of the House committee members reached.

Then they said that the measure they were reporting was the best they could report to the House, under the circumstances. Apparently someone had been consulting with the White House, and had been informed that that arrangement would be acceptable.

But the largest single group of the House committee members said the bill was inequitable and unfair and provided for the most unfair way they could think of to finance the program.

The Senator from Tennessee [Mr. GORE] is trying to have the Senate take action in line with the views of the largest single group of the House committee members, who thought that some other method of raising revenue would be more fair.

What does the Senator from Tennessee propose? He proposes the elimination of a tax advantage which I submit has never been favored by a majority of either the House or the Senate. That tax advantage exists in the tax law only by accident.

I am one of the few Members of the Senate who voted for that tax advantage when it went into effect the first time. I recall the history of that matter in 1954. I told a number of my constituents that I would vote for it. When it came up, a motion to strike it out was made; and the motion to strike it out of the bill was agreed to, and it was stricken out of the bill, which had come to the Senate from the House. The vote in the Senate was 71 to 7; and I was one of the 7. So the action the Senate took at that time was taken by a majority of 10 to 1.

I heard the statement made, here on the floor of the Senate, that some great ideological difference is involved.

Mr. President, I have no ideological problem here. I supported that tax advantage or exemption, until the Senate decided that it did not want it. I respected the opinion of the 10-to-1 major-

ity of the Senate Members who said they did not want to permit such a tax advantage.

The result of striking out this tax advantage, as we now propose, will be to bring into the Treasury more revenue than that which would be obtained by increasing the gasoline tax by 1 cent a gallon.

We are proposing to strike out this tax advantage, which was put through in the House under a closed rule. It got through the House only because it was included in a package bill, in a situation in which the only motion which could be made at that time was a single motion to recommit.

At the time that this tax advantage got into the law, I suppose it would have been stricken out by both the House and the Senate, if the House had had an opportunity to vote on a motion to that effect, by a majority of similar to the majority by which the Senate had voted to strike it out.

In the conference, the House conferees included some very firm and very determined Members. I have seen what we can expect from some of the House conferees who are members of the Ways and Means Committee, and who insist on having everything their way. The late Representative Reed, one of the House conferees, was successful in getting the Senate conferees to agree to half of what the House had sent to the Senate. The dividend credit began at 8 percent, in the House bill; and the conferees settled for a 4-percent dividend credit. Senators did not like it; but that is how it got into the law.

The House has never been permitted to vote on it since that time.

This year, we sent this measure to the House; and it was in conference. The House conferees would not permit the House to vote on the question of removing this tax advantage. If they ever permitted the House to vote on the question of removing it, the House would certainly vote to remove it, just as the Senate did.

So this tax advantage is now in the tax laws only by accident. A majority of each House has always been opposed to it; yet it remains in the law. That situation is a tribute to the power of a small group of House committee members, who were able to get into the law, and keep in the law, this tax advantage, solely by preventing both the majority of the House to have an opportunity to vote this tax advantage out of the law.

So we now propose to eliminate the tax advantage, and to advance the date when the highway users will receive some credit for the taxes they are paying on their purchases of passenger cars, automobile parts, and accessories.

But I repeat that, there is no ideological conflict in my mind in regard to this matter. I was one of the seven Senators who voted for this tax advantage the first time it came before the Senate. I was one of those who voted to eliminate it after I found that it had not been favored by a majority, and that it offered no particular advantage over other tax measures.

The highway users already are paying almost twice as much tax as is required

by the highway fund. The largest single group of members of the House committee which reported this measure to the floor of the House stated in their report—and now I quote from page 61 of the House committee report:

There are more equitable methods of increasing the general revenue than by imposing an additional gasoline tax.

They also said:

The administration's underlying purpose for the additional 1-cent gasoline tax is to provide a surplus in the general budget, at the expense of the highway users.

That is what was said in that report by the largest single group of members of the House committee which reported this proposal to the floor of the House.

So, Mr. President, I say that the elimination of this special tax advantage would be a better way, and would raise more money, than the proposal the House has sent to us.

Mr. GORE. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG of Louisiana. I yield.

Mr. GORE. The Senator from Louisiana has dramatically, ably, and accurately pointed out that the measure which I have offered with his co-sponsorship will bring to the Government more revenue in fiscal 1960 than will the pending bill.

I wish to ask the Senator from Louisiana if, on the other hand, it is true—and I should like to have the Senator from Ohio [Mr. LAUSCHE] hear this—

Let me ask the Senator from Louisiana whether he will yield further.

Mr. LONG of Louisiana. I yield.

Mr. GORE. The Senator from Louisiana has pointed out most dramatically how this piece of favoritism, in the form of a tax advantage, is a tribute to a gag rule that usually is applied to all tax measures in the other body; in fact, it always is applied.

I should like to say that I enjoy the freedom of being a Member of the U.S. Senate. I served in the other body for 14 years; but in all that time I never had an opportunity to offer one amendment to a tax bill, and I do not recall that I ever had an opportunity to vote on one. As a Member of the House, I found that its Members were regularly faced with a question of "take it or leave it" or "vote for all of it or vote against all of it"—in other words, either to accept or reject an entire package.

That is what the House was faced with in connection with the bill now before us. The House Members had to vote either for no highway program at all or for an increase in the gasoline tax; and even under those circumstances, 163 Members of the other body voted against the bill.

Just as the Senator from Louisiana has pointed out, my amendment will bring into the Treasury, in this fiscal year, slightly more revenue than will the pending bill.

I wish to ask the Senator from Louisiana if it is true that my amendment will not create any new obligations.

Mr. LONG of Louisiana. That is correct.

Mr. GORE. My amendment merely provides that the Government will meet the obligations which the Congress created with the apportionment bill last year. Those apportionment bills have been passed since 1916; and this is the first time the States have been faced with a default on the part of the Government.

Only a few moments ago I read the testimony of Mr. Tallamy to the effect that under the provisions of the House version of the bill, there would be a deficit in the trust fund, at the end of this fiscal year, of \$157 million, plus \$3 million interest.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. COOPER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield to the Senator from Ohio for a question.

Mr. LAUSCHE. I should like to ascertain how much revenue the Gore amendment will provide or what funds it will make available.

I read from paragraph (A):

(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1960, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 4 percent in lieu of the applicable rate; and

What will the 4 percent produce in the first year?

Mr. GORE. Approximately \$520 million. That tax is levied now.

Mr. LAUSCHE. Paragraph (B) deals with the same subject, but covers the period beginning June 30, 1960.

Mr. GORE. That is correct; and the Senator from Ohio will find that the House version appropriates to the trust fund part of the automobile excise tax revenue, beginning in fiscal 1962.

Mr. LAUSCHE. So \$520 million will be produced out of the excise tax in 1959.

Mr. GORE. The Government will receive the same amount of money from the automobile excise tax, under either version of the bill.

Mr. LAUSCHE. Very well. But I understand that \$520 million will be received from the excise tax in the fiscal year 1960.

Mr. GORE. That will be a transfer, not a levy.

Mr. LAUSCHE. And \$335 million will be produced by removing the dividend credit for individual taxpayers, as I understand.

Mr. GORE. That is correct; and that amount is to be compared with the estimated \$333 million which the 1-cent-a-gallon gasoline tax would produce for the remainder of this fiscal year.

Mr. LAUSCHE. Then the total which would be produced by the Gore amendment during the first year would be approximately \$850 million?

Mr. GORE. That is not correct. The automobile excise tax is already levied. Neither bill levies a new excise tax on automobiles.

Mr. LAUSCHE. I understand that, but there is \$1,500 million of excise taxes and accessories on automobiles which now goes into the general fund.

Mr. GORE. The bill before the Senate would allocate no part of the excise taxes to which the Senator has referred, except 40 percent of the automobile tax, to the highway trust fund.

Mr. LAUSCHE. That would produce \$520 million.

Mr. GORE. It would not produce; it would transfer.

Mr. LAUSCHE. It would transfer to the highway trust fund.

Mr. GORE. That is right. The House bill would produce \$333 million for the highway trust fund.

Mr. LAUSCHE. By the 1-cent gas tax.

Mr. GORE. But the deficit is \$493 million; so it would leave a net deficit in the trust fund of \$160 million.

Mr. LAUSCHE. That is correct. But the \$520 million which would be transferred out of the general fund and into the highway trust fund would be taken away from a potential use in the general operation of the Government.

Mr. GORE. Instead, the revenue from the repeal of the dividend tax credit would go, not into the trust fund, but into the general fund.

Mr. SPARKMAN. How much is that?

Mr. LAUSCHE. That is \$335 million, I understand. Will the Senator from Tennessee now tabulate the figures as he understands them, stating how much more money would be available from the trust fund and how much more money would come into the general fund?

Mr. LONG of Louisiana. Mr. President, if the Senator will look at the figures I have before me, I believe he can see what would happen. Under the House bill an additional 1-cent tax on gasoline would be levied and that would be directed into the fund. That would produce about \$330 million for the next year. In fiscal year 1962, which means July 1961, one-half of the tax which is at present being collected on passenger cars would be directed toward the fund, and five-eighths of the tax which is now being collected on auto parts and accessories would be directed into the fund.

Mr. LAUSCHE. Yes. I have that and I have another figure.

Mr. LONG of Louisiana. Instead of that, the Senator from Tennessee proposes that we approach the problem in this way: Instead of waiting until 1962 to put some of the funds from the tax on passenger cars into the highway fund, he would put in 40 percent starting now.

Mr. LAUSCHE. That is correct.

Mr. LONG of Louisiana. Then he would make up that revenue, or most of it—at least, more than the 1-cent gasoline tax would bring—by eliminating the tax advantage, which many of us feel never should have been in the law. I am one of those who voted to keep it. That being the case, the revenue to the Government would be more. The expenditures from the fund would be somewhat greater.

But the reason we would do that would be to avoid having to decline the fulfillment of Federal commitments on the

highway program. In other words, rather than having a slow down by the so-called method of contract control, we would allot money less rapidly than was intended. We would simply go forward with the program as planned when the program was put into effect.

Mr. COOPER. Will the Senator yield?

Mr. LONG of Louisiana. I yield to the Senator from Kentucky.

Mr. COOPER. I invite the attention of the Senator from Tennessee and the Senator from Louisiana, who stated that the revenue which would be produced by the Gore amendment would be greater than the revenue produced by the committee bill. I wish to point out a distinction which should be made. It is not a question of the total revenue for all purposes which would be produced. The question is the effect the Gore amendment would have on the trust fund, and on the general funds available for all appropriations.

I believe this is a correct statement: The Gore amendment would make the trust fund solvent, but it would take away from the general funds available for all appropriations nearly \$200 million. If there were a deficit, it would add to that deficit in the general fund \$200 million. If there were no deficit, it would take that amount away from the general fund.

Mr. GORE. Will the Senator yield?

Mr. COOPER. I should like to ask my question.

Mr. LONG of Louisiana. I believe I have the floor. I yield to the Senator from Kentucky.

Mr. COOPER. Is it not correct that while the trust fund would be made solvent by this device, the general fund would be reduced by nearly \$200 million a year?

Mr. LONG of Louisiana. The Gore amendment would create no new obligation whatever. The difference is that unless we adopt the Gore amendment, the passage of the committee bill will mean a slowdown by the method of contract control, which I interpret to be just a way of letting the money go more slowly than was intended, so as to slow down the program. That is in violation of the contracts that were made with 50 different States.

Mr. COOPER. I ask the Senator, which is more important, to slow down the highway program by a year or two, or to take \$200 million out of the general fund and create a deficit? I want the pay-as-you-go principle to be maintained.

Mr. GORE. The highway trust fund has a deficit of \$493 million this year. What for? For contracts that are being completed this year under an agreement between our respective States and the Bureau of Roads. Unless we put the money in the trust fund to fulfill those commitments, the State of Kentucky and the State of Tennessee will be left holding the bag, owing contractors who have completed their contracts, because the Federal Government is in default.

Mr. COOPER. I am not worried about that. It will be corrected by the committee bill.

Mr. GORE. I do not know why the Senator should not worry about it.

Mr. COOPER. I ask my friend if he will answer my question.

Mr. GORE. I shall be glad to answer it.

Mr. LONG of Louisiana. Mr. President, I ask if I may yield to the Senator from Tennessee.

The PRESIDING OFFICER. Has the Senator from Louisiana yielded the floor?

Mr. CLARK. Mr. President—

Mr. LONG of Louisiana. I would prefer to yield to the Senator from Tennessee, who has the best understanding of the problem, since he was a member of the Public Works Committee when the interstate program was started.

Mr. COOPER. I simply wish to know the fact. The Senator from Ohio raised this question. I therefore ask these questions for information. I know the Senator from Tennessee is one of the authors of the bill and that he has a great interest in it. He has said that the transfer of a part of the excise tax derived from automobiles, accessories and parts, involved the transfer of \$520 million from the general fund to the trust fund. Now the Senator says that by removing the exemption on dividends we would increase the general fund by \$335 million. That would mean that we would have reduced the general fund by \$185 million a year. Is that correct?

Mr. LONG of Louisiana. That is correct.

Mr. COOPER. Your amendment would make the highway trust fund solvent?

Mr. GORE. That is correct.

Mr. COOPER. But it would reduce the general fund by \$185 million a year.

Mr. GORE. Why does the trust fund need to be solvent? Because there is a solid commitment to the States to reimburse them for contracts, on a matching basis, which contracts have been approved by the Department of Commerce of the U.S. Government.

The contracts are being completed. Payment is due. Either this Congress provides the funds, or the Government of the United States is going to be in default to the respective States.

Mr. COOPER. In the Public Works Committee it was said, as I understood it, that the additional 1-cent gasoline tax will provide the money needed in the next 3 years to meet the needs of the program, with some deceleration. I again ask the question, What is more important? To delay the final completion of the program a year or two, or to create a deficit in the general fund of \$200 million a year? I think it better to stretch out the program than to engage in deficit financing from the general funds.

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

Mr. LONG of Louisiana. First let me answer that question. The question is twofold. The first is, "Which way would you rather raise money? Would you rather raise the money by raising a 3-cent to a 4-cent tax on gasoline, or would you rather leave it as it is and take away the dividend tax advantage? Do you want to finance the program with a 4-cent gasoline tax, when the States need to tax the same item, anyway, or would

you rather take away a special tax advantage which neither a majority in the Senate nor in the House wanted, and which never would have been in the law if it had not been for a rule in the House which prevented an amendment to strike it?"

Mr. LAUSCHE. Mr. President, will the Senator let me answer his question? Mr. LONG of Louisiana. Yes.

Mr. LAUSCHE. I would prefer to avoid impairing the general fund and imposing the 1-cent tax, and remove the credits given to the dividend collectors.

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

Mr. LONG of Louisiana. I intended to ask a mere rhetorical question. I am sure the answers will vary, as we shall see when we call the roll. The question is, Which way is the better way to raise the money? By taking away a tax advantage which 90 percent of the Senate, and I am sure 90 percent of the House, never were for, or to put this extra 1-cent tax on gasoline, which is a very regressive tax, and a tax which the States need for themselves.

Secondly, what about the 50 States? Contracts are being completed in those States. Is the Federal Government going to live up to its commitments to put up the money, or slow down its payments, and, in effect, default on its commitments to 50 different States, which are really contracts with the States?

Some persons would say to their constituents, "Well, I would rather delay the highway program than to see the Federal Government go \$100 million in debt." I ask them, Did you take that point of view when the Senator from Virginia [Mr. BYRD] asked you to delay the veterans' bill so as to keep the Federal Government in better fiscal condition? No, you voted for the Kerr amendment and voted for the Government to assume that liability. The Senator from Virginia [Mr. BYRD] was trying to tell you that the widows could wait a couple of years and that pensions to widows of veterans who had no service-connected disabilities could be postponed for 2 years before going into effect. You said you could not wait. Senators voted for an amendment which will cost \$10 billion during the next 40 years. They could not wait to get that into the law.

Are we going to take the attitude that the Federal Government is going to default on its commitments to 50 States which have contracts within those States because, while we could not wait to provide new pensions for widows of veterans with no service connected disability? It does not make sense to me.

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

Mr. LONG of Louisiana. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, may I have the attention of the Senator from Kentucky [Mr. COOPER]?

In my judgment, what the Senator from Kentucky has said is correct. If the Gore amendment is adopted, there will be a deficit of \$185 million in the gen-

eral fund for 1960. If the Gore amendment is adopted, I intend to call up my amendment "C," which would impose an obligation to withhold taxes on interest and dividend at the source. If that amendment carries, instead of a deficit of \$185 million for 1960, the general fund will have a surplus of \$145 million for 1960, and in each year thereafter the surplus in the general fund will increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Martin
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Bartlett	Green	Morton
Beall	Gruening	Moss
Bennett	Hart	Mundt
Bible	Hayden	Muskie
Bush	Hickenlooper	Neuberger
Butler	Hill	Pastore
Byrd, Va.	Holland	Proxmire
Byrd, W. Va.	Hruska	Randolph
Cannon	Humphrey	Robertson
Capehart	Jackson	Russell
Carlson	Javits	Saltounstall
Carroll	Johnson, Tex.	Schoeppel
Case, N.J.	Johnston, S.C.	Scott
Chavez	Keating	Smith
Clark	Kefauver	Sparkman
Cooper	Kerr	Stennis
Cotton	Kuchel	Symington
Curtis	Langer	Talmadge
Dodd	Lausche	Thurmond
Douglas	Long, Hawaii	Wiley
Dworshak	Long, La.	Williams, N.J.
Eastland	McCarthy	Williams, Del.
Engle	McClellan	Young, N. Dak.
Ervin	McNamara	Young, Ohio
Fong	Magnuson	
Frear	Mansfield	

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENBERGER], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH], is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the Gore amendment in the nature of a substitute for title II, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. Were he present and voting he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENBERGER], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the interparliamentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNING], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 35, nays 50, as follows:

YEAS—35

Bartlett	Hill	Monroney
Byrd, W. Va.	Humphrey	Morse
Cannon	Jackson	Moss
Carroll	Johnston, S.C.	Muskie
Clark	Kefauver	Neuberger
Dodd	Langer	Proxmire
Douglas	Lausche	Sparkman
Engle	Long, Hawaii	Symington
Ervin	Long, La.	Talmadge
Gore	McCarthy	Young, N. Dak.
Gruening	McClellan	Young, Ohio
Hart	McNamara	

NAYS—50

Alken	Eastland	Morton
Allott	Fong	Mundt
Anderson	Frear	Pastore
Beall	Fulbright	Prouty
Bennett	Goldwater	Randolph
Bible	Green	Robertson
Bush	Hayden	Russell
Butler	Hickenlooper	Saltonstall
Byrd, Va.	Holland	Schoeppel
Capehart	Hruska	Scott
Carlson	Javits	Smith
Case, N.J.	Johnson, Tex.	Stennis
Chavez	Keating	Thurmond
Cooper	Kerr	Wiley
Cotton	Kuchel	Williams, N.J.
Curtis	Magnuson	Williams, Del.
Dworshak	Martin	

NOT VOTING—15

Bridges	Hartke	Mansfield
Case, S. Dak.	Hennings	Murray
Church	Jordan	O'Mahoney
Dirksen	Kennedy	Smathers
Ellender	McGee	Yarborough

So the amendment of Mr. GORE in the nature of a substitute for title II, as amended, was rejected.

Mr. ANDERSON. Mr. President, I move to reconsider the vote by which the Gore amendment was rejected.

Mr. ALLOTT. Mr. President, I move to lay that motion on the table.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McNAMARA. Mr. President, I offer my amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

Sec. 203. Tax on passenger automobiles, etc.

Section 4061(a)(2) of the Internal Revenue Code of 1954 (relating to tax on passenger automobiles, etc.) is amended by striking out "on and after July 1, 1960, the rate shall be 7 percent" and inserting in lieu thereof the following: "(A) on and after July 1, 1960, and before July 1, 1961, the rate shall be 7 percent, (B) on and after July 1, 1961, and before July 1, 1962, the rate shall be 6 percent, and (C) on and after July 1, 1962, the rate shall be 5 percent".

Mr. JOHNSON of Texas. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I yield.

Mr. JOHNSON of Texas. Mr. President, the Senator from Michigan would like to have the yeas and nays ordered on his amendment. In order that all Senators may be on notice, I ask that they join us in the request.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I understand that the Senator from Michigan expects to explain his amendment briefly.

Mr. BUSH. We cannot hear what the majority leader is saying.

Mr. JOHNSON of Texas. The Senator from Michigan does not expect to speak at great length—perhaps 20 minutes—on his amendment. The yeas and nays have been ordered on it. I expect that a vote on the amendment will be had within the next 30 minutes. I hope that Senators will be on notice in that regard. I thank my friend from Michigan for yielding.

Mr. McNAMARA. Mr. President, we now have before us one of the most important bills of this frequently frustrating session.

The bill provides for additional financing for the Federal highway program—financing that is vital at this stage in order to continue work on this 41,000-mile interstate network of roads.

It is extremely unfortunate that deliberations on achieving the necessary financing—deliberations outside the control of the Senate—have taken so long.

We are now presented with the measure in the closing days of the session.

Despite what I—and I am sure many of my colleagues—consider great defects and inequities in the bill, we are forced to consider it under the impediment of time.

We are faced with what almost amounts to a take-it-or-leave-it situation.

Those of us who took part in the development of this tremendous highway program have little choice between seeing it die or accepting the unattractive features of the bill before us.

Those features are self-evident.

One provides for a 1-cent increase in the Federal gasoline tax for a 21-month period—another unfair burden on the already hard-pressed consumer.

A second feature dedicates one-half of the 10-percent automobile excise tax and five-eighths of the parts tax to the highway trust fund.

These are two bitter pills. They certainly contain nothing that I—as a Senator from Michigan—can swallow with any degree of enthusiasm.

A few minutes ago I voted for the amendment of the Senator from Tennessee, which also proposed to transfer excise taxes to the highway trust fund. I do not want my vote for his amendment to reflect my endorsement of the concept.

However, the amendment of the Senator from Tennessee also included repeal of the dividend tax credit, a proposal I find very attractive and worthwhile. This added a little sweetening to the bitter pill. It is like taking castor oil with orange juice.

Realistically, the only thing to recommend the legislation is the knowledge that failure to approve it would result in a drastic curtailment of the Federal highway construction program.

This is an alternative so devastating as to represent no alternative at all.

For if the highway construction program was essential when it was adopted 3 years ago, its essentiality has only increased with the passage of time.

The considerations of national defense which led to the establishment of this program are as valid today as they were 3 years ago.

The desire to improve traffic safety through the construction of adequate roads has increased with the growing population and the ever-increasing use of automobiles and trucks in interstate transportation.

The tremendous impact of this program on our national economy, providing as it does more than 700,000 jobs

directly or indirectly, is of the greatest importance.

These vast numbers of working men and women and large and small contractors have accepted jobs and undertaken obligations, relying on the belief that when Congress said it was going to institute a long-range road program Congress meant what it said and would honor its word.

These and other considerations have served to make mandatory some program for additional financing in the next few years.

We all recognize, I think, that the road building operation is one which cannot be subjected to wide fluctuations from year to year.

This is certainly inherent in the planned apportionment—and 13-year duration of the program—set forth in the original 1956 act.

So, Mr. President, as I see it, we in the Senate have little or no alternative but to develop an immediate, short-term, revenue program, one which would enable us to continue the highway program with the smallest possible abatement.

If left to my own devices I would not have selected an increase in the gasoline tax as the means by which to raise the additional revenue needed to sustain this program.

I think that the motoring public is already being taxed to the extent that this group should be required to bear in financing the highway building program.

This 1-cent gas tax increase, when added to the existing 3-cent Federal rate and the 6- or 7-cent per gallon tax rate in the States, means that whenever the driver fills his 20-gallon tank at the service station, up to \$2 of what he pays will be earmarked, under either Federal or State law, for highway and other road construction and improvements.

And we must recognize that this is another of those consumer taxes which is unrelated to ability to pay.

Certainly an automobile can no longer be reasonably classed as a luxury. Automobiles and automotive transportation are today a necessity. This is admitted by everyone with the possible exception of tax architects in the Treasury Department.

Yet we are now confronted with a proposal which will not only increase the cost of the operation of an automobile, but which could perpetuate much of the discriminatory excise tax now levied against automotive consumers under existing law.

Mr. President, much as I dislike the idea of an increase in the gas tax, I can as a realist accept it.

However, even as a realist I cannot accept the logic of those who now propose, contrary to all prior arguments, to take from the general fund of the Treasury such a large portion of the automotive excise taxes.

These are the same taxes, believe it or not, which less than 3 short months ago were so essential to the integrity of the general fund that we passed legislation to extend their existing high rate in order to avoid a scheduled 3-percentage-point reduction in them.

Now we do not even have the sweetener that the Senator from Tennessee offered, repeal of the dividend tax credit.

I understand there are those who urge that there is really nothing to be alarmed about in the inclusion of the scheduled transfer of excise taxes beginning in July 1961, since the Department of Commerce is expected to submit financing recommendations at the conclusion of its study of the Federal highway program.

These recommendations are due in January of 1961, 6 months before the effective date of the transfer proposed by the pending bill.

It is then suggested, despite the apparent finality with which this transfer is accomplished in the pending bill, that Congress will be able to study the recommendations of the executive branch and perhaps produce a source of revenue which will remove the need of such a transfer.

This seems so unrealistic as to be comical, since we have known about the financing problem in the roads program for more than 9 months in this session of the Congress. Yet the pending bill is apparently the end product of our best fiscal thinkers.

Another thing which makes me doubt that the proposed transfer is temporary is that I have had some experience in witnessing how the executive branch, when confronted with difficult dilemmas like the one which has been handed them in the proposed study, frequently utilize congressional actions in support of their recommendations.

Briefly, my experience leads me to believe that with the proposed transfer we probably are providing at least one—and probably a major—recommendation of the Department of Commerce in its 1961 study.

As a matter of fact, it would be quite convenient for the Department of Commerce, when it submitted its recommendation, to say to Congress that the transfer provided in the existing legislation is sufficient to supply the additional funds required.

Or, if costs rise, or a more ambitious program is recommended, the Department might call for the dedication of the remainder of the excise tax revenues not already committed by the Congress.

However, again speaking as a realist, I doubt that this can be accomplished at this late date, especially since it is necessary for highway departments to plan ahead.

Mr. President, I have tried to consider what could be done to salvage some measure of relief for the automotive consumer in this legislation.

I have done so because I am aware that while the proposal is supposedly a temporary transfer of automotive excise taxes to the highway trust fund, I know, too, that in the tax field what is called temporary is often more permanent than that which is said to be permanent.

I also recognize that with the dedication of a portion of the automotive excise taxes to the highway trust fund there will be a distinct tendency, particularly on the part of those who desire to avoid linkage of some other tax to

the trust fund, to suggest that the remaining, uncommitted portion of such excise taxes be transferred to the trust fund.

I am aware of these tendencies, as are other Members of this body. Consequently, I propose that Congress demonstrate its good faith and incorporate in the proposed legislation provisions which would not only reaffirm the reduction in the automotive excise tax to 7 percent, scheduled for July 1, 1960, but, in addition, schedule an additional one percentage point reduction in this tax for each of the next 2 fiscal years beginning July 1, 1961, and July 1, 1962, respectively.

The adoption of such a proposal would reassure the automotive purchaser that Congress has no further intention of cementing uncommitted portions of the auto excise tax permanently into the tax structure by transfer to the highway trust fund.

The anticipated loss of revenue would be small. The long-pledged, but not yet realized reduction to 7 percent, which is now scheduled to go into effect July 1, 1960, would, under current estimates, result in a loss of less than \$350 million.

This does not take into account the strong likelihood that such a reduction in automobile excise taxes would result in increased sales and, therefore, additional tax revenues.

In the succeeding 2 years, when the one percentage point reduction per year is contemplated, the annual loss of revenue would total less than \$115 million.

It does not take an accomplished mathematician to figure out that the combined 3-year loss of revenue represents but one one-hundred-and-sixtieth of the revenues needed to sustain a budget of \$80 billion.

Further, I am convinced that the beneficial effect upon auto sales would completely offset this so-called loss with additional tax revenues.

Mr. President, I do not know why I trouble myself and the other Members of this body with a recitation of how small the loss of revenue would be under the amendment which I propose. It is so obvious from the pending legislation itself that the general fund of the Treasury no longer needs the revenue provided by the automotive excise tax.

This is readily apparent from the provisions of the bill which, without regard to the fiscal situation in 1961, transfer over half of the receipts from automotive excise taxes to the highway trust fund, and away from the general fund of the Treasury.

Surely if the general fund of the Treasury can spare the revenues provided by the major portion of the automotive excise taxes, there is no need to deny the automotive consumer the reduction he has long been promised.

All my amendment proposes, in addition, is that we give the automotive consumer the additional pledge that, in exchange for his patience to date, he will receive an additional 1 percentage point reduction in the automotive excise tax annually for a period of 2 additional years.

This is such a minor pledge to such an overwhelming number of people in this

country that it is difficult for me to believe that it could not readily be accepted for inclusion in the pending amendment.

I have spoken of this amendment in terms of relief for the automotive consumer.

Last year, when my amendment to cut the auto excise tax in half was before the Senate, I noted that I had previously questioned whether such a reduction would be passed on to the automobile purchaser.

The major automobile companies and dealers at that time assured us in messages which can be found in the CONGRESSIONAL RECORD.

I have been reassured that the pledges made then are still in effect.

Consequently, the consumer would be the real beneficiary of the excise tax reductions which I propose. This would represent a first step to that widely heralded—but elusive—goal of reducing the cost of living.

Mr. President, the text of the amendment I propose is very simple.

I want to emphasize that it costs no money at this time, and consequently would not affect the current budget; it does not affect the operation of the highway program; and its basic purpose is to carry out the promise made to the American people—namely, that this unfair automobile excise tax would be reduced.

My amendment provides that on July 1, 1960, the automotive excise tax rate would be reduced from 10 percent to 7 percent. On July 1, 1961, there will be an additional one percentage point reduction, so that the rate then would be 6 percent. On July 1, 1962, there would be a further one percentage point reduction, so that the ultimate tax rate for automobiles would be 5 percent, which is the amount which the pending legislation proposes to transfer to the highway trust fund, beginning July 1, 1961.

Mr. President, I think this is a fair proposal. I think it can be adopted, now that it is no longer asserted that the revenues from the automotive excise taxes are essential to the fiscal well-being of the general fund of the Treasury.

I hope the Members of this body will support this amendment, in order that the automotive consumers of this country will at last receive the relief they so well deserve.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I am glad to yield. Mr. WILLIAMS of Delaware. Do I correctly understand that the Senator from Michigan is proposing to cut the excise taxes on automobiles by 5 percent, over a period of 3 years?

Mr. McNAMARA. I propose that early next year, the Korean war tax, which was three additional percentage points—bringing the total tax from 7 percent to 10 percent—be dropped; and in the next 2 years, we drop or decrease the tax one percentage point each year, leaving a total of 5 percent. This is the amount of the excise tax which the pending bill proposes be used for highway construction purposes.

Mr. KERR. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. The present rate is 7 percent, is it not?

Mr. McNAMARA. No; the present rate is 10 percent, because we keep extending the Korean war tax of 3 percent, when it was supposed to be cut back.

Mr. KERR. That is aside from the basic 7 percent, is it not?

Mr. McNAMARA. That is correct; it is in addition.

Mr. KERR. I mean insofar as the continuing tax, which is 7 percent, is concerned.

Mr. McNAMARA. But it is now 10 percent.

Mr. KERR. But the 3 percent is for a particular period of time, and the 7 percent is permanent; is that not correct?

Mr. McNAMARA. That is correct.

Mr. KERR. Will the Senator from Michigan tell us how much revenue the total 10 percent produces annually?

Mr. McNAMARA. I have the figures before me.

Mr. ANDERSON. Will the Senator from Michigan not agree that the total cost of his amendment would be \$1,560 million?

Mr. McNAMARA. That figure has been stated several times this evening.

Mr. ANDERSON. That total is composed as follows: \$390 million the first year, \$520 million the second year, and \$650 million the third year—or a total of approximately \$1,560 million.

Mr. McNAMARA. Yes. It would be an estimated \$520 million a year for a full year period. That would leave the 5 percent.

Mr. KERR. I should like to go about the matter in a different way, if the Senator from Michigan will permit.

Mr. McNAMARA. Of course.

Mr. KERR. The total amount of revenue from the 10 percent tax is how much?

Mr. McNAMARA. It is twice the amount from the 5 percent, or approximately \$1,200 million a year.

Mr. KERR. One billion two hundred million dollars a year?

Mr. McNAMARA. That is correct.

Mr. KERR. Of the total of 10 percent, 3 percent has a termination date in the law; is that correct?

Mr. McNAMARA. That is correct. I want this amendment to be adopted, so that we shall honor our commitment at that time, when we come to it, which is July 1, 1960.

Mr. KERR. That is the termination date of the 3-percent tax, is it?

Mr. McNAMARA. That is correct.

Mr. KERR. If the amendment of the Senator from Michigan were adopted, there would be written into the law a termination date for half of the 10 percent, would there not?

Mr. McNAMARA. Yes, because there would also be a removal of one percentage point each year, for each of the following 2 years, according to this amendment.

Mr. KERR. So the only continuing part of the tax which would be provided in the law would be the 5 percent; and

the proceeds from the 5 percent would go into the trust fund?

Mr. McNAMARA. That is correct.

Mr. KERR. In the absence of continuing legislation with reference to the other 5 percent, the revenue loss after July 1, 1961, which would be the beginning of the fiscal year 1962, would be four-tenths of \$1,200 million; and for the following fiscal year it would be one-half of \$1,200 million; is that correct?

Mr. McNAMARA. That is correct.

Mr. KERR. I merely wish to make clear that the amendment of the Senator from Michigan would have the effect of reducing the amount remaining in the general revenue fund, from this source, to the extent of the figures we have stated during this colloquy.

Mr. McNAMARA. That is entirely correct.

I say there is every justification for doing so. The 3 percent tax was added at the time of the Korean war. These funds are not needed, according to the plan now recommended to us by the House of Representatives and by the Senate Finance Committee.

Mr. KERR. Does the Senator from Michigan mean they are not required?

Mr. McNAMARA. They are not required in the highway trust fund, because we have this plan.

Mr. KERR. I will say to the distinguished Senator from Michigan that, as one member of the Finance Committee which brought this bill to the floor, if I had thought we could have transferred all of the automotive excise tax to the highway trust fund, beginning this fall, and could have gotten the bill signed by the President, I would have endeavored to do so.

The only reason why I, as one member of the committee, voted to limit the action to half of the 10 percent, to go into the trust fund beginning July 1, 1961, was that I thought that would be the most we could take out of the revenue fund and still have the bill signed by the President.

I thought there was such an overwhelming necessity to have a highway bill enacted into law that I went along with the program in the Finance Committee.

I hope the Senator from Michigan will not press for the adoption of his amendment, because, frankly, I think its adoption would jeopardize the enactment of the entire bill.

Mr. McNAMARA. I wish to state for the RECORD that I appreciate the frankness of the Senator from Oklahoma. He is always frank and honest about such matters.

But I have stated that I fear that if this guarantee is not given now, it will be only a matter of time until the U.S. Government will find it expedient to continue this 10-percent tax, which I say is the most unfair tax of all the excise taxes the people pay. The automotive industry carries many times its share of the tax burden, in proportion to the amount carried by any other industry. This tax is a most unfair one.

I am sure that if Senators will give this matter proper consideration, they will not want this tax continued.

Mr. KERR. I agree with the Senator's belief that this tax should be eliminated as soon as it is possible to do so.

But I fear that if we were to eliminate it by means of this bill, instead of helping either the automotive industry or the highway program, we would only get the bill vetoed.

Mr. McNAMARA. My interest is not confined to the automotive industry and the highway program; I am also interested in the consumers—all of the people of the United States.

Mr. KERR. The Senator from Michigan admits, does he not, that if his amendment were adopted, there would be a possibility that the entire bill would be vetoed?

Mr. McNAMARA. Of course there is always a possibility of a veto. Some of the vetoes have been most astonishing to both me and the Senator from Oklahoma, I am sure.

Mr. McCARTHY. Mr. President, let me inquire in what year the 3 percent reduction would go into effect.

Mr. McNAMARA. Beginning July 1, 1960.

Mr. McCARTHY. I do not know that we should be afraid of a veto as the Senator from Oklahoma suggests.

Mr. McNAMARA. I am sure he was being facetious.

Mr. McCARTHY. As I recall, when we extended the excise profits tax, this year, the Senator from Oklahoma submitted an amendment—which was retained in the bill—which repealed, at the end of the fiscal year, the tax on communications; and, as I recall, that amendment involved a tax loss of approximately \$500 million.

Mr. KERR. The Senator is mistaken.

Mr. McCARTHY. Well, I am not sure of the exact cost of the amendment. What was its cost?

Mr. KERR. Approximately \$300 million.

Mr. McCARTHY. And it was to go into effect at the end of the next fiscal year. I think the Senator from Michigan might very well take the same chance, in the case of his amendment.

Mr. McNAMARA. I will gladly run the risk.

Mr. McCARTHY. Particularly since the new Secretary of Commerce, soon after he took office, made a speech in which he boldly said the administration favored tax reduction, but not at this time.

It seems to me that is the position of the Senator from Michigan, in connection with his amendment—namely, to favor tax cuts, not now, but about 1 year from now.

Mr. McNAMARA. Yes; and we already have this commitment to the automotive consumers and to the automotive industry.

Mr. McCARTHY. The Director of the Bureau of the Budget, when he appeared before us, stated he was not too much concerned, and that they were not quite satisfied with the action taken by the House, because he said that the Secretary of Commerce would submit a report to Congress early in 1961 which would take into account the question of equitable distribution of tax burdens.

So they might very well make a recommendation to us taking into account what the Senator is proposing.

Mr. McNAMARA. I thank the Senator.

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

Mr. McNAMARA. I yield to my colleague, who is a cosponsor of the amendment.

Mr. HART. I thank the Senator. I hesitate to inject anything for fear that what I might say might be regarded as a nationalistic undertaking which is worthy of the support of only 1 of the 50 States.

As the senior Senator from Michigan has stated, we are talking about a commodity which affects intimately most families in the Nation. The Senate will recall that several months ago the Senate, notwithstanding the then fiscal needs of the Nation, removed one of the excise taxes which had been imposed. As I recall, it affected transportation of passengers for hire. This was done because, among other reasons, there was an element of unfairness in the tax, and travel in most cases was said to be a necessity. At that time I made the motion that we treat similarly the 3-percent post-Korea excise tax. I was beaten. I suggest that this is the way to accomplish the object I sought when I was told the Senate would consider this proposal very quickly when the transition could be reasonably made.

This is precisely the appeal that should be strongest in the presentation of the senior Senator from Michigan. This proposal gives the Senate a reasonable opportunity to make the transition. As the Senator from Minnesota just remarked, it would not bring about the reduction forthwith.

I believe the Senator from Michigan has presented in a very effective fashion and quite realistically a reasonable request not alone of the Big Three, the favorite whipping boys of some of us, but also of Senators and their families who depend upon the output of the Big Three—now the Big Five—in transportation.

I hope the amendment will not be regarded as a gesture by two men from a single State and representing a single interest. I believe this situation affects all.

Mr. McNAMARA. I thank my colleague. The amendment not only affects Members of the Senate and their families, but consumers generally, because nearly everyone uses an automobile to some extent.

I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. It is my understanding that the Senator from Michigan uses as the basis for his argument the contention that this tax should be reduced in the manner in which he suggests because the bill now pending before us provides that in 1962 the excise tax on automobiles and automobile accessories, of \$802 million, as shown on page 7 of the committee report, should be taken out of the general fund and put into the highway trust fund. That is correct, is it not?

Mr. McNAMARA. Substantially. I do not have the figures before me, but I am sure they are correct.

Mr. LAUSCHE. The inference is that if the Finance Committee says that \$802 million should be taken out of the general fund and put into the highway trust fund, that demonstrates we no longer need the money in the general fund.

Mr. McNAMARA. The Senator is saying what I said in other words just a few minutes ago.

Mr. LAUSCHE. Suppose we do need it in the general fund? What if we ought to be paying off part of our debt, and what if we ought to put our fiscal conditions in a sound position so that people would be willing to buy our bonds. Should we then eliminate this step?

Mr. McNAMARA. I answer the Senator in this way. We could do it in no more unfair way than to continue this system or reinstitute it, as the Senator suggests. I suggest that we do it through our income tax system, under which everybody pays in proportion to his earnings or income.

Mr. LAUSCHE. I can understand the position of the Senator from Michigan.

Mr. McNAMARA. No matter how we cut it, this tax is unfair and should be taken care of.

Mr. LAUSCHE. My concern is the fiscal plight in which we find ourselves.

I do not agree with the budget director or with the committee that at present we are in a fiscal position to take \$802 million out of the general fund in 1962 and put it into the highway trust fund.

Mr. McNAMARA. That is another argument.

Mr. LAUSCHE. That is another argument.

Mr. McNAMARA. I yield the floor.

Mr. ANDERSON. Mr. President, I desire to vote. I shall be very brief. By the terms of the bill, 5 percent of the tax is to be diverted to the highway fund. The Senator from Michigan, with zeal for a great industry in his State, would take the other 5 percent and forgive it. That is a withdrawal of \$1,300 million a year from the Federal Treasury, and that is a substantial amount of money.

Mr. McNAMARA. It has actually happened.

Mr. ANDERSON. No; we are going to forgive 5 percent and divert 5 percent.

Mr. McNAMARA. My amendment affects only one half of that amount. Let us be fair.

Mr. ANDERSON. I am not arguing with the Senator from Michigan as to what his amendment involves.

Mr. McNAMARA. I believe the Senator is being unfair with respect to the amendment before the Senate.

Mr. ANDERSON. The bill already takes out \$650 million. The Senator would take out the other \$650 million, and the difference is \$1,300,000,000. I did not intend to be unfair to the Senator from Michigan.

I point out also that revenue bills originate in the House of Representatives, and while it is true the Senate may vote to change completely by an excise tax of this nature, those Senators who have served in the House, particularly those of us who have served on the Ways

and Means Committee of the House, know how that action would be resisted by the House of Representatives. I suggest that this is a poor time to do it, and the amendment ought to be defeated.

Mr. WILLIAMS of Delaware. Mr. President, what I wish to say has nothing to do with the bill before us, but if Congress wants to cut taxes, there is one way to do it and that is to stop spending money. This proposal represents a \$650 million tax cut in the face of a deficit in the period in which the reduction is proposed. I say the amendment should be overwhelmingly defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. McNAMARA]. 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. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. Were he present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference in Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES] would vote "nay."

The result was announced—yeas 7, nays 78, as follows:

YEAS—7

Bartlett	Langer	McNamara
Gruening	McCarthy	Morse
Hart		

NAYS—78

Alken	Fong	Monroney
Allott	Frear	Morton
Anderson	Fulbright	Moss
Beall	Goldwater	Mundt
Bennett	Gore	Muskie
Bible	Green	Neuberger
Bush	Hayden	Pastore
Butler	Hickenlooper	Prouty
Byrd, Va.	Hill	Proxmire
Byrd, W. Va.	Holland	Randolph
Cannon	Hruska	Robertson
Capehart	Humphrey	Russell
Carlson	Jackson	Saltonstall
Carroll	Javits	Schoeppel
Case, N.J.	Johnson, Tex.	Scott
Chavez	Johnston, S.C.	Smith
Clark	Keating	Sparkman
Cooper	Kefauver	Stennis
Cotton	Kerr	Symington
Curtis	Kuchel	Talmadge
Dodd	Lausche	Thurmond
Douglas	Long, Hawaii	Wiley
Dworshak	Long, La.	Williams, N.J.
Eastland	McClellan	Williams, Del.
Engle	Magnuson	Young, N. Dak.
Ervin	Martin	Young, Ohio

NOT VOTING—15

Bridges	Hartke	Mansfield
Case, S. Dak.	Hennings	Murray
Church	Jordan	O'Mahoney
Dirksen	Kennedy	Smathers
Ellender	McGee	Yarborough

So Mr. McNAMARA's amendment was rejected.

Mr. ALLOTT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCARTHY. Mr. President, I offer an amendment, which is at the clerk's desk.

The PRESIDING OFFICER. Does the Senator desire the amendment to be read?

Mr. McCARTHY. Mr. President, I ask unanimous consent that it may be printed, without reading. I can explain it in a few moments.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. McCARTHY is as follows:

On page 12, line 16, strike all through line 9, page 13, and insert the following:

"SEC. 202. Transfers to Highway Trust Fund.

"(a) TRANSFERS.—Section 209(c) of the Highway Revenue Act of 1956 (relating to transfer to Highway Trust Fund of amounts equivalent to certain taxes) is amended by renumbering paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) EXCISE TAX ON PASSENGER AUTOMOBILES, ETC.—There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to—

"(A) that portion of the taxes received in the Treasury after June 30, 1959, and before July 1, 1961, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such sec-

tion had been 2½ percent in lieu of the applicable rate; and

"(B) that portion of the taxes received in the Treasury after June 30, 1961, and before July 1, 1964, under section 4061(a)(2) of the Internal Revenue Code of 1954 (tax on passenger automobiles, etc.) which is equal to the amount which would have been so received if the tax rate under such section had been 6 percent in lieu of the applicable rate."

At the end of the bill add a new section as follows:

"SEC. 203. Repeal of credit against income tax for dividends received by individuals.

"(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1958, section 34 of the Internal Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

"(b) TECHNICAL AMENDMENTS.—

"(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out

"Sec. 34. Dividends received by individuals."

"(2) Section 35(b)(1) of such Code is amended by striking out 'the sum of the credits allowable under sections 33 and 34' and inserting in lieu thereof 'the credit allowable under section 33'.

"(3) Section 37(a) of such Code is amended by striking out 'section 34 (relating to credit for dividends received by individuals)'.

"(4) Section 584(c)(2) of such Code is amended by striking out 'section 34 or'.

"(5) Section 642(a) of such Code is amended by striking out the first sentence, and by striking out 'section 34' and 'in the second sentence'.

"(6) Section 702(a)(5) of such Code is amended by striking out 'a credit under section 34'.

"(7) Section 854(a) of such Code is amended by striking out 'section 34(a) (relating to credit for dividends received by individuals)'.

"(8) Section 854(b) of such Code is amended by striking out 'the credit under section 34(a)' in paragraph (1) and by striking out 'the credit under section 34' in paragraph (2).

"(9) Section 1375(b) of such Code is amended by striking out 'section 34, section 37, or section 116' and inserting in lieu thereof 'section 37 or 116'.

"(10) Section 6014(a) of such Code is amended by striking out '34 or'.

"(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1958."

Mr. McCARTHY. Mr. President, this amendment would accomplish three purposes. It accepts the 1-cent-a-gallon gasoline tax increase, and would earmark it for the highway trust fund. It would repeal the dividend credit. It would transfer funds collected from excise taxes which are imposed upon highway users, and which are not now earmarked for the trust fund, to the trust fund in the amount of 2½ percent in 1960, 2½ percent in 1961, and 6 percent in the following years, so that the highway trust fund would be solvent.

Those who are concerned about fiscal responsibility can be assured that the adoption of this amendment would bring additional revenue into the General Treasury. Those who are concerned about the continuation of the highway program would be assured that the amendment would provide adequate

funds to continue the program according to the schedule now proposed.

That is the purpose and the effect of my amendment.

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

Mr. McCARTHY. I yield to the Senator from Tennessee.

Mr. GORE. Do I correctly understand that the Senator's amendment would transfer a sufficient amount of funds from the general fund to the highway trust fund to prevent a default to the States?

Mr. McCARTHY. The Senator is quite correct.

Mr. GORE. It would bring more money into the general fund than would be transferred from the general fund?

Mr. McCARTHY. The Senator is quite correct. There would be a \$20 million to \$30 million a year increase in the funds going into the general fund of the Treasury. The amendment would provide for applying the 1-cent increase in the gasoline tax which is recommended by the committee to the highway trust fund, and for a transfer of 2½ percent of the other excise taxes which are not now allocated, for 1959 and 1960, and, following that, a 6 percent transfer, which is now provided.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY].

Mr. LAUSCHE. Mr. President, perhaps other Senators know what the amendment provides. I do not. I should like to ask a number of questions. I hope Senators will indulge me.

First of all, the Senator's amendment subscribes to the 1-cent gasoline tax increase?

Mr. McCARTHY. That is correct.

Mr. LAUSCHE. That would produce, as I understand, \$560 million in 1 year?

Mr. McCARTHY. In the full year 1961; that is correct.

Mr. LAUSCHE. The Senator also proposes to eliminate the dividend credit?

Mr. McCARTHY. That is correct.

Mr. LAUSCHE. Which would produce about \$335 million?

Mr. McCARTHY. Three hundred and thirty-five million dollars, which would go into the general revenues of the Treasury.

Mr. LAUSCHE. That would be \$560 million plus \$335 million?

Mr. McCARTHY. That is correct.

Mr. LAUSCHE. Eight hundred and ninety-five million dollars. What is the other 2½ percent?

Mr. McCARTHY. The 2½ percent is a transfer from the automobile excise tax fund into the highway trust fund. In other words, revenue derived as a result of the repeal of the dividend credit would go into the general fund.

Mr. LAUSCHE. I understand.

Mr. McCARTHY. But we would take the 2½ percent from the automobile excise taxes, which are now in general revenues.

Mr. LAUSCHE. How much would that produce?

Mr. McCARTHY. About \$300 million a year.

Mr. LAUSCHE. So into the highway trust fund would go the 1 penny gasoline tax increase, or \$560 million?

Mr. McCARTHY. Plus about \$300 million.

Mr. LAUSCHE. That would be \$860 million?

Mr. McCARTHY. Yes.

Mr. LAUSCHE. Would anything else go into the highway trust fund?

Mr. McCARTHY. I would add nothing more to what now goes into the highway trust fund.

Mr. LAUSCHE. While the Senator proposes to take out \$300 million, through the 2½ percent provision, from the general fund, he proposes to put in how much?

Mr. McCARTHY. Approximately \$335 million.

Mr. LAUSCHE. I thank the Senator very much.

Mr. McCARTHY. The Treasury would be better off by about \$35 million, and the highway trust fund could be kept current. The Bureau of Public Roads could meet all its commitments to the States, according to the present schedule.

Mr. GORE. Mr. President, it is with some regret that I impose myself further upon the Senate to express my views. I feel very deeply that a working relationship between the Federal Government and the States, which has persisted honorably and cooperatively since 1916, will be breached unless the Congress in some way provides sufficient funds to prevent the highway trust fund from being in default. I have attempted to do this in two different ways. The Senate declined to accept an amendment which I offered 2 months ago, and the Senate has now declined to accept the amendment which I have offered this evening. I accept the decision of the Senate.

Mr. President, I am prepared to support the pending amendment. Regretful as I am to endorse the 1-cent increase in the gasoline tax, the amendment now before us would not only keep the highway trust fund intact and provide funds to keep our highway program on schedule, but it would do that which neither of my amendments would have done—it would provide additional revenue to the Treasury of the United States over and above amounts to be transferred to the trust fund.

I plead with the Senate to agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY]. 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. WILEY (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote. The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLEN-

DER], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Meeting in Warsaw, Poland.

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 40, nays 43, as follows:

YEAS—40

Bartlett	Hart	Mansfield
Bible	Hill	Monroney
Byrd, W. Va.	Humphrey	Moss
Cannon	Jackson	Mundt
Carroll	Johnson, Tex.	Muskie
Clark	Kefauver	Neuberger
Dodd	Langer	Pastore
Douglas	Lausche	Proxmire
Engle	Long, Hawaii	Sparkman
Ervin	Long, La.	Symington
Fulbright	McCarthy	Williams, N.J.
Gore	McClellan	Young, Ohio
Green	McNamara	
Gruening	Magnuson	

NAYS—43

Alken	Dworshak	Prouty
Allott	Eastland	Randolph
Anderson	Fong	Robertson
Beall	Frear	Russell
Bennett	Hayden	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Holland	Scott
Byrd, Va.	Javits	Smith
Capehart	Johnston, S.C.	Stennis
Carlson	Keating	Talmadge
Case, N.J.	Kerr	Thurmond
Chavez	Kuchel	Williams, Del.
Cooper	Martin	Young, N. Dak.
Cotton	Morse	
Curtis	Morton	

NOT VOTING—17

Bridges	Hartke	Murray
Case, S. Dak.	Hennings	O'Mahoney
Church	Jordan	Smathers
Dirksen	Hruska	Wiley
Ellender	Kennedy	Yarborough
Goldwater	McGee	

So Mr. McCARTHY's amendment was rejected.

Mr. KUCHEL. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

Mr. GORE. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON] to lay on the table the motion of the Senator from California [Mr. KUCHEL].

The motion to lay on the table was agreed to.

Mr. NEUBERGER. Mr. President, on behalf of the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. COOPER], and myself, I offer an amendment, on page 3 of the bill, line 12, to the bottom of the page, strike out section 106; and on page 4, strike out the remainder of section 106, from line 1 to 10, inclusive.

Mr. President, I can summarize very briefly in one sentence what this is about. Then I shall ask for the yeas and nays.

The purpose of the amendment is to eliminate from the bill a provision which would weaken the Federal highway roadside protection standards which were adopted in 1958.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. NEUBERGER. Mr. President, I shall try to be very brief.

Last year the Senate Public Works Committee held extensive hearings that continued for weeks, on the question of protecting our interstate highways from billboards and affording machinery whereby State governments, on their own initiative, could enter into voluntary and cooperative agreements with the United States Government to protect scenery and safety along our 41,000 miles of interstate highways. After extensive hearings and prolonged debate in the Senate, an amendment sponsored jointly by the able senior Senator from California [Mr. KUCHEL] and myself was adopted. It was accepted by the House and it was included in the bill which was signed by President Eisenhower.

I emphasize what happened yesterday in the Senate Public Works Committee, of which I am a member. In less than 10 minutes, without hearing any witnesses,

either from the administration or the public, the Public Works Committee adopted an amendment which would automatically exclude all areas in municipalities, and areas State-zoned as industrial or commercial, from application of these national policies.

We heard no witnesses from the public. We heard no witnesses from the national administration.

I suggest to Senators that they examine the minority views in the report on the bill, Calendar No. 934. They will find therein a letter dated June 18 from the Under Secretary of Commerce, who is now the Secretary of Commerce, opposing very vigorously, on behalf of the administration, an identical bill which was before the House of Representatives. Yet our committee acted and included this amendment in the bill before us without even hearing the departmental views and learning why the Department of Commerce opposes this measure so vigorously.

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

Mr. NEUBERGER. I yield.

Mr. CURTIS. Is it not true, however, that the language retained in the bill is a clarification of what Congress intended to do in the prior act?

Mr. NEUBERGER. It certainly is not my opinion that Congress intended to do that. I was one of the sponsors of the language that was adopted last year. I did not have the impression that we intended to automatically exclude all these areas.

I ask the Senator from California [Mr. KUCHEL], who was a sponsor with me, if that was his idea of what we were adopting at that time.

Mr. CURTIS. Certainly it should not be in the province of the Federal Government to determine matters which are clearly a zoning power or a judicial power. I do not have the figures, but if this provision is stricken out, it will add to the cost of that portion of the program.

Mr. NEUBERGER. We consulted with the Bureau of Public Roads today and found that not a single State has asked for exclusion under this provision.

Today we are seeking to continue the policy of leaving it to the States to determine whether they want to exclude municipal areas or State-zoned industrial and commercial areas.

I call attention to the language of the Department of Commerce, in a letter signed by the present Secretary of Commerce, indicating that in certain Eastern States virtually the entire interstate system would be excluded from the Federal highway beautification standards.

Mr. CURTIS. But merely transferring that prerogative to the States would not meet the problem, because there are cities in the States which have home rule charters. So the question is entirely up to the municipalities to determine. The language of the bill would leave the decision and the responsibility with the municipalities. Certainly they are interested in the appearance of their highways. They have the power of zoning.

That is a responsibility which the Federal Government should not take on.

Mr. NEUBERGER. To begin with, we should not take any such fundamental step without hearing witnesses. I have received telegrams protesting this action from numerous influential groups representing hundreds of individuals throughout the United States. I ask unanimous consent that typical examples be printed at this point in the record.

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

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:
National Council of State Garden Clubs representing over 400,000 members in 47 federated States opposes Kerr billboard amendment in Highway bill H.R. 8678. We urge your best effort to obtain public hearing on Kerr amendment.

Mrs. C. D. SHOEMAKER,
Legislative Committee, National Council,
State Garden Club.

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:
Confusion and much difficulty would result from inclusion of billboard provision in highway bill without hearing. Important that it be eliminated to allow careful consideration of serious issue.

Mrs. VANCE HOOD,
Chairman, National Roadside Committee.

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:
The members of the American Association of Nurserymen opposed to Kerr amendment to billboard control legislation passed last year, reported from committee without hearings. We would have appeared in opposition to Kerr amendment if given opportunity. Regulation of billboards within areas embraced by Kerr amendment is important for safety as in other areas. We represent nursery firms, over 1,700, in 47 States. Opposition to Kerr amendment universal.

RICHARD P. WHITE,
President, American Association of
Nurserymen.

WASHINGTON, D.C.,
September 5, 1959.

Hon. RICHARD NEUBERGER,
Senate Office Building:
Inclusion of billboard provision in highway bill would be seriously crippling. Should be subject of careful hearing. Hope you can have it removed.

RICHARD W. WESTWOOD,
President, American Nature Association.

MOUNT KISCO, N.Y.,
September 5, 1959.

Senator DICK NEUBERGER:
Senate Office Building, Washington, D.C.:
The Garden Club of America strongly opposes the Kerr proposal which if left in the highway bill would have crippling effect on billboard legislation passed last year. My organization feels this drastic measure should not be included without hearings being held on the same and requests the opportunity to testify at such as to the adverse effects of the Kerr proposal. Above all we feel that it is a violation of States rights in that it deprives these States of its

own right of determining the areas to be included in any Federal-State agreement.

Mrs. THOMAS M. WALLER,
Conservation Chairman, Garden Club of
America.

MEDIA, PA., September 5, 1959.

Senator RICHARD NEUBERGER,
Senate Office Building, Washington, D.C.:
The Penna. Road Side Council speaks for over a million Pennsylvanians in protesting any amendment to the Federal billboard control law—our legislators in Washington have been informed of our strong opposition.

HILDA FOX,
Chairman, Executive Committee,
Pennsylvania Road Side Council.

WEEKAPPAUG, R.I.,
September 5, 1959.

RICHARD L. NEUBERGER,
Senate Building, Washington, D.C.:
National Council State Garden Clubs urges your assistance in calling for public hearing on Senator KERR's amendment to H.R. 8678 nullifying progress made by Highway Act of 1958.

CLAIRE M. STIEFF,
Chairman of Legislation.

BALTIMORE, Md.,
September 5, 1959.

RICHARD L. NEUBERGER,
Senate Office Building, Washington, D.C.:
Following wire sent to Senator DENNIS CHAVEZ: "Federated Garden Clubs of Maryland, Inc., with membership of over 4,000 bitterly oppose Kerr amendment to the Fallon roadside control bill, H.R. 5950, and stress the importance of a public hearing."

Mrs. RICHARD N. WILLS,
President.

Mr. NEUBERGER. The Secretary of Commerce is opposed to this provision. We did not even hear from him or his associates in the Bureau of Public Roads.

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

Mr. NEUBERGER. I yield.

Mr. AIKEN. Is it not true that the cities derive their power of zoning from the States?

Mr. NEUBERGER. Certainly. It is a delegated power. Cities are not sovereign. They have only such powers as are delegated to them by States and counties.

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

Mr. NEUBERGER. I yield.

Mr. CLARK. Do I correctly understand that the Eisenhower administration is opposed to the action of the committee which the Senator from Oregon now seeks to set aside?

Mr. NEUBERGER. If Frederick H. Mueller, Under Secretary of Commerce, in vigorous, forthright language, speaks for the Eisenhower administration, then certainly the administration is opposed to the action of the committee.

Mr. CLARK. Is not Mr. Mueller at present the Secretary of Commerce?

Mr. NEUBERGER. He is now. When he wrote the letter on June 18, he was Under Secretary of Commerce.

Mr. CLARK. Does not the Senator consider this action by the committee as a turning of its back on what Congress did last year with respect to billboards?

Mr. NEUBERGER. It is a turning of its back on what Congress did last year without giving that provision any valid opportunity to function.

Mr. CLARK. Does not the Senator believe that the action taken by the Committee on Public Works was a violation of the principle of States rights?

Mr. NEUBERGER. I think it was. I think discretion in this matter should be left to the States.

Mr. CLARK. Does not the Senator feel that it is a violation of sound legislative procedure to reverse the action of Congress taken last year, without proper justification for such action?

Mr. NEUBERGER. I certainly do, without hearing from public or administration witnesses.

Mr. CLARK. In the opinion of the Senator from Oregon, is the billboard lobby behind this action?

Mr. NEUBERGER. I cannot say for a certainty, but I believe that if the Senate retains this language in the bill, the billboard lobby will not be unhappy.

Mr. CLARK. I thank the Senator from Oregon for his courtesy.

Mr. CURTIS. Mr. President, I believe this language should remain in the bill. After all, the Federal highway program is costly enough as it is. Extension of the power of the Federal Government to clear the areas adjacent to highways in municipalities is a burden which the Federal Government should not take on.

Furthermore, it was the intent of Congress in the earlier act that certain powers be granted to the States. In the States where cities are granted home-rule charters, we cannot carry out what was contemplated in the House language by excepting interstate highways going through municipalities.

I certainly believe we should not strike out this provision without knowing what additional costs will be incurred by reason of such action. The committee has placed the language in the bill. The amendment ought to be rejected.

Mr. KERR. Mr. President, the committee did not reverse the action of Congress; it confirmed the action of Congress. The amendment provides specifically what the sponsors of the legislation last year told us their proposal would do.

The committee had witnesses before it. I shall call them to the witness stand here and now for the Senate. First I quote the distinguished senior Senator from California [Mr. KUCHEL]. When he introduced his bill in 1958, in a statement of national policy he specifically covered the main traveled way and all portions of the Interstate System outside incorporated municipalities. In that connection, the Senator from California pointed out—and I quote from the CONGRESSIONAL RECORD, volume 101, part 2, page 1547:

The State of California, under its Constitution, can exercise its authority in the field of property use only in the areas of my State which lie outside incorporated municipalities.

Now I shall call the distinguished junior Senator from Oregon [Mr. NEUBERGER] to the witness stand. He testified on the bill in the CONGRESSIONAL RECORD, volume 104, part 4, page 5097. A cosponsor of the bill, he then said:

We would not want the Federal Government to intrude upon the right and pre-

rogatives of the officials of the States of California and Oregon.

I now call to the stand again the Senator from California [Mr. KUCHEL], who said in the CONGRESSIONAL RECORD, volume 104, part 4, page 5105.

By reason of the problem created by home rule communities, the bill recognizes that under any agreement between the Federal Government and a State, incorporated communities which exercise home rule authority shall be excluded.

I now call to the witness stand the distinguished junior Senator from New Hampshire [Mr. CORTON], who was one of those who participated in this action last year. He said in the CONGRESSIONAL RECORD, volume 104, part 4, page 5377:

As has already been pointed out, the provisions in the bill relating to billboard advertising are essentially restricted to the portions of the Interstate Highway System which are outside the commercial areas, outside the metropolitan areas, and outside the areas which are within the incorporated towns, where advertising is already permitted and in many cases, if not in most cases, already controlled by local and State regulation.

Mr. President, I call again to the witness stand the distinguished junior Senator from Oregon [Mr. NEUBERGER], who said in the CONGRESSIONAL RECORD, volume 104, part 4, page 5099:

The heavy right-of-way acquisition costs are in cities and other heavily populated, commercial, or industrial areas. These, as I have said, may be eliminated from the agreements with the States. Obviously, for example, it would not make sense for a State to purchase billboard-control rights out to 660 feet from both edges of a highway right-of-way that passes between the high, narrow walls of warehouses, or factories of an urban industrial area.

Now I can call the Senator from California to the witness stand; I read from the CONGRESSIONAL RECORD, volume 104, part 2, page 1547:

From a practical standpoint, therefore, the interstate mileage located within cities is not of the highest importance when we think of beautification. Indeed, I venture to suggest that much of the interstate mileage within cities will traverse industrial areas and business or commercial districts which would not present an opportunity to preserve scenic beauty, and which probably would present little opportunity to create it.

Now I call to the witness stand the then Secretary of Commerce, Mr. Weeks, who, when he appeared before the Public Works Committee on March 18, 1957, said—as shown on page 3 of the hearings on Senate bill 963:

State and local zoning laws would be recognized by permitting advertising in areas actually zoned industrial or commercial.

A member of the committee then asked him this question:

You do not contemplate inclusion of municipal areas within the areas to which the standards are applicable?

Secretary Weeks replied:

As I see it, we would not control advertising in business, industrial, or manufacturing areas or land zoned for those purposes. There would be no reason for it.

At the same hearing, Mr. Tallamy, then and now the Director of the Bureau

of Public Roads, in the Department of Commerce, said:

If the State, through State zoning, or if the local communities, through their own zoning powers, have zoned those areas for commercial or industrial purposes, then, under this proposal, outdoor advertising would be permitted.

So, Mr. President, I repeat that in referring to the language of the bill, the committee was not reversing the position taken by Congress; instead, the committee was confirming the action taken by the Congress.

The committee did not act without witnesses. It had before it witnesses of the highest dignity and standing. It had the authors of the legislation. It had the Secretary of Commerce, who sponsored the legislation. It had the Director of the Bureau of Public Roads, under whose management the program was put into operation.

Without exception, those witnesses—of great dignity and prestige and influence and position—confirmed what was in the mind of the Congress and in the minds of the sponsors of the legislation when the bill was enacted last year.

It was the purpose of the committee only to clarify and reaffirm what the authors said we were doing, what the Secretary of Commerce said we were doing, what the Director of the Bureau of Public Roads said we were doing, and what the Members of the Senate understood they were doing when they passed the bill which resulted in this legislation.

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

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Oklahoma yield to the Senator from Oregon?

Mr. KERR. I yield.

Mr. NEUBERGER. Were any one of the statements the Senator from Oklahoma has read to the Senate tonight called to the attention of the committee during the 10 minutes it considered this issue?

Mr. KERR. My good friend was there during those 10 minutes. He knew the pressure under which we were operating. I must say to him that the statements to which I have referred were made in his presence, and some were made by him; and I am sure the other members of the committee had the same resourcefulness that I had—

Mr. NEUBERGER. Mr. President, the Senator from Oklahoma has not answered my question. He said we had before us in the committee witnesses of the highest character.

Mr. KERR. I did.

Mr. NEUBERGER. We had no witnesses.

Mr. KERR. But I read to the Senate tonight their names and what they said.

Mr. NEUBERGER. Yes; the Senator read that to the Senate tonight. But yesterday at the committee meeting, the Senator from Oklahoma did not read to the committee any statements by anyone. Those are only the Senator's interpretations—

Mr. KERR. Oh, no; I read the exact words; I read them from the RECORD. I

read the words used by the Senator from Oregon.

Mr. NEUBERGER. Does the Senator from Oklahoma say he read them to the committee, on yesterday?

Mr. KERR. I read them to the Senate; the matter is now before the Senate.

Mr. NEUBERGER. The Senator from Oklahoma said the committee had before it witnesses of the highest character. When did the committee have such witnesses before it?

Mr. SALTONSTALL and Mr. KUCHEL addressed the Chair.

Mr. KERR. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator from Oklahoma a question:

All of us are opposed to advertising on the interstate highways of the country. As I read the amendment, its purpose is to clarify what was done last year, so that in the municipalities and the industrial and commercial areas, when the interstate highways may pass through those areas in incorporated municipalities, the municipalities will be permitted to regulate the advertising in those areas.

Mr. KERR. The Senator from Massachusetts is correct. We were so careful that we limited the area affected by this amendment to that "now zoned," to those "now incorporated." We did not make the amendment broad enough to include areas which may hereafter be included in incorporated municipalities.

Mr. SALTONSTALL. The language used in the amendment states that it applies only to industrial and commercial areas; is that correct?

Mr. KERR. That is correct.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. FULBRIGHT. If the legislative history which the Senator from Oklahoma has read to us shows so clearly that that was the intent, why should we specify it again, now?

Mr. KERR. Because the then Secretary of Commerce said that "State and local zoning laws would be recognized by permitting advertising in areas actually zoned industrial or commercial"; but in spite of the fact that he said that, and in spite of the fact that later he said, as I see it, that we would not control outdoor advertising in business, commercial, or industrial areas or on land zoned for those purposes, because there would be no reason to do so, they have since that time promulgated regulations, under that statute, whereby they are doing exactly what the sponsors of the legislation said they would not do, and what the Secretary of Commerce and the Director of the Bureau of Public Roads told the Committee on Public Works they would not do.

Mr. KUCHEL and Mr. COTTON addressed the Chair.

Mr. KERR. I yield to the Senator from New Hampshire.

Mr. COTTON. Mr. President, in view of the fact that my distinguished friend the Senator from Oklahoma, has brought my name into this controversy, I should like to suggest to him that when we con-

sidered this subject in the last Congress—as he will remember—it is perfectly true that it so happened that the junior Senator from New Hampshire offered an amendment which took out of the highways along which billboards would be regulated those highways located in areas where the Interstate System followed established rights of way where advertising was already exhibited.

So the restriction applied to the new, virgin highways being built throughout the country.

I am sure that that amendment enabled us to obtain sufficient votes to have the bill passed and to have the regulations go into effect.

But I say to the Senator from Oklahoma that it was the understanding at least of the Senator from New Hampshire, all through the period when we were considering the subject of billboard advertising, in the Public Works Committee, and later on the floor of the Senate, that the Federal Government would not endeavor to place a ban on billboard advertising in those portions of the Interstate System which were actually within the heavily commercial sections of cities.

But the language which has been placed in this bill tonight makes the Senator from New Hampshire apprehensive that when the restriction is excluded entirely from any portion of a highway within incorporated cities, the effect will be—particularly in New England and elsewhere in the eastern portion of the country—that there will be many miles of Interstate System Highways that will be out of sight of commercial areas and will be out of sight of factories; I refer to the miles and miles of such highways that will pass through the edge or the very perimeter of incorporated cities—and, immediately this provision takes effect, it will remove the restrictive provision and take it out of effect, even though the local inhabitants would desire to have the restrictive provision apply.

Mr. KERR. Does the Senator from New Hampshire have before him a copy of the bill?

Mr. COTTON. Yes.

Mr. KERR. I should like to have the Senator from New Hampshire turn to page 4, and examine the language in line 3.

Let me say that it is not our purpose to have what the Senator from New Hampshire fears, done.

I read now from line 3:

This section shall not apply to those segments of the Interstate System—

Insert the words—

which traverse commercial or industrial zones within the existing boundaries of incorporated municipalities.

Would that eliminate the fear my friend has?

Mr. COTTON. If we are to legislate on the floor of the Senate, the concession my friend from Oklahoma has made would be very comforting to the Senator from New Hampshire. The Senator from Oklahoma knows how I value his sincerity, but in view of the fact that I sat for many long hours in the Committee on Public Works and noted the complete

absence of solicitude on the part of the distinguished Senator from Oklahoma and others who are opposing the amendment tonight for the control of advertising, I am a little reluctant, after a few short minutes, to accept the suggestion as a safe provision to have in the bill on advertising control.

I was much impressed by the observation of the distinguished Senator from Arkansas [Mr. FULBRIGHT] when he asked a very pertinent question: If the language of the law is so clear already, what is the purpose of the amendment? In view of the fact that it was submitted by my friend from Oklahoma and others, who very sincerely and very ably opposed any kind of billboard control, I am still a little afraid that, even though the Senator is very generous in offering the amendment, and even though I would eagerly accept it, I would still like to see this provision stricken out.

Mr. President, despite the sincere assurances given by the Senator from Oklahoma, I must support the amendment offered by the Senator from Oregon [Mr. NEUBERGER].

Mr. KERR. I ask the Senator to offer the amendment suggested, and on behalf of the managers of the bill I will accept it.

I say to the Senator from New Hampshire and to the Senate that I did oppose that part of the bill last year, but the Senate passed it, and the Secretary of Commerce and the Director of Highways told us that they understood it would not apply to zoned and commercial areas, but now they have promulgated regulations which are not consistent with that understanding, and it is our purpose to clarify the law. I shall be glad to accept the words which I read as an amendment of the Senator from New Hampshire.

Mr. COTTON. Will the Senator give us one example of the administration of this act in which the Department of Commerce and the Bureau of Public Roads have controlled advertising in an area which is commercial and in which there should not be control?

Mr. KERR. I say to my good friend from New Hampshire that the regulations are full of such instances. I do not have them before me, but I have examined them, and I say to him sincerely and correctly that the regulations have been issued, and they are not consistent with the position taken by the Secretary of Commerce. It is the purpose of the amendment only to clarify the law and carry out the will of Congress as stated last year and in accordance with the statement of its sponsors and the interpretation given it by the Secretary of Commerce.

Mr. KUCHEL. Mr. President, the able senior Senator from Oklahoma has called a number of witnesses to speak on behalf of his amendment. The fact that they speak, as it were, in absentia did not for a moment deter my able friend from abusing them and from endeavoring to frighten them. But I submit that the very best witnesses in favor of defeating the amendment of the Senator from Oklahoma are the witnesses whom he called and whose testimony he read.

No one who had anything to do with billboard control legislation in the last Congress intended to give any Federal incentives to a State to beautify commercial or industrial areas which any segment of the Interstate Highway System traverses or was about to traverse.

The trouble with the language of the amendment offered by the Senator from Oklahoma is that it is too all inclusive. For example, it begins, "This section shall not apply to those segments of the Interstate System," and so forth. What is "this section"? That is the entire section which deals with the language setting up Federal standards for States to follow if they wish to obtain the Federal incentive payments. It is a section which indicates to States that if they purchase rights-of-way along the path the Interstate System will traverse, there will be an incentive payment from the Government to them. Under the language of the Senator's amendment, the entire section would be eliminated so far as municipalities are concerned.

There are States in the Union which are called home-rule States. Senators know this better than I. In those States—and my State is one example—the cities have the right under their State constitutions to do anything they wish. Obviously the State of California could not enter into an agreement with the Federal Government to control what those cities should do. The constitutions of other States permit the State to declare what shall be zoned and what shall not be zoned, and in those areas surely we should not say in this legislation, as my friend from Oklahoma suggests, that all cities automatically should be cut out. I suggest if there is a problem—and there may well be—it would not be cured by the language of the Senator from Oklahoma. On that basis, I hope the Senate votes down the amendment.

Mr. COOPER. Mr. President, I shall speak only 2 or 3 minutes, I do so because I was in the committee when the vote on this amendment was taken, opposed it, and have joined in the amendment to strike it from the bill. As has been said, the vote was 8 to 6 in the committee to carry the amendment. As far as discussion of the amendment was concerned, less than 30 minutes was spent. There were no hearings. The amendment was adopted without hearing witnesses from the Federal agencies, the States, the municipalities, the areas concerned or interested organizations. It has been said the purpose of the amendment is to clarify provisions of the billboard law enacted last year. In my judgment—and I say this with deference to the distinguished Senator from Oklahoma—it does not clarify the billboard law. It is a radical change in the law passed last year. I shall give my reasons for saying so.

The billboard amendment which was passed last year authorized the Federal Government to enter into cooperative arrangements with the States, to enable the States to take advantage of Federal roadside protection benefits. It was not mandatory upon the States that they should enter into such arrangements.

But they could if they desired, enter into arrangements to protect the interstate highway roadsides from unsightly advertising. The effect of this amendment is to deny to the States, and to the communities, the opportunity to enter into any arrangements with the Federal Government to protect roadsides within municipalities, or any part of municipalities through which an interstate highway passes. The amendment excludes from the billboard and advertising legislation enacted last year. All of an interstate road within a municipality. It is a radical change, it is not a matter for the cities alone.

The Federal Government does have an interest in preventing advertising on interstate highways. It pays 90 percent of the money for interstate road construction. Secondly, a municipality should not be able to place a burden of unsightly advertising on interstate travel. Again, signs and billboards affect the safety of persons who use the roads.

The committee amendment takes all authority away from the Federal Government to protect roadsides within municipalities of whatever size. It takes authority away from the States. It leaves such authority wholly to municipalities. It is a radical change. That is the reason I opposed the provision in committee, and joined in the minority report.

Mr. ALLOTT. Mr. President, I wish to address myself to the Senator from Oklahoma. If the Senator will look at line 6 on page 4, I think, on reading the language, he will agree that his amendment should, first of all, be amended so that the two words "where in" are one word. Otherwise, the amendment makes no sense.

Mr. KERR. Mr. President, I think the Senator is correct.

Mr. ALLOTT. Would the Senator accept that amendment?

Mr. KERR. I would.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEUBERGER. I am rather uninformed on this matter, but can a Senator, on the floor, accept an amendment to a bill on behalf of the entire Senate?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the Senate would have to vote on the amendment.

Mr. NEUBERGER. I thank the Chair.

Mr. ALLOTT. Mr. President, I am opposed to the amendment, but I wanted it to make sense, in the event it is adopted; and in order to make sense, the two words "where in" on line 6, page 4, should be one word.

The sole argument for the billboard restriction, in my mind, is not solely one of unification; it is one of safety. The many hours we discussed the sizes of signs will be remembered. The proposal is to exempt industrial areas and municipalities, as they are described, while they still would be able to draw Federal money. Agreements may be entered into with the States, which in turn grant the municipalities whatever authority they

may obtain. We offer the States incentives for restrictions as to signs, and yet it is proposed to exempt municipalities. I really think that not only is a question of ethical values involved, but if the amendment is adopted, I think it will increase problems in the highway system as it applies to municipalities.

For that reason I shall oppose the amendment. However, I do want to offer my amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. It is proposed on page 4, line 6, to strike out the two words "where in" and insert in lieu thereof the one word "wherein."

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Colorado.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. KERR. Mr. President, if the Senator will yield, let me say that if the amendment of the Senator from Oregon is defeated, and I hope it will be, I will offer both that amendment and the one mentioned to the Senator from New Hampshire.

Mr. CLARK. Mr. President, do I correctly understand that the Senator from Colorado has withdrawn his amendment?

Mr. ALLOTT. No; it was ruled out of order.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. A vote for the Neuberger amendment is a vote to delete the billboard provision which the Senator from Oklahoma has so clearly explained. Is that correct?

The PRESIDING OFFICER. The Chair does not place any interpretation upon amendments.

Mr. CLARK. A parliamentary inquiry, then. Is a "yea" vote on the Neuberger amendment a vote to strike from the bill the provision which has to do with billboards?

The PRESIDING OFFICER. The Chair wishes to advise the Senator from Pennsylvania that a "yea" vote would strike section 106 of the bill.

Mr. CLARK. I thank my friend, the Presiding Officer.

Mr. CARROLL. Mr. President, as a member of the Public Works Committee, I worked on the so-called billboard legislation. It seems to me, in view of the record we are making this evening, this should be said. The Senator from Arkansas has asked the question, "What is the reason for clarification?" The answer is that a regulation has been promulgated by the Secretary of Commerce.

I can say to my colleagues that I have an interest in this legislation. I was almost the "swing" vote on this matter to get it out of committee.

My information is that no State has asked for an exclusion under this regulation since it was promulgated. That fact raises the question, What is the necessity for it? While I do not say it

is improper, I do think it is highly inadvisable to make such a change in this important piece of legislation, which was so controversial such a short time ago, without having hearings; and I hope the amendment of the Senator from Oregon will be adopted.

Mr. NEUBERGER. Mr. President, I call to the attention of the Senate the fact that we consulted the Bureau of Public Roads as late as 6 o'clock this evening. They told us not one State had asked for exclusion of municipal areas under this act.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Has any action been taken on the Allott amendment?

The PRESIDING OFFICER. No action has been taken on the Allott amendment.

Mr. JOHNSON of Texas. Is the amendment not in order?

The PRESIDING OFFICER. The question now is on agreeing to the Allott amendment.

Mr. ALLOTT. Mr. President, I have not withdrawn it. I was told it was out of order. I offer it.

Mr. JOHNSON of Texas. Mr. President, there has been no such ruling, has there?

The PRESIDING OFFICER. The amendment is not out of order. The question is on—

Mr. KERR. Mr. President, I ask the Senator to withdraw his amendment for this reason: If the amendment of the Senator from Oregon is agreed to, the section is out of the bill. If it is not agreed to, the Senator from Oklahoma has said he will join the Senator from Colorado in offering the amendment.

Mr. ALLOTT. I have no objection to withdrawing it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Oregon. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 39, nays 44, as follows:

YEAS—39

Alken	Douglas	Magnuson
Allott	Engle	Martin
Beall	Fulbright	Morse
Bible	Gore	Neuberger
Bush	Gruening	Pastore
Butler	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Carroll	Javits	Scott
Case, N.J.	Johnston, S.C.	Smith
Clark	Keating	Symington
Cooper	Kefauver	Wiley
Cotton	Kuchel	Williams, N.J.
Dodd	Lausche	Young, Ohio

NAYS—44

Anderson	Hayden	Moss
Bartlett	Hickenlooper	Mundt
Bennett	Hill	Muskie
Byrd, Va.	Holland	Randolph
Cannon	Johnson, Tex.	Robertson
Capehart	Kerr	Russell
Carlson	Langer	Saltonstall
Chavez	Long, Hawaii	Schoeppel
Curtis	Long, La.	Sparkman
Dworshak	McCarthy	Stennis
Eastland	McClellan	Talmadge
Ervin	McNamara	Thurmond
Fong	Mansfield	Williams, Del.
Frear	Monroney	Young, N. Dak.
Hart	Morton	

NOT VOTING—17

Bridges	Green	McGee
Case, S. Dak.	Hartke	Murray
Church	Hennings	O'Mahoney
Dirksen	Hruska	Smathers
Ellender	Jordan	Yarborough
Goldwater	Kennedy	

So Mr. NEUBERGER's amendment was rejected.

Mr. KERR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I offer an amendment, on page 4, line 6, as suggested by the Senator from Colorado, to correct what is clearly a typographical error, where the words "where in" are shown as two words instead of one. I offer an amendment for the word "wherein" to be shown as one word.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. KERR. Mr. President, beginning at line 3, page 4, with the words "this section shall not apply to those segments of the Interstate System," I offer an

amendment to add the words, as I suggested to the Senator from New Hampshire, "which traverse commercial or industrial zones," before the words, "within the presently existing boundaries of incorporated municipalities."

Mr. HOLLAND. Mr. President, will the Senator from Oklahoma restate those words?

Mr. KERR. Between lines 4 and 5 add the words "which traverse commercial or industrial zones."

Mr. HOLLAND. After the word "System"?

Mr. KERR. Yes, and before the word "within".

Mr. HART rose.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. KERR. I yield to the Senator from Michigan.

Mr. HART. The Senator from California, who supported the Neuberger amendment, emphasized the opening words "This section" as meaning the section in its entirety shall not apply to these industrial areas. I wonder if it is true that "This section" includes items others than regulation of advertising.

Mr. KERR. If the Senator thinks it does I will offer a corrective amendment on that as soon as this amendment is acted upon.

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

Mr. KERR. I yield.

Mr. COTTON. I thank the Senator for offering the amendment. This will clarify the matter and go far to guard against the things the Senator from New Hampshire feared with regard to the outer perimeters of an incorporated city.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. KERR. Mr. President, in order that there may be no doubt about the question raised by the Senator from Michigan, on page 4, line 3 before the word "This" I offer an amendment to read as follows:

Agreements entered into between the Secretary of Commerce and State highway departments under

In other words, instead of the language being "This section shall not apply," it would clearly state that the amendment refers only to "Agreements entered into between the Secretary of Commerce and State highway departments under this section."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. KEFAUVER. Mr. President, I offer, for myself, my colleague [Mr. GORE], and the Senator from Mississippi [Mr. EASTLAND], the amendment which is at the desk, and I ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 6, after line 15, it is proposed to insert a new section, as follows:

"Sec. 108. Increase in amount authorized for bridges over Federal dams.

That subsection (d) of section 320 of title 23, United States Code, entitled "Highways", is amended by striking out "\$10,000,000" and inserting in lieu thereof "\$13,000,000."

Mr. CHAVEZ. Mr. President, it was the idea of the committee and the committee itself that this should be brought up by separate legislation. However, I believe we will be justified in taking it to conference anyway, and I will accept the amendment if it meets the approval of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendment was agreed to.

Mr. MORSE. Mr. President, am I in order if I make a brief statement on the bill?

The PRESIDING OFFICER. The Senator from Oregon is in order. The Senate will be in order.

Mr. MORSE. Mr. President, I am perfectly willing to have the bill go to third reading.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MORSE. Mr. President, I shall be very brief. In fact, I shall insert most of my remarks in the RECORD.

I think it is well known to the Senate that I am opposed to any increase whatsoever in the gasoline tax. I am opposed to Federal sales taxes. I am opposed to oppressive taxes.

Mr. President, I think that taxes ought to be based on ability to pay. The question is raised as to how would the Senator from Oregon raise the money needed for Government services. Would he increase the income tax? To those suggesting that an increase in the income taxes is something unthinkable and horrible, my answer is I would increase the income tax if that is the alternative to increasing sales taxes.

Mr. President, I would eliminate the loopholes in the present tax structure, many of which this body itself helped create in 1954.

Mr. President, I would make great savings in the foreign aid program, by which we are wasting hundreds and hundreds of millions of dollars and not helping improve America's foreign relations.

I would come to grips, Mr. President, with that type of waste.

I would seek to bring some benefits to our own people in order to strengthen our own economy in time, Mr. President, while we still have the time to win this great fight for peace and freedom. We cannot do it, Mr. President, if we continue to impose further and further taxes

in this country not based upon ability to pay, but pass the burden onto the backs of people least able to pay, as is, once again, being done in this proposed legislation.

It is difficult to obtain figures which show just who pays the gasoline tax, and in what proportion to the total income of the taxpayer.

But I have obtained from the Library of Congress the "Study of Consumers Expenditures for 1956," which throws a lot of light on the regressiveness of the gasoline tax.

The "Study of Consumer Expenditures" shows the amount of income spent on gasoline and motor oil by income group, ranging from those families with incomes under \$2,000 a year to those with incomes of \$10,000 a year and over.

They show that in 1956, families with incomes under \$2,000 a year spent \$79 for gas and oil for their cars, or 7.9 percent of their income; families with \$2,000 to \$3,000 spent \$124 or 4.9 percent; the group from \$3,000 to \$4,000 spent \$147, or 4.2 percent; from \$4,000 to \$5,000 spent \$168, or 3.7 percent; the group from \$5,000 to \$7,000 spent \$190, or 3.2 percent; and the families having incomes ranging from \$7,000 to \$10,000 spent \$205 for gas and oil, or 2.4 percent of their income.

Mr. ANDERSON. May we have order, please, Mr. President?

SEVERAL SENATORS. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, the Federal gasoline tax bears a reasonable ratio to the expenditure on gas and oil, although the quality of the gasoline purchased would make some difference. One must take into consideration, too, the heavy tax which many States also levy upon gasoline.

Although the total amount spent for these items goes up with income, it does not go up nearly as fast as income, and hence becomes a smaller percentage of the higher incomes.

Mr. President, it has been my opinion since this debate first started that the Senator from Tennessee [Mr. GORE], has been a great statesman and leader on this issue. I have followed him in most particulars in regard to it. I am sorry to see tonight that the Senate is voting to press this yoke of a regressive Federal sales tax upon the gasoline users of this country. I fear it also from the standpoint of its precedential implications. It is another move to get a little bit more of the camel's body under the tent.

Mr. President, we have to take a much firmer stand than we are taking in Congress against the ever increasing trend toward a Federal sales tax. I have had something to say on this subject on different occasions in the past. On August 26, 1959, in a radio statement broadcast in my State I discussed the Federal gasoline tax problem. I ask unanimous consent that it may be included in the RECORD at this point in my remarks.

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

RADIO BROADCAST OF SENATOR WAYNE MORSE, AUGUST 26, 1959

Fellow Oregonians, one of the hottest issues of the closing weeks of this session of Congress is the one shaping up over how to finance the Federal highway program which was authorized in the Highway Act of 1956.

You will recall that in that act of 3 years ago, a new Interstate Highway System was authorized, for which the Federal Government would pay 90 percent of the cost and the States 10 percent. This network is to be in addition to the regular primary, secondary, and urban roads to which the Federal Government already contributes.

At the same time, it was provided that these new roads would be paid for through highway use taxes which were imposed or increased, and which were to go into a new highway trust fund. Of course, many highway use taxes were already in existence. There was an excise tax on new cars, taxes on trucks, auto accessories, and a 2 cents a gallon sales tax on gasoline. In 1956, the gasoline tax was raised to 3 cents, and the entire 3 cents, plus some new taxes on tires, trucks, and diesel fuel were diverted into the highway trust fund.

I had many reservations about this type of financing, which I expressed at the time. But all objections were overridden in the interest of getting the new roads under construction.

Early last year, when the sharp recession of late 1957 and 1958 was underway, the Congress ordered a speedup in the entire highway construction program in order to keep industry busy and to keep men at work. But the result was that construction proceeded faster than the trust fund collections provided for. Because the Highway Act required—mistakenly, in my opinion—that these roads be paid for with trust fund collections only, work on them has come to a halt in several States, including Oregon.

Now the administration, which insisted upon the trust fund financing of these roads in 1956, is insisting that the gasoline tax be raised again so construction may continue. But in making this plea, the administration spokesmen avoid telling you, the motorist the whole story. Part of what they avoid mentioning is that not all the highway use taxes were diverted into the highway trust fund in 1956. In fact there are additional taxes upon motorists amounting to a total of \$1½ billion which go into the general Treasury and not into the trust fund at all. So the trust fund gets only \$2 billion of the roughly \$3½ billion which truckers and motorists pay for the privilege of getting behind the wheel of an automobile.

These other taxes are the 10-percent sales tax on new cars, the sales tax on lubricating oil for your car, the sales tax on auto parts and accessories, and part of the tax on trucks and buses.

So the real issue is not just whether highway users should pay for new highways, but whether they should pay for new highways and for other services of Government, too. As I did in 1956, I take the view that good roads are not a special service provided only for the comfort and ease of those who drive, but are a service to the entire community and all who live and do business in it. For example, every time Congress is asked to finance the foreign aid program for another year, administration spokesmen come before us to request hundreds of millions of dollars in funds to build highway systems in the underdeveloped countries of Asia and Africa. They are justified on the ground that a road system is vital to their economies, to the promotion of their business activity, of commerce, and trade. But unfortunately,

the administration does not take that view of roads here at home. Here at home, the President wants new roads to be charged to those who actually travel on them, regardless of the benefits in trade and business they promote for the manufacturer, the hotel owner, the garages, and oil companies who profit from truck and auto traffic.

That is why I am staunchly opposed to this request that the gasoline tax be raised again, this time from 3 cents per gallon to 4½ cents. I regard it as unfair for three reasons: First, other highway taxes are going into the Treasury; second, roads are not of benefit and profit solely to those who use them, and in the same proportion; and third, the gasoline tax is a regressive sales tax which runs exactly counter to the principle of ability to pay taxation.

To take the first of these objections, I believe that until all highway use taxes go into the trust fund, there is no reason to raise the gasoline tax. If it is really as important as the administration says it is that motorists and trucks finance the new roads, then all of those particular taxes should go into highway construction. Therefore, I am supporting proposals made by Senator GORE, of Tennessee, Senate author of the Highway Act of 1956, to divert these other highway taxes into the trust fund, along with the gasoline tax.

My second objection is to the whole principle that only road users should pay for the roads. How much profit do you suppose the businessmen, manufacturers, and service industries of your town or city would lose, if all the roads in your town or city and all the roads connecting with other towns and cities suddenly disappeared? If you can imagine that situation, you have an idea of the stake which our whole economy has in the highway system. That is why I believe roads, like other services of Government, should be financed by general taxation. Diversion of present highway use taxes out of the Treasury, or general appropriations from the Treasury would both accomplish that objective.

Third, I am opposed to the trend toward consumer sales taxes which this pressure for a higher gasoline tax represents. When you hear the argument that taxes must be raised when expenditures are raised in order to keep the budget in balance, be sure you find out just whose taxes it is that are planned to be raised. In my opinion, the basic and most important standard in levying taxes is the standard of ability to pay. Does the tax take the most from those who have the most wealth? Or does it take a larger percentage of income from the little fellow? Where a particular service is involved which is of value almost exclusively to the customer, then it is appropriate to charge reasonable fees; but for general services which benefit the entire community or Nation, then I believe they should be paid for on the basis of ability to pay.

Consumer sales taxes, like the telephone and transportation tax, as well as the gasoline tax, are what economists call "regressive," because they take a larger percentage of income from a small income than they do from a big income. They are not even what are called "proportionate" taxes, because a proportionate tax takes the same percentage of everyone's income. At the other end of the scale are the "progressive" taxes, which take the largest percentage from the largest incomes. Our Federal income tax is a progressive tax, and is a true ability to pay tax.

There are plenty of loopholes in the ability to pay taxes which should be closed before we talk about raising money from more sales taxes. For example, a few weeks ago the Senate voted by a fairly large margin to close the loophole which gives favored tax treatment to personal income from dividends. This dividend income loophole was created

in 1954 by the Eisenhower administration when it had a Republican majority in Congress. This year, the Senate tried to close it, and to gain for the Treasury \$335 million a year in revenue.

But the administration was the leading opponent of that proposal, just as it has been an opponent of the efforts some of us have been making in Congress to reduce or repeal the depletion allowance for oil and gas companies. Because of this opposition by the administration, the House of Representatives did not approve our repeal of the dividend income loophole.

By its opposition to these efforts to increase revenue on the basis of ability to pay, and its insistence upon increasing revenue through more sales taxes, the administration reveals that its real interest is in shifting the tax burden off the upper brackets and onto the lower and middle income groups. Watch for new sales tax proposals to be pushed, if the pressure of the administration for a boost in the gasoline tax succeeds.

I pledge to you that I shall not be a party to these efforts.

Mr. MORSE. Mr. President, in a recent newsletter to my mailing list I discussed the subject of "Dispute Over Gasoline Tax Continues." I ask unanimous consent that it be printed 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:

DISPUTE OVER GASOLINE TAX CONTINUES

The House of Representatives, which must originate tax legislation, is still split over the financing of the highway program. At one time, its tax committee agreed to 1 cent of the 1½ cents a gallon boost requested by the administration. But a proposal to raise it one-half cent and also use for highways some of the 10 percent automobile sales tax which now goes into the Treasury is also under consideration.

Whatever proposal comes to the Senate floor, I shall continue to work for allocation of some of the other auto taxes to roadbuilding, or general appropriations for it. Motor taxes should not be expected to support both roadbuilding and other services of Government. General services of Government should be paid for with taxes based on ability to pay. Sales taxes are just the opposite. They are called "regressive," because they take a bigger percentage of the little fellow's income than of the big fellow's.

The telephone tax, transportation tax, and gas tax are good examples of regressive sales taxes levied upon necessities. They are not even proportionate, because proportionate taxes take the same percentage of everyone's income. Our Federal income tax is progressive, because it takes a larger percentage as income goes up. It is a true ability to pay tax.

Actually, I share the view of Senator GORE, of Tennessee, Senate author of the Highway Act of 1956, that it was unwise to require the Federal share of new roads to be paid for entirely by a few of the several highway use taxes. A good road system is a general service of government which benefits the whole economy. The need in underdeveloped countries for roads which will aid their business and commerce is often given to the Senate Foreign Relations Committee as a reason for sending them large amounts of money.

Better to close the many tax loopholes enjoyed by big business and big taxpayers to bring additional revenue into the Treasury than raise the gas tax. The Senate voted a few weeks ago to close the loophole for dividend income, and thereby bring \$335 million into the Treasury, well over half the amount another cent of gas tax would bring in. But the administration strongly opposed

that change, and it was lost in conference with the House of Representatives.

There are also excessive amounts in the President's budget for foreign aid which are being saved by Congress. We have already cut \$400 million from his foreign aid budget, and I think more will be cut when we actually appropriate the money for it.

Because the economic argument for a higher gas tax is so thin, it is evident that it is really another effort to change from ability-to-pay taxes to sales taxes, and thus shift more of the tax load onto low- and middle-income groups. Watch for more sales taxes to be pushed in the future, if this effort to raise the gasoline tax succeeds.

Mr. MORSE. Mr. President, on still another date I discussed in a newsletter my views in opposition to an increase in the Federal gasoline sales tax. I ask unanimous consent that this material be inserted at this point in my remarks.

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

ADMINISTRATION PUTS SQUEEZE ON CONGRESS

Another phase of political pressure technique in the closing days of a session of Congress is White House attempts to force through expedient measures. The present administration is very adept at these squeeze plays of political expediency. Such legislative proposals are offered as an expedient way of meeting some emergency situation rather than coming to grips with the problem by the passage of long-term legislation containing solutions fair to all.

A good example of political expediency is the drive now on by this administration to pass a law that amounts to a higher sales tax to be imposed upon the users of automobiles to pay for highway construction. This proposal by the White House to increase the Federal gasoline tax from 3 cents a gallon to 4½ cents is blatant expediency and it is grossly unfair.

If you would really like to see what pressure mail sent to a Senator contains, you should read some of my heavy mail urging me to vote for a 1½ cents per gallon increase in the Federal gasoline tax. The administration and the lobby at work for this Federal sales tax are "riding herd" on Congress these days, but I have no intention of being roped in. It is an unfair tax proposal, and all the rationalizations of its proponents can't make it a sound tax based upon the fundamental tax test of ability to pay.

In many States, including Oregon, the important highway construction program authorized in 1956 has come to a halt because the highway trust fund has run out of cash. Under the 1956 law, new highway user taxes, and an increase in the gasoline tax were levied to finance highway construction. Now, however, the fund is depleted, and construction has been suspended in many States. To remedy the situation, the President insists that the gasoline tax be raised another 1½ cents a gallon on top of the present 3 cents Federal tax.

Once again the public is not being given the facts. It is not being told that an increase in the Federal gasoline tax is both unnecessary and unfair. In urging this remedy, the President does not mention that 42 percent of all the various highway use taxes got into the general Treasury, and only 58 percent of the tax collection goes into the highway trust fund for road construction purposes.

If all these taxes went into the highway trust fund, there would be enough money in the fund to keep the road construction program going on schedule. The public is not being told that none of the 10 percent excise tax on new cars goes into the road construction trust fund, nor does any of the Federal tax on lubricating oil, auto-

mobile parts and automobile accessories. Only one-half of the excise tax on trucks, buses, and trailers goes into the fund.

As long as this is true, I do not feel that I can justify voting for another boost in the Federal gasoline tax on the basis of the lame excuse that it is needed for highway construction. I believe we should require all highway use taxes to go into the highway trust fund, or at least as much as is necessary to keep the road construction program on schedule. If more money than that is needed for roadbuilding purposes, then I believe Congress should appropriate money out of the Treasury itself to keep the authorized road construction program going.

WHY I OPPOSE RAISE IN GAS TAX

First, I think the present 3 cents per gallon Federal gasoline tax is high enough to cover the fair share that the gasoline user should be expected to pay toward highway costs. Don't forget that there are many other Federal excise taxes that the automobile owner must pay in addition to the gasoline tax. Also, don't forget that the user of an automobile is not the only one who benefits from the construction of a road.

Every economic interest that is served by a new road benefits, the owners of real estate along the road and every business to which the road helps to bring customers is benefited. In fact, the entire economic life of each community served by the road is enriched by its construction. Is it fair, therefore, to require the motorists to assume the cost of building the road just because it is easy and convenient to impose a gasoline sales tax and other forms of automobile sales taxes upon them, irrespective of their ability to pay?

All the economic interests of the community should be expected to chip in and help pay for this new capital asset which helps the economy of the entire area. It is my view that such capital investments as roads bring direct and indirect benefits to all the people and therefore, their major cost should be paid out of the general funds of the Treasury.

Second, excise taxes, such as a sales tax on gasoline and automobiles, are regressive taxes. They discourage purchases. They tend to restrict our economy; when we need an ever-expanding economy. I am very much opposed to an extension and enlargement of the excise tax policy. For several years, I have warned the people of our country to be on guard against attempts to use specific sales taxes as a back door approach to the imposition of a general Federal sales tax.

There are selfish economic groups in our country which, in reality, are best able to pay general taxes, but which are hard at when the cry is raised in the Halls of Congress to increase user taxes and sales taxes in order to relieve themselves of some of the taxes which, in all fairness, they should be expected to pay because of their ability to pay. I have no intention of helping promote their selfish aims by voting for an increase in a gasoline sales tax.

That leads me to point out that tax economists generally agree that excise and sales taxes bear no economic relationship to ability to pay taxes. They are usually adopted by politicians as the line of least resistance when the cry is raised in the Halls of Congress that some meritorious program like the road construction program is about to come to an end unless some funds are raised quickly. It is the line of least resistance because the highway contractors and construction unions are organized, but most motorists are not.

However, that is no justification for taking unfair tax advantage of automobile users simply because the politicians know that the use of the automobile has become an absolute necessity in modern American society. Rather, it is our duty as legislators to pass

fair tax legislation to meet this highway trust fund emergency.

MORE HIGHWAY-USE TAXES SHOULD BE DEVOTED TO ROAD CONSTRUCTION

Why doesn't the present administration do it? Why doesn't the administration recognize the fairness of requiring that all the money which is now collected from the various automotive sales taxes should go into the highway trust fund for roadbuilding purposes?

Senator GORE of Tennessee, who is the author of the highway bill that brought the highway trust fund into being, has proposed amendments which would do just that. I am supporting those amendments. Senator GORE has proposed amendments to devote 100 percent of the Federal tax now collected on trucks and buses, 50 percent of the tax on lubricating oil, 50 percent of the tax on automobiles, and 100 percent of the tax on automobile parts and accessories to the highway trust fund for roadbuilding purposes. He points out that these revenues, in addition to the present 3 cents per gallon Federal tax on gasoline, amount to about \$964 million. This would be enough to keep the roadbuilding program on schedule. In fact, an increase of 1½ cents in the Federal gasoline tax would raise only \$800 million per year.

THE BALANCE-THE-BUDGET SCARECROW

The administration is opposing Senator GORE's proposal and insisting upon a 1½-cent-per-gallon increase in the Federal gasoline tax because it is a part of the President's balance-the-budget program. Even if we take them at their word, this is no way to balance the budget because it is not based upon the fair principle of ability to pay.

I, too, want to balance the administrative costs of Government with Government income, but I want our tax revenues to be derived from those who ought to pay them, rather than from those whom it is easy to victimize with various regressive excise and sales taxes.

My answer to the administration is that if it sincerely wants to avoid any deficit in connection with highway programs, let it agree to devote all of the highway user taxes to highways, and then make up any losses to the general funds of the Treasury by closing up the tax loopholes now available to big corporate enterprises and personal income taxpayers. The administration's proposal for an increase in gasoline taxes is another way of shifting more of the tax burden off the big fellow onto the consumers.

One of the reasons I fought so hard to eliminate hundreds of millions of dollars of waste in the foreign aid program was to make the necessary savings for many vitally needed domestic programs such as the highway construction program. Since we passed the foreign aid program in the Senate, the President's own special commission on foreign aid has issued a report in which it, too, points out that there is a great deal of waste in foreign aid.

Again, let me say I am for a sound foreign aid program based primarily upon loans for needed projects that will help the standard of living of the people in underdeveloped countries; but I am against the inexcusable waste of the American taxpayers' money that now honeycombs our foreign aid program. Let the budget balancers show their good faith by joining with us in stopping that waste.

Mr. MORSE. Mr. President, these materials which I have just inserted in the RECORD contain brief summaries of my reasons why I will never vote in the Senate, in view of the present economic situation of this country, for placing a greater burden on the people least able

to pay by imposing a higher and higher gasoline tax upon them.

I take the position, Mr. President, in regard to the building of the highways, that it is the responsibility of all the people of the United States to pay for their construction. The burden should not just fall upon those who happen to drive on the highways, because the highways serve all economic interests. Highway construction ought to be paid for out of the Treasury of the United States. We ought to raise taxes based upon ability to pay, Mr. President, and pay for those highways. We ought not follow the line of least resistance, which I think we are following tonight, and that is, to impose an unfair tax upon those who have the least ability to pay.

Mr. RANDOLPH. Mr. President, it was my purpose to speak on this subject. We need affirmative action now to continue the highway program.

I realize the compulsion under which we toil, and I ask unanimous consent that the remarks I had intended to make be included in the RECORD at this point.

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

AFFIRMATIVE ACTION NECESSARY TO CONTINUE HIGHWAY PROGRAM

One month ago I spoke in this Chamber and called attention to what I then termed the immediate effects of three stalemates upon the domestic economy of this country. Reference was made to the breakdown of negotiations between management and labor which brought on the protracted steel strike. Then I mentioned the variance of views of the President and the Congress on housing and highway legislation. Neither of the first two of these impasses, the steel strike and housing legislation problems, is any closer to being set aside by solution. In fact, in each instance the country is further away than it was 1 month ago from being the beneficiary of the good that would accrue to the economy and the social order if we were to have a settlement of the steel strike and adequate new housing legislation on the statute books.

It was demonstrated that men of understanding can work toward the desired end of sensible compromise when the committee on conference produced a report that brought many opposites into consonance through the application of give-and-take. The same should have been true with respect to labor-management collective bargaining in the steel industry and certainly there is no reason for an even worse stalemate to have been brought about with respect to housing legislation by another Presidential veto.

In speaking of the situation as it pertained to the housing problem, I stated that the Senate already had achieved sensible compromise when it accepted the conference committee report on the first housing bill passed by the 86th Congress. I remarked then and reiterate with emphasis now, we can cooperate, when possible, with the executive branch, but we must not abdicate.

Yes, we still have the steel strike as a stalemate blight upon our country's economic progress, and we have another White House sponsored impasse on public housing legislative authority.

But we may be only a step away from bringing to an end the third distressing stalemate to which I referred, on which occasion I deplored the lack of positive action and apparent unwillingness or inability to compromise positions necessary to solve the perplexing problem of highway finance policy and programing.

It was then that I said, too, that we are approaching an economic disaster period, at least in degree, when we trifle with progress in the building and construction industry of the United States—an authority which is dedicating itself to necessary housing and highway programs.

I have opposed an increase of the Federal tax on gasoline as long as taxes paid by highway users to the Federal Government are not dedicated wholly or in substantial part to help pay the national share of the Federal-State highway construction and maintenance programs.

It would be my preference that the gasoline tax be reserved to the States en toto if all other factors in the equation were equal.

At this time, however, a compromise seems to be forced upon us by the exigencies of Executive Department policies and demands on the one side and the pressure of time requirements on the other.

Our first consideration must be that of sustaining the country's highway program which, in turn, ties in so closely with extremely important elements of our economic pattern.

It seems important, in this connection, that we bring into focus the impact of the highway program upon the total economy, and to understand why we must take vital action now, even if it is on the basis of a compromise arrangement for which a substantial number of us as individuals have less enthusiasm than we might have for a measure which would not call for increasing the Federal tax on gasoline.

Since 1957, the highway construction dollar has been expended on an average as follows: 27 percent for labor; 44 percent for materials; 29 percent for equipment and overhead.

For each \$1 billion of highway investment expenditure, 228 million man hours of work have been provided. In terms of payroll, this represents approximately \$500 million per \$1 billion of total highway spending.

This same \$1 billion of highway expenditure for construction also contributes to gross national product, in part, as follows: 510,000 tons of steel; 995,000 tons of bituminous materials; 16 million barrels of cement; 18½ million pounds of explosives; 76½ million tons of aggregate; 122 million gallons of petroleum products.

In addition to these statistics, it is important to bear these figures in mind, too.

For each \$1 billion in excess of the annual rate of \$5.8 billion of highway construction, 345,584 pieces of construction equipment and 22,500 vehicles—cars and trucks—have been contributed to the gross national product.

Indeed, much of the stability of the country's economy hinges upon the progress of the construction industry, the heavy construction equipment industry, and the supporting supply industries.

By the same token, as the new chairman of my home State's newly formed economic development agency, Lawrence Rogers, is pointing out in a statement this weekend, "Without a comprehensive road program, the State's economic development agency will be virtually powerless to achieve its aims," because "a State master plan is meaningless without the road system to make it work."

Doubtless, the same situation obtains with respect to most States and, as we are fully aware, each State has come to the point of planning its highway network largely around the Federal Interstate or the Federal ABC authorizations and actual allocations made to it by the U.S. Bureau of Public Roads.

In the light of these facts, we have a duty to provide positive action—and without delay—to come to grips with a compromise solution which will provide immediate relief for the pressing problems in West Virginia and the Nation without creating a disastrous delaying action or a stretch-out

which would retard highway progress, severely lessen needed employment and force the impairment or liquidation of many construction companies and allied businesses and industries.

Mr. LAUSCHE. Mr. President, to some of my constituents back home I have repeatedly made statements to the effect that as between financing the highway trust fund by taking moneys out of the general fund, which is now in stringent straits, on the one hand, and decelerating the program, on the other, they would choose the latter. The bill before the Senate provides that there shall be taken out of the general fund, in 1962, \$800 million. The general fund cannot stand that. I will not vote for the bill.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The bill having been read the third time, the question is, shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNING], the Senator from North Carolina [Mr. JORDAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Conference in Warsaw, Poland.

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Wyoming [Mr. McGEE]. If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Wyoming would vote "yea."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Florida would vote "yea."

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNING], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Kansas [Mr. SCHOEPP] are detained on official business.

If present and voting the Senator from South Dakota [Mr. CASE] and the Senator from Nebraska [Mr. HRUSKA] would each vote "yea."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Arizona would vote "nay."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

The result was announced—yeas 70, nays 11, as follows:

YEAS—70

Alken	Fong	Monroney
Allott	Frear	Morton
Anderson	Fulbright	Moss
Bartlett	Gore	Mundt
Beall	Gruening	Muskie
Bennett	Hart	Neuberger
Bible	Hayden	Pastore
Bush	Hickenlooper	Prouty
Butler	Hill	Randolph
Byrd, W. Va.	Holland	Russell
Capehart	Humphrey	Saltonstall
Carlson	Jackson	Scott
Carroll	Javits	Smith
Case, N.J.	Johnson, Tex.	Sparkman
Chavez	Keating	Stennis
Clark	Kefauver	Symington
Cooper	Kerr	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Long, Hawaii	Wiley
Dodd	McCarthy	Williams, Del.
Douglas	McClellan	Williams, N.J.
Dworshak	McNamara	Young, Ohio
Eastland	Magnuson	
Engle	Martin	

NAYS—11

Byrd, Va.	Langer	Proxmire
Cannon	Lausche	Robertson
Ervin	Long, La.	Young, N. Dak.
Johnston, S.C.	Morse	

NOT VOTING—19

Bridges	Hartke	Murray
Case, S. Dak.	Henning	O'Mahoney
Church	Hruska	Schoeppel
Dirksen	Jordan	Smathers
Ellender	Kennedy	Yarborough
Goldwater	McGee	
Green	Mansfield	

So the bill (H.R. 8678) was passed.

Mr. KEATING. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. BYRD of West Virginia in the chair) appointed Mr. CHAVEZ, Mr. KERR, Mr. McNAMARA, Mr. COOPER, and Mr. MARTIN conferees on the part of the Senate.

CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on

Monday after the morning business, there be a call of the calendar for the consideration of measures to which there is no objection, beginning with Calendar No. 812.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

Mr. MAGNUSON. Mr. President, will the Senator yield? At what time is it expected the Senate will meet on Monday?

Mr. ANDERSON. Objection has been made to the call of the calendar.

Mr. JOHNSON of Texas. We will have to see what time the Senate takes a recess. Objection was made to the call of the calendar on Monday.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 518, S. 1748.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Will the majority leader tell us what the bill is?

Mr. JOHNSON of Texas. It is the bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes; the bill which was previously under consideration and which was displaced in order to take up the bill just passed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time limitation in connection with Senate bill 1748, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, not begin to run until the bill is laid before the Senate on Monday.

The PRESIDING OFFICER. Without objection—

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

REPORTS OF COMMITTEE ON PUBLIC WORKS

Mr. CHAVEZ. Mr. President, I submit reports from the Committee on Public Works.

PRINTING OF REVIEW OF REPORTS ON CENTRAL AND SOUTHERN FLORIDA PROJECTS, KISSIMEE RIVER BASIN (S. DOC. NO. 53)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting an interim report dated April 8, 1959, from the Chief of

Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of reports on central and southern Florida projects, Kissimee River Basin—Nicomodemus Slough area—requested by the Committee on Public Works, U.S. Senate, adopted November 15, 1954. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection—

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. In regard to the first matters the Senator from New Mexico sent to the desk, do I correctly understand that the Senator from New Mexico has filed reports from the Committee on Public Works?

Mr. CHAVEZ. Yes, from the Committee on Public Works.

The PRESIDING OFFICER. That is correct; and the Senator from New Mexico has asked to have a document printed.

Mr. MORSE. I thought he requested that the second one be printed as a document.

Mr. CHAVEZ. One is a letter from the Army Engineers, making a report on a project in Florida. The other were incidental bills reported by the Committee on Public Works, for the calendar.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Do I correctly understand—

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry: In whose time are we now proceeding? I asked that the time required for the making of insertions in the Record, and so forth, not be charged to the time available to either side under the limitation; but objection was made; and we are now under controlled time.

The PRESIDING OFFICER. Some Senator who has time under his control will have to yield time before any Senator can make a statement at this time.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is there not before the Senate a unanimous-consent request by the Senator from New Mexico?

The PRESIDING OFFICER. Will the Senator state his inquiry again?

Mr. MORSE. Is there not before the Senate a unanimous-consent request by the Senator from New Mexico?

The PRESIDING OFFICER. The Chair asked whether there was objection to the request for the printing as a document of the material then submitted.

Mr. MORSE. And I proceeded at once to propound a parliamentary inquiry, preparatory to deciding whether I would object.

I respectfully point out to the Chair that I am in a position to reserve the

right to object, and I do reserve the right to object; and if I cannot have time in which to inquire about this matter, I will object.

Mr. JOHNSON of Texas. Mr. President, a moment ago, I asked unanimous consent that all Senators might be allowed time in which to make insertions in the Record and to present other matters, and that the controlled time not begin to run until Monday, so that Senators could now make insertions in the Record and unanimous-consent requests, and so forth.

I renew that request.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

I object also to the filing of the papers, and so forth, to be printed as a document.

PRINTING OF CERTAIN NUMBER OF COPIES OF INVESTIGATION INTO FINANCIAL CONDITION OF THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President—

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from New Mexico [Mr. ANDERSON].

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. Mr. President, on behalf of the senior Senator from Virginia [Mr. BYRD], and the chairman of the Finance Committee, I submit a resolution for which I request immediate consideration.

The PRESIDING OFFICER. The resolution will be read, for the information of the Senate.

The resolution (S. Res. 187) was read, as follows:

Resolved, That there be printed for the use of the Committee on Finance two thousand five hundred copies of an analysis (part 7) of the hearings entitled "Investigation of the Financial Condition of the United States," held by that committee during the 85th Congress.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the resolution? The Chair hears none.

Mr. MORSE. Mr. President, reserving the right to object, let me say that I have no objection to the resolution, as I explained to the Senator from New Mexico, to whom I talked about this matter some time ago.

Mr. ANDERSON. Mr. President, adoption of the resolution is necessary, because the present stock of the hearings has been exhausted. Five thousand five hundred copies were printed; but the requests made by Senators have exceeded that supply.

Therefore, I should like to have the resolution agreed to.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 187) was considered and agreed to.

REPORTS OF A COMMITTEE—PRINTING OF REVIEW OF REPORTS ON CENTRAL AND SOUTHERN FLORIDA PROJECTS, KISSIMEE RIVER BASIN (S. DOC. NO. 53)

Mr. CHAVEZ. Mr. President—

Mr. JOHNSON of Texas. Mr. President, I shall be glad to yield to the Senator from New Mexico [Mr. CHAVEZ], if he wishes to make a statement.

Mr. CHAVEZ. Mr. President, I would plead with my good friend, the Senator from Oregon, in connection with the request I have already made. I have reported three bills from the Committee on Public Works. I am not trying to use the time available to any other Member of the Senate or to take advantage of any Senator.

After the committee has taken action on the bills and after they are ordered reported to the Senate, I think it only fair that I be permitted to report them to the Senate.

The PRESIDING OFFICER. Is there objection to receiving the reports submitted by the Senator from New Mexico?

Mr. MORSE. Mr. President, reserving the right to object, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. In reporting the bills from the Committee on Public Works, is the Senator from New Mexico placing those measures in a position in which they may be considered by the Senate, under the rule, after they have been before the Senate for the definite period of time called for by the rule, which, according to my recollection, is 3 days?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the measures reported are not general appropriation bills; thus, the measures reported can be considered after 1 legislative day has intervened.

Mr. MORSE. I thank the Chair. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

The Chair hears none.

Without objection, the reports will be received, and the bills will be placed on the calendar.

The reports are as follows:

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 2362. A bill to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project (Rept. No. 912); and

H.R. 7125. An act to provide for a study of the feasibility of establishing the President Adams Parkway (Rept. No. 910).

By Mr. CHAVEZ, from the Committee on Public Works, with an amendment:

S. 793. A bill to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams (Rept. No. 911).

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico for the printing of a Senate document?

The Chair hears none; and it is so ordered.

PROGRAM ON MONDAY

Mr. JOHNSON of Texas. Mr. President, does any other Senator desire me to yield to him at this time?

If no Senator now desires that I yield—

Mr. HUMPHREY. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. Will the majority leader give us some guidance and direction relating to the procedure on Monday morning, in connection with Senate bill 1748?

On Monday commence, after the prayer, will there be a morning hour; or will the Senate proceed forthwith after a quorum call, to resume the consideration of Senate bill 1748 and the amendments thereto?

Mr. JOHNSON of Texas. I am afraid I cannot give the Senator that information.

I should like to have the Senate have a morning hour on Monday, and I should like to have Senators be able to transact the public business. But that must be done under a unanimous-consent request; and I do not know whether the request will be objected to or not.

I plan to make the request, as I have done numerous times today, and for the last several days.

Mr. President, I now ask unanimous consent that on Monday, there may be the usual morning hour for the transaction of routine business, including the submission of petitions and memorials; and that statements in connection therewith be limited to 3 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I suggest that, in view of the lateness of the present hour, we agree that the request be renewed on Monday morning.

As of now, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. I say to the Senator from Minnesota that is the answer to his question.

Mr. HUMPHREY. Mr. President, will the majority leader yield further?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. I understood the Senator from Oregon to say that in view of the lateness of the present hour, he would prefer to have that request renewed on Monday morning.

I have a feeling that the Senator from Oregon will be cooperative.

Let me add that if there is objection, then I understand that the Senate will proceed at that time to resume the consideration of Senate bill 1743, and to consider the amendments to that bill, as laid before the Senate.

Mr. JOHNSON of Texas. That is correct.

Mr. HUMPHREY. The bill is now before the Senate; is it not?

Mr. JOHNSON of Texas. That is correct.

Mr. HUMPHREY. And if the Members of the Senate wish to submit certain routine business, a Senator who then had

the floor could yield for that purpose—unless, of course, there were objection.

Mr. JOHNSON of Texas. Yes. But if a Senator objected, the Senator who then had the floor could yield only for a question.

Mr. HUMPHREY. Yes.

Let me state that I have a feeling that we shall be a much happier body about 24 hours from now; in fact, I hope it will not take even that long.

Mr. JOHNSON of Texas. I would hope so.

Mr. HUMPHREY. I think we will.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

RESOLUTION OF COUNCIL OF CHIEFS, ST. REGIS TRIBE OF INDIANS OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the Record a resolution adopted by the Council of Chiefs of the St. Regis Tribe of Indians in New York State, relating to the leasing of lands owned by that tribe.

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

"Whereas the American St. Regis Indian Reservation in New York State is located adjacent to the St. Lawrence River; and

"Whereas the said Indian reservation lands are the only lands still available in the United States and east of the first locks in the St. Lawrence Seaway for industrial and commercial purposes; and

"Whereas the St. Lawrence Seaway has made the availability of such lands of tremendous importance toward industrial and commercial progress in the United States; and

"Whereas, we, the Council of Chiefs of the St. Regis Indian Tribe of American Indians, recognize that possible leases of some of the lands of our reservation in this area would inure to the benefit of the tribal membership; Now, therefore, be it

"Resolved, That we, the Council of Chiefs of the St. Regis Tribe of Indians in New York State, residing upon our reservation at Hogsburg, N.Y., recommend that legislation be adopted by Congress declaring that lands owned by the St. Regis Tribe of Indians may be leased for such purposes and for such periods as may be permitted by the laws of the State of New York."

The clerk of our tribe is hereby directed to forward a copy of this resolution to those representatives in our U.S. Government and other officials for the purpose that such legislation may be adopted at the present session of Congress or any future session.

Dated the 31st day of August 1959.

MARGARET C. LAZORE,

Clerk.

INTEREST RATE ON SERIES E AND H U.S. SAVINGS BONDS—SUPPLEMENTAL VIEWS

Mr. JOHNSON of Texas. Mr. President, I send to the desk the supplemental views of the Senator from Illinois [Mr. DOUGLAS] and the Senator from Minnesota [Mr. MCCARTHY], on the bill (H.R.

9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes. I ask unanimous consent that the supplemental views may be printed as a part of Senate Report No. 909.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. The majority leader is sending to the desk the supplemental views of members of a committee which has made and filed a report. Is that the request?

The PRESIDING OFFICER. Yes.

Mr. MORSE. I have no objection.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS of New Jersey:

S. 2650. A bill for the relief of Jadwiga Kyzenewski and daughter, Barbara Binienda; to the Committee on the Judiciary.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO TECHNICAL CHANGES IN CERTAIN EXCISE TAX LAWS—AMENDMENT

Mr. JAVITS (for himself and Mr. DOUGLAS) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8725) to amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes, which was ordered to lie on the table and be printed.

HIGHWAY ACT OF 1959—AMENDMENT

Mr. BRIDGES submitted an amendment, intended to be proposed by him to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-Aid highway program, and for other purposes, which was ordered to lie on the table and be printed.

LIMITATION OF APPLICABILITY OF ANTITRUST LAWS TO EXEMPT CERTAIN ASPECTS OF DESIGNATED PROFESSIONAL TEAM SPORTS—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the name of the Senator from Illinois [Mr. DOUGLAS] may be added as an additional cosponsor of the bill (S. 2545) to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other

purposes, introduced by me and other Senators on August 17, 1959.

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

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

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

By Mr. KEFAUVER:

A statement by him in support of S. 2540, relating to automatic promotions of certain officers upon retirement.

By Mr. KEATING:

Statement by him on the prospective sine die adjournment of Congress.

By Mr. WILEY:

Editorial entitled "It's Time for Young People To Learn That They Owe Something to Society," published in the LaCrosse (Wis.) Tribune, on September 1, 1959.

News release prepared by him, entitled "Wiley Says Laos Crisis Creates More Evidence for Need of U.N. Police Force," dated September 6, 1959.

Text of broadcast recently made over Wisconsin radio stations relating to the legislative work of this session of Congress.

RECESS TO MONDAY AT 9 A.M.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate now stand in recess until Monday, at 9 o'clock a.m.

The motion was agreed to; and (at 12 o'clock and 10 minutes a.m., on Sunday, September 6, 1959) the Senate took a recess until Monday, September 7, 1959, at 9 o'clock a.m.

HOUSE OF REPRESENTATIVES

SATURDAY, SEPTEMBER 5, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Mark 5: 36: *Be not afraid, only believe.*

Almighty God, as we daily encounter unknown and untried experiences, may we commit ourselves to Thy divine providence with courage and hope, claiming Thy promise, "I will never fail thee nor forsake thee."

We cannot ask for anything more and dare not ask for anything less than the assurance of Thy presence, Thy peace, and Thy power in our longings and labors to discharge faithfully and for Thy glory the tasks and responsibilities which are ours.

Help us to subdue and conquer every self-centered ambition and desire and may our minds and hearts be stirred with new vistas of blessedness and new visions of service for all the needy members of the human family.

Hear us in the name of the Master who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2457. An act to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2181) entitled "An act to amend the Mineral Leasing Act of February 25, 1920," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. MOSS, and Mr. ALLOTT 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. 8575) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate concurs in the amendment of the House to the amendment of the Senate numbered 2 to the above-entitled bill.

The message also announced that the Senate recedes from its amendment No. 1 to the bill (H.R. 7040) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate, having proceeded to reconsider the bill (S. 2539) entitled "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," returned by the President of the United States, with his objections, to the Senate, in which it originated, it was

Resolved, That the said bill do not pass, two-thirds of the Senate present not having voted in the affirmative.

LEGISLATIVE BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker on Thursday of next week, as well as the remainder of next week, to recognize to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, I shall have to object until we know what bills are to come before the House.

Mr. McCORMACK. Well, the gentleman, of course, is aware of the fact, or ought to know—and I am sure he does—that the majority leader, who happens to be me, would keep the House advised as